Car Telematics and Wireless M2M is the fifth consecutive report analysing the latest developments on the European market.

This strategic research report from Berg Insight provides you with 150 pages of unique business intelligence including 5-year industry forecasts and expert commentary on which to base your business decisions.

This report will allow you to:

- **Understand** the dynamics of the European car telematics industry.
- **Learn** about the telematics strategies of the technology leading car manufacturers.
- **Evaluate** the likelihood for eCall to become operational in 2014-2015.
- **Identify** the leading providers of aftermarket vehicle tracking solutions and connected PNDs.
- **Realise** the potential importance of motor insurance providers in the telematics value chain.
- **Profit** from valuable insights about the most successful business and technology propositions on the market.

**Berg Insight’s M2M Research Series**
What are the key business opportunities in the emerging European wireless M2M market? Berg Insight’s M2M Research Series is a unique series of market reports published on a quarterly basis. Each title offers detailed analysis of a specific vertical application area such as smart metering, fleet management or vehicle telematics. Once per year we also publish summaries of our research with detailed forecasts for the Global and European wireless M2M markets, respectively.

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Where is the European telematics market headed?

Telematics is a broad term that may be applied to a wide range of automotive IT solutions. Berg Insight’s definition of a car telematics solution in this report is an automatic system designed for passenger cars which incorporate some form of wireless communication via a wide area network. The history of car telematics can be traced back to the first stolen vehicle tracking systems based on RF communication using unlicensed frequency bands, which appeared on the market in the 1980s. Subsequently mobile networks have enabled true online connectivity with two-way communication at the same time as GPS technology has been commoditised to the extent that high-accuracy satellite positioning can be integrated into virtually any device. Today a standard telematics unit features GPRS, GPS and frequently also some kind of interface to the electronics systems of the vehicle. This kind of device may be used as a platform for one or several types of applications.

Several categories of car telematics applications are today offered on a commercial basis. These include eCall and driver assistance, SVR, connected navigation, motor insurance telematics, road charging, leasing and rental fleet management and vehicle diagnostics. eCall and driver assistance applications deliver value in the form of improved safety and better convenience when travelling. SVR facilitates recovery of the car in case of theft and frequently entitles the owner to insurance benefits. Connected navigation enables access to up-to-date map data and other online services. Motor insurance telematics combines SVR with innovative business models such as PAYD (Pay-As-You-Drive). Road charging is gaining momentum as a new method for financing privately operated motorways, raising tax revenues and tackling congestion. Leasing and rental fleet management gives owners better control over hired-out vehicles and enables new forms of contracts. Vehicle diagnostics allows car manufacturers, dealers and workshops to improve their service offering to car owners.

Berg Insight estimates that total shipments of car telematics systems in EU27+2 reached 0.85 million units in 2009. Growing at a compound annual growth rate of 35.0 percent, the shipments are expected to reach 1.6 million units in 2011. During the same period the number of active telematics service subscribers is forecasted to grow at a compound annual growth rate of 23.1 percent from 3.5 million subscribers in 2009 to 5.4 million in 2011. From 2012, Berg Insight expects a sharp increase of OEM systems in preparation for the full scale introduction of eCall. By 2015 the pan-European safety system is anticipated to generate shipments of about 15 million OEM telematics units and push the total number of active subscribers to 28.7 million in 2015. Already in 2012 OEM systems are forecasted to catch up with aftermarket systems in terms of shipments and active subscribers. eCall and other OEM initiatives are also expected to curb the growth for aftermarket systems.

Until now OEM telematics propositions have so far largely failed to make a significant impression on the European market. Availability is still restricted to a handful of brands and models on selected markets. PSA and BMW are still the most active players in the market, bundling telematics services with navigation, audio and Bluetooth handsfree products. Recently they have upgraded and extended their offerings to cover most of Western Europe. PSA was also the first car manufacturer to have introduced an eCall device as a standard feature on selected models from 2010. Fiat, Volvo Cars and premium brands such as Porsche, Jaguar and Land Rover have also been active on the market for some time. In late 2011, Berg Insight anticipates that additional brands will launch OEM telematics solutions on the European market in response to the eCall initiative within the EU. The European Commission has a strong commitment to introducing eCall as a standard feature in all new cars and recently set 2014 as the new target date for realising this vision – through regulations if nessecary.

The aftermarket telematics market is now recovering from the economic crisis. Particularly SVR product sales are linked to the demand for exclusive cars and were affected by lower car sales in this segment during 2009. The adoption of motor insurance telematics has slowed down somewhat as the initial success in Italy proved difficult to transfer to additional markets. Insurance providers are however now established as an important distribution channel for aftermarket telematics providers in a number of countries and Octo Telematics, which first developed it, is firmly established as the leading supplier.

This report answers the following questions:

- What are the dynamics behind developments in the European car telematics industry?
- What is the current status of the eCall initiative?
- What are the latest developments on innovative road charging schemes in Europe?
- Why is motor insurance telematics successful in Italy?
- What are the main trends on the connected navigation market?
- How is RF tracking technology standing up against GSM/GPS?
- Who are the leading providers of aftermarket vehicle tracking solutions?
- How is the OEM telematics value chain evolving?
- What are the current car telematics propositions from Europe’s main car brands?
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Glossary
About the Author

Johan Fagerberg is co-founder and an experienced analyst with a Masters degree in Electrical Engineering. His areas of expertise include location-based services and wireless M2M markets with a special focus on car telematics and fleet management for commercial vehicles.

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