

Telematics Sales & Ethic: addressing both buyers & partners concerns



Brian Martin identifies the areas both UK Buyers and Partners are scrutinising, to find a credible Telematics Service Provider.

I HAVE PREVIOUSLY QUESTIONED the ethics and poor sales practices of a few that have tarnished the image of vehicle telematics in the UK. The question now is: have things changed?

The good news for buyers and partners alike is that we are now seeing more professional (listed) companies enter the UK, and current established companies begin to adopt a professional approach by starting to put value into their company and their brands.

However with any increase in companies entering this market space, the poor practices highlighted in my previous article will still remain. The very use of third party finance institutions to lease the technology, and pay the Telematics Service Providers (TSP) the total monies on a signed 5 year lease upfront, is open to abuse. New

starters can enter this industry, be aggressive in their sales approach, sign up a few 5 year deals and walk away with the money, leaving the poor customer tied up in an agreement which must be paid.

Buyers/Partners have become more educated and aware of the poor practices, thus it is important for Telematics Service Providers to differentiate themselves, and address the concerns of the buying public. Below are a few areas that potential buyers and resellers are looking at when considering to partner a TSP:

Contact details

Companies like direct contact. Therefore buyers/partners will be very cautious of any TSP that only has online contact forms. It is alarming to see TSPs

on the internet without any contact address or phone number. If companies can't get hold you when they actually want to buy from you, it does sow the seed of doubt, as to what would happen should they need any form of support?

A prime example has to be InfoTrack, a former colleague of mine was a Reseller for them, when without warning in early June 2005 they disappeared. All the contact numbers he has are switched off, the Office building is allegedly up for let, and his customers cannot make direct contact because the web site has no contact information other than an online form, which I completed as a potential buyer, and three weeks later still haven't had a response.

Research

Buyers are prepared to learn as much as they can about a TSP, its portfolio and more importantly its customers. It is amazing to think of how many companies have reams of literature on reference sites, but when asked for a contact they actually decline to pass one over. In fact due to the lack of service offered by some players in the market, we are finding that these reams of references are fast becoming contact lists for rival TSPs. Thus it is important to ensure that every publish reference site is a happy customer. Buyers/Partners will want to speak to a reference site or two, to be reassured they are making the correct choice, or to be glad the deci-



Good TSPs should not be down to chance

sion has yet to be made.

Buyers now demand more than just a power-point presentation, and will often request a trial/demo. I would suggest you give them one, even if this is a paid for trial, it will be money well spent. In terms of functionality and ease of use, they will be able to see first hand what they are going to get rather than be told what it will be.

Hidden costs

The fixed monthly cost has become the standard, but how fixed is it? It is important that it remains fixed and includes any form of Hardware, Software or Firmware updates. Buyers/Partners do not like surprise especially ones that cost money, so be open about any additional costs, be they for installations, polling or maintenance.

Also let your client know what happens if they go abroad with your system; if there is no GPRS coverage does it switch to SMS and continue updating and who picks up that those SMS costs?

If the vehicle goes abroad, will the system still track? If yes, then what are the associated costs? GPRS roaming charges will most likely not be included in the package and roaming tariffs in Europe can be exorbitant?

That might sound a little daft, but I do know of an example where a driver popped over to France for approx 18hrs, although he wasn't hit by GPRS roaming charges, the unit did switch over to SMS, at an update rate of 5 minutes. The SMS charge was 0.12p, and his bill when he got back was £25.92. Now imagine if that was a week? 24hrs x 7 days would actually equate to £241.92, a little different to the 0.99p per day as quoted by his supplier.

Data Storage

Buyers/Partners will ask what happens to the data if the vehicle location unit (black box) cannot transmit due to a

coverage black spot? Will your unit store the updates and event logs and if so how many and for how long?

The technology side of the market has improved, with most systems capable of utilising 'store and forward' functionality. I believe the standard storing capacity now is approximately 1000 events, or journey logs, which will be saved until there is GPS coverage to send the information.

Payment options

The AVL vehicle tracking sector tends to rent/lease rather than to sell its' products outright. And there are a lot of good arguments for this, e.g. helps cash flow by not being a Capital Expenditure. The typical rental agreement can be anything from 1 to 5 years, which is a FIXED RENTAL PERIOD.

However because this payment method is open to abuse, buyers are aware that the Telematics Service Provider is often just the supplier of the goods; the actual rental agreement is often done through a third party. Therefore if they have a problem with the product or service, they will not get a sympathetic hearing from the finance should they want to stop payments until a problem is resolved.

Below is an example taken direct from a 'Fixed Period Lease Rental':

"It is not a condition of this agreement that software maintenance and support is provided therefore, Rentals will continue to be payable even if the supplier fails to provide such maintenance and support."

And sadly we have seen court cases to that effect; where the technology doesn't work, the customer stops paying, but the contract demands payment to the leasing company, and naturally they win and the customer loses.

To install more confidence TSPs should offer a Service Level Agreement or warranty along with the products/solutions sold.

In the UK, I only know of one TSP that actually finances their own agreements, and they are the Astrata Group. Astrata, have recently entered the UK market, and have recognised and are attempting to address these failings by establishing themselves as the professional partner of choice. Their customer rental agreements are direct with Astrata the company, not a third party. Therefore if a genuine fault with the product arises, the customer can stop payments until the fault is rectified or the unit replaced.

Don't get me wrong, I am not against third party leasing/rental agreements, so long as the other areas are checked and in place. But if a company has faith in its own products, why pass the risk onto third parties or their customers?

I am pleased that things are beginning to change in the UK. I just hope that those companies that own the whole value chain, like Astrata are able to make a difference. Likewise hardware distributors especially trakm8, are gaining in respect but it is up to them to monitor which TSPs they partner with to sell their products to ensure their values and credibility are upheld. Simply, more companies need to take the mantle of credibility and lead by example, then exceed their customers' expectations by offering great service. When making the correct solution or partner choice, it should never come down to "who is the cheapest". A great negotiation tip for Telematics Service Providers: "Value for money, quality, service – say to your prospect or partner, which one would you like to leave out?" ■

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