

FROST & SULLIVAN

NAUTO

2022
CUSTOMER
VALUE
LEADER

*NORTH AMERICAN
FLEET SAFETY IN VEHICLE
LEASING INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Nauto excels in many of the criteria in the fleet safety in vehicle leasing space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Price/Performance Value, Customer Acquisition, and Purchase Experience

Illinois Tollway estimates that nearly 24% of crashes each year in the United States are due to distracted driving attributable to cell phone usage. Drivers who use a mobile phone while driving are four times more

“Although there are devices in the market to monitor the driver, they do not provide alerts to the driver or the fleet manager in real time. Nauto provides an AI-based platform to provide real-time in-cab alerts to drivers, significantly preventing collisions and offering an edge over conventional ADAS and video telematics.”

**- Amrish Nagarajan,
Senior Research Analyst**

likely to be in an accident than those who do not. Since accidents result in downtime or the loss of lives, leading to litigations and revenue loss, fleet managers are understandably concerned about their fleet safety. In addition, insurance costs for fleets increased 10%–15% in 2020, the third year in a row. Although there are devices in the market to monitor drivers, they do not provide alerts to the driver or the manager in real time.

Nauto, a California-based tech company, offers an artificial intelligence (AI)-based platform to provide real-time in-cab alerts to drivers, significantly preventing collisions. Nauto's advanced AI technology tracks and

analyzes risk in real-time, and when it detects covered risks, it can provide preventative warnings that can give drivers critical extra time to respond. This provides the platform an edge over conventional advanced driver-assistance systems (ADAS). Nauto has tested the AI capabilities leveraging over 1.3 billion AI processed miles to enhance and improve the algorithms and to eliminate false alerts. It can detect 91% of

the risks with up to 99% accuracy. Nauto's high performance AI directly leads to automatic driver performance improvement, without manager intervention, of up to 80% reduction in risky behaviors such as severe distraction, within weeks which drives collision frequency and collision loss reductions typically in the 40-80% range. The platform can also automatically detect high-risk driving behaviors and provide alerts on potential pedestrian collision, over speeding, fatigue and drowsiness, intersection violations, and other distracted driving behaviors such as using mobile phones, holding an object, and smoking.

Nauto's system is able to fuse multiple sensors in real time, internal camera, external camera, vehicle dynamics, GPS coordinates - it knows when the driver is distracted and is at a risk of an impending rear-end or pedestrian collision. Therefore it sounds the alert earlier than a typical ADAS system, giving the driver precious extra seconds to react and try to avoid the collision.

Nauto makes the customer purchase experience smooth, offering a free product demo that the customer can register for online by providing the type of fleet owned and the customer's location. This enhances customers' confidence level in the product. The company can install the device in the vehicle within 20 minutes and offers it at an affordable price, considering the valuable features integrated.

Customer Ownership Experience

Nauto partners with major fleet and leasing companies, including LeasePlan, which recorded a 70% reduction in distracted driving. D & D Garage Doors, a brand that provides doors in Florida, reported a

"Nauto developed the VERA 3.0, a driver safety evaluation scorecard that generates a comprehensive report and score for every driver based on driving behavior. This allows drivers to self-improve their skills and fleet managers to identify high-risk drivers and provide coaching, aided by Nauto's tools and coaching workflows for one-to-one training."

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30% reduction in losses due to at-fault claims. The Delivery Authority, a reputed logistics firm in the United States, decided to install Nauto's device in all its vehicles after seeing an 81% reduction in collisions. Another Nauto customer, Herr Foods, a recognized leader in the snack food industry, realized a 44% reduction in preventable vehicle accidents. The wear and tear due to harsh braking, acceleration, and cornering are also reduced, resulting in lower operational costs and vehicle downtime.

Visually Enhanced Risk Assessment (VERA 3.0), a driver safety evaluation scorecard developed by Nauto, generates a comprehensive report and score for each driver based on their driving behavior. This enables drivers to self-improve

their driving and fleet managers to identify high-risk drivers and provide the necessary coaching, aided by Nauto's tools and coaching workflows for one-to-one training. Edge, a logistics firm, reduced the at-fault count from 13 to 4 since it started using VERA 3.0. These examples show the system's efficiency and the satisfied customers who trust Nauto for their fleet vehicles.

Growth Potential

As the automotive sector registers a growing penetration of leasing vehicles due to the mindset shift from customer ownership, fleet companies will seek to enhance their vehicles' safety metrics. Fleet consulting services will recommend safety devices and insurance companies will be more open to insuring safer vehicles at a lower premium. Nauto's collaborations go beyond leasing companies to various industries,

such as food and beverage, logistics, pest control, waste management services, and oil and gas. Frost & Sullivan expects the list to become longer, with Nauto achieving high customer acquisition and retention rates. The possible disruption to the business will come mainly due to autonomous vehicles in the long-haul trucking, but service fleets, last-mile package delivery, utility and energy services, food and beverage distribution, and many other types of commercial fleets rely on a driver who is also performing another task - those jobs, which comprise most of the largest fleets, will not be disrupted by AVs anytime soon. Yet Nauto has devised strategies to manage the condition by working with participants in the autonomous vehicle space.

Brand Equity

Founded in 2015, Nauto caters to the needs of over 800 fleets worldwide. The leadership team is highly efficient with extensive experience in automotive and AI technologies, Nauto's major strength. Backing from prominent investors such as General Motors Ventures, Softbank, Greylock BMW, Toyota, and Allianz demonstrates trust in its capabilities and products. The industry also looks highly upon the brand for saving lives on roads, resulting in a vast and diverse customer base with deep loyalty toward Nauto.

Conclusion

Nauto outperforms industry competitors with its AI-based fleet safety technology and adds value to customers throughout the product life cycle. It saves costs for companies and improves driving behavior, saving lives and ensuring high safety and sustainability standards. Nauto's approach typically drives an automatic 80% improvement in driver behavior within two weeks, without manager intervention. Nauto helps customers achieve 50%-80% drops in collisions and losses in just a few months and can help exonerate the drivers.

With its strong overall performance, Nauto earns Frost & Sullivan's 2022 Customer Value Leadership Award in the North American fleet safety in vehicle leasing industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

