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CONNECTED FLEET - EUROPEAN

Customer Value Leadership 2019

Ruptela
Transport Telematics

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2019 | BEST PRACTICES AWARD

Contents

Background and Company Performance

Industry Challenges

The commercial vehicle telematics industry is seeing a significant rise in market adoption as fleets are increasingly realizing the positive impact of telematics. In the rapidly growing market of telematics and GPS, understanding the ways in which fleet managers can use such systems is crucial for fleet operators as well as the telematics service providers that create those solutions. Telematics systems can harness data to enable better business strategies and decision making; however, despite such indisputable advantages, skepticism and the lack of awareness on the return on investment (ROI) are still prevalent in certain regions where penetration is arguably less.

The biggest immediate technological challenges that fleet management solution providers face include hardware reliability and scalability, a multi-tier Web platform architecture with multiple platform accessibility, and a comprehensive range of industry vertical solutions.

In addition, fleet managers are faced with the following critical factors when culling the best all-around telematics packages available in the market:

- Managing vehicle operations and maintenance requirements

- Tracking and maintenance scheduling for the entire fleet

- Tracking drivers and cargo

- Avoiding order planning mistakes that incur unnecessary downtime and delays

- Optimizing fleet and equipment deployment

- Receiving continuous and uninterrupted visibility of vehicles

- Offering software solutions with integratability and interoperability

- Having multiple platforms to access a cloud-based solution

- Having the ability to provide a single channel, one-stop solution that addresses all customer needs

- Offering customers an easy issue/problem resolution service through knowledgeable and committed customer support and guidance systems

In addition to the above, fleet operators must consider compliance, regulations, guidelines, and restrictions to ensure each vehicle adheres to industry standards and regulations for driver hours, emissions, use, and operation, among other parameters. A right telematics

solutions provider can help fleets mitigate many of these issues. Moreover, a one-stop solution from a single telematics vendor that caters to all needs and requirements of fleet operators is essential for ease of operation and the integration of multiple vehicle types and mixed fleets. A comprehensive solution can save time and simplify the adoption process as customers would not need to calibrate and integrate products and services from multiple telematics service providers from which to draw value.

Ruptela offers its customers this freedom by being a one-stop solution provider for all fleet tracking and management needs, such as GPS tracking hardware, real-time tracking platform, connectivity, accessories and peripherals, technical support, and integration services.

Customer Impact Discussion Points

Price/Performance Value

Founded in 2007, Lithuania-based Ruptela adds value to its customers and partners in 127 countries by offering a full fleet management solution that fulfils customers' varied fleet tracking and management needs. In addition, the company offers GPS tracking hardware; accessories for temperature, fuel, driver behavior; door opening and closing monitoring and others, along with TrustTrack, which is a real-time vehicle monitoring and control software.

Ruptela's operating strategy includes offering customers a complete package for all their telematics needs so that they do not need to purchase products from multiple vendors to complete their fleet management solutions. From the customer's perspective, building a fleet management solution from different telematics vendors is a complicated and time consuming process, in terms of integrating, testing, updating, and solving issues arising from different products. Ruptela effectively simplifies operations for fleets with its set of solutions and a single point of contact for all customer- and product-related support and queries, thereby saving customers a huge amount of money and time.

The performance of Ruptela's current GPS trackers has a high quality rate of 99.9%, which is a result of the company's constant customer-centric focus on its products. Ruptela understands that replacing a malfunctioning GPS tracker is an expensive process for customers as it involves additional overhead costs, such as installer service costs and vehicle downtime. Returning vehicles for repair interrupts operations and affects fleets' overall performance. To avoid this, Ruptela ensures its products are of the maximum quality, thus building its customer base through trust and goodwill. This commitment to quality has resulted in one million hardware units sold worldwide.

Ruptela's real-time tracking platform, TrustTrack, offers a wide range of features for fleet management, including an administration panel and an application programming interface (API) for integrating with other systems. The platform already has 100,000 subscribers and is updated every two weeks with new features and improvements. Ruptela's key value proposition is to help customers expand their business, and the company communicates

this message through campaigns and marketing events to promote its brand under the theme "The shortcut to amazing Growth." Creating value and building strong, long-term partnerships convince customers that they can indeed grow with Ruptela.

Ruptela intelligently defines and targets regions/countries worldwide with different key value propositions. For example, in some countries, Ruptela's hardware quality will be its key value proposition, whereas in other countries, the key selling point will be its additional features in the tracking platform. As of 2018, the company primarily targets North and South America, Europe, and Southeast Asia to establish a bigger market foothold. Compared to competitors, Ruptela's selling position is unique because the company sells directly to end-user fleets (in Lithuania, Poland, Belarus and Ukraine) and to telematics service providers that offer fleet management solutions to end users. This strategy allows Ruptela to obtain feedback from both customers and other telematics service providers, thereby gathering various perspectives about market challenges from different stakeholders. In addition, this strategy allows Ruptela to observe the market from a third stand point and enables deeper understanding of market needs, challenges, opportunities, and processes.

Customer Ownership Experience

Ruptela strives to understand what makes customers happy and satisfied and improves its customer ownership experience by providing customers with more value for the money, which can change from customer to customer and region to region. Ruptela analyzes customer feedback to determine which crucial factor will make the ownership experience better. The company's feedback mechanism includes the following:

- A yearly customer satisfaction survey
- A transactional survey that technical support sends to the customer following issue resolution
- Verbal/written feedback forms
- Top and middle management visits/calls to customers

The collected feedback is registered and analyzed, and a detailed action plan is generated to resolve any customer issues. By placing such a high emphasis on the customer experience, Ruptela has named customer feedback and customer satisfaction as essential key performance indicators (KPIs) for various teams within the organization. In general, product functionality, price, and quality are the most common customer satisfaction parameters. In addition, Ruptela has observed customers' rising need for easy-to-use products and solutions and has already integrated this ease-of-use factor into its product design strategy.

Ruptela has further enhanced the customer ownership experience by improving the device installation process, creating new configuration tools, and integrating virtual assistant into the platform to meet both existing and potential customers' requirement for a simplified experience. The company's, dedicated Customer Experience Department manages and oversees customer interactions across all regions worldwide. The team provides simple yet

exceptional service for its customers and helps them throughout every step by integrating a long-term strategy with customer-centric goals and KPIs across all units.

Supplementary to the Customer Experience Department, Ruptela employs expert field application engineers who when needed travel to customer sites worldwide and guide customers on how to use the company's telematics solutions efficiently. In addition, Ruptela's team of experts conducts several on-boarding programs to reach out to customers further and help them install and use the company's products and solutions. For example, dedicated domain specialists are assigned to customers during the on-boarding process. A benefit for both customers and Ruptela is that through this training, customers often become adept at handling their units and thus have fewer issues and questions in the long term. This on-site practice provides customers with the confidence in Ruptela's products and expertise, allowing the company to acquire more customers by word-of-mouth marketing.

Brand Equity

Ruptela has already firmly established itself in the transport telematics market, thus earning positive brand equity. The company plans to strengthen its market position further by focusing on providing exceptional product quality and a positive customer experience. For example, while most competitors offer only one part of the solution (either hardware or software), Ruptela takes advantage of being a full-solution provider by offering both GPS tracking and software products, thus gaining a competitive edge.

Ruptela's excellence in product quality and customer service has helped it rise above the competition and has attracted customers from different markets that now prefer to use a Ruptela product rather than other products because of the company's brand name value. The company further boosts its brand value and equity by reaching out to clients and potential customers and spreading awareness about its different products and solutions that they might find useful and effective in managing their fleets.

At the end of 2018 Ruptela held Ruptela Day event , where it invited its clients worldwide and presented market trends, business cases, and success stories. By engaging in these client-building activities and marketing campaigns, Ruptela has created its own unique brand name value and reputation among telematics solution providers, distribution network providers, and end customers.

Business Impact Discussion Points

Addressing Unmet Needs

Ruptela offers its customers a wide array of products, technologies, solutions, and services, categorized in terms of value proposition and packaged and marketed to customers according to their profiles, needs, and regions. Ruptela strives to understand what each customer needs in terms of type of telematics solution. For example, large fleets may require Ruptela's TrustTrack time analysis solution to manage drivers' work and rest times,

whereas smaller fleets may require a completely different solution. Ruptela promptly determines each customer's pain point and then addresses it through its product lineup. This product placement strategy has helped Ruptela win over big customers. For example, large-scale projects that the company has recently won include a huge car-sharing project in Europe and original equipment manufacturer (OEM) Tier II projects in Asia, where custom fleet management solutions are required in high volumes.

With the introduction of Ruptela's five new types of installation harnesses in 2018, Frost & Sullivan estimates that customers can save up to 50% of the installation time. In addition, Frost & Sullivan commends Ruptela for clearly and efficiently addressing market challenges by offering versatile accessories, such as harnesses, radio frequency identification (RFID) and sensors, as well as offering an extensive line of rugged hardware powered by the intuitive and user-friendly TrustTrack software platform.

Customer Acquisition

Ruptela undertakes a series of customer-facing processes that support the efficient and consistent acquisition of new customers and enhance the successful retention of existing customers. Some of the company's customer acquisition and retention efforts include the following:

- Continuous business trips to clients' sites

- Field application engineer visits

- Webinars, training videos, and documentation

- Customer on-boarding process

- Customer events

- Periodic newsletter on product updates, applications, and company news

- Product roadmap sharing

- Customer involvement in the product development process

- Language adaptation of various content

- Customer surveys

- Customer feedback forms

Ruptela strives to expand its market presence by vigorously targeting potential customers, with its customer creation and retention rates increasingly expanding. For example, the company currently converts 70% of its potential customers into existing customers within one to three months, depending on various conditions, attributed to its aggressive customer-centric activities.

Growth Potential

A company's growth, branding, and customer loyalty are directly attributed to its focus on customer value. Ruptela's excellent efforts on those streams have resulted in a positive financial performance in 2018 and ensure a continuous growth trend going into 2019. In the short term, the company plans to capitalize on the increasing demand for comprehensive fleet management solutions based on GPS tracking and real-time vehicle monitoring and control in the light commercial vehicles segment.

Ruptela's commitment to excellence, quality, and service has earned it several accolades over the years, including the following:

- 2018—Export Company of the Year award in Lithuania
- 2017—The most attractive employer in Lithuania
- Deloitte CE Technology Fast 50 rating of companies:
  - 2015—36th fastest-growing technology company in Central Europe
  - 2014—7th fastest-growing technology company in Central Europe
  - 2013—5th fastest-growing technology company in Central Europe

Moreover, Ruptela's CEO and top management are no strangers to recognition from reputed institutions in Lithuania, , and other parts of Europe, including being recognized as CEO of the Year in Lithuania.

After successfully reaching revenues of more than 20 million Eur. in 2018, the company is confident in its growth trajectory and expects to stay above the market level on both its key target segments: fleet management and aftermarket telematics. Based on Frost & Sullivan analysis, Ruptela is estimated to grow at about 17% in the fleet management industry and at about 30% within the telematics aftermarket segment through 2022.

Conclusion

Ruptela has achieved its goal of being a full fleet management solution provider that meets its customers tracking and fleet management needs by offering tracking devices and hardware as well its real-time TrustTrack platform. The company's 1 million hardware units in the market as of beginning 2019 exhibit a 99.9% quality rate, which is the highest in the industry, and its TrustTrack platform hosts more than 100,000 subscribers worldwide.

Ruptela's qualified and trained telematics experts resolve customers' issues seamlessly, and field application engineers and customer support executives simplify the on-boarding process for customers. Frost & Sullivan considers Ruptela's level of commitment and dedication in providing excellent products and services to be unmatched in the industry. In addition, Frost & Sullivan finds the company's intuitive marketing strategies, strong revenue growth, and customer-centric goals and KPIs across all departments have exceeded industry norms and have facilitated radical growth in the fleet telematics industry. Ruptela is a leading brand in the market because of its easy-to-use products and solutions, simple third-party services integration, wide range of accessories and tools for hardware installation, reliableTrustTrack platform, and unmatched dedication in customer service and satisfaction.

Ruptela has been serving the fleet tracking and management solutions industry for over 11 years, with a complete focus on quality and commitment toward customers. These attributes have rightly earned Ruptela the status of a reputed market leader in providing the best value to customers.

With its overall strong performance and excellence in serving the connected fleet industry, Ruptela has earned Frost & Sullivan's 2018 Customer Value Leadership Award in the European connected fleet industry.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. Delighting customers is, therefore, the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime of customer value.

 "We Accelerate Growth"

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

Customer Impact

Criterion 1: Price/Performance Value
Criterion 2: Customer Purchase Experience
Criterion 3: Customer Ownership Experience
Criterion 4: Customer Service Experience
Criterion 5: Brand Equity

Business Impact

Criterion 1: Financial Performance
Criterion 2: Customer Acquisition
Criterion 3: Operational Efficiency
Criterion 4: Growth Potential
Criterion 5: Human Capital

Best Practices Award Analysis for Ruptela

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES

9–10 Excellent
7–8 Good
4–6 Fair
1–3 Poor
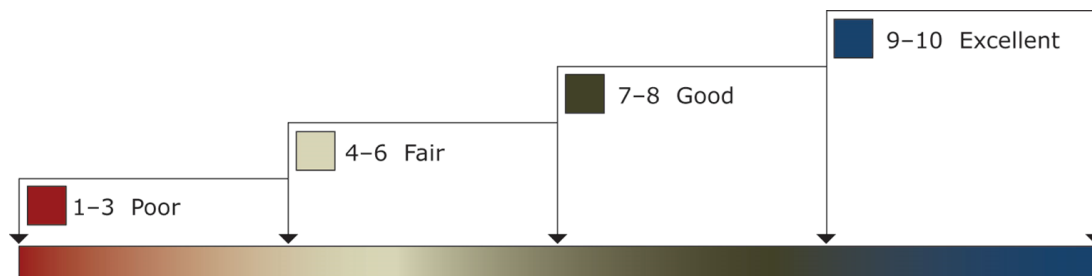
The Decision Support Scorecard is organized by Customer Impact and Business Impact (i.e., these are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard.). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key participants as Competitor 2 and Competitor 3.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Customer Value Leadership	Customer Impact	Business Impact	**Average Rating**
Ruptela	**9**	**9**	**9**
Competitor 2	8.3	7.3	7.8
Competitor 3	7.5	7.0	7.2

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience
Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Business Impact

Criterion 1: Financial Performance
Requirement: Overall financial performance is strong in terms of revenues, revenue growth, operating margin, and other key financial metrics.

Criterion 2: Customer Acquisition
Requirement: Customer-facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers.

Criterion 3: Operational Efficiency
Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

Criterion 4: Growth Potential

Requirements: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.
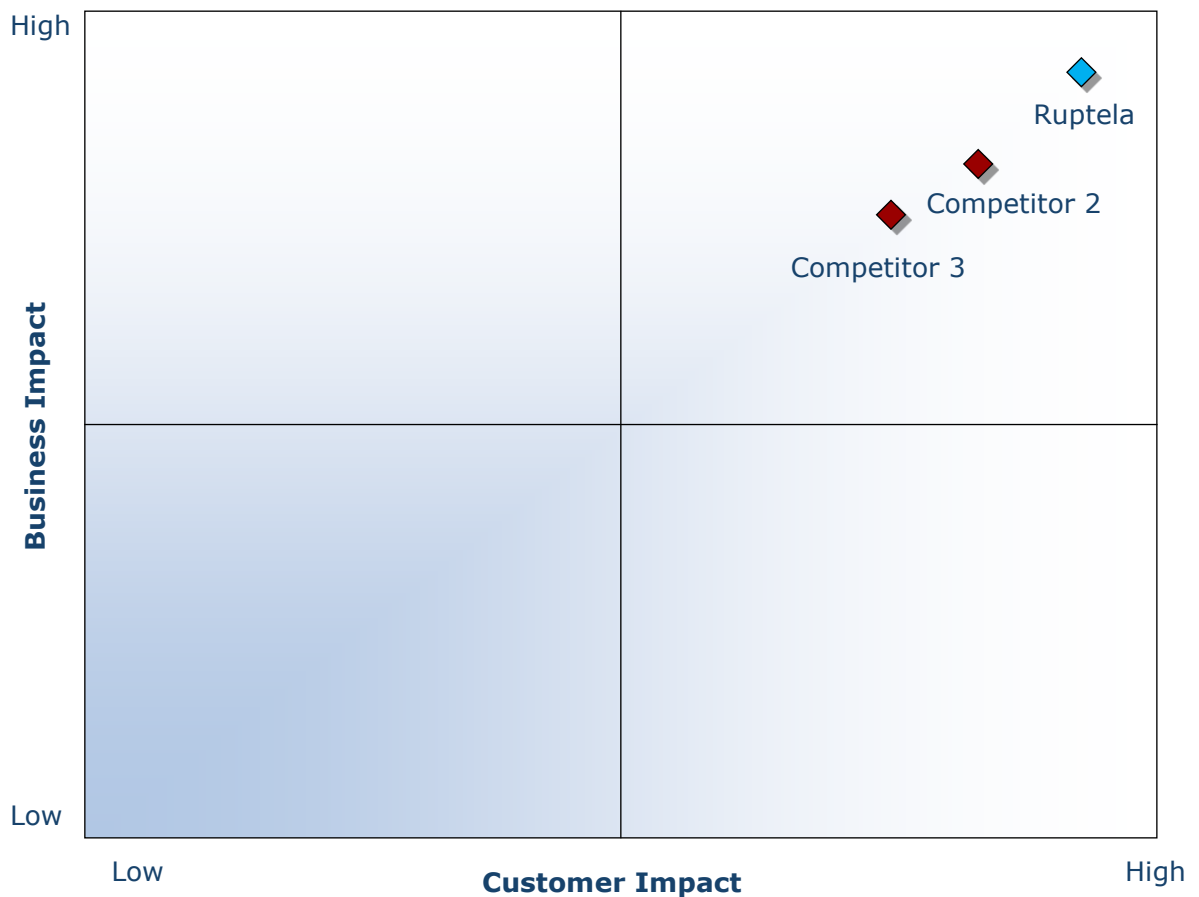
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6	**Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select recipient	Decision on which company performs best against all best-practice criteria
9	**Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10	**Take strategic action**	Upon licensing, company is able to share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.

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