



Do You Know Where Your Cars Are?

By [Chris Brown](#), August 2017 in [Rental Operations](#), [Telematics](#) - [Also by this author](#)



For car rental operators new to telematics, the idea of installing a system to track rental vehicles represents another considerable expense. Ask most operators already using telematics, and they'll tell you their systems are invaluable.

"When you have a large fleet, it's a considerable cost," says Jen Toth, manager of an Avis, Budget, and Payless franchise in New Jersey. "But if three vehicles go missing, you've paid for half of the cost of the devices. It's worth it, when you can minimize downtime and know where your vehicles are."

"Had we not installed trackers we would've lost at least a dozen cars when we opened Sixt in Philadelphia," says Michael Kulp, a Sixt licensee. "After 25 years of being in business, I now insist on trackers in all of our cars."

Seasoned operators have heard for years about using GPS tracking to mitigate theft and misuse of rental vehicles. For those with memories of clunky interfaces, time-consuming installs, and unreasonable price points, times have changed. Termed "telematics" today, the next generation of systems offers better mapping, bundled pricing, flexible reporting, and more fleet management tools.

Car rental operators are taking advantage of these new tools to mitigate misuse but also better manage fleet.

Defining Parameters

Toth doesn't have time to micromanage some 2,000 rental cars spread across 32 Avis, Budget, and Payless locations, so she has her telematics system alert her to any exceptions from the norm. "It's really out-of-state cars that haven't moved that we keep an eye on," she says. "If I check every other day, that's a lot."

While Toth takes a more hands-off approach, "I want to know every morning which cars 'pinged out' and which cars didn't," says James Dorsey, risk manager for NextCar. Dorsey manages the telematics for NextCar's locations and Rent-A-Wreck's corporate stores, and he consults with Rent-A-Wreck and Priceless franchisees on telematics implementation.

A telematics system can accommodate both management styles — it's all about how you configure its parameters to meet your needs.

Dorsey has assigned "geofences" for when vehicles cross into impound yards, the Canadian and Mexican borders, and the Mississippi River. Other parameters include speed and mileage; some systems can identify a crash. Toth gets an alert if a vehicle is being towed — when it's moving without the engine running.

When any of these thresholds are crossed, a defined distribution list receives immediate alerts via text or email, as well as in "exception reports" that can be downloaded in spreadsheet form.

For Dorsey and others, location information informs the recovery process. "We use [our system] to know how we're going to recover that vehicle, either ourselves or with a professional recovery agent," he says, "which might be a safer play depending on where the car is."

Management Decisions

Dorsey prefers to locate fleet at "Zero Dark Thirty" — before dawn. "That's helpful because it tells you where the cars spent the night, and also which cars didn't 'ping out,'" he says, which could be trouble or merely indicates the renter parked in an obstructed area such as an underground garage.

If a renter is a couple of days late, Dorsey will make sure the renter's credit card is still valid and then have the renter called. "If that goes well, you still want to keep an eye on the car," he says.

If the renter is not responsive, and the car doesn't "ping" the following day, Dorsey will research the customer's rental history, if any, and use previous tracking data to determine a likely workplace or residence.

For Kulp, "If a car is overdue, we look for it immediately," he says. "We call, we track it down, and we go get it. The times we've delayed the car wound up in Africa. We've had that happen twice."

Kulp has also located an overdue car in California; he sent the spare set of keys via FedEx for professional repossession.

Smaller operators who are new to telematics might be daunted by the task of system management. Some GPS providers will go further into a consultancy role, interpreting the data for their clients and alerting them when potential problems arise.

Ultimately, Dorsey says, the idea is to allow the system to do the alerting by precise configuration based on the operator's needs.



James Dorsey, risk manager for NextCar, checks the status of NextCar's fleet every morning. A car that doesn't "ping out" could be trouble or merely indicate the renter parked in an obstructed area such as an underground garage.

Use Cases

While preventing outright theft is critical, most use cases in car rental are more mundane: a renter is past the contract date and has an invalid credit card or is using a debit card, the vehicle has been in an accident or impounded, or it was simply lost due to an employee mistake.

Without telematics, these issues could result in considerable lag time before an operator is notified. "The renter will be the last to tell you where the car is because sometimes they don't know," says Dorsey.

"There are many reasons for lost revenue on a vehicle," says Anne Taylor, sales representative for Guidepoint Systems, a telematics provider. "GPS tracking gives the ability to get that vehicle back into the fleet and generating revenue sooner than they would have if they didn't have a system."

Aside from vehicles going awry, knowing their exact locations immediately allows for more proactive fleet management, especially for operators running multiple lots and satellite locations. "You can better manage overdues and see that 20 vehicles are available at one location and there are only two in another, so let's get the vehicles to where they're needed," Taylor says.

Some systems offer lot management functions to automatically read fuel, odometer, and vehicle trouble codes, says Brian Deeley, director, product manager for the vehicle finance group at Spireon, a telematics provider.

As rental situations — and risks — vary within a franchise or independent rental company, operators must decide whether to install hardware in all or part of the fleet. Toth has the system installed in 95% of her fleet, Kulp in every vehicle.

Some NextCar locations serve predominantly retail clients while others serve low-risk insurance replacement. Dorsey nonetheless installs hardware in the entire NextCar corporate-owned fleet, up

to 2,400 cars in the summer. “We install in every vehicle as part of our in-fleeting process,” he says, adding that fleet vehicles sometimes move from one office to another.

Installation Guidelines

As rental vehicles turn over every six to 18 months, honing the installation process is essential. Some operators choose professional installers, while others, such as Kulp, train staff. “We do extensive reconditioning for retail sales so it’s nothing [for our staff] to pull a tracker out,” he says.

Deeley says it should take trained personnel about 30 minutes to install the units in each vehicle. He sees an even mix with clients between in-house and third-party installations. “The important thing is that these installations are done correctly and tested in the field to be confident that they’re reporting accurately,” he says.

Operators managing “rent-to-own” programs or renting exotic vehicles would be more inclined to install a system with starter interrupt capabilities, though this adds complexity and expense to the install process.

As overall costs have been reduced in the past few years, some operators decide to just leave the hardware in the vehicle upon de-fleeting instead of taking it out and reinstalling. Deeley says many clients rotate devices to new vehicles. Toth and Kulp uninstall and reinstall in the next vehicle; Dorsey does, too, with some exceptions.

Dorsey says the hardware generally holds up through multiple install-uninstall cycles. He says some operators will take out the device for reuse but leave the wiring harness, which is relatively inexpensive but takes extra effort to uninstall.

From a process standpoint, having telematics installed at the factory — available as another vehicle option — is a welcome future. That future has arrived in some commercial fleet applications. It will be available to individual consumers as a premium option soon, Deeley says, but rental fleets of mixed auto manufacturers will have to wait awhile.

Nonetheless, installation has become less of an issue today as overall costs have come down considerably, say Taylor and Deeley. What were once long-term contracts and separate costs for hardware, installation, airtime, and monthly service have now been bundled into one fee with a contract length tailored to rental fleet use.

“We’ve learned over the years to more effectively manage the cost of install and de-install,” says Dorsey, “and the cost of the devices has gotten to where it’s acceptable.”

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