

2017 Fleet Management Trends: Telematics

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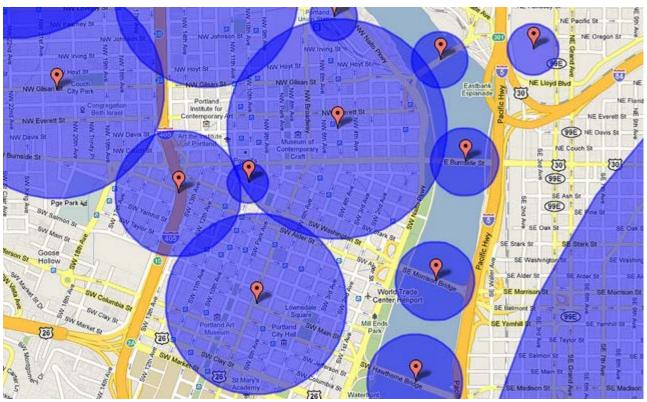


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Consolidation among telematics providers in 2016 could create opportunity in 2017 for greater differentiation, increased connectivity, better pricing, and more standardization of features for fleets who add this technology, according to fleet management company experts.

The telematics landscape shifted in 2016 following Verizon's dual acquisitions of Telogis and Fleetmatics that created the largest telematics vendor in the U.S. market. In February, CalAmp agreed to acquire LoJack to increase connected-car solutions. AT&T also entered the fray on Aug. 15 by launching a GPS-based fleet, asset and mobile workforce solution for commercial fleets called AT&T Fleet Complete.

The changes should be considered positive for fleet managers, said Dan Frank, president of Wheels, Inc.

"There are a huge number of telematics providers that focus on a variety of user needs," Frank said. "The last number I saw was around 1,500 different telematics providers. In general, some consolidation in the space should be positive for fleet clients, as it reduces the volatility of the suppliers and allows them to build some scale in order to reduce costs and improve their offerings. We continue to see improved products and pricing from our

Frank

suppliers, not to mention some of the OEMs that are building capabilities directly into the vehicles now."

The consolidation is also expected to lead to greater differentiation among remaining vendors such as GPS Insight, Geotab, CalAmp, WEX, and others.



Sloan

"With base functionality such as mapping and driving behavior becoming commonplace throughout the industry, more focus will be placed on more sophisticated feature sets, data integration with traditional fleet management information, and meaningful execution to convert the telematics insights to better fleet productivity," said Tom Sloan, director of telmatics and safety products for Donlen. "While telematics provides fleets with a significant amount of information, most corporate fleets do not have resources solely dedicated to analyzing this information. This has created (and will continue to create) the need for telematics service providers to act as a partner-advocate rather than simply a software solution."

The mergers signal more growth among fleets viewing telematics as a path toward increasing vehicle connectivity, said Kim Clark, product leader of telematics for Element

Fleet Management.

"At Element, we have been preparing for that significant increase in connected vehicles through infrastructure improvements that allow us to process more data faster and in unique combined views to provide new insights to customers through advanced analytics consulting, web interface and mobile user experiences," said Clark. "We know that customers will have different levels of connection needs based on their goals and budget, and not everyone will want all the traditional telematics data nor the bells and whistles of a traditional telematics user interface platform."



Shive

Fleet management companies will continue to act as big data experts who can work with clients to meet policy goals, said Dan Shive, vice president of risk management services with LeasePlan USA.



Clark

"The impact will really stem from fleet management companies and their flexibility to provide quality, actionable data that can result in cost savings and efficiencies for clients," said Shive. "Regardless of what's happening in the industry, fleets are being required to comply with more stringent regulations to keep motorists safe. In the coming year alone, the new electronic logging devices (ELDs) go into effect. And it's important the end user relies on a certified telematics solution, like LeasePlan's, to comply with the FMCSA requirements."

The federal ELD mandate should create greater demand for telematics products, and an opportunity for fleet management companies to guide fleets over regulatory hurdles, said Tom Coffey, vice president of sales with Merchants Fleet Management.

"Tougher competition between fewer suppliers, combined with greater demand generated from the ELD mandate, will advance the development and release of new features to help

manage driver compliance and automate drive statuses," Coffey said.

In its recently opened Technology and Innovation Center, ARI has dedicated space to cutting-edge techology. The technology lab allows fleet customers and others to evaluate ARI-developed and other third-third party technology that is designed to help improve the efficiency and bottom lines of fleets, including telematics solutions.

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Coffey