

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 communications 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 which is now in force. 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 2018–2022. In North America, the number of systems in active use is forecasted to grow at a compound annual growth rate (CAGR) of 15.6 percent from 8.0 million units in 2017 to 16.4 million units

by 2022. The penetration rate in the total population of non-privately owned commercial vehicles is estimated to increase from 26.6 percent in 2017 to 49.7 percent in 2022. In Latin America, the number of systems in use is projected to increase from 3.0 million units in 2017, growing at a CAGR of 13.1 percent to reach 5.5 million units in 2022. The penetration rate in the region is estimated to increase from 11.2 percent in 2017 to 19.7 percent in 2022.

Verizon Connect is the clear leader in the fleet telematics space both from a global perspective and in the Americas specifically. The closest competitor in the Americas is Geotab which has grown considerably in the past year, followed by Omnitracs and Trimble which have both surpassed 0.5 million active fleet management subscribers in the region. Zonar Systems rounds off the top-5, just ahead of Michelin which has established a strong position in the Americas through multiple acquisitions. Additional top players with installed bases in the range of 0.2–0.3 million active units in the Americas include Teletrac Navman, KORE Position Logic and Fleet Complete. A total of 15 players had installed bases exceeding 0.1 million active units in the Americas at the end of 2017, including also Gurtam, Synovia Solutions, BSM Technologies, GPS Insight, WideTech and Pósitron. The remaining top-25 vendors are J.J. Keller, Spireon, Autotrac, Azuga, ORBCOMM, Pointer Telocation, Agilis Systems, OnixSat, CalAmp and Encontrack. Fleet management solution providers with installed bases just outside of the top list moreover include MiX Telematics, TomTom Telematics, OMNILINK, Ituran, Centro de Soluciones Inalámbricas (CSI) and Satrack.

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, Scania, MAN, Iveco, PACCAR, Navistar, Ford, GM, Hino, Isuzu, FUSO and Ram. 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, in many cases powered by established aftermarket fleet management solution providers. Notable telematics players actively supporting OEMs include Verizon Connect, Zonar Systems and PeopleNet. The volumes of OEM telematics systems 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.