

Long-Term Impact of COVID-19 on the Commercial Truck Industry - by Jeff Robbins

In early March, the world changed. The COVID-19 pandemic became real for so many people around the country and world. The adoption of shelter-in-place models, as well as social-distancing has led to changes that will impact how everyone works, shops, or interacts socially. However, so many activities and occupations that we do have minimal impact on society at large, determining how these roles and functions are impacted is hard to predict.

As we look at the Commercial Truck industry, there are so many components that must be considered when thinking about the long term effects of COVID-19. Consumer demand, availability of capacity, how movement of materials happens, and the overall supply chain all play a role in determining the overall impact and what that looks like for the Commercial Trucking industry.

In a recent article, the Institute of Supply found that nearly 75% of companies are already reporting supply chain disruptions in some capacity due to coronavirus-related transportation restrictions. And more than 80% believe their organizations will experience some impact because of COVID-19 disruptions.

The long term impact of this is hard to determine, but it will impact the Commercial trucking industry, in terms of capacity, support, and innovations. The recovery also could be lengthy, in order for alternative supply sources to get up to speed, and shipments that were delayed due to the outbreak, slowly ramp up as the virus is controlled in areas that saw outbreaks first.

During past major events that have caused economic or social unrest, innovation is oftentimes the byproduct of such events. In the Commercial truck industry, with the outbreak of COVID-19 causing truck drivers to be infected, the Federal Motor Carrier Safety Administration lifted regulations that stipulated a maximum of 11 hours of working during a 14-hour workday. This has been done primarily to offset the issue of driver shortage, shedding light on the perils of working during a full-blown pandemic.¹

This has led many in the industry to begin looking at middle mile and last mile, driverless, autonomous options and determining if these innovations can solve the driving shortage caused by social distancing and illness brought on by COVID-19. Companies like Google, IBM, Apple, Uber and even Amazon, which have all invested heavily in making autonomous vehicles a reality.

Another possibility for autonomous trucks in the long-haul market is the concept of truck platooning. Platooning happens when a human-driven truck is followed by a few autonomous trucks, with the autonomous trucks imitating the driving maneuvers of the lead truck. Apart from reducing the number of truckers required to move freight, platooning also increases fuel efficiency. Trucks following one another spaced out in equal intervals help them dramatically reduce wind resistance, thereby decreasing fuel consumption.²

The other area of potential improvement in the face of COVID-19 is in the area of delivery. The COVID-19 pandemic has challenged almost every supply chain globally to rethink its members' face-to-face

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interactions. From the loading dock to the front door, freight carriers must do their best to ensure that packages are the only thing transmitted throughout the supply chain.

“From the final-mile perspective, we’re starting to see touchless PODs (proof of delivery) become standard as customers aren’t interacting physically with drivers,” said John Hagi, AIT’s Director of Residential Delivery and Special Services. “This means no handshakes or the exchanging of documents or signatures.”³

Another area that has grown during the pandemic, that could see life in the world of normalcy are in the areas of uptime support and telematics. A number of manufacturers have turned to enabling customers to connect with highly trained uptime experts for 24/7 assistance to quickly manage service, connectivity solutions, schedule repairs, and tackle any other issues they experience amid the pandemic to ensure maximized uptime.⁴

With the new norm seeing social distancing hit every industry, positions that were once required to be supported onsite or from a call center are even changing. Manufacturers Volvo and Mack, support uptime support by recognizing the criticality of ongoing reliable support, both truckmakers strategically planned for conditions that would enable agents and other uptime support employees to work from home so that when and if the time ever came, everyone was adequately prepared.⁵

Demand within the industry remains strong. With order and delivery in place for many that are still leery about venturing out, this means repair and replacement are strong components for the industry. Search queries for all classes of commercial trucks remain strong. Support for the industry through the government is also strong, with the passing of an additional \$380 billion. \$320 billion in additional funding for the popular Paycheck Protection Program (PPP), as well as \$60 billion in additional funding for Economic Injury Disaster Loans (EIDLs).

The long-term prospects are highly dependent on when normalcy returns. Up to this point, the COVID-19 pandemic has seen adaptation, as well as flexibility on the part of large companies, and support for small businesses. Only time will tell when the virus is controlled and full recovery can begin, however, the creativity and ingenuity of the industry paints a positive outlook.

¹<https://www.freightwaves.com/news/will-covid-19-accelerate-the-adoption-of-autonomous-vehicles>

²<https://www.freightwaves.com/news/will-covid-19-accelerate-the-adoption-of-autonomous-vehicles>

³<https://www.freightwaves.com/news/touchless-delivery-may-become-post-pandemic-standard-protocol-2>

⁴<https://www.truckinginfo.com/357269/volvo-and-mack-committed-to-uptime-support>

⁵<https://www.truckinginfo.com/357269/volvo-and-mack-committed-to-uptime-support>

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