FleetAnswers.com

Telematics and GPS Survey

Selection of Service Providers, Barriers of Adoption & Preferred Media Sources

Overview

Telematics and GPS (global positioning systems) provide significant benefits to fleet leaders. Many companies use these technologies to control costs, increase efficiency and productivity, and improve driver behavior and safety, among many other things. When choosing a telematics or GPS provider, today's fleet managers have a wide range of choices at their disposal.

As demand for telematics and GPS increases in the fleet industry, understanding what fleet leaders prioritize when selecting providers, the media they rely on to learn about fleet services, and the effectiveness of media and communication sources are crucial for service providers and those companies who create these systems. The following survey results offer valuable insights into media consumption preferences and current industry trends.

Sixty-four fleet professionals from a range of industries, fleet types, and sizes participated in the survey. This survey focused on the 36% of respondents who are not using telematics or GPS in their fleet but who may be in the market for one in the future.

Survey participants were almost evenly divided between fleet leaders for government agencies, and publicly or privately held commercial operations. While participants represent fleets of all sizes, majority of them work in companies with a fleet size of 1,000 – 5,000 units. The respondents represent a range of industries from government, utility and retail to maintenance services and car sharing.

Some interesting findings:

- **Monthly data cost was the top factor influencing future selection of telematics or GPS provider.** The majority of fleet leaders who do not currently use telematics or GPS indicated that monthly data cost, followed by depth and scope of reporting, and scalable solutions with proven results, were among the top three factors influencing their selection of providers when or if they decide to use such technologies.

- **Increased fueling saving was the most important metric affecting purchase decision**. The majority of fleet leaders (79%) rated increased fuel saving to be an important or most important metric affecting their decision to use telematics or GPS. Improved driver behavior (74%) and driver safety (71%)

were among the three most important metrics influencing fleet leaders' decision to purchase telematics or GPS.

- **Costs were the most compelling barriers to adopting telematics or GPS.** The majority of fleet leaders indicated that monthly data cost (70%) and device cost (57%) were the top two barriers to adoption. Potential driver resistance and skepticism of earning an ROI (both at 48%) tied for the third most common reason for not using telematics or GPS.

- **Webinars were the top most effective ways for vendors to share information about telematics or GPS**. Of all the methods of communication, the most effective method to learn about telematics or GPS was through webinars, followed by online demonstrations by service provider and then case studies.

So what does this mean for telematics/GPS providers and fleet leaders looking to adopt such technologies?

- Providers could price the monthly data cost more competitively to address the 80% of fleet leaders who selected monthly data cost as a barrier to adoption indicated that it was also a significant or the most significant factor influencing their decision to purchase telematics or GPS for their fleet. Providers could also focus on key benefits and quality of data reporting or scalable solutions with proven results to justify the monthly costs.

- Since potential driver resistance was a "significant to most significant" barrier to purchasing telematics or GPS, providers could coach, provide materials or suggest strategies (e.g. talking points, brochures or sample policies) to help fleet leaders reduce driver resistance. Alternatively, fleet leaders could reduce driver resistance by highlighting the safety benefits of telematics to drivers, implementing driver recognition programs and incentives, creating policies to allay the fear of abuse by drivers, among others.

- Providers looking to share information about their services with fleet leaders could include in their marketing budget attendance and booths at conferences or industry events, increasing product awareness in industry associations as well as online communities.

This is part 2 of the telematics and GPS survey report. **Part 1** of the Telematics survey report focused on survey respondents who used telematics or GPS in their fleet and on areas they felt worked well and areas that were lacking, which will help impact future purchase decisions.

Factors Influencing Selection of Providers

Fleet leaders who do not currently use such technologies were asked to rank the factors that will influence their selection of providers when or if they decide to purchase one.

Of the factors that influenced their selection of providers, the most compelling reason related to cost. Monthly data cost was ranked first. Quality of data reporting and applicability of data to see real results were also factors in fleet leaders' selection of providers. Ease of configuration and integration ranked among the top five reasons.

Factors Influencing Future Selection of Telematics or GPS Company

Factors	Rank[1]
Monthly Data Cost	1
Depth and Scope of Analytics/Reporting	2
Scalable Solutions with Proven Results	3
Device Cost	4
Ease of Configuration and Integration	5
Strong Technical and Analytical Support	6
Quality of Customer Service	7
Reputation of Provider	8
Availability of Training	9
Mobile/Wireless Reporting Capabilities	10
Other	11

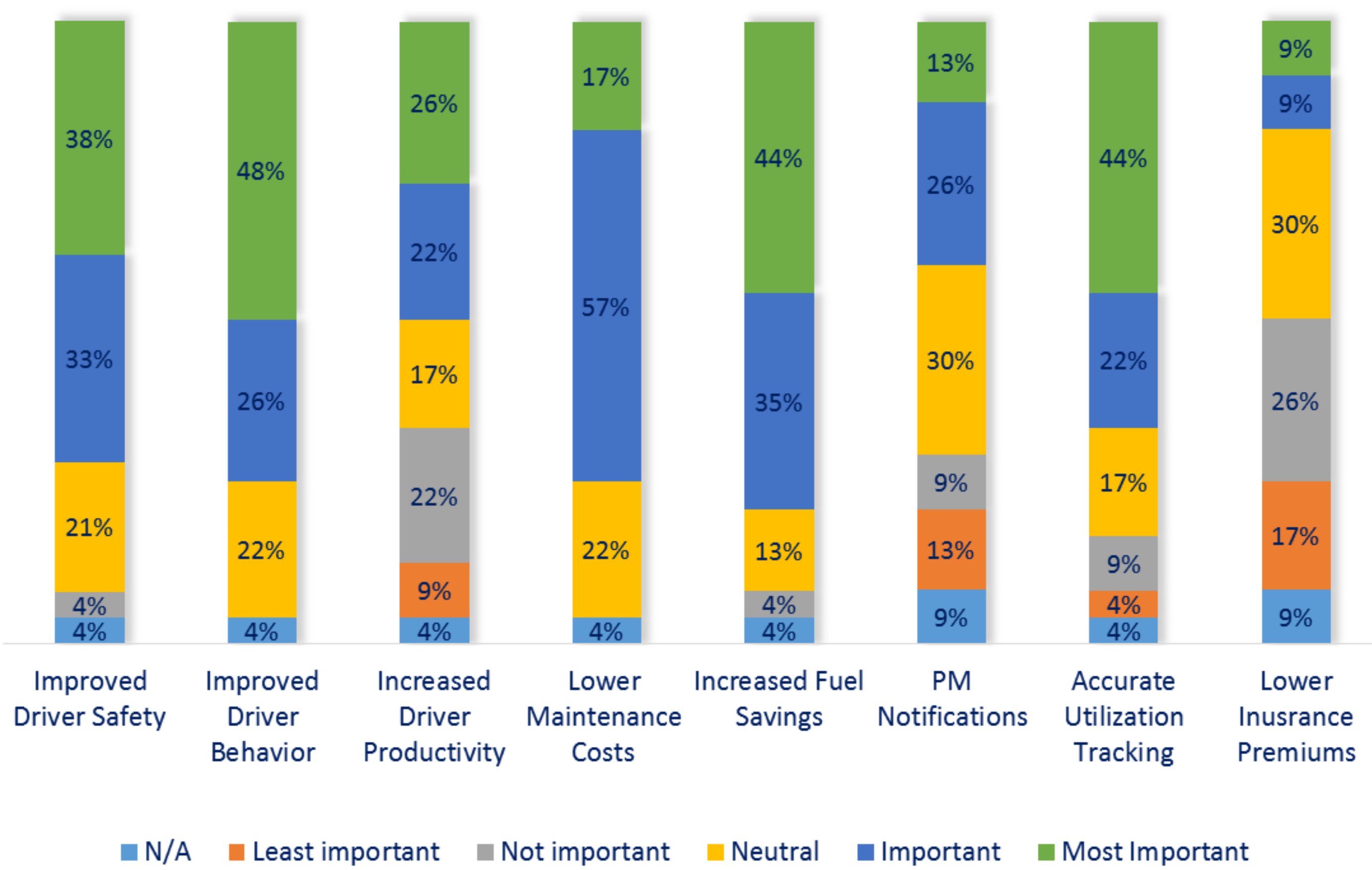
[1] Score is a weighted calculation. Items ranked first are valued higher than the following ranks. The score is the sum of all weighted rank counts.

Importance of Metrics in Affecting Purchase Decision

On the scale of 1 (most unimportant) to 5 (most important), a majority of fleet leaders rated improving driver safety and behavior, increased driver productivity and fuel savings as well as accurate utilization tracking to be important metrics influencing their decision to purchase telematics or GPS.

Overall, a majority of fleet leaders considered lowering insurance premiums (43%) to be an unimportant metric in the purchase decision. On the other hand, the majority of fleet leaders rated increased fuel saving (79%) as an important metric affecting a purchase decision.

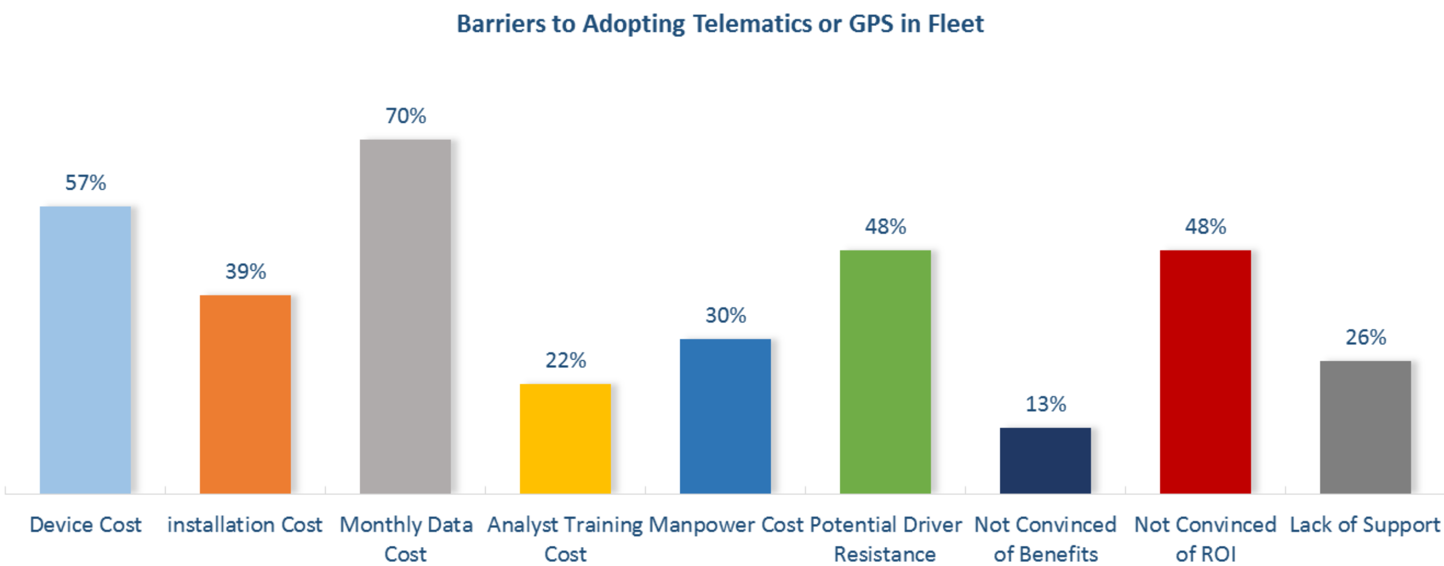
Importance of the Following Metrics in the Decision to Purchase Telematics or GPS



Barriers to Adopting Telematics or GPS

Fleet leaders were asked to select the barriers to adopting telematics or GPS in their fleet. Of all the barriers limiting the adoption of telematics or GPS, the most compelling ones related to costs. A majority of fleet leaders indicated that monthly data cost (70%), followed by device cost (57%) were the barriers to adopting telematics or GPS.

Fleet leaders who are not using telematics or GPS also cited potential driver resistance (48%) and skepticism of earning an ROI (48%) as other common reasons.



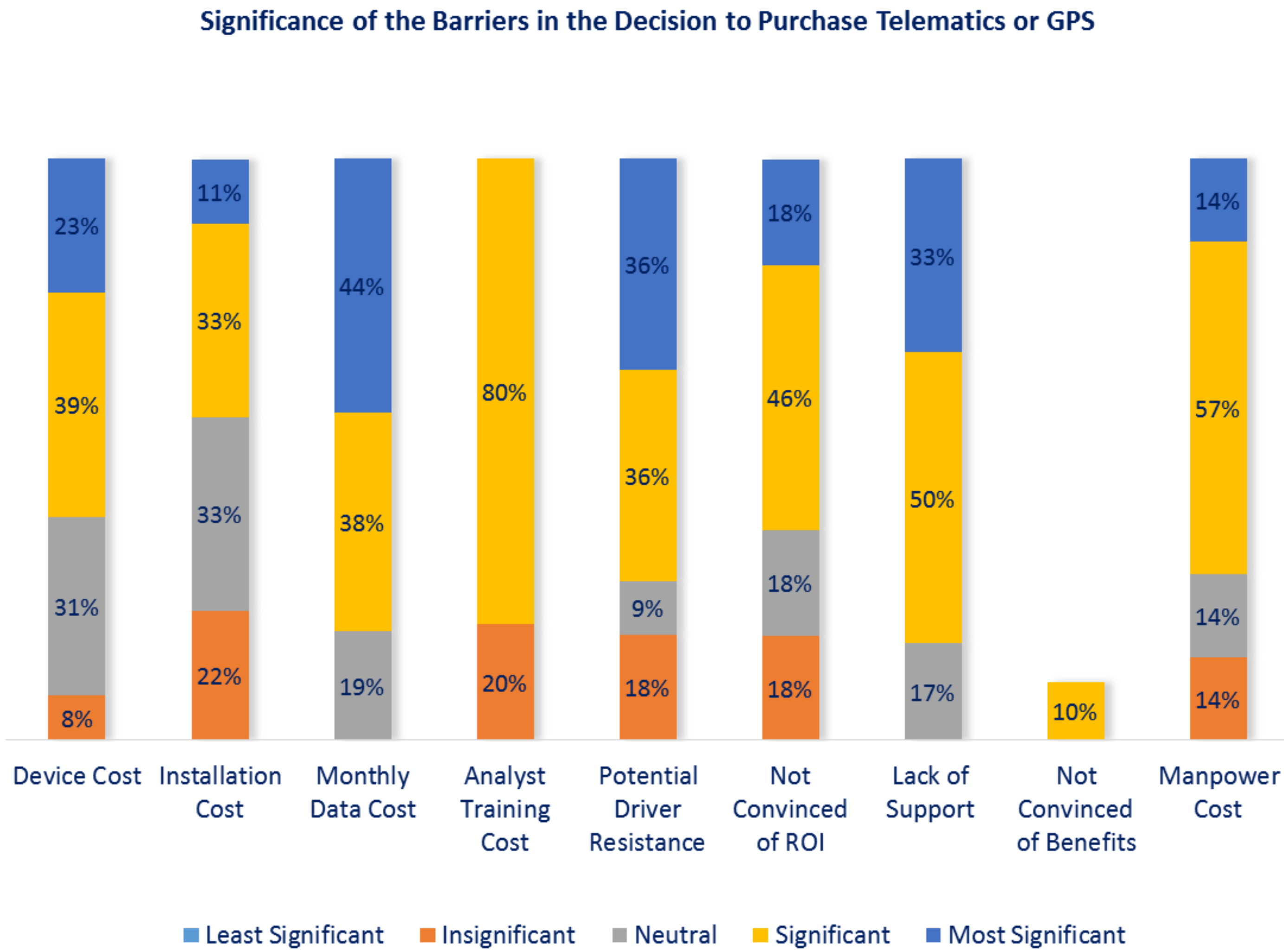
Significance of Barriers to Adoption

Fleet leaders were asked to rate on a scale of 1 (least significant) to 5 (most significant) the level of significance each barriers of adoption (they had previously selected) was in influencing their decision to purchase telematics or GPS.

Not only did the majority of fleet leaders select monthly data cost as the barrier to adoption (see above) but it was also a very significant barrier. Over 80% of them indicated that it was “a significant or most significant” factor influencing their decision to purchase telematics or GPS for their fleet.

On the other hand, only 62% of fleet leaders who chose device cost, the second most common barrier to adoption, stated that it was a significant or the most significant factor influencing their purchase decision.

The majority of those who selected potential driver resistance, the third most common barrier to adoption, indicated that it was a significant to most significant factor (72%) in their purchase decision, compared to 64% of those who selected not convinced of return on investment (also the third most common barrier to adoption) as a significant or the most significant factor in their purchase decision.

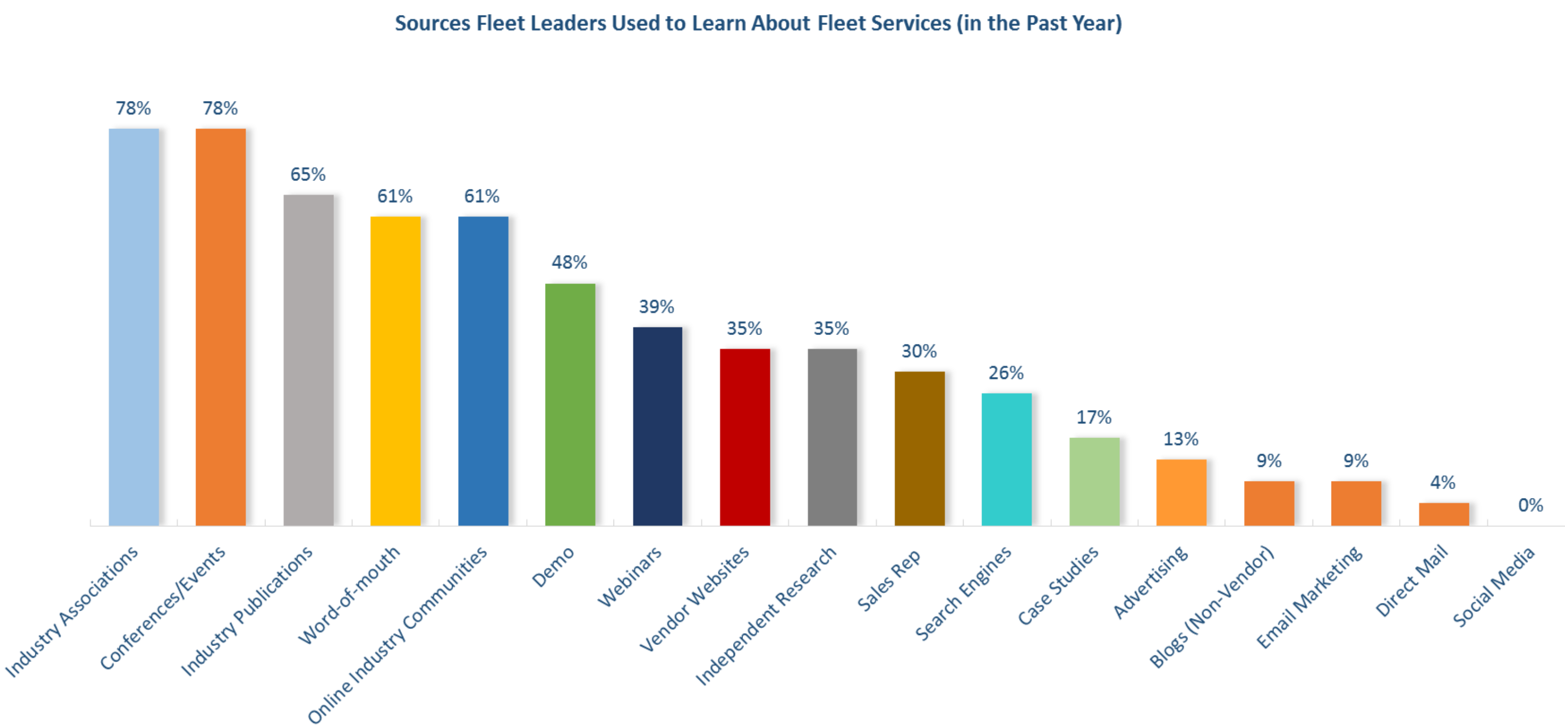


Types of Sources to Learn About Fleet Services

In the past year, a majority of fleet leaders used industry associations (78%) and conferences/events (78%) to learn about fleet services, followed by online and print industry publications (65%).

Also in the top types of information sources were online industry communities or online groups such as FleetAnswers and Linkedln (61%), and through word-of-mouth (61%).

None of the fleet leaders surveyed relied on social media such as Twitter to learn about fleet services.



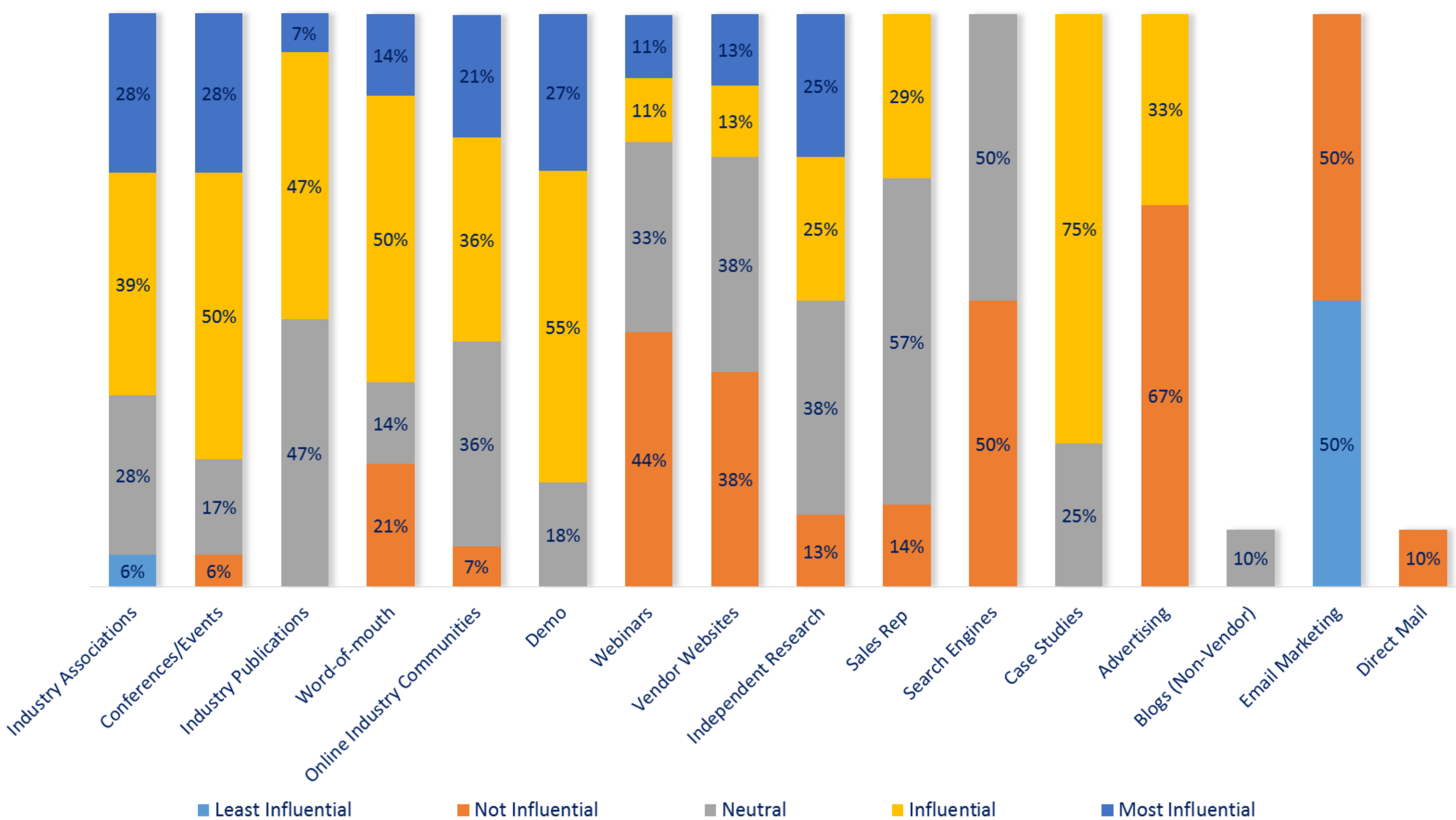
Level of Influence of Sources

Fleet leaders were asked to rate on a scale of 1 (least influential) to 5 (most influential) the level of influence the types of sources they had used to learn about fleet- related services in the past year.

67% of fleet leaders who had selected industry associations as a source they had used in the past year indicated that it had been influential or most influential in shaping their consideration for fleet services compared to 78% of them who had selected conferences/events as a source.

In addition, 57% who had selected online industry communities as source they had used in the past year indicated that it had been "influential or most influential" in shaping their consideration for fleet services, compared to 54% of them who had selected industry publications as a source.

Sources in Shaping Consideration for Fleet Related Services Based on Level of Influence



Effectiveness of Communication Methods

Fleet leaders were asked to rank the most effective way for vendors to communicate and share information about telematics or GPS with them. Of all the methods of communication, the most effective was through webinars, followed by online demonstrations by service provider. They also considered case studies the third most effective method of communication to learn about telematics or GPS.

Most Effective Way to Share Information about Telematics or GPS

Methods of Communication	Rank[2]
Webinars	1
Online Demo by Service Provider	2
Case Studies	3
Vendor Website	4
Booth and Participation at Industry Related Events	5
Sales Representative	6
Email Campaigns	7
News Content (e.g. from magazines or newspapers)	8
Direct Mail	9
Blog Content (e.g. Quick Tips or Best Practices)	10

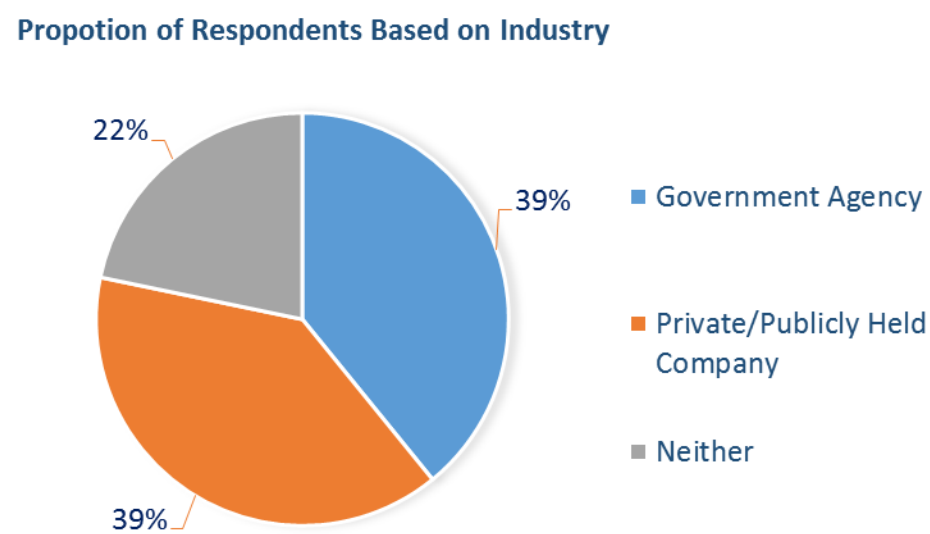
[2] Score is a weighted calculation. Items ranked first are valued higher than the following ranks. The score is the sum of all weighted rank counts.

Demographics

Respondents who participated in this survey have never used telematics or GPS in their fleet but are either currently looking for a provider or may be in the market for one in the near future.

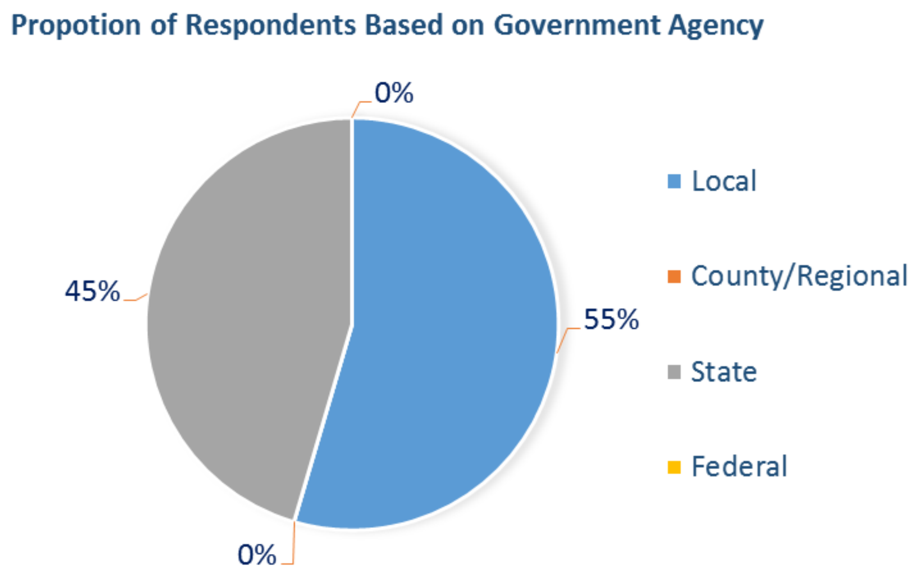
They work in roles where they propose, plan, evaluate, and approve fleet investments and projects. They are directors, managers, or supervisors.

39% of survey respondents work in a government agency or organization and 39% of them work in a private or publicly held company or organization. 22% of survey respondents who chose 'other' work in positions such as fleet analysts, project management, or investment banking.

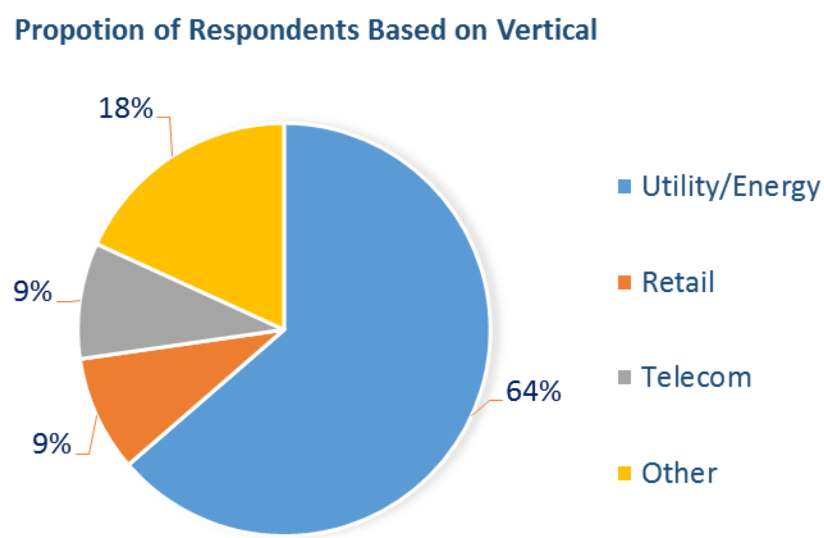


Proportion of Respondents Based on Agency and Vertical

Of all the respondents who hold professional positions within government agencies, 55% work for a local government agency and 45% work for the state. None of the respondents work for the county/regional agencies or the federal government.

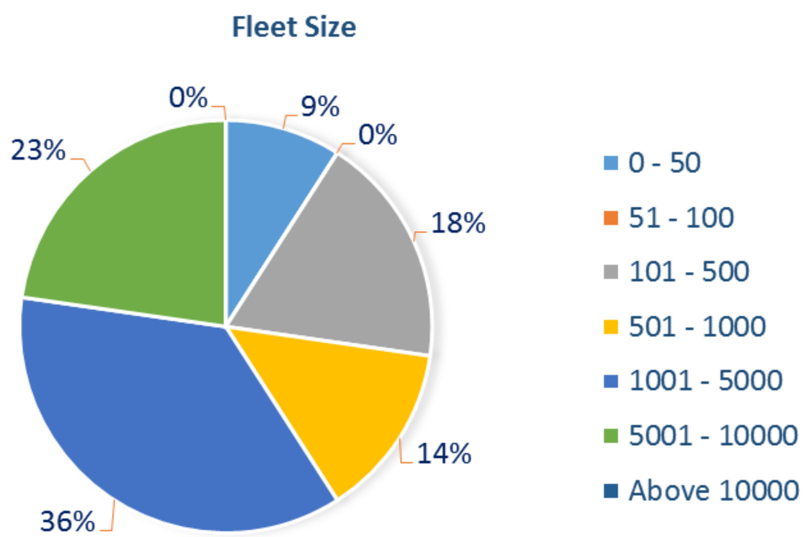


Of all the respondents who hold professional positions within publicly or privately held companies, the majority work for the utility and energy industry (64%), followed by others (18%), retail (9%) and telecom (9%). Respondents who stated 'others' worked for consulting/investment companies or did not state the industry they worked in.



Proportion of Respondents Based on Fleet Size

The majority of fleet leaders who responded to this survey work for companies with a fleet size of 1,001 – 5,000 units (36%), followed by a fleet size of 5,001 – 10,000 units (23%). None of the respondents work for companies with a fleet size of 51 – 100 units or above 10,000 units.



Do you have survey topics to suggest?

If you have survey topics that you would like us to cover or have questions regarding any of our surveys, contact mchen@fleetanswers.com.

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Through our **membership-driven community**, individuals within fleet organizations can reach out to other fleet professionals, at a job specific level, to **connect** and network with them. Our members consist of some of the industry's top decision makers. Crowd-source answers and solutions to problems from the **best** and **brightest minds** in the fleet industry.

Join an **Intelligent Fleet Community™** that lets your fleet organization acquire information and valuable knowledge in a collaborative setting that will help your fleet **achieve operational excellence**.

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