The Fleet Industry – Trends in Fleet Management

Gary Robbins
Vice President/Wright Express Corporation
This course is designed to assist you in achieving the following objectives:

- Understanding how the technology is affecting the fleet industry
- Information which will allow you to engage with your fleet card provider to raise the level of support
- Insight to emerging technologies which can create efficiencies and cost savings
1. Progress and Impact of Point of Sale Upgrades
2. Mobile Commerce Technology
3. The Evolution of Fleet Management
1. Point of Sale Upgrades
PCATS – POS Upgrades drive change

- **Point of Sale Upgrades**
  - Over 40% compliant
  - Expect to reach in excess of 60% compliant by 12/31/11
  - With Compliant POS – dynamic controls become real

- **Increased Fraud-monitoring tools**
  - Pump-shut-off
  - Flexible POS Promting

- **Point of Sale Technology will continue to evolve**
  - PCATS Standards - moving from 2-digit proprietary product codes to 3-digit standards
  - Point of Sale Terminals are being upgraded – RFID
Wright Express sits on the Retail Financial Transaction Committee of PCATS (Petroleum Convenience Alliance for Technical Standards).

In January, Wright Express presented three new standard payment product codes to the committee for approval.

Recommendation approved and new codes are now in the January 2011 version of the PCATS Standard Payment Product Codes.

Kilowatts has also been added to our I-Spec Measurement Table.

### New Standard Payment Product Codes

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVC Level 1</td>
<td>110 volt charge</td>
<td>308</td>
</tr>
<tr>
<td>EVC Level 2</td>
<td>220 volt charge</td>
<td>309</td>
</tr>
<tr>
<td>EVC Level 3</td>
<td>480 volt charge with 3 phases</td>
<td>310</td>
</tr>
</tbody>
</table>

Fleet Managers

The Fleet Industry – Trends in Fleet Management
Transaction flows same as any fuel purchase today

EVC Level 3
PCATS code 310

EV Charger and POS with I-Spec

Merchant Network Host

WEX Host

Reporting

Fleet Managers
Fuel Management Technology:

• The “purchase device” will be more secure
  – Dynamic Data Authentication – allowing for unique password on every transaction

• The Pump
  – Authorization Specifications are enabling
    ▪ New pump-shut-off controls
    ▪ Flexible prompts (Cost Center, Job Code, etc.)

• The Vehicle
  – Data capture from Fuel-sensor, On-board Technology and Telematics will provide increased insight to fuel-use and efficiency
  – In-vehicle technology can help navigate the driver to lowest priced fuel
2. Mobile Commerce Technology
Technological Advancements: Mobile Commerce is Emerging
Real-time data-transfer will allow for communications – leveraging fuel-card recognition technology:

- With SmartPhones, fuel pumps can be a conduit of information: to/from your vehicle/driver

- Acting as an information hub, messages may be downloaded to/from the driver
  - Maintenance messages – based on odometer reading
  - Next job-site loaded into their routing system
  - Inventory system can be updated – tools, material, etc. in/on the truck

- Diagnostics/Data uploaded to the Fleet Management Company/Team
  - Check-engine light notification
  - Odometer capture (direct from the vehicle)
  - Messaging/notification: Coaching driver behavior – speeding, harsh braking/acceleration
Mobile Payment using NFC technology for fuel will follow the Mobile Payment Trend

1. Fuel Merchants have tested Mobile Payments
2. Fueling merchants need to install RFID hardware
3. Carriers need to bring NFC smartphones to U.S.
4. Business models (Banks) will need to be finalized

NFC = Near Field Communications
RFID = Radio Frequency Identification
Mobile Users > Desktop Internet Users
Within 5 Years


Source: Morgan Stanley Research

Morgan Stanley
The Fleet Industry – Trends in Fleet Management

Mobile Commerce has a solid footing

- 90% of the U.S. population subscribes to wireless services
- During the next 4 years – mobile users are expected to surpass desktop internet users
- Fleet card issuers have tested mobile payments
  - Near field communications at state of the art POS terminals
- Mobile Account Maintenance
  - Adding drivers, vehicles, cards…from your SmartPhone
- Mobile Commerce will enable smart-couponing
  - Location recognition
  - Brand loyalty programs
The Personal Computer Has Finally Arrived

Mobility

On-demand Internet Accessibility

Dial-up

WiFi

Broadband

3G/4G

GPS
Mobile Apps Have Become the Stickiest Medium

AdMob Mobile Metrix Report:
• Users are highly engaged with apps
• Android and iPhone users spend 79-80 min/day
• Users download ~9 new apps/month

ABI Research: App Downloads Skyrocketing
• 6 Billion App downloads projected in 2010
• Up from 2.4 Billion in 2009
The Fleet Industry – Trends in Fleet Management

Looking towards the future:

SmartPhones – the great enabler

• With RFID at POS, NFC enabled Smartphones can become your eWallet

• At the center of every transaction – SmartPhones will create an explosion of more real-time data

• SmartPhones can increase the accuracy of data – including:
  ▪ Odometer readings – captured directly from the vehicle
  ▪ Cost center/accounting code information

• Infrastructure build will pick-up speed:
  ▪ Google and Verifone have recently entered discussions
  ▪ EXXONMobil, and Sheetz have implemented RFID
  ▪ Wright Express and Sheetz have tested near field communications at the pump

• Mobile Commerce is on the move
At the cross-roads of SmartPhone and Near Field Technology will be a wealth of information

- Information push/pull will be dynamic
  - From your corporate data center – analytics driven messaging
    - Oil-change needed
    - Driving behavior coaching
  - To your corporate office – in vehicle data
    - In-vehicle inventory
    - Odometer and other diagnostic data

- SmartPhones will allow unprecedented access to real-time vehicle and driver behavior
3. The Evolution of Fleet Management
The Fleet Industry – Trends in Fleet Management

The Future of Fleet Management:

Fleets will see the emergence of self-serve Fleet Management

- Ongoing migration from “central” Fleet Management to “driver” Fleet Management:
  - Full migration will take several software generations to reach the eventual state
  - Push alerts, notices, electronic interactions will minimize need for central fleet mgr

- Widespread acceptance and utilization of functional fleet networking websites:
  - Online fleet communities
  - Virtual industry conferences
  - Sharing of best practices
  - Emergence of consortium fleet-buying groups

- Ultimately – leading to the rapid assembly of “viral” ad hoc groups
  - Addressing industry specific issues
The Fleet Industry – Trends in Fleet Management

Fleet Managers and Drivers will be empowered by next generation software/tools:

- The Next 10 years – technology will “rule”
  - Telematics will continue to evolve – it will become standard
  - On-board connectivity will be a standard option on most models from the OEM
  - Service Providers will transition to become “information providers”
    - They will become intelligent data aggregators
    - Google-like companies may begin to offer solutions to businesses – including Fleet Management
    - Data Warehouses may collect the thousands of data elements associated with drivers/vehicles
      - Vehicle use/diagnostics
      - Driver behavior
    - Sophisticated data-mining tools will provide greater insight
The Fleet Industry – Trends in Fleet Management

Landscape will shift – Partnerships & Alliances

• OEM’s/FMC/Service Providers – the lines will blur:
  – Technology will allow for single-source, white-labeling – with seamless integration

• Disruption to “the way it is done today”…with game-changing partnerships
  – Fleet Vehicle Acquisition
  – Day-to-Day Fleet Management
  – Remarketing of Fleet Vehicles
The Fleet Industry – Trends in Fleet Management

Gary Robbins

Fleet Managers