

## 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 an FM solution is a vehicle-based system that incorporates data logging, satellite positioning and data communication to a backoffice application. The history of FM 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 both in North and Latin America. In North America, there are approximately 12.9 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 owned by enterprises or public entities. In Latin America, the number of commercial vehicles in operation is estimated to 23.3 million, out of which 5.2 million are heavy trucks and 18.1 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 CSA and the forthcoming ELD/EOBR mandate. Latin America is coming from a lower degree of maturity in the utilisation of fleet management solutions and will also experience an increase in adoption. In many cases, an educational process may however be needed in order to increase the awareness among prospective users about the potential that FM solutions have beyond mere security related features.

Berg Insight expects the market for fleet management to continue to show healthy growth in 2013. In North America, the number of fleet management systems in active use is forecasted to grow at a compound annual growth rate (CAGR) of 15.6 percent from 3.3 million units in 2012 to 6.8 million units by 2017. The penetration rate in the total population of non-privately owned commercial vehicles is estimated to increase from 11.7 percent in 2012 to 21.9 percent in 2017. In Latin America, the number of FM systems in use is projected to increase from 1.6 million units in 2012, growing at a CAGR of 16.3 percent to reach 3.3 million units in 2017. The penetration rate among non-privately owned commercial vehicles in the region is estimated to increase from 7.0 percent in 2012 to 14.2 percent in 2017.

The market leaders on the fleet management market in the Americas include a range of different actors. Omnitracs is ranked as the largest player, with an estimated total installed base of approximately 500,000 active units in North and Latin America. The company's solutions are targeted at heavy trucks, where the main competitors in North America include XRS and PeopleNet. Trimble which previously mainly focused on service fleets now has a total installed base of 360,000 units following the acquisition of PeopleNet. Other actors focusing on service fleets include Fleetmatics, Verizon Networkfleet and NexTraq. Several actors also have a broader market scope, covering both light and heavy vehicles. Examples include Telogis, Teletrac, Geotab, Zonar Systems and Webtech Wireless. Major Brazilian providers include Sascar, Autotrak, Zatic and OnixSat, each having estimated installed bases in the range of 60,000–140,000 units. Other notable actors in Latin America include Copiloto Satelital and Grupo UDA in Mexico, Satrack in Colombia, and Tastets System and Wisetrack in Chile, each holding important positions in their respective countries.

Most commercial vehicle manufacturers active in the Americas offer OEM telematics solutions – either independently or in partnership with established FM providers – with examples such as Volvo Link and Ford Crew Chief on the US market. Hino Insight was announced in 2011, as was Virtual Technician for Daimler's Freightliner and Western Star trucks. Paccar's TruckerLink service was also introduced during the year. Daimler's FleetBoard and Volvo's Dynafleet have moreover been launched in Brazil, while Scania Fleet Management is rolled out in Latin America. MAN Latin America offers the Volksnet solution and Iveco has further developed the system Frota Fácil. FM solutions from OEMs have not yet been particularly successful in the Americas, but are expected to increase in importance in the coming years.