

2020

Rental Fleet

Telematics Trends Report



Who is using and how?
Why are they using telematics?
What's working and what's not?

Plug in. Connect. Go.



Gary Tucker, CEO, Zubie

We are excited and pleased to present what we believe is a first-of-its-kind report on the state of telematics use among independent and franchise rental operators.

Call me a pragmatist. I know – this seems like heresy for the CEO of a technology company, because it’s sexy to talk about future innovations like 5G, AI, and machine learning, and how they’ll impact our lives and businesses. If you’re running a business, it’s easy to feel overwhelmed by the seemingly imminent onset of those technologies, leading to procrastinating on implementing connected car solutions - especially during times like these..

“ Here’s the truth: Those technologies are a long way away from impacting your businesses, and there are technologies, such as telematics, that exist right now that have proven to deliver ROI. ”

Until now, there has been a lack of visibility into how independent and franchise rental operators are using the technology, including depth of penetration and common use cases. This is what we have aimed to rectify with this historic survey, which was completed in partnership with *Auto Rental News*. Our goal was to get a clearer picture of how telematics solutions are delivering value, and, just as important where that value is lacking.

As a result of this survey, we now know that many rental fleet operators are using telematics – to some degree. We know that most fleets are not fully connected. We also know these implementations are nowhere near reaching their full potential.

The fact is, if you’re using telematics for simple “track and trace”, and the data shows that is the primary use case, you’re leaving money on the table.

Based on this data, it’s clear that most rental operators aren’t aware or aren’t taking full advantage of the capabilities a fully enabled telematics solution can provide, which is to help improve utilization and overall business operations.

Finally, I realize in the last 90 days, our world has been turned upside down. Whether it takes 6-weeks or 6-months to feel a sense of normalcy, the learnings from this research will be a tool to guide us to increased knowledge and profitability.

I hope you find this report as a compelling, useful tool as you make your business technology decisions now and in the future.

Gary Tucker
CEO, Zubie

EXECUTIVE SUMMARY

The results show an industry that is at once very familiar (66%) with telematics technology, and hesitant to fully commit to it. While overall, 78% of respondents have telematics installed in their rental fleets, only 33% of those have a fully connected fleet. This points to a need for better education by telematics providers and an opportunity for operators to realize even more benefits from telematics solutions. Additionally, it seems that most of those who do use telematics are doing so only for their most basic functionality. If this was Maslow's hierarchy of needs, most rental car operators are having only their most basic needs met – safety and security. While this could be underutilization of their existing software, this could also be the result of using GPS solutions not plugged into the OBD II port, thus limiting the implementation of more advanced features.

Which telematics features are most valuable to rental fleet managers (% rated extremely valuable)?:

- Recovering stolen vehicles (44%)
- Vehicle health reporting (38%)
- Locating missing vehicles (37%)

Which features differentiate telematics software providers?:

- Ease of use (63%)
- GPS coverage area (53%)
- Ease of hardware installation and removal (50%)

We also asked which features rental car operators wish they had? While many features were listed, there was no strong consensus – echoing the famous, though likely apocryphal, quip by Henry Ford: **“If I had asked people what they wanted, they would have said a faster horse.”**

Of those who have not implemented, most (79%) considered, but didn't deploy telematics. The biggest reason? Cost – 46% perceived the cost of telematics to be too high. Additionally, 39% were either unclear on the benefits or felt telematics didn't add value. Time was another factor, with 21% citing either too much time to implement or manage. These could point to underlying reasons, such as the quality of the solution, the lack of integration, or poor vendor post-installation support that would require additional research.

78%

Are Using Telematics
For Their Fleet

63%

Say Simple To Use Software
Is Important To Them

51%

Say Recovering Stolen
Vehicles Is The Biggest
Problem Telematics Solves

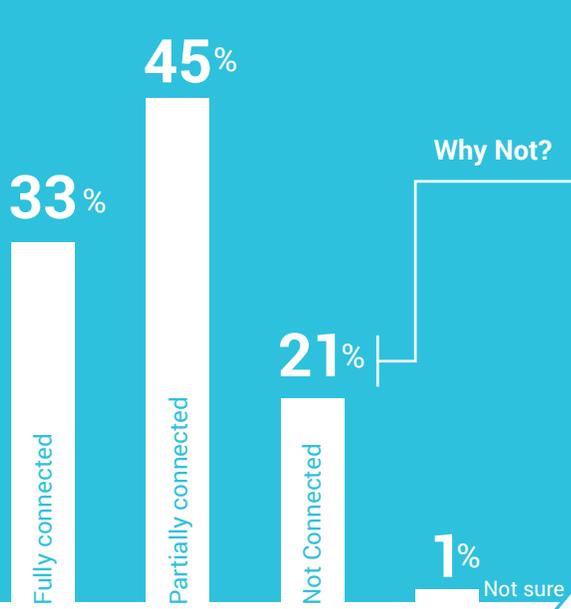
33%

Have A Fully
Connected Fleet

WHO IS USING TELEMATICS?

While the majority of respondents (78%) had telematics deployed in their fleets in some form, only about a third had a solution fully implemented in their rental fleet—pointing to the fact that the rental industry as a whole still isn't fully benefitting from telematics.

Percentage of Rental Fleets with Telematics Deployed



How fleets are using telematics

Locating my vehicles	64%
Stolen vehicle recovery	50%

HIDDEN VALUE

Improving vehicle utilization	46%
Vehicle health and diagnostic reporting	42%
Reducing labor costs	41%
Improved customer experience	38%
Efficient pick-up / drop off process	34%
Ensure accurate odometer capture	30%

DEEPER OPPORTUNITY

Increasing fuel revenue collection	21%
Toll cost recapture	19%
Remote unlock	15%
Remote engine disable	11%

While many rental fleet operators are using telematics to track and trace, most are missing the hidden value of improving operations and recapturing lost revenue. Some of this may be driven by older or limited solution telematics implementations.

Why did you choose your current telematics partner?

Ease of use and connectivity, unsurprisingly, topped the list of the reasons why rental operators chose a specific telematics solution. Interestingly, the ability to have custom reports is relatively low at 21%. This feature is a key component for improving operational efficiency, an indicator that rental fleet managers are missing the opportunity to create value, either because their telematics solutions doesn't have the capability or they don't have the time. Finally, while the survey did not ask about 3G vs. 4G technologies, the shutdown of 3G networks will become a point of contention for fleets on legacy "track and trace" hardware.

SIMPLE



Ease of use



Ease of Installation and Removal

SERVICE



Effectiveness of Sales Presentation



Post-installation Customer Service

TECHNOLOGY



GPS Coverage



Custom Reports

INTEGRATION

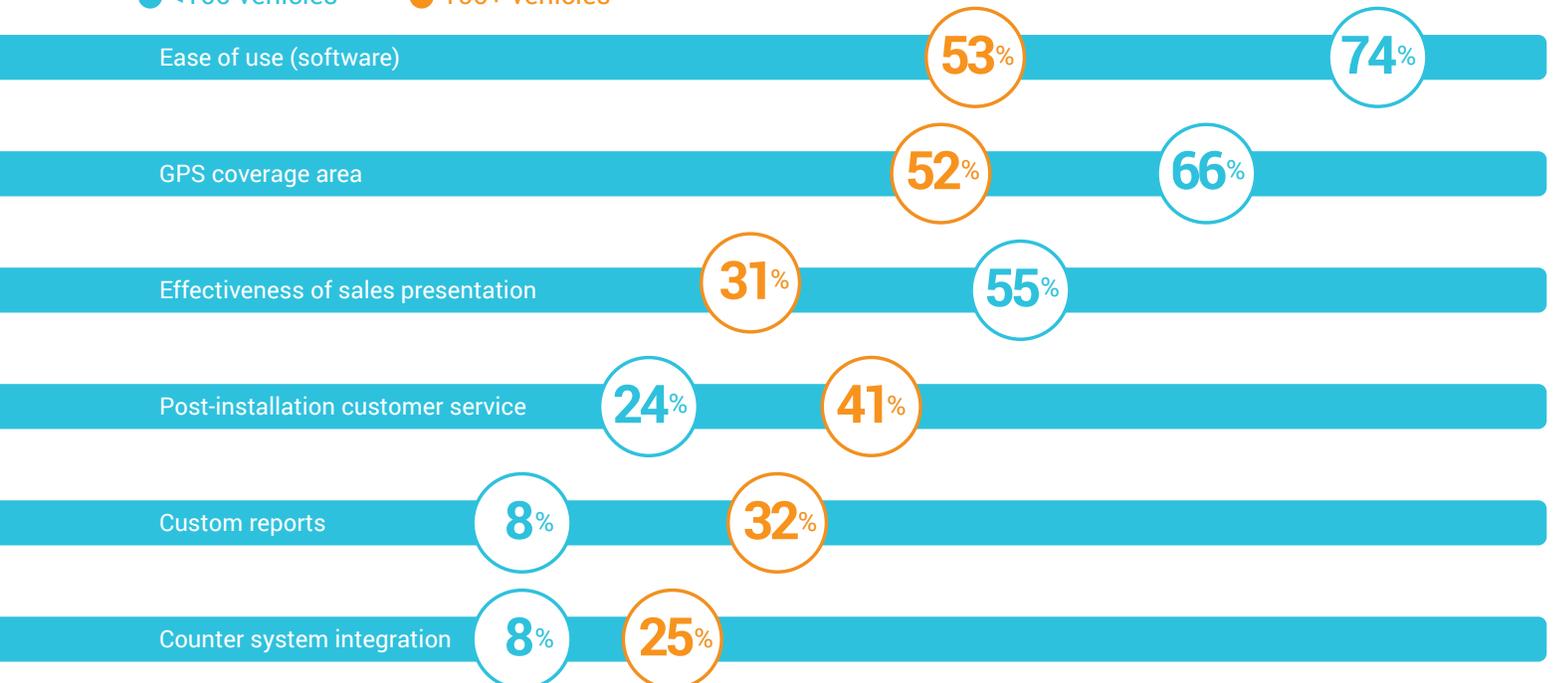


Counter System Integration

Small fleet operators value different features from their telematics service providers when compared to larger fleet operators.

● <100 vehicles

● 100+ vehicles



Why Operators Are Satisfied or Dissatisfied with Their Telematics Solution

There is a high variance with satisfaction with several key telematics features. While operators are most satisfied with locating missing vehicles (31%), features that drive process improvements and ROI, have much lower satisfaction. Additional research may be needed to determine if dissatisfaction is being fueled by the lack of full deployment of telematics solutions by some operators.

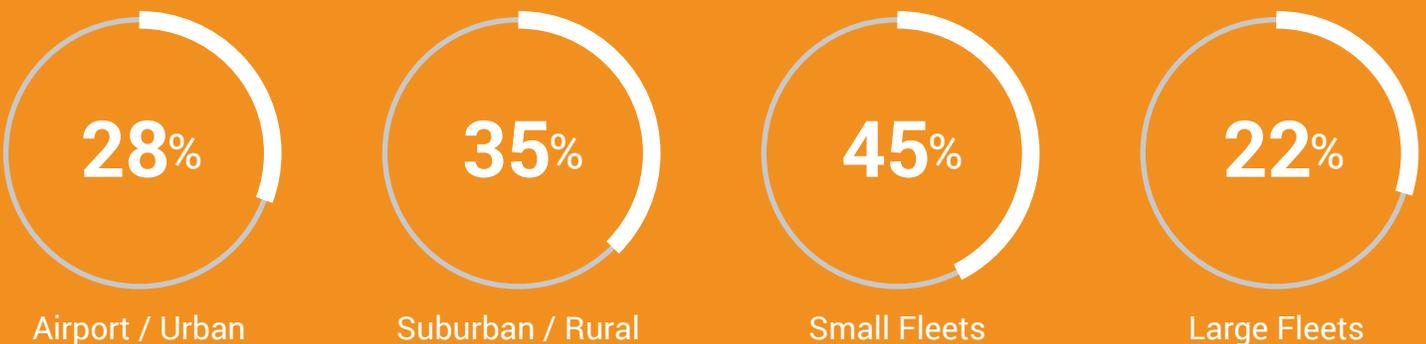


Telematics Service Provider Satisfaction

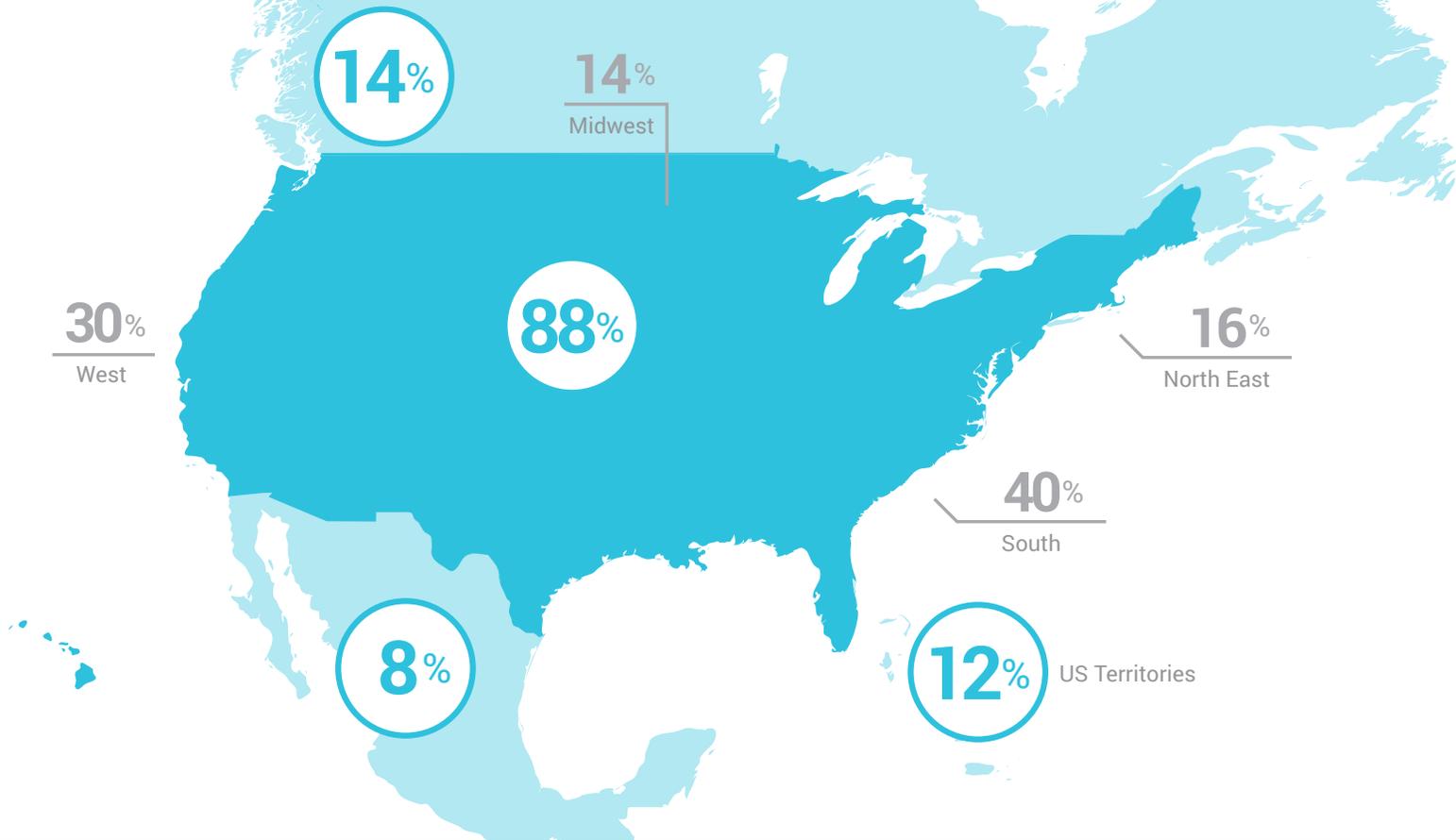
Feeling a little dissatisfied with your TSP? You're not alone. Research has shown that only the top level of satisfaction creates consistent loyalty. The telematics industry has a lot of opportunity to listen to customer feedback.



Who is extremely satisfied with their TSP?

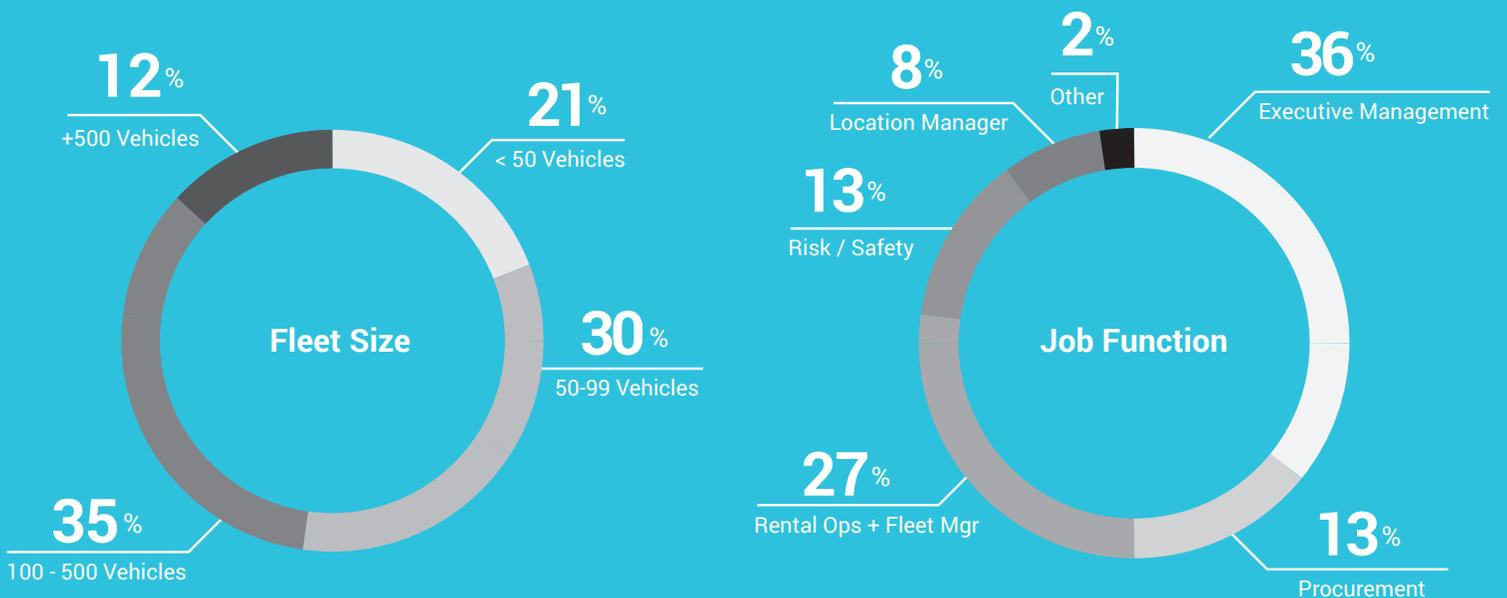


WHO RESPONDED?



Who Responded to this survey?

The representative sampling of more than 150 independent and franchise rental operators gives a first-of-its-kind snapshot on the use of telematics technology in today's rental market.



WHY ZUBIE

WE ARE A FULL-SERVICE FLEET MANAGEMENT SOLUTION,
INTEGRATED WITH THE MOST POPULAR COUNTER SYSTEMS



Locate + Recover

Know where your fleet is and recover vehicles with Live Map and *Zubie Location Link*



Counter Systems Integration

Integrated with your counter system to put critical information at your fingertips



Real-time Fuel + Odometer

Capture real-time fuel, odometer and inventory to optimize check-in and lot management



Proactive Vehicle Utilization

Monitor vehicle health to keep cars earning revenue

[LEARN MORE](#)



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ABOUT ZUBIE

Since 2012, Zubie's connected-car SaaS platform has helped business, rental, and loaner fleet managers protect their assets and optimize their business. Zubie makes fleet management simple – simple to install, simple to use, and simple to improve business operations. Headquartered in Bloomington, MN, Zubie has been awarded “Best Insurance Telematics Product” and “Best OBDII Device with Software and Services”.

About This Survey

An email invitation to participate in an online survey was sent to those in the *Auto Rental News* database.

Respondents were screened to ensure:

- Organizations operated in US, Mexico, Canada or US Territories, at a minimum
- Were familiar with telematics use in rental vehicle industry and knew whether their company used telematics
- Were somewhat, very, or extremely familiar with telematics use in their organization

As an incentive, a \$20 Amazon gift card was offered to the first 150 respondents who qualified and completed the survey. A total of 162 responses (111 completed and 51 partially completed surveys) were collected between October 31, 2019 and March 1, 2020.

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