Telematics Control Unit - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Telematics Control Unit Market is expected to register a CAGR of 14.8% during the forecast period.

Telematics is a communication system employed in the automotive industry that depends on data traveling to and from automobiles over wireless networks. The automobile industry is being propelled into the information age by combining wireless technology, location technology, and in-vehicle electronics.

Key Highlights
- Data is either generated in the vehicle unit and communicated to the back-office systems, or the back-office systems push data to the vehicle unit like maps, stock updates, weather reports, internet data packets, etc. This exchange occurs by cellphone or the unit installed in the vehicle. The car communicates and maps its whereabouts utilizing a matrix of cellphone towers and satellite technologies. This technology is incorporated into and controlled by a telematics control unit.
- The telematics control unit has recently become a crucial component in the automobile industry. The adoption of telematics control units (TCU) has been low. The concept of connected cars is still in its early stages, with very few automobile companies including them. However, the emerging prospects of 5G and autonomous vehicles will likely expand the scope of connected cars. According to Appinventiv, connected cars are anticipated to become the largest segment of the global 5G Internet of Things endpoint market, having a projected 19 million endpoints by the end of 2023.
- The telematics control unit facilitates increasing the vehicle's connectivity by introducing additional modems and processors to enable communication from the car to the cloud, infrastructure, or other vehicles. It enables antenna power optimization through improved current sensing, diagnostics, and noise reduction. It generates a digital blueprint of every component of a vehicle's operation, enabling fleet management to evaluate where enhancements in accident prevention and driver safety regulations can be applied. In addition, the telematics control unit can help with maintenance by analyzing hours-of-use information, planning

maintenance inspections, and taking note of guaranteed recovery, engine hour tracking, and service records tracking.
- However, factors such as a lower awareness in developed regions, price sensitivity of customers in developing and less developed regions, and the cyber security threat associated with telematics control units continue to challenge the growth of the studied market. Furthermore, the lack of a common global regulatory framework for telematics solutions challenges the growth of the market studied.

Telematics Control Unit Market Trends

Passenger Vehicles to Dominate the Market

- Passenger cars are used for compact, mid-size, and full-size vehicles that convey not more than eight passengers (including the driver). The telematics control units (TCUs) in passenger vehicles can be used for several purposes: emergency services notification, stolen vehicle tracking, and remote vehicle immobilization. TCUs can collect and transmit vehicle diagnostics data, allowing for remote monitoring and analysis. This can help with proactive maintenance, identifying potential issues, and improving overall vehicle performance.
- TCUs are commonly used in passenger vehicles for fleet management systems to monitor and track vehicle location, performance, and usage of vehicles. This helps optimize routing and monitor driver behavior and overall fleet efficiency. They also provide vehicle data to insurance companies for enhanced infotainment connectivity, navigation, and mapping.
- The increasing adoption of electric vehicles contributes to the growing demand for passenger vehicles. As governments and individuals prioritize sustainability, there is a shift towards cleaner transportation options. For instance, according to IEA, global battery-electric vehicle sales reached an estimated 7.3 million in 2022, up from around 4.6 million in 2021. In 2021, these sales more than doubled compared to 2020, and 2022 marks a new record in all-electric sales volume. Moreover, the growth of the middle class in many countries has resulted in increased purchasing power and a higher demand for passenger vehicles.
- According to OICA (International Organization of Motor Vehicle Manufacturers), Around 65.3 million passenger cars were sold worldwide in 2023, showing an increase of approximately 11.3 percent compared to the previous year. China held the top spot as the largest regional automotive market in 2023, with approximately 26.1 million units.
- The automotive industry is also witnessing an increase in the production of passenger vehicles. For instance, according to the Bureau of Economic Analysis (BEA), in 2022, approximately 1.8 million automobiles were produced in the United States. It represents an increase of about 13 percent compared with 2021. Such developments are likely to boost the growth of the studied market.

North America Holds Largest Market Share

- North America is one of the significant investors and adopters in the studied market owing to growing investment in automotive sectors and the latest technologies. Telematics control unit devices are used in various regional verticals to provide Safety, Comfort, and Convenience in the Automotive Sector.
- The United States is anticipated to be the significant market for connected cars in the region due to the significant presence of automotive OEMs, high levels of technology awareness amongst the general car buyers, preference for infotainment and telematics in vehicles, widespread adoption of 4G/5G and increasing sales of electric, connected and autonomous cars in the country.
- According to KBB, in the first quarter of 2023, just under 258,900 battery-electric vehicles were sold in the United States. This year-over-year increase was around 44.9% compared to the sales recorded in the F1Q of 2022.
- The increasing investments in R&D by major industry players, rising Internet penetration, falling data costs, availability of 5G,

growing preference of customers for connectivity features over mechanical specifications of cars, and a peak in sales of electric and autonomous automobiles are creating demand in the automotive and transportation industry may further propel the studied market in the region.

Telematics Control Unit Industry Overview

The telematics control unit (TCU) market is characterized by significant fragmentation, with major industry players including LG Electronics Inc., Samsung Electronics Co. Ltd (Harman International), Robert Bosch GmbH, Continental AG, and Denso Corporation. To strengthen their competitive position, companies in this market are employing strategies such as partnerships and acquisitions to augment their product portfolios.

In March 2023, LG Electronics Inc. announced a significant development, as its research and development center in Vietnam officially transformed into an R&D subsidiary. This subsidiary is poised to play a pivotal role in the development and evaluation of software for vehicle infotainment (IVI) systems. IVI systems encompass vital technologies for the future of mobility, encompassing video, telematics, audio, and Navigation (AVN) solutions. Additionally, this subsidiary will facilitate the provision of diverse driving-related information and entertainment functionalities.

In December 2022, Ficosa demonstrated its commitment to advancing automotive technology by participating in the SELFY consortium, a pioneering project aimed at enhancing the resilience of autonomous and connected vehicles against cyber-attacks and emergency situations. The consortium's overarching objective is to devise collaborative tools capable of generating, monitoring, and collecting data to identify potential threats effectively. This effort will strengthen the industry's ability to respond to cyber threats and other potential service disruptions. The tools developed through this initiative are poised to usher in a significant technological advancement in the automobile sector, safeguarding the privacy, confidentiality, and integrity of Autonomous and Interconnected Mobility Systems.

Additional Benefits:

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

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