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# Market Research Report - Telematics

April 2010

# Introduction



- Use of Telematics is becoming standardized on many makes/models of vehicles in North America today
- Uses range from Consumer Electronics iPod docking to remote vehicle diagnostics
- Telematics technologies are being leveraged as methods to improve customer retention
- The results of this study will be used to:
  - Assist ETI in prioritizing telematics based on our member's needs
  - Educate our members on subjects we feel they should be informed about – another value ETI brings to its members
- This is a summary – much more in depth information is included in the research disk!

# Research Objectives



- Measure the market's current level of familiarity with telematics technology
- Evaluate what factors are important to industry in implementing a remote diagnostic system
- Explore price points for the hardware and monthly service fees associated with telematics services
- Explore the industry's opinion relative to "who should bear the expense" of telematics hardware and services
- Learn more about concerns and questions the industry has relative to telematics

# Methodology



- Sponsor: ETI & Motor Magazine
- Audience: Readers of Motor Magazine
- Survey Instrument: Email format with 9 Telematics questions (combined with TPMS Survey)
- Delivery Format:
  - Original Email blast: 11/17/2009
  - Reminder notice: 11/24/2009
  - Publicity of research by ETI

# Response Summary



Website	Email Delivered	Completed Surveys	Response Rate
<a href="http://a-i-m.com/eti">http://a-i-m.com/eti</a>	25,308	950	3.75%
<a href="http://a-i-m.com/tools">http://a-i-m.com/tools</a>	Unknown	13	NA
Unknown	Unknown	8	NA
<b>TOTAL</b>	25,308	971	3.84%

	Total TPMS	Total Telematics
TPMS Only	299	0
Telematics Only	0	10
Both: TPMS & Telematics	662	662
Total	961	672

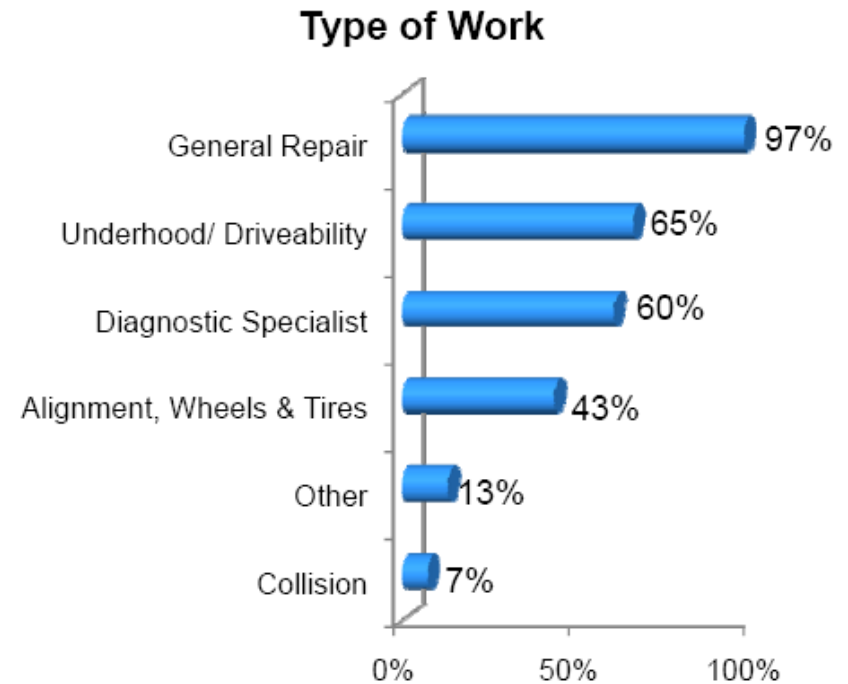
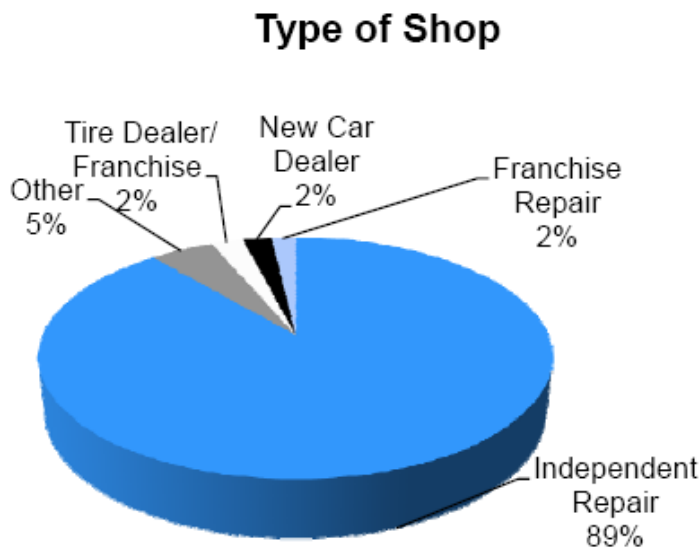
Research conducted by:



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2010 TPMS & Telematics Research  
 Prepared for: Equipment & Tool Institute  
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# Shop Profile – Type of Shop



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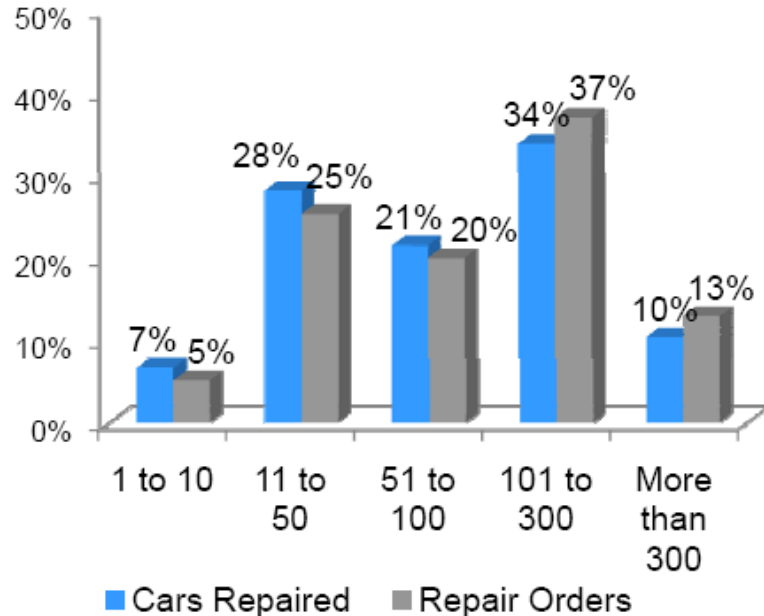


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# Shop Profile - Business

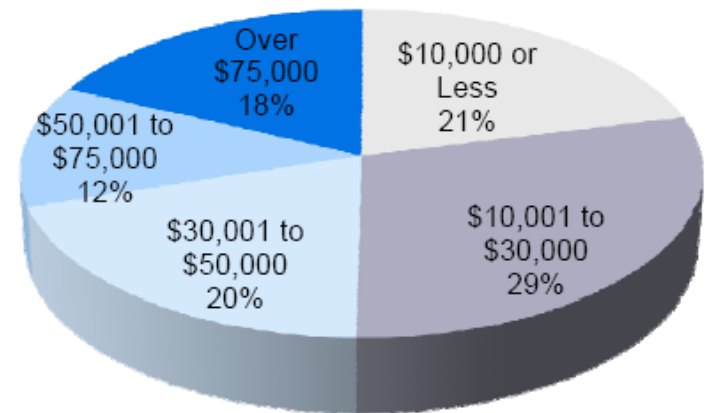


**Cars Repaired & Repair Orders Per Month**



Avg. Cars Repaired: 161  
Avg. Repair Orders: 187

**Monthly Gross Revenue Per Month**



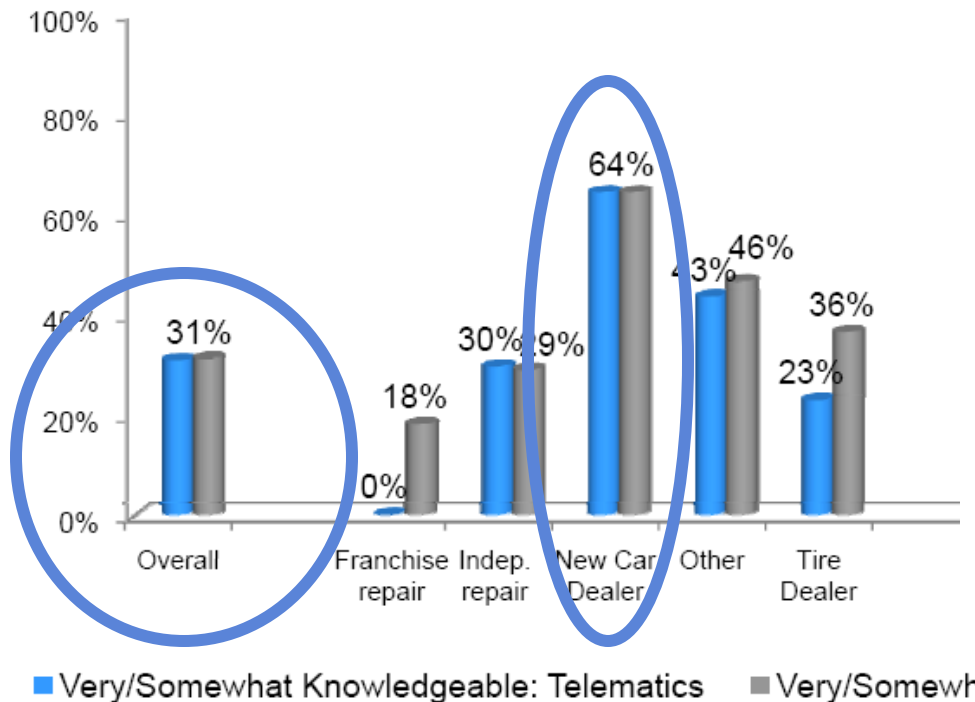
Average Revenue/Mo: \$54,928  
Median Revenue/Mo: \$30,000

Research conducted by:

# Knowledge of Telematics & Remote Diagnostics



Knowledgeable About Telematics & Remote Diagnostics Repair



- 31% of those surveyed are very or somewhat knowledgeable about telematics or remote diagnostics
- Dealerships and large shops have more knowledge about telematics and remote diagnostics

Research conducted by:

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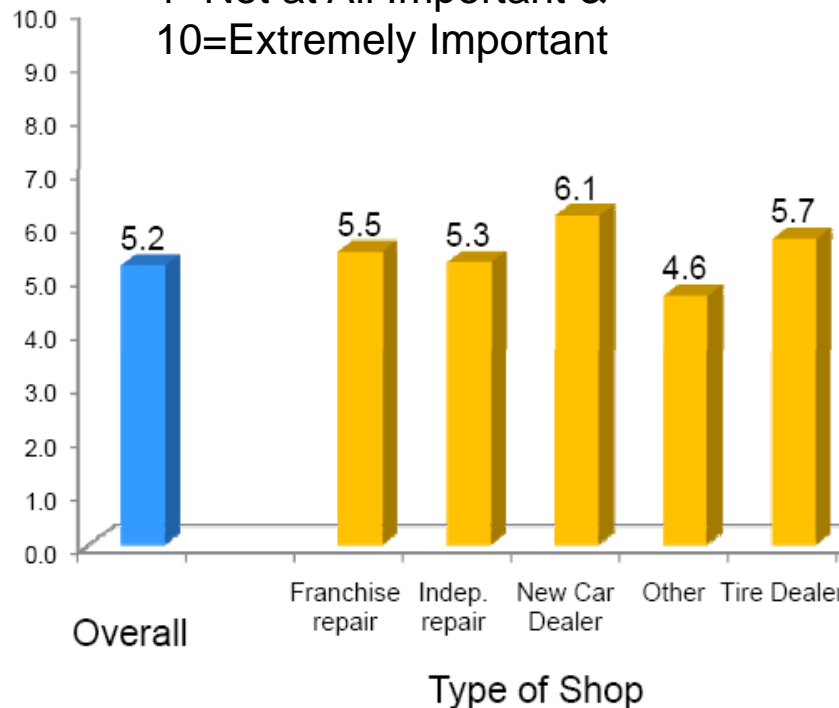


# Importance - Reports



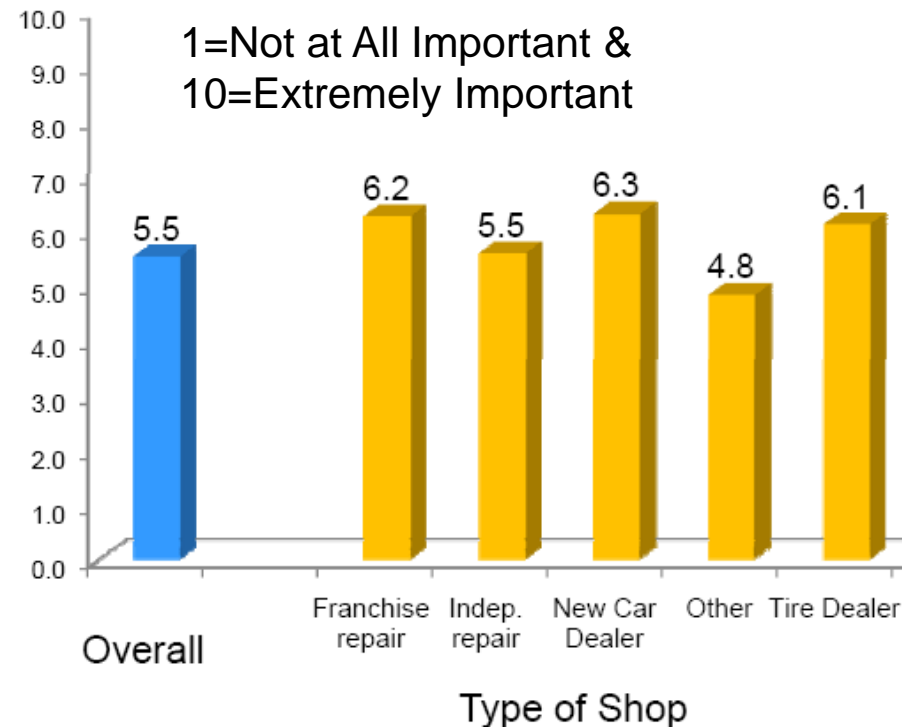
## Importance of “On-Star Like” Report

1=Not at All Important &  
10=Extremely Important



## Importance of “Vehicle Calls for Help”

1=Not at All Important &  
10=Extremely Important

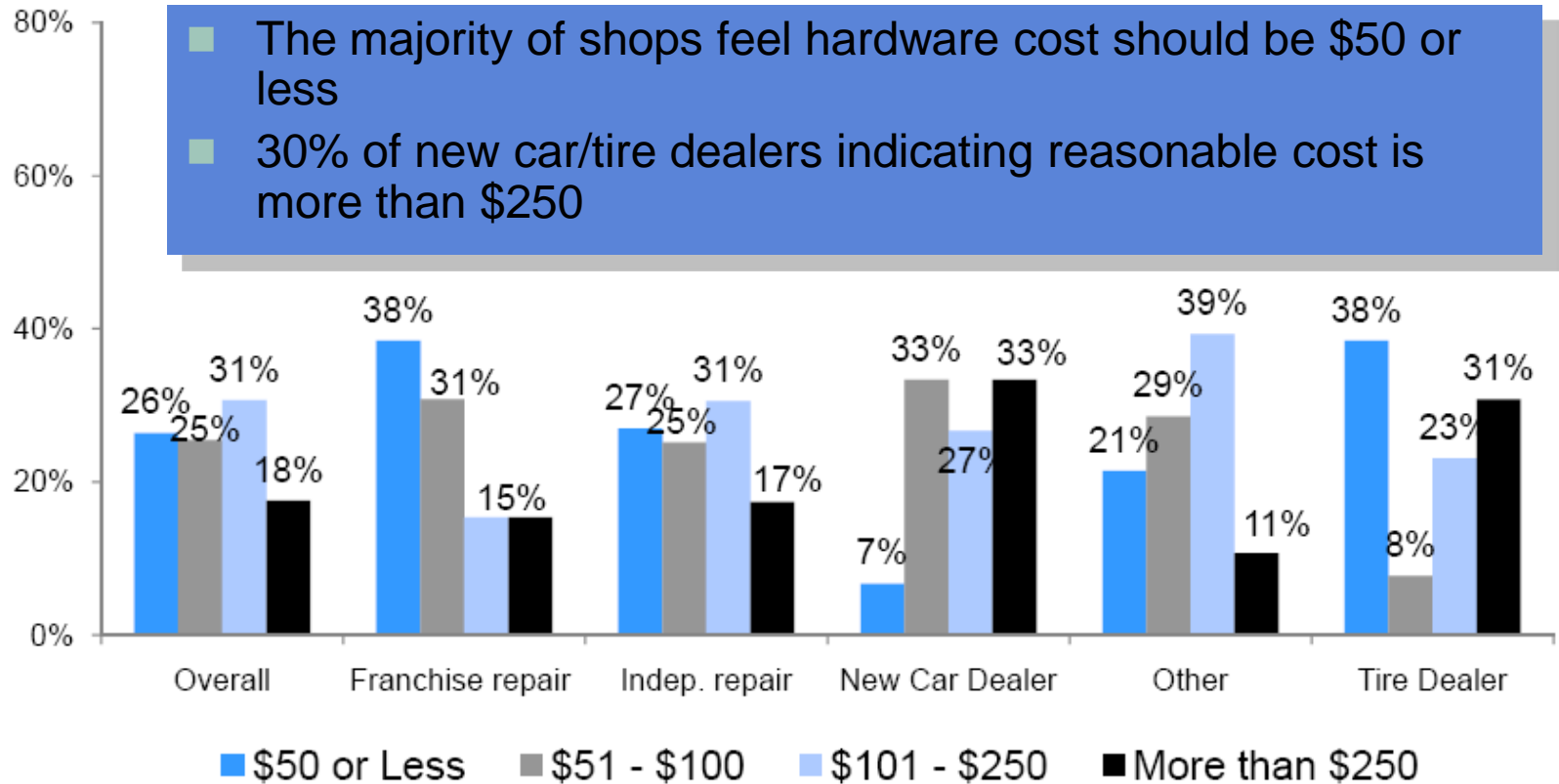


- A system where the vehicle notifies the shop that services are needed is slightly more important to shops than the generation of an “On-Star” type report
- New car dealers and larger shops felt both types of notifications are important

# Reasonable Hardware cost



## Reasonable Cost of Hardware Device



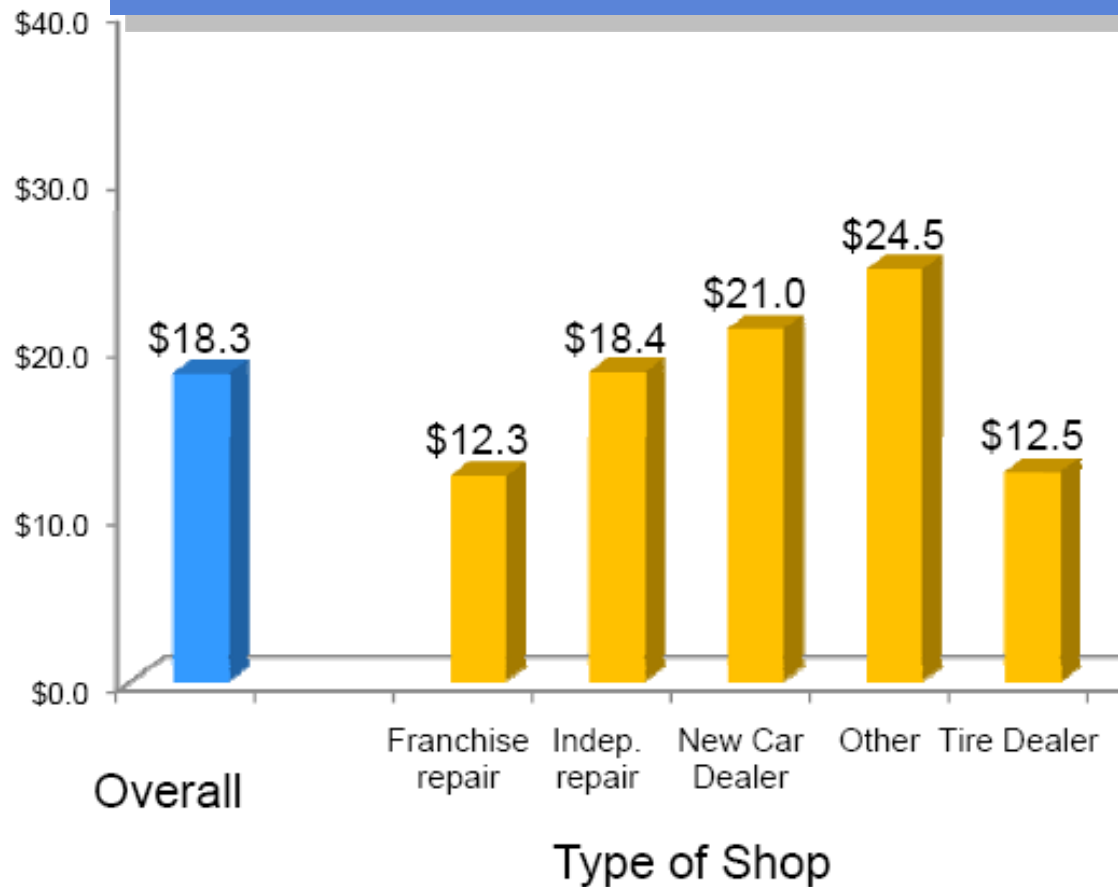
- The majority of shops feel hardware cost should be \$50 or less
- 30% of new car/tire dealers indicating reasonable cost is more than \$250

Research conducted by:

# Reasonable Monthly Service Fees



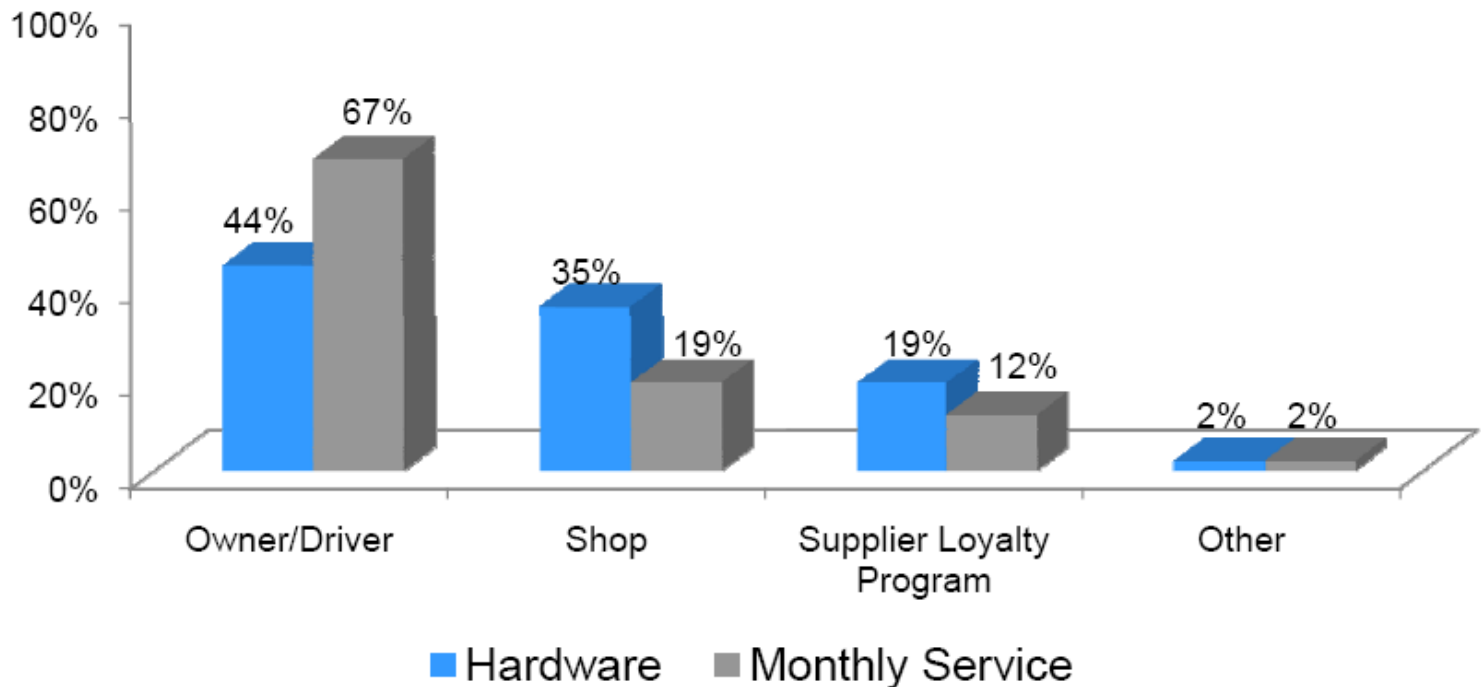
- The average monthly cost per vehicle for service was \$18.30
- “Other” shops averaging as high as \$24.50/month/vehicle.



# Who Should Cover the Cost?



- While the majority of respondents felt the owner/driver should cover the cost of both the hardware and monthly service fee, shops were more likely to cover the cost of the hardware

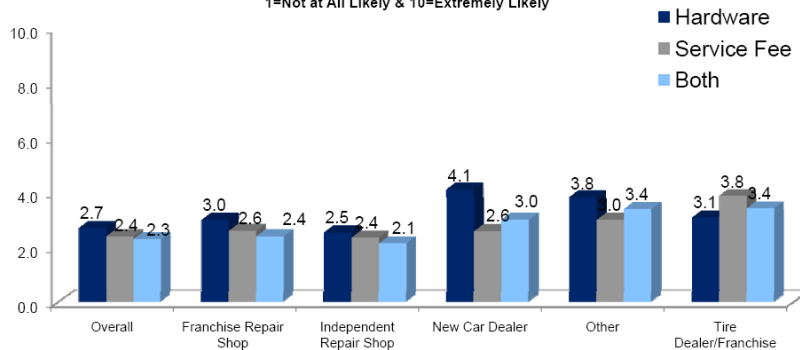


# How likely is shop to cover costs

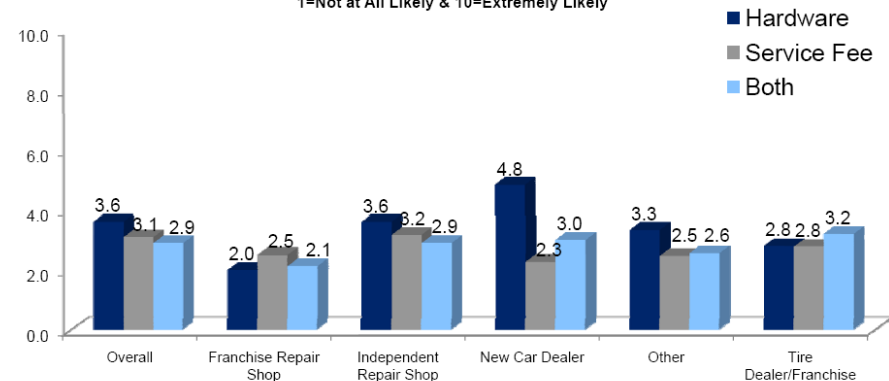


- There is not a high likelihood that the shops would cover the cost of the hardware or monthly service fee.
- While new car dealers are “more” likely to cover the costs of the hardware than other shops, it is still not a high likelihood even for their top 100 customers

How Likely Is Your Shop To Cover Costs For ALL Customers  
1=Not at All Likely & 10=Extremely Likely



How Likely Is Your Shop To Cover Costs For Top 100 Customers  
1=Not at All Likely & 10=Extremely Likely



# Top Concerns: Telematics



## Open-Ended Comments

Concern	% of Respondents
Need/want more information	24%
Cost concerns	13%
Drives customers to dealers puts independents out of business	11%
Customers don't want/won't pay	7%
Gimmick/No Value	7%
Too much Big Brother watching	7%
Business opportunity/potential for independents	6%
Is/when will it be available	4%
Need training information	3%
Way to get/keep customers	3%
Cannot trust	2%
Doesn't support customer relationship	2%

# Summary - Telematics



- Shops do not feel they have enough information to make decisions on telematics
- They are also concerned about the cost of this type of system and whether there would be enough customer demand for this type of service given the cost to customers
- Many of the independent shops felt that telematics is a way to push business to dealers, is a gimmick and is another way for “Big Brother” to know customer’s business