

Connected Truck Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The connected truck market was valued at USD 20.94 billion in the base year, and it is projected to reach USD 53.72 billion in the next five years, registering a CAGR of 17% in terms of revenue.

Manufacturing shutdowns, lockdowns, and trade restrictions during the COVID-19 pandemic negatively affected the connected truck industry. Furthermore, the fall in automotive production and lack of labor significantly impacted the market. As automotive manufacturers resumed operations due to steadily rising automobile sales in countries with a limited number of COVID-19 cases, the market is likely to recover in the next few years. Furthermore, the manufacturers are implementing contingency plans to mitigate future business uncertainties to retain continuity with clients in the critical sectors of the automobile industry.

Over the medium term, the rise of the e-commerce industry and the application of IoT in the trucking industry to monitor fleets remotely for the sake of performance, predictive maintenance, and fuel efficiency is likely to boost the growth of the connected trucks market. Through connected truck technology, fleet operators are anticipating optimizing factors, such as fuel, maintenance, and wages of drivers, which together contribute more than 60% of the total cost of ownership.

Growing technological improvements are pushing fleet managers to believe that connected trucks are necessary, as different countries are making smart roads and smart cities. Some of the latest trends in the market are artificial intelligence, autonomous technologies, 3D printing, and their impact and value proposition to the global logistics industry.

The increasing use of telematics in trucks is also one of the significant trends in the market. Within the next five years, more than 35 million trucks globally are expected to be connected.

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Key players in the market are forming new partnerships and launching new products to cater to the increasing demand for connected trucks. For instance,

Key Highlights

Daimler Trucks Europe launched the new Charge Management Solution and integrated it into the FleetBoard application for Mercedes Benz eActros electric trucks. The Charge Management Solution was developed by Digital Product Studio tb.lx in Lisbon, Portugal.

Bosch Mobility Solutions India Ltd and PTV Group signed a new partnership to develop cutting-edge solutions for connected mobility in the logistics space for a sustainable, eco-friendly, and greener future. The two companies will also jointly pursue government projects in the connected logistics industry in India.

North America is identified as the largest market for connected trucks in the world due to a variety of factors like well-developed internet connectivity, growing usage of IoT and telematics in commercial fleets, and the rising digitization of logistics companies.

Europe is the fastest growing market for connected trucks due to the increasing application of IoT and telematics to monitor the fleets by fleet owners remotely.

Connected Truck Market Trends

Growing Demand and Use of Telematics in the Commercial Vehicle Market to Drive the Connected Truck Market

Telematics plays a significant role in developing unique solutions for efficient supply chain logistics and fleet management. Telematics provides real-time visibility and data to optimize procedures and processes, maintain product integrity, optimize shelf-life, and reduce losses and insurance risks across the supply chain.

Telematics is becoming a critical component in commercial logistics and supply chains because it addresses key challenges related to safety and regulatory compliance, driver monitoring, insurance, and infrastructure.

Telematics solutions integrate capabilities like live traffic updates, smart routing and tracking, rapid roadside assistance in case of accidents or breakdowns, automatic toll transactions, and insurance telematics. Therefore, they are critical to optimizing the operational metrics of fleets, such as fuel cost reduction, resource optimization, and real-time connectivity.

The growing e-commerce sector, owing to the COVID-19 pandemic and the increase in online shopping, also significantly contributed to the growing demand for connected trucks. According to some estimates e-commerce industry in 2021 reached total sales of USD 5.2 trillion, posting a Y-o-Y increase of 22.66% over 2020. Many e-commerce companies have in-house logistics operations and are ordering large fleets of connected trucks. This enables them to monitor connected trucks remotely for the purposes of safety, fleet performance, fuel efficiency, the behavior of drivers, and predictive maintenance.

For instance,

In October 2022, Amazon announced it to invest EUR 1 billion in electric vans, trucks, and low-emission package hubs across Europe, over the next five years. These vehicles also feature next-generation connected technologies like telematics. The company aims to increase its fleet of electric and connected vans from 3000 to 10000. The company also plans to deploy 1500 heavy-duty electric trucks in Europe for middle-mile deliveries.

In November 2021, Amazon ordered 1064 natural gas-powered trucks S WAY from Iveco, a subsidiary of CNH Industrial. The trucks

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are used in Europe and are pre-installed with IVECO Driver Pal, an onboard connectivity system featuring integrated voice recognition capabilities from Amazon Alexa.

Companies are spending huge amounts of money on making telematics technology more advanced and integrating telematics devices in commercial vehicles. For instance,

In March 2022, Navistar installed a telematics device as standard on all new builds of the complete Class 6-8 International Truck and IC Bus vehicle product portfolios, including electric models.

In January 2022, Scania AB, the Swedish commercial manufacturer which is a part of Traton SE, the commercial vehicle subsidiary of Volkswagen SE, selected global navigations company HERE Technologies to implement HERE ISA Map solution in the infotainment systems of its next-generation vehicles to comply with the new EU law, which has made it mandatory for all the commercial vehicles sold in Europe to be fitted with intelligent speed assistant solutions.

The automotive industry is projected to see an increase in the adoption of connected trucks due to technological advancements in the automotive industry. Connected trucks are expected to play a significant role in the development of autonomous trucks, thereby providing opportunities for automotive manufacturers, even though the limited network infrastructure is expected to be a significant factor that is likely to hinder the connected truck market over the next few years.

For instance,

In October 2022, IKEA teamed up with autonomous truck startup Kodiak Robotics to test and deploy autonomous trucks for IKEA's deliveries in Dallas, Texas, and the United States.

Based on all the above factors, the growing usage of telematics and the large fleet orders from e-commerce companies are expected to drive the growth of the connected trucks market over the next five years.

North America and Europe are Playing Key Role in the Connected Truck Market Growth

Geographically, Europe and North America hold the major shares of the connected truck market, owing to the expansion of the automotive sector in these regions, leading to an increase in the number of connected trucks.

Connected trucks in the developed regions are anticipated to register significant growth over the next five years due to higher adoption rates and improved infrastructure. Awareness of safety while driving and government safety regulations are empowering the automotive industry, thereby driving the connected truck market in these regions during the forecast period. Major telecom companies across North America are partnering with leading connected truck companies truck to expand their product portfolios. For instance,

In October 2022, Drivewyze, the leader in connected truck services and operator of the largest public-private weigh station bypass network in North America, partnered with telecom major Verizon Connect to provide Verizon Connect Reveal customers with integrated access to Drivewyze weigh station bypass and Drivewyze Safety+ services.

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The demand for connected trucks in Asia-Pacific is anticipated to grow rapidly over the next five years as OEMs and technology manufacturers are developing various connected vehicle solutions, owing to the increase in the use of telematics and fleet management solutions for connected commercial vehicles in the region.

The Chinese government is focusing on several advanced vehicles technology, like ADAS features, along with electric mobility. With that, major automakers in the country are updating their portfolio with the introduction of the new level 2 and level 3 ADAS features.

For instance,

In July 2022, the Dongfeng Chenglong H5 received the license for its first heavy-duty autonomous truck in China. The Chenglong H5's remote driving system runs on China Mobile's 5G network.

Initiatives toward the predictive technology sector, such as implementing telematics and advanced driver assistance system in light and heavy commercial vehicles, are likely to contribute to the growth of the market over the next five years.

Connected Truck Market Competitor Analysis

The connected truck market is majorly dominated by a few global players, which include Daimler Truck SE, Traton SE, Tata Motors Ltd, Volvo Trucks Corporation, and PACCAR. These players also engage in joint ventures, mergers and acquisitions, new product launches, and product development to expand their brand portfolios and cement their market positions.

For instance,

In September 2022, Tata Motors launched the latest versions of the Prima truck range equipped with ADAS features. Tata Prima is the first ADAS-enabled truck to be launched in India.

In August 2022, MiX Telematics, a leading provider of fleet and asset management solutions, announced its partnership with Hino trucks. This partnership is expected to provide MiX customers in North America that operate Hino trucks with rich data sets, informing intelligent decision-making regarding vehicle maintenance, safety, efficiency, and compliance.

In May 2022, Volvo Trucks and DHL teamed up to pilot a hub-to-hub autonomous trucking service in North America. This service is designed to serve shippers, carriers, logistics service providers, and freight brokers.

In March 2022, Daimler India Commercial Vehicles, which manufactures and sells trucks and buses under the BharatBenz brand and is a wholly owned subsidiary of Daimler Truck SE, officially launched the Daimler Truck Innovation Center India (DTICI), a fully-owned incubator to develop scalable digital connectivity innovations for the company's global product portfolio.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

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1.1 Study Assumptions

1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET DYNAMICS

4.1 Market Drivers

4.2 Market Restraints

4.3 Industry Attractiveness - Porter's Five Forces Analysis

4.3.1 Threat of New Entrants

4.3.2 Bargaining Power of Buyers/Consumers

4.3.3 Bargaining Power of Suppliers

4.3.4 Threat of Substitute Products

4.3.5 Intensity of Competitive Rivalry

5 MARKET SEGMENTATION (Market Size by Value - USD Billion)

5.1 Vehicle Type

5.1.1 Light Commercial Vehicles

5.1.2 Heavy Commercial Vehicles

5.2 Range

5.2.1 Dedicated Short-range Communication (ADAS)

5.2.2 Long-range (Telematics Control Unit)

5.3 Communication Type

5.3.1 Vehicle-to-vehicle (V2V)

5.3.2 Vehicle-to-cloud (V2C)

5.3.3 Vehicle-to-infrastructure (V2I)

5.4 Geography

5.4.1 North America

5.4.1.1 United States

5.4.1.2 Canada

5.4.1.3 Rest of North America

5.4.2 Europe

5.4.2.1 Germany

5.4.2.2 United Kingdom

5.4.2.3 France

5.4.2.4 Italy

5.4.2.5 Spain

5.4.2.6 Rest of Europe

5.4.3 Asia-Pacific

5.4.3.1 China

5.4.3.2 India

5.4.3.3 Japan

5.4.3.4 South Korea

5.4.3.5 Rest of Asia-Pacific

5.4.4 Rest of the World

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5.4.4.1 South America

5.4.4.2 Middle-East

6 COMPETITIVE LANDSCAPE

6.1 Vendor Market Share

6.2 Company Profiles*

6.2.1 Robert Bosch GmbH

6.2.2 Continental AG

6.2.3 Denso Corporation

6.2.4 Aptiv Global Operations Limited

6.2.5 ZF Friedrichshafen AG

6.2.6 NXP Semiconductors NV

6.2.7 Magna International Inc.

6.2.8 Sierra Wireless

6.2.9 Mercedes-Benz Group AG

6.2.10 AB Volvo

6.2.11 Harman International

7 MARKET OPPORTUNITIES AND FUTURE TRENDS

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