



Prospect Survey Results:
John Common Summary Notes and Conclusions

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Purpose Of This Document

The primary purpose of this document is to summarize the results of MobileIQ's Prospect Survey (the 2007 Fleet Intelligence Survey that was conducted with Water Technology Magazine) into a manageable report containing actionable, "bite-sized" statements. This report contains summary notes, conclusions and recommendations as interpreted by the consultant (John Common).

Primary Use Of This Document

This document will primarily be used by the consultant to guide the drafting of MIQ's short-term, 2007 marketing plan. This document will also serve as a key input to MIQ's ongoing product development efforts, overall company strategy development, and as a general market intelligence document.

Survey Methodology

The Prospect Survey was open from April 17 to Mid-May of 2007. The survey link was emailed to Water Technology's list of bottled water and water treatment dealers. At the time of this report, 189 people responded by filling out the survey. As an incentive to take the survey, a free \$10 Starbucks gift card was offered to the first 100 respondents and all respondents were entered to win a \$1,000 Amazon.com gift certificate. Three email "waves" were sent with varying subject lines.

April 17 – BW	– sent 677	– clicks 34	– forwards 11
April 17 – WT	– sent 5,042	– clicks 180	– forwards 41
April 24 – BW	– sent 657	– clicks 14	– forwards 7
April 24 – WT	– sent 4942	– clicks 89	– forwards 32
May 3 – BW	– sent 650	– clicks 25	– forwards 7
May 3 – WT	– sent 4877	– clicks 89	– forwards 25
Total emails	Sent 16,845	Clicks 431	Forwards 123
Period 4/17 through 4/23	48 registered	22.43% of sent	
Period 4/24 through 5/2	51 registered	49.51% of sent	
Period 5/3 through 5/5	53 registered	46.49% of sent	

Survey Results, Analysis, and Conclusions

The results of the prospect survey will be analyzed from the perspective of all respondents – i.e. the total results. If time allows, additional analysis will be performed to compare sub-groups to the total respondents at a later date.

Total Results – All Respondents

TELL US ABOUT YOURSELF

1. Which of the following titles best describes your role? (choose one)

Results: Owner 61% / Senior Mgr 21% / Service Mgr 9%

Conclusions: Mike Hiltz wasn't lying when he said the majority of his list hits owners and senior managers. This is good news for possible future marketing/advertising with WaterTech as we'd be reaching our primary decision makers and influencers. And more pertinently, this survey reached the right people!

2. How would you describe your computer knowledge and skills?

Results: Basic 44% / Strong 43% / Expert 11%.

Conclusions: 54% of MIQ's target market is truly not afraid of technology. This is higher than I expected. Perhaps they are ready and able to move to more efficient, technology-enabled processes and approaches?

3. What is your preferred method of business communication?

Results: Email 53% / Phone 24% / In person 20%

Conclusions: MIQ's approach of relying primarily on email for selling/marketing/customer management and supports their preferred method of communication. F2F % is higher than I thought. This shouldn't be ignored... People want to "know" who they work with, I believe. Whenever possible, MIQ should take advantage of F2F meetings with prospects and customers.

4. How many total DELIVERY vehicles are in use at your dealership including all locations?

Results: 1to3 50% / None 22% / 4to9 19% / 10to24 5%

Conclusions: The majority of this market (68% !!) appears to be running very small (1to3) or small (4to9) delivery businesses. This has great implications for how MIQ segments the market, develops products for these smaller players and how MIQ markets, sells and supports them. Is this "small end" of the market worth pursuing? This has to be answered. Also, note that 22% don't even do delivery. This means that without an offering that serves the service/install with routing/fleet mgt tools, 22% of the market is unreachable.

5. How many total SERVICE / INSTALLATION vehicles are in use at your dealership including all locations?

Results: 1to3 57% / 4to9 19% / None 16% / 10to24 5% / 50+ 3%

Conclusions: The majority of this market (76% !!) appears to be running very small (1to3) or small (4to9) service/install businesses. This has great implications for how MIQ segments the market, develops products for these smaller players and how MIQ markets, sells and supports them. Is this "small end" of the market worth pursuing? This has to be answered. It appears, from this research sample that there are slightly more businesses who do service/install than delivery.

6. What technology does your dealership use to improve operational efficiency in the office? (check all that apply)

Results: WindowsXP 77% / Office Software 69% / Internet 68% / Employee Email 42% / Customer Email Notification 36% / Route Accounting Software 30%

Conclusions: This market is using technology throughout their operations – they are used to it. Their employees are on the internet and have email access. The % using route accounting software seems low to me? The customer email communication % is higher than I thought. I wonder which package they use to notify customers via email?

7. Approximately how much did your dealership spend on the above office technology in the last 24 months? (your best guess)

Results: Zero-\$25K 80% / \$25K-\$50K 14% / \$50K-\$100K 4%

Conclusions: Because these are small operations, the VERY high % spending \$25K or less in the last 2 years isn't a surprise. However, it has great implications for how MIQ prices its services. These people aren't used to spending a lot of money on technology. Like most small business owners, the perceived value proposition has to be very, very strong to get them to spend money.

8. Which of the following services has your dealership outsourced in the last 36 months? (check all that apply)

Results: Marketing/Advertising/Direct Mail 57% / IT 40% / Print/Mail Invoices 32% / Collection Svcs 29% / Water Bottling 23%

Conclusions: This market isn't afraid to outsource services. Note how many are spending money on marketing/advertising/direct mail. I think MIQ can acquire some of this wallet share with a targeted marketing/customer management offering.

NEEDS AND OPPORTUNITIES

1. Rank the following ROUTING and FLEET MANAGEMENT tasks or activities in terms of how difficult they are: (how much of a pain!)

Results: Route Optimization 2.9 / Maintaining Balanced Routes 2.7 / Getting useful Route Stats 2.6

Conclusions: I expected route optimization and maintaining balanced routes to surface to the top. I think that route statistics is 3rd most difficult reveals an opportunity to serve MIQ's target customers with tailored management information (not just data).

2. Rank the following CUSTOMER SERVICE tasks or activities in terms of how difficult they are: (how much of a pain!)

Results: Getting Useful Customer Service Stats 2.9 / Assessing Will Calls/Specials 2.5 / Notifying Customers 2.4

Conclusions: I find it VERY interesting that a need for better management information rose to the top. As expected, Will Calls/Specials are a source of frustration where help is needed. Notifying customers appears to be an issue, but not a huge one.

3. How important to your dealership's future success are improvements in the following areas?

Results: 83% said customer service was "Very Important" / 73% said fleet and fuel expenses were "Very Important" / 69% said Sales and Marketing was "Very Important".

Conclusions: Interestingly, the 2 directly manageable, "cost-related" items (Route Mgt and Labor Costs) got the lowest importance ranking. This seems to suggest that MIQ's product features and marketing/messaging should support the TOTAL needs of the dealership, not just "route management" or "cost control".

4. How much would the following changes improve your dealership's BOTTOM LINE PROFIT?

Results: 77% said getting more service customers was "Very Significant" / 70% said retaining more customers was "Very Significant". 66% said selling more to existing customers was "Very Significant". Operational/cost-focused actions were all in the 30%-45% range in terms of significance.

Conclusions: This clearly says that additional PROFIT is tied to REVENUE in the minds of MIQ's customers. Offerings that directly impact a dealership's marketing/sales effectiveness could be perceived as valuable and being tied to higher profit. Again, MIQ's features and messaging needs to speak to the growth/revenue side of the dealership.

5. Which investment would be more valuable to your dealership? (select one)

Results: 75% chose an online software suite that makes daily routing and fleet mgt tasks easier / 25% chose outsourced annual route optimization.

Conclusions: This answers one of MIQ's critical questions: "Can we / should we focus on selling and developing SE over route balancing projects?"

CURRENT ROUTING AND FLEET MANAGEMENT SYSTEM

1. Rank the usefulness of the following OFFICE TECHNOLOGY for managing routes:

Results: 42% said Mapping Software was Very Useful / 33% said Office Software was Very Useful / 30% said Wall Maps were Very Useful. 33% said N/A about Route / Fleet Mgt Software. Only 16% said Route / Fleet Mgt Software was Very Useful.

Conclusions: This says two important things to me: 1) A third of respondents have no exposure to comprehensive route/fleet management software and 2) Those dealerships that have route/fleet software are relatively unimpressed with it. This reveals both a sales and a marketing opportunity to introduce and educate dealers about routing/fleet management and MIQ's unique benefits.

2. Rank the usefulness of the following FIELD TECHNOLOGY for managing routes:

Results: 72% said Driver Cell Phone was Very Useful / 38% said Driver Wireless/Handhelds were Very Useful / 23% said GPS Tracking was Very Useful. 37% said N/A about GPS Tracking.

Conclusions: It appears that handheld devices and GPS is beginning to get traction in this market.

3. What things do you find most valuable about your current routing and fleet management system?

Results: There were 79 written responses to this question. I highly recommend that you read them yourself. Some key themes: flexibility, easy of use, simplicity, integration with existing systems, no system at all in place other than in-house/paper.

Conclusions: MIQ's messaging needs to speak to these themes.

4. What things would you like to change about your current routing and fleet management system?

Results: There were 80 written responses to this question. I highly recommend that you read them yourself – lots of useful information and insight! Some key themes: handhelds / handhelds integration, GPS, a wide array of "better scheduling features", real time information, and "Nothing" – i.e. they're happy with their current system.

ALSO: there seems to be a theme running through the survey where water treatment people feel that this is a bottled water-leaning survey. They say things like "We don't do bottled water." "We don't work that way." Etc.

Conclusions: MIQ's product set and marketing messaging needs to incorporate GPS and handheld devices some how, even if just tangentially. Also, there needs to be a real review of MIQ's ability to truly serve and communicate with water treatment (non bottled water) dealers.

5. Overall, how satisfied are you with your current routing and fleet management system?

Results: 18% said Not Satisfied / 38% said Neutral / 44% said Very Satisfied

Conclusions: This is important. Nearly half said that they are satisfied with their current system. 38% said neutral. This shows how much education and communication is needed in order to attract these people's interest and get them to see the value of a comprehensive route/fleet/customer management system.

IDEAL ROUTING AND FLEET MANAGEMENT SYSTEM

1. How much do you agree with the following statements? A better routing / fleet management system would...

Results: Help make our dealership more profitable – 1.6 / Help us save fuel expense 1.6

Conclusions: Most answers to this question were in a fairly tight "shot pattern". However, it seems that routing and fleet management systems are viewed as "cost control" tools. Again, there seems to be a real opportunity (and perhaps even a need) to develop and position MIQ's offerings as more than just a cost control or logistics solution.

2. Rank the following benefits in terms of importance to your "ideal" routing and fleet management system:

Results: Recommend Best Route for New Customers – 1.91 / Identify and warn of Unnecessary Mileage – 1.97 / Track and Classify Customer Issues – 2.04 / Recommend Best Routes for Will Calls – 2.5 / Automatically Generate Reminder Emails to Customers – 2.08

Conclusions: Automation!!!! They want a system that automatically handles obvious tasks and/or assists in making smart management decisions. A need for customer management tools are surfacing as well.

CURRENT APPROACH TO ROUTE OPTIMIZATION

1. How often SHOULD your dealership optimize the routes?

Results: 43% said More than once a year / 41% said Once a year / 8% said Never.

Conclusions: I'm surprised that 43% said more than once a year. Assuming it's true, MIQ could position SE as a product that does "mini route balancing/optimization" every day or week. i.e. speak to their desire to do route optimizations frequently. There is also an opportunity to bundle route optimization with SE here... Or to sell RB as a subscription service.

2. How often DOES your dealership perform a route optimization project?

Results: 41% said Once a year / 24% said More than once a year. 11% said About every 3 years / 21% said Never.

Conclusions: I'm surprised that 24% said more than once a year. I'm also surprised 21% said never. I wonder if that's because their dealership is so small / stagnant that they just don't need it? The big gap is obviously the one between WANTING to do RB more than once a year and ACTUALLY doing RB more than once a year (nearly 20%). MIQ's marketing should speak to that desire / guilt!

3. What makes you decide to optimize the routes?

Results: 63% said Fuel Costs / 61% said Unbalanced route days / 50% said Profitability Concerns / 44% said Labor Costs

Conclusions: Nothing surprising here. This should simply feed into RB's marketing/positioning.

4. How difficult was your most recent route optimization project?

Results: 34% said Easy / 44% said Neutral / 21% said Difficult

Conclusions: The high % of dealers who said Easy is a little surprising to me. I thought RB would be perceived as more of a hassle than that.

5. What things are most valuable about your current approach to route optimization?

Results: I would re-word this question in the future. It should have said, "What do you like most about the way that you optimize your routes". Many respondents interpreted this as "what do you get out of route balancing?" That said, flexibility and simplicity were the greatest themes.

Conclusions: n/a

6. What things should change about your current approach to route optimization?

Results: DEFINITELY read these results yourself. We want to use software/computers to help us / Better maps

Conclusions: They REALLY want automation, computer, software to help them! This is great news for MIQ. Regardless of the product (RB or SE) this cuts to the core of MIQ's value proposition: technology that facilitates smart decisions.

7. Overall, how satisfied are you with your current approach to route optimization?

Results: 39% said Satisfied / 32% said Neutral / 29% said Not satisfied

Conclusions: They seem fairly satisfied.

8. Would you outsource your next route optimization?

Results: 76% said No / 24% said Yes

Conclusions: This helps MIQ make the decision to focus on SE. Why fight an uphill battle? That said, I think there's a way to get these people to see value and pay for RB.

IDEAL ROUTE OPTIMIZATION RESULTS

1. What results do you expect from a successful route optimization:

Results:

Reduction of driver hours – 30% said 6-10% / 22% said 11-15%

Reduction of fleet miles – 24% said 6%-10% / 24% said 11%-15%

Reduction of Trucks – 54% said None / 18% said 1%-5%

Conclusions: This tells me that MIQ's normal results (as supported by business case data) would be HIGHER than these dealers' expectations.

2. How true are each of the following statements? A better route optimization process would...

Results: Help us save fuel expense – 1.6 / Help make our dealership more profitable – 1.67 / Make our routes, fleet and drivers more efficient – 1.67

Conclusions: More confirmation of how dealers view route optimization. Also, they see less of a direct link between route optimization and customers and customer service-oriented tasks. This is an education and messaging opportunity.