

2020 Fleet Tracking Trends Report

Technology adoption, benefits and ROI accelerate
across industries and business sizes



Accelerating the benefits of fleet technology



Peter Mitchell

Chief Technology Officer
and Head of Innovation,
Verizon Connect

GPS fleet tracking continues to accelerate productivity gains, streamline compliance and reduce operational costs for businesses of all sizes across a range of industries. What's more, nearly half the businesses that invest in fleet tracking say they realized positive ROI on their fleet technology in less than a year – many in less than three months.

According to the results of the 2019 Fleet Technology Trends Survey, conducted for Verizon Connect by Bobit Business Media, 64% of fleets say they use GPS fleet tracking software. That's up from last year, when 59% reported using the technology. And these companies are realizing positive return on the investment faster than ever, with 45% saying they've achieved positive ROI in 11 months or less, up 18.5% from last year, and 22% reporting positive ROI in less than three

months, up 37.5% from 2018. The biggest change this year? More than 50% of respondents – and 72% of trucking companies – cite improved Hours of Service (HOS) compliance from an electronic logging device (ELD) as a major benefit of fleet technology.

In this report, based on surveys completed by more than 1,200 U.S. fleet managers, executives and other mobile-business professionals, you'll find detailed insights into the real value businesses are achieving from their fleet technology investments. The results of this survey illustrate proven benefits across multiple key performance indicators (KPIs). And they also indicate a true competitive advantage for fleets that use the technology to improve productivity, decrease costs and even boost customer service.



What's inside

Respondents of the study

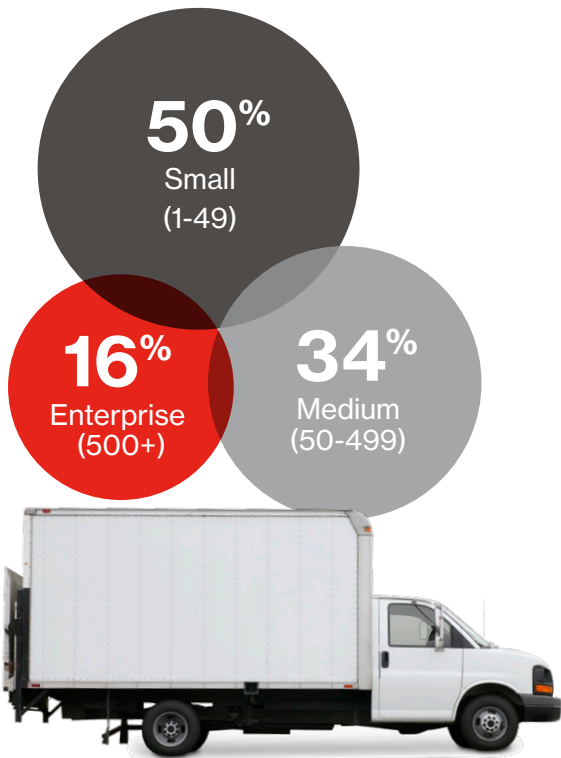
The impact of fleet technology

Savings and cost reductions

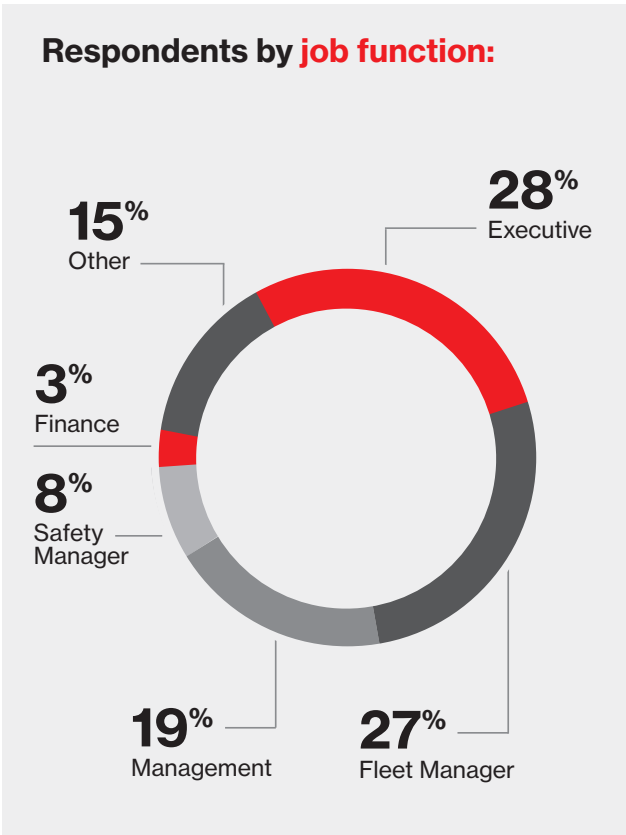
Value vs. cost

Who responded to the study?

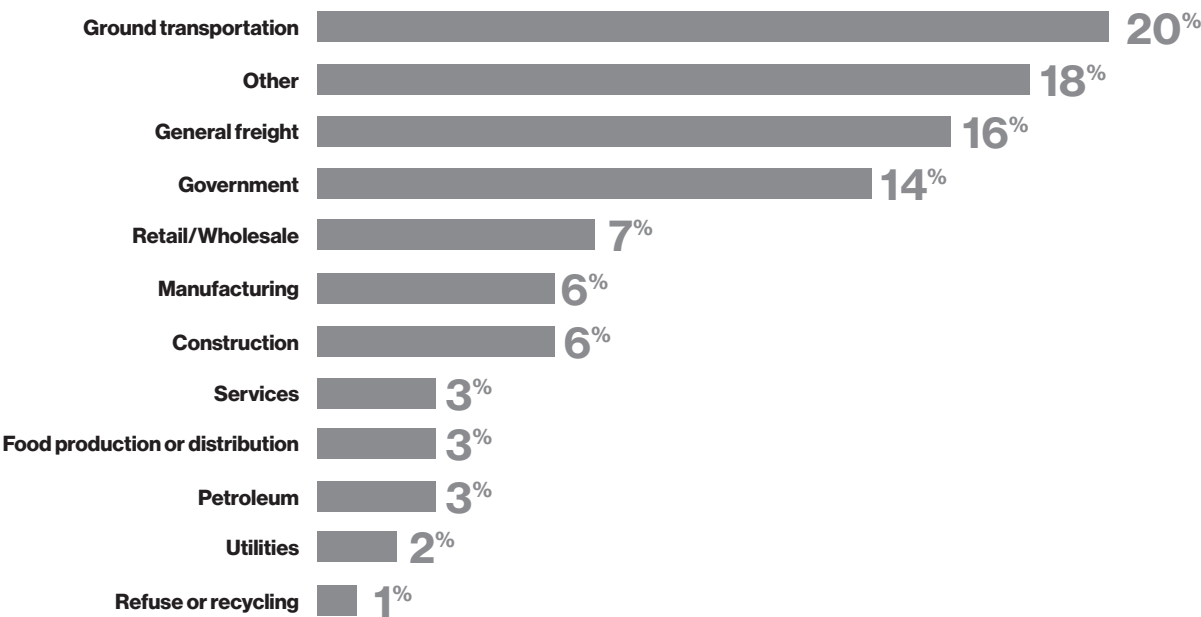
Respondents by **fleet size**:



Respondents by **job function**:



Respondents by **industry**:

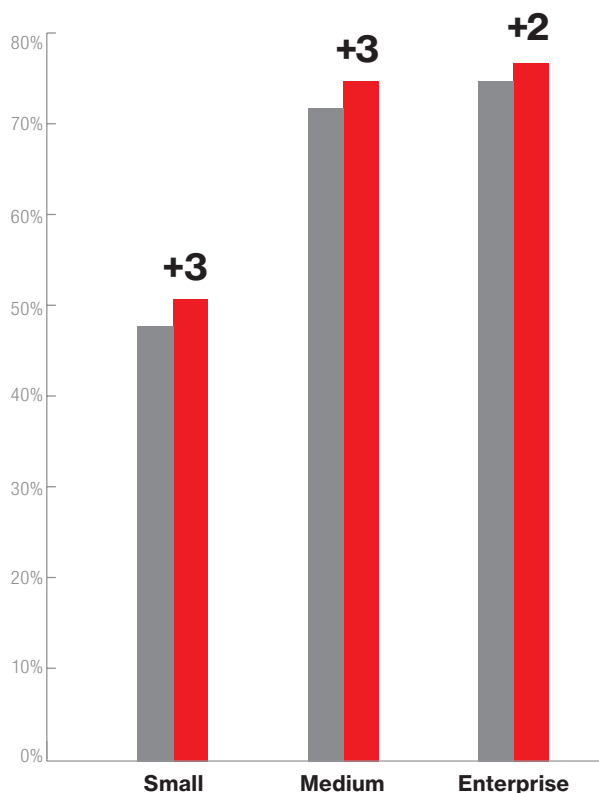


Who uses fleet management systems?

Overall, 64% of all respondents currently use fleet tracking software – up from 59% in 2018. Enterprise fleets and commercial/work truck fleets lead the way, with trucking seeing the largest increase in adoption over 2018.

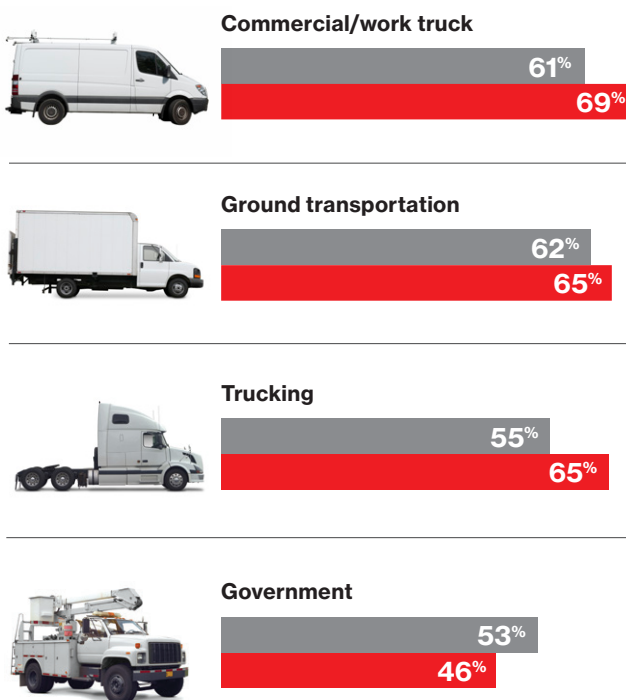
Respondents by fleet size:

■ 2018 ■ 2019



Respondents by industry:

■ 2018 ■ 2019



Average number of vehicle types by fleet size*

	Average total vehicles	Cars	Light-duty trucks	Medium-duty trucks	Heavy-duty trucks	Off-road equipment	Trailers
All respondents	863	165	201	141	259	188	436
Small	14	6	6	26	4	5	27
Medium	154	53	46	43	73	30	126
Enterprise	5,102	844	873	524	1,215	741	2,061

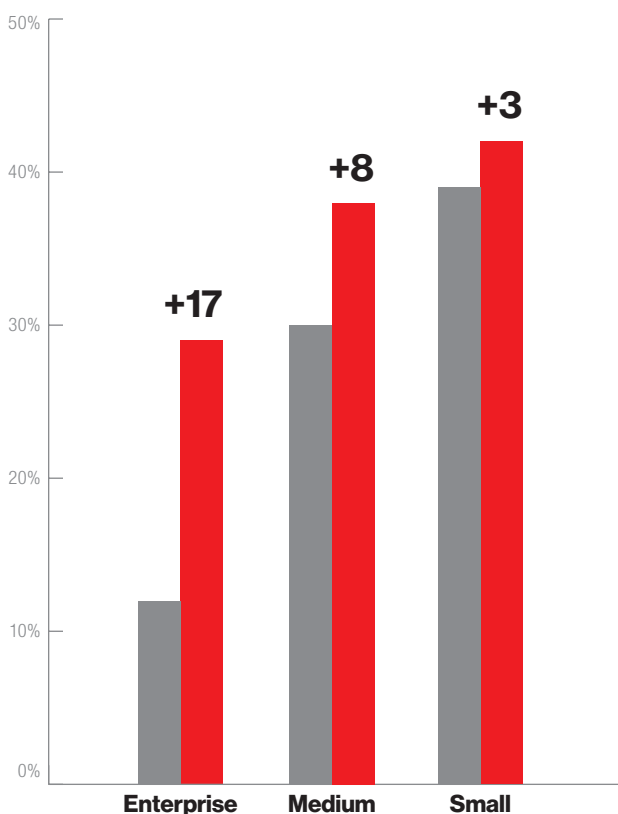
*Note: Not all companies necessarily own the average number of each vehicle type.

The impact of fleet technology

Survey respondents are nearly unanimous in saying fleet tracking has a beneficial impact on their fleet operations, with 98% confirming the technology's value. 80% consider fleet tracking "very" or "extremely" beneficial. That's up from 74% in 2018. The percentage of respondents saying they reached positive ROI in 11 months or less grew 18.42% over 2018, with 45% of companies saying they hit that milestone.

Positive ROI achieved in 11 months or less by **fleet size**:

■ 2018 ■ 2019



Overall, 45% report **positive ROI** in 11 months or less.



Users see improvements businesswide

Percentage of fleet tracking users reporting improvements in specific KPIs



50%

Customer service



53%

Productivity



45%

Routing



49%

Maintenance



52%

ELD and compliance



36%

Decrease in fuel consumption



22%

Decrease in accidents



13%

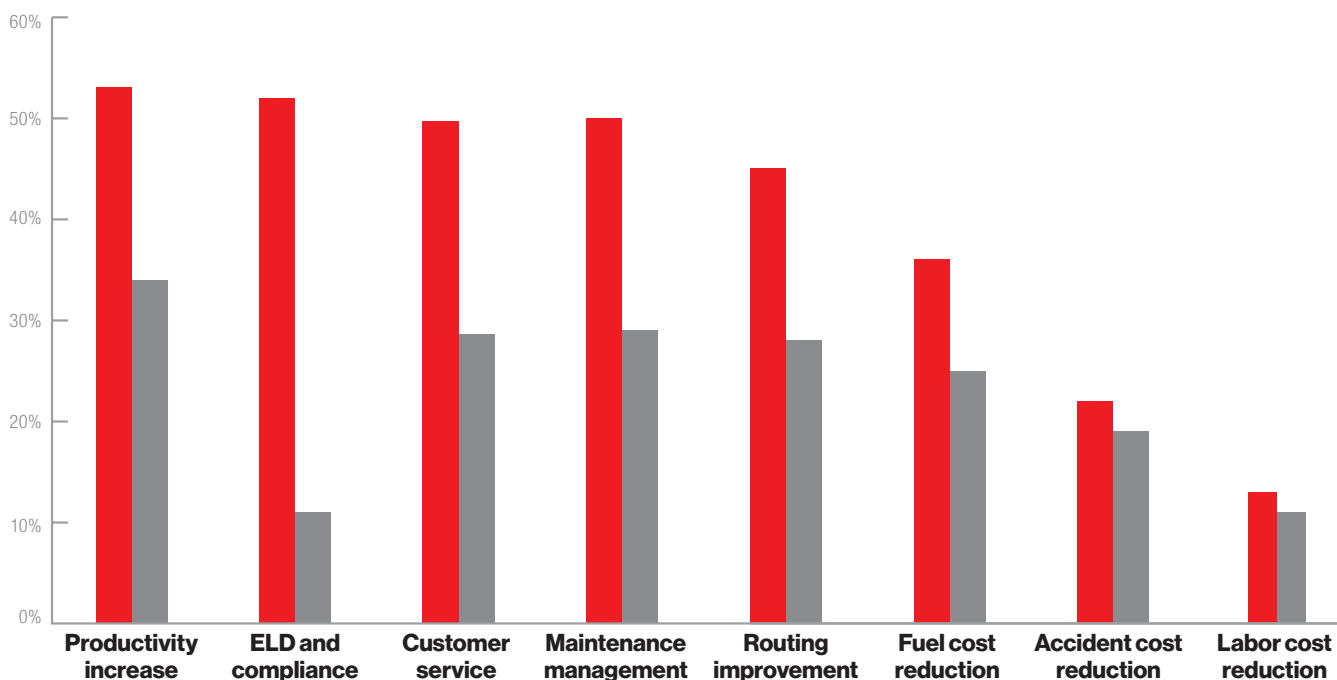
Decrease in labor costs

Expectations vs. reality: Reality wins

For the second year in a row, our Fleet Technology Trends Survey finds that the benefits companies realize from fleet tracking technology far exceed the expectations. More than one-third of fleet managers who don't use fleet tracking say they would expect productivity increases if they implemented the technology; but 53% of companies that use fleet tracking reported actual productivity increases. That's a gap of 19 percentage points. As the chart below shows, reality outstrips expectations on every KPI, from labor cost reductions to improved customer service.

Expected improvement vs. actual results

■ Actual ■ Expected



Savings add up








In addition to improvements in productivity, regulatory compliance, customer service, routing and maintenance, companies are also seeing significant cost savings from fleet technology: 36% of companies say they have lowered their fuel costs as a result of implementing fleet tracking, 22% report lower accident costs, and 13% say the technology has helped them reduce labor costs.



36%

of companies say they have lowered their **fuel costs** as a result of implementing fleet tracking.

Companies in all industries have reported cost reductions in fuel, accidents and labor as a result of using a fleet management system.

	 Government	 Commercial/ work truck	 Ground transportation	 Trucking
 Fuel cost reduction	10%	8%	9%	6%
 Accident cost reduction	10%	17%	16%	6%
 Labor cost reduction	11%	11%	14%	6%

Focus on value, ease of use and ROI

More than 40% of companies that don't use fleet tracking say they have no immediate plans to implement the technology. Our data shows these businesses are losing a competitive edge and leaving money on the table. The graph on the next page shows that companies without fleet tracking are focused on the expense, saying upfront costs and monthly fees are their most important considerations.

But businesses that use fleet tracking put upfront costs and monthly fees below service coverage, customer service, and software features. Ease of use is the common important criteria for both groups. It's the most valuable attribute for businesses with fleet tracking, and the second most important for those without.

The bottom line

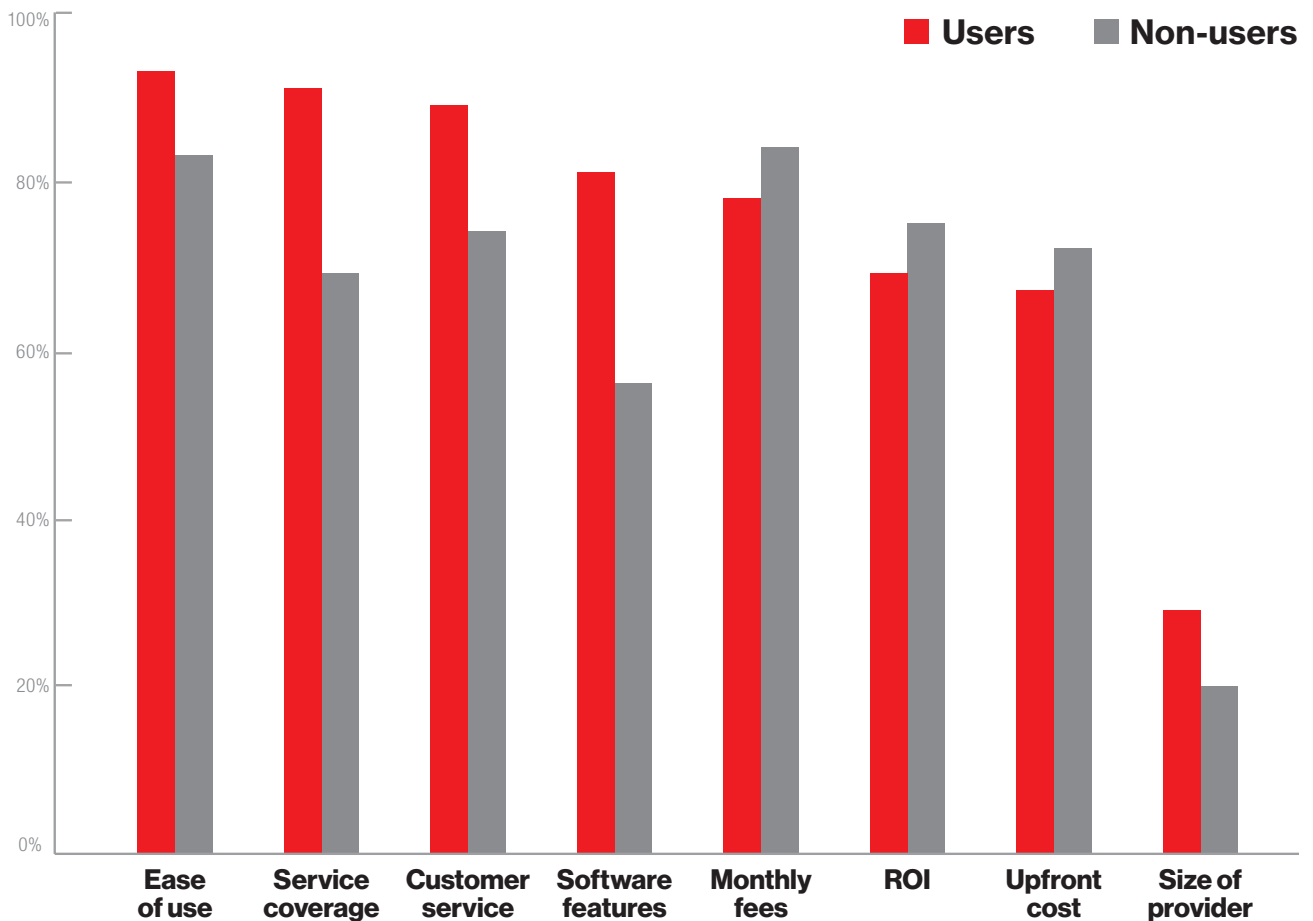
If you're thinking about fleet tracking, learn from those who adopted the technology already. While cost may seem important, your peers with fleet tracking say you need to prioritize other considerations. First: How easy is it to use the system? Then, does it have the software features you need to achieve your goals and drive positive ROI?

Today's best fleet tracking systems go far beyond just showing you where your vehicles are located. The value lies in the software's ability to easily give you the features, alerts, reports and insights that can help you make better decisions about how you manage your fleet.





What matters for fleet tracking users vs. non-users



About Verizon Connect

Verizon Connect is guiding a connected world on the go by automating, enhancing and revolutionizing the way people, vehicles and things move through the world. Our full suite of industry-defining solutions and services puts innovation, automation and connected data to work for customers and helps them be safer, more efficient and more productive.

Learn about our powerful, easy-to-use fleet solutions for businesses of all sizes. Call 866.844.2235 or visit verizonconnect.com to schedule a demo.



Methodology: An email invitation to participate in an online survey was sent to those in the Automotive Fleet, Work Truck, Government Fleet, Fleet Financials, Business Fleet, LCT (Luxury Coach & Transportation) and HDT (Heavy Duty Trucking) magazine and online subscriber databases. As an incentive, a \$20 Amazon gift card was offered to the first 150 respondents who qualified and completed the survey. A total of 1,270 responses (686 completed and 584 partially completed surveys) were collected between August 2 and 21, 2019. ©2019 Verizon. All rights reserved.