

## Summary

# Executive summary

Fleet management (FM) is an ambiguous term used in reference to a wide range of solutions for different vehicle-related applications. Berg Insight's definition of a fleet management solution is a vehicle-based system that incorporates data logging, satellite positioning and data communication to a backoffice application. The history of fleet management solutions goes back several decades. On-board vehicle computers first emerged in the 1980s and were soon connected to various satellite and terrestrial wireless networks. Today, mobile networks can provide ubiquitous online connectivity in many regions at a reasonable cost and mobile computing technology delivers very high performance, as well as excellent usability. All of these components combined enable the delivery of vehicle management, transport management, driver management and mobile workforce management applications linking vehicles and enterprise IT systems.

Commercial vehicle fleets play an essential role in the economy in both North and Latin America. In North America, there are approximately 14.4 million GVW 3–8 commercial vehicles in use. Around 18 million lighter vehicles including GVW 1–2 vehicles and cars with no GVW are also used by enterprises or public entities. In Latin America, the number of commercial vehicles in operation is estimated to 26.7 million, out of which 5.9 million are heavy trucks and 20.8 million are light commercial vehicles. Berg Insight is of the opinion that the market for fleet management in the Americas is in a growth period which will continue in the years to come. The advanced North American market will remain on a growth track, not the least driven by regulatory developments such as the ELD mandate. Latin America has traditionally presented a very different scenario, often requiring an educational process in order to extend the perception of fleet management beyond security-related aspects. The Latin American fleet owners have however also started to embrace functionality for optimisation of fleet operations to an increasing extent.

Berg Insight expects the FM market to continue to show healthy growth in 2017–2021. In North America, the number of systems in active use is forecasted to grow at a compound annual growth rate (CAGR) of 15.0 percent from 6.7 million units in 2016 to 13.5 million units

by 2021. The penetration rate in the total population of non-privately owned commercial vehicles is estimated to increase from 22.9 percent in 2016 to 41.7 percent in 2021. In Latin America, the number of systems in use is projected to increase from 2.5 million units in 2016, growing at a CAGR of 12.9 percent to reach 4.7 million units in 2021. The penetration rate in the region is estimated to increase from 9.7 percent in 2016 to 17.0 percent in 2021.

Verizon has as a result of an ambitious acquisition strategy captured the pole position in the fleet telematics space in terms of size. The combination of Verizon's Networkfleet, Telogis and Fleetmatics operations under the same ownership has clearly cemented the US-based carrier as the overall leader from a global perspective. In the Americas, Verizon is estimated to outnumber the closest competitors by a factor of three. The runners-up include Trimble, Geotab and Omnitracs which have all surpassed 500,000 active fleet management subscribers in the Americas as of the end of 2016. Zonar Systems is the fifth largest provider in the region, now majority-owned by Continental while Daimler Trucks North America has retained a minority stake. Additional top players with estimated installed bases in the range of 200,000–300,000 active units include Teletrac Navman, KORE Position Logic and Sascar. Solution providers estimated to have more than 100,000 active fleet management units in the Americas are Spireon, BSM Technologies, Synovia Solutions, Fleet Complete, NexTraq, Gurtam, Pósitron and GPS Insight. The remaining top vendors having estimated installed bases in the 60,000–100,000 range include Autotrak, WideTech, CalAmp, Pointer Telocation, Azuga, Encontrack, Ituran and OMNILINK. The South African telematics leader MiX Telematics is moreover estimated to capture the final position on the top-25 list.

Most vehicle manufacturers now offer factory-installed fleet telematics solutions either independently or through partnerships. Examples of OEMs which have introduced systems in the Americas include Daimler, Volvo, Paccar, Navistar, Ford, GM, Hino, Isuzu, MAN, Scania and Iveco. The OEM telematics initiatives in the Americas have intensified in recent years. Large installed bases of OEM telematics systems are now found on the North American market, not the least for systems powered by established aftermarket fleet management solution providers. The volumes are so far substantially smaller in Latin America. The adoption is however expected to take off also in this region. Solutions supplied by the OEMs are anticipated to increase in importance across both continents in the Americas in the coming years.