

C.J. Driscoll & Associates Releases In-Depth Study of the U.S. Fleet AVL Market

Study Finds that over One Million U.S. Fleet Vehicles are Equipped with Automatic Vehicle Location Systems

LOS ANGELES – C.J. Driscoll & Associates has released a comprehensive new study on the U.S. market for automatic vehicle location (AVL) systems for fleet vehicles. This study assesses the size of the fleet market and current AVL penetration levels. Market trends are analyzed, including the potential impact of broadband wireless data networks, GPS-equipped phones and Homeland Security initiatives on the U.S. fleet AVL market. Prospects for emerging markets, such as trailer monitoring and asset tracking, are closely examined. Detailed information is provided on over 80 U.S. and Canadian suppliers of fleet vehicle location systems and services, including current installed base and system pricing.

The study was directed by Clement J. Driscoll, a noted industry analyst and partner in Driscoll-Wolfe Marketing & Research Consulting. The research is based on both primary and secondary methodologies, including over 70 interviews of executives of leading AVL suppliers and wireless network operators servicing the AVL industry.

The 179-page report provides current statistical data on the overall size of the U.S. fleet market and major fleet categories, obtained from a wide range of government and industry sources. Use of vehicle location in individual fleet segments is assessed. Current and projected market trends are analyzed, including factors that will impact market growth in the future.

The study examines AVL market growth over the past several years and projects growth through 2006. It also assesses new wireless networks used for AVL and the impact of carrier plans to phase out service on other networks. In addition, the study reports the specific fleet segments targeted by major AVL suppliers, as well as their current installed base and pricing.

The following are among the key findings of the study:

- Over one million U.S. fleet vehicles are currently equipped with GPS-based vehicle location systems. These systems are most extensively used in the long haul trucking and public transit segments, in which 30% - 50% of fleet vehicles are equipped with AVL systems.
- The number of local commercial fleet vehicles equipped with AVL *has more than doubled over the past three years* due to the decline in AVL equipment prices, increased availability of reliable wireless communication networks with broad coverage, new entrants into the AVL market with strong products and distribution and other factors.
- With an estimated 150 - 200 suppliers of AVL systems, hardware components and software in the U.S. and Canada, the AVL industry is highly fragmented. It is likely

that industry consolidation will occur among companies with complementary products and capabilities.

- The range of available AVL system configurations has grown from basic, low cost tracking systems to integrated fleet management systems, in which AVL is simply a component. In the future, the increased use of GPS-equipped cellular phones will reduce opportunities for AVL equipment sales, while increasing the need for fleet monitoring and reporting services.
- Distribution is a key to success in the AVL market, but is a problem area for many suppliers. Most AVL companies selling to the fleet market are faced with the trade-off of hiring a large sales force or depending on distributors and resellers, which have often proven ineffective. Establishing effective nationwide distribution, while keeping distribution costs in line, is the greatest challenge facing many AVL companies.

C.J. Driscoll & Associates, formed in 1993, is a leading marketing consulting and research firm with broad experience in fleet vehicle location, consumer telematics and other wireless location-based products and services. The company's affiliate, Driscoll-Wolfe Marketing & Research Consulting, has conducted five multi-client studies on U.S. consumer interest in location-based services, which have been sponsored by companies such as AT&T Wireless, ATX Technologies, BMW, General Motors OnStar, LoJack, Microsoft, Motorola, QUALCOMM, Sprint PCS, Toyota and others. Clement Driscoll is a principal in C.J. Driscoll & Associates and a senior partner in Driscoll-Wolfe Marketing & Research Consulting.

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