

Telematics - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Telematics Market size is estimated at USD 48.10 billion in 2024, and is expected to reach USD 77.64 billion by 2029, growing at a CAGR of 10.05% during the forecast period (2024-2029).

The telematics market combines telecommunications and information technology to send, receive, and store data to control remote objects. The telematics market has expanded to include vehicle technologies, electrical engineering, computer science, and many other fields due to the widespread use of advanced technology. The application's focus has recently shifted from vehicular analytics to driver safety and other aspects of personal service. Observing driving behavior, vehicular health, and maintenance intervals, telematics can minimize unwanted incidents, like accidents and downtime, fueling the market growth.

Key Highlights

- The telematics market is predominantly driven by wireless connectivity in the automotive, industrial sectors, and many other industries. The expansion of the telematics market has multiplied due to the different initiatives the government has done for on-road public safety. Numerous important organizations are altering their business strategies and beginning to deal more economically due to the shifting market conditions.
- The automotive industry is undergoing a significant transformation with the rise of electric and autonomous vehicles,. Examples include the creation of new applications like Advanced Driver Assistance System (ADAS), Mobility-as-a-Service providers (MaaS), and CASE, the entrance of new industries leveraging IoT technology, and the introduction of new services like ride- and car-sharing. Fast data transmission, analysis, and implementation are necessary for these applications. These reasons collectively are primarily fueling the expansion of the telematics Market.
- Big Insurance companies like HDFC Ergo offer insurance plans, with the premium calculated based on data collected from the driver's telematics. Better scores through safer driving help the company provide lower insurance premiums, promoting a safer

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and relaxed driving style among drivers of all ages, which could potentially drive the market. Driver's Alert has reported telematics to have resulted in 45% fewer vehicle accidents, a 75% reduction in speeding events, a 90% improvement in seat belt usage, and an 80% reduction in aggressive driving.

-High installation costs are one factor that restrains the overall market; however, plug-and-play equipment, which is quick and easy to install into the diagnostic ports, is the best option to reduce installation costs. Other devices might need a specialist to install them. Installation fees will be higher for a device that needs to be hardwired or adapted. Also, telematics is a concept based on technology that attracts various cyber-attacks. Hence businesses should take proper cybersecurity-related measures to overcome the loss.

-The COVID-19 pandemic negatively impacted the telematics sector. Lockdowns and subsequent manufacturer operations shutdowns have had a negative impact on the market owing to the government rules. The supply chain disruptions have caused delays and other operational challenges. As things begin to normal, the market would be expected to expand favorably during the upcoming years after the pandemic.

Telematics Market Trends

Smartphone Solution is Expected to Hold a Major Market Share

- Smartphone telematics offers considerable advantages in terms of efficiency and safety. In the increasingly connected world, it's critical to understand how to maximize the potential of mobile devices to make the most out of business. Utilizing smartphone telematics technology to track drivers and cars in real-time can be one method to achieve this. This enables monitoring performance, offers driver coaching, and ensures the fleet operates as effectively as possible.

- Smartphone telematics utilizes smartphones with various sensors, technologies, internet connectivity, and apps to track different telematics variables. Through app development, the smartphone becomes a powerful telemetry device with consumer engagement features. For example, Software integrations like Android Auto and Apple Carplay in the car's infotainment system provide a seamless experience to the users, providing telematics data through their proprietary app. The Apps may be capable of producing data like locations, geographical zones, driving styles, vehicular performance, and other customizable points of interest.

- Smartphone telematics has several advantages, including lowering the cost of implementing UBI technology while keeping the benefits of usage-based insurance. Since the insurance company does not have to pay for the development and distribution of UBI hardware, its data remains remarkably accurate. The transition to smartphone-based UBI policies allows insurance companies to cut expenses, raise profit margins, and forward some of those savings to their customers through discounts and benefits.

- TrueMotion (acquired by Cambridge Mobile Telematics), a start-up based in Boston, utilizes mobile technology's power to improve driving habits, including distracted driving. The company reports reducing distracted driving by 20% through safe driving programs. When the car insurer began to move away from the plug-in devices it uses in its Snapshot usage-based insurance (UBI) program; the start-up found a technique to gather driving data from smartphone sensors.

- Many insurance companies are adopting smartphone telematic data for their premium calculations, which is driving the market for smartphone-based telematics solutions. For instance, in July 2022, under the IRDAI's Sandbox initiative, Edelweiss General Insurance introduced Switch, an on-demand full-coverage vehicle insurance product. The switch has been designed as a totally digital, mobile telematics-based auto insurance policy that senses motion and automatically activates insurance when a vehicle has been driven.

Asia Pacific is Expected to Witness Significant Growth

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- The Asia-Pacific telematics market is highly competitive and consists of many significant players. Few big competitors now control most of the market in terms of market share. Manufacturers are putting more effort into raising the relevance of their products to customers. It is encouraged to innovate products to gain an advantage over rivals. China is expected to be the most lucrative market, followed by Japan and India during the study period.
- As electric vehicles and autonomous vehicular technologies are gaining popularity, the automotive industry is witnessing the introduction of new electronic safety aids, such as Advanced Driver Assistance System (ADAS) and Mobility-as-a-Service providers (MaaS), increasing the need for telematics in this region. The concepts of CASE, referring to 'Connected' cars, 'Autonomous, Automatically' driving cars, 'Electric' and 'Sharing' cars, are shaping the automotive field worldwide. These applications require high-speed data transmission, analysis, and implementation through cloud-based platforms. Such defining factors are mainly driving the Asia Pacific telematics market growth.
- The regional government also plays a pivotal role in the studied market growth. For instance, by 2022-2023, the Indian government plans to make cars with Electronic Stability Control (ESC) and Autonomous Emergency Braking (AEB) standard fitment. In addition, the Ministry of Road Transport and Highways declared that it is trying to make ADAS (advanced driver assistance systems) mandatory for automobiles to reduce the number of accidents in the country.
- Many automobile OEMs in the region are considering telematic-based smart offerings in their vehicle, which is creating an opportunity for the market vendors. For instance, in November 2022, the flagship company of the Spark Minda group, Minda Corporation, entered into a technology license agreement with LocoNav for the white-labelling of telematics software. Through this collaboration, Spark Minda will combine software developed by LocoNav for its own telematic devices to offer Original Equipment Manufacturers (OEMs) a comprehensive solution.
- Additionally in January 2022, the Chinese government is changing the rules regularly to shape the introduction and adaptation of autonomous driving in the country. The cars with ADAS and other connected car features must be fitted with devices similar to aircraft having back boxes, recording all the variables directing the autonomous driving systems. China's dominance in global automotive microcontrollers and microprocessors also gives them the upper hand in manufacturing telematics control units (TCU). Also, the country's recent investment in the 5G infrastructure market (as a recovery step from the COVID-19 outbreak) further promotes the local production of 5G TCUs.

Telematics Industry Overview

The Global Telematics market is semi-consolidated and consists of many players actively launching new solutions to maintain market relevance. Companies such as AT&T, Verizon, and Cisco are currently actively involved in deploying telematics across regions. Manufacturers are collaborating and delivering new products, leading to the market's growth. The companies in the market are offering their telematics systems and solutions to rail electronics solutions, traffic management solutions, and fleet management.

- August 2022 - MiX Telematics, a provider of the connected fleet, telematics, and mobile asset management systems, has collaborated with the Hino data services partner network with the aid of Hino Trucks' Edge. This partnership has been planned to enable MiX clients in North America who operate Hino trucks to access the Hino trucks' data, which would help them to manage their vehicles and fleets.
- March 2022 - Geotab partnered with Free2move, a subsidiary of Stellantis, to deliver an intelligent telematics solution. Geotab has planned to provide a unified MyGeotab platform, consolidating data from the servers of Geotab and Free2move to offer a seamless experience. The forum would be introduced among Stellantis' eligible car brands in North America, like Ram, Dodge, Jeep, and Chrysler.

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- The market estimate (ME) sheet in Excel format
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