

Telematics - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Telematics Market Analysis

The telematics market was valued at USD 52.93 billion in 2025 and estimated to grow from USD 58.14 billion in 2026 to reach USD 92.93 billion by 2031, at a CAGR of 9.86% during the forecast period (2026-2031). Regulatory mandates, especially eCall in Europe and AIS 140 in India, are compelling automakers and fleets to embed connectivity at the factory level, which accelerates OEM demand. Semiconductor content per vehicle is set to double by 2030, raising hardware costs yet enabling richer data streams that underpin advanced analytics. Usage-based insurance programs, powered by real-time driving data, are expanding quickly across North America and Europe, reinforcing the business case for connected cars. Rapid adoption of 5G and edge computing is transforming telematics from simple tracking to predictive maintenance and vehicle-to-everything communication. Rising cybersecurity compliance costs under UNECE WP.29 and ISO/SAE 21434 are pressuring smaller vendors but giving well-capitalized players a competitive edge.

Global Telematics Market Trends and Insights

Expanding OEM-embedded connectivity mandates

Automakers are integrating telematics directly into vehicle electronics to meet new data-sharing rules such as the EU Data Act, which applies from 2025 and obliges manufacturers to open vehicle data to third-party service providers. Geotab's collaboration with Volvo Cars lifts its OEM integrations to more than 157 brands, proving that embedded connectivity is scaling quickly. Analysts

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estimate connected services could yield USD 1,600 revenue per car, incentivizing automakers to treat data as a profit center. Specialized vendors like WirelessCar now offer compliance toolkits that help OEMs operationalize the Data Act, accelerating rollout timelines. As regulations tighten, factory-fitted units are becoming standard, shrinking the addressable aftermarket and reshaping the telematics market.

Usage-based insurance adoption surging post-2025

Insurance carriers are shifting from demographic to behaviour-based pricing, fuelled by real-time driving data. Intuit embedded Zendrive analytics into the Credit Karma app, sending 4 million policy offers to its 6 million members in 2025, which demonstrates mainstream scale. Kia and LexisNexis rolled out driver-score sharing in 27 EU countries, simplifying customer enrolment while preserving GDPR compliance. Safe drivers can secure premium cuts of up to 30%, boosting consumer demand and improving loss ratios for insurers. Cambridge Mobile Telematics added fuel consumption scoring, proving that insurers now value eco-efficient driving as well as safety. These advances reinforce data-centric underwriting and amplify the telematics market's growth.

Escalating cybersecurity compliance cost

UNECE WP.29 obliges automakers to operate certified Cyber Security Management Systems across the vehicle lifecycle. Compliance demands continuous monitoring, incident reporting and secure update channels, which raises engineering costs and lengthens development cycles. ISO/SAE 21434 adds lifecycle risk-management steps, while the U.S. now blocks connected-vehicle components sourced from certain countries, forcing supply-chain audits. Vendors like HARMAN have built consulting practices to help OEMs navigate certification, showing that compliance is transforming from an engineering task to a line-item expense. Smaller suppliers may struggle to shoulder these costs, slowing new-entrant momentum within the telematics market.

Other drivers and restraints analyzed in the detailed report include:

Government eCall and AIS 140 regulations
5G/edge-enabled over-the-air analytics
High upfront TCU hardware price volatility

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Aftermarket solutions held 56.30% of the telematics market share in 2025, reflecting their historical role in retrofits and mixed fleets. OEM systems are scaling faster at an 11.62% CAGR to 2031, signalling a pivot toward factory-installed connectivity that delivers cleaner data streams and seamless warranty integration. The telematics market benefits from this dual-channel structure because older vehicles still need retrofit devices, while new cars roll off the line connected.

Regulatory standardization of aftermarket eCall ensures that third-party providers remain relevant, yet OEM data-sharing rules like the EU Data Act favour embedded channels. As automakers commercialize connected-car subscriptions, they capture more downstream value, narrowing the aftermarket's margin pool. Providers are thus emphasizing analytics and cross-fleet compatibility to preserve their position in the telematics market.

Embedded units accounted for 47.80% of the telematics market size in 2025 and exhibit the highest growth at a 12.94% CAGR. The shift is propelled by predictive maintenance, battery management in EVs, and regulatory data-sharing obligations that all require deep vehicle integration. Smartphone-based offerings remain viable in cost-sensitive fleets, but performance and data fidelity lag behind embedded architectures.

Fleet operators prefer embedded hardware for mission-critical analytics such as smart charging algorithms that cut energy

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expenses by 55% in electric fleets. As 5G modules become standard, embedded solutions will dominate advanced applications like V2X and high-accuracy positioning, cementing their strategic weight in the telematics market.

The Telematics Market Report is Segmented by Channel (OEM, and Aftermarket), Solution (Embedded, Smartphone-Based, Portable/Plug-in), Offering Type (Hardware, Services - Entry-Level, Services - Mid-Tier, and More), Vehicle Type (Passenger Cars, Light Commercial Vehicles, and More), Application (Fleet Management, and More), and Geography (North America, Europe, and More). The Market Forecasts are Provided in Terms of Value (USD).

Geography Analysis

Europe led the telematics market with a 31.95% share in 2025, underpinned by mandatory eCall, GDPR protections, and an installed base of 27.6 million fleet management units projected by 2028. The EU Data Act, effective in 2025, compels data sharing and is expected to stimulate a new wave of third-party services while maintaining privacy safeguards. Suppliers are branding connectivity suites, such as Continental's Aumovio, to meet tighter integration and compliance demands.

Asia-Pacific is the fastest-growing region, forecast at a 12.26% CAGR through 2031. India's AIS 140 mandate and the government's geospatial investment of INR 100 crore (USD 12 million) will broaden foundational mapping infrastructure. China's new driver-assistance safety rules also raise the bar for OEM connectivity. Rapid urbanization and large commercial fleets create volume, pulling global vendors into local partnerships and expanding the telematics market size across the region.

North America maintains a mature but still growing base, helped by ELD mandates and sizeable government-fleet deployments such as the US General Services Administration's 400,000-vehicle contract with Geotab. Fleet management units in the Americas are projected to reach 43 million by 2028. Supply-chain security rules limiting certain foreign components could elevate hardware costs yet may also spur domestic chip investments that stabilize long-term supply for the telematics market.

List of Companies Covered in this Report:

Verizon Communications Inc. (Verizon Connect) Geotab Inc. Trimble Inc. TomTom N.V. MiX Telematics Ltd ATandT Inc. Cisco Systems Inc. LG Electronics Inc. Continental AG Robert Bosch GmbH ZF Friedrichshafen AG Harman International Industries Inc. Valeo SA Inseego Corp. (Ctrack) Microlise Group PLC Aplicom Oy Huawei Technologies Co. Ltd. Sierra Wireless Inc. Octo Telematics S.p.A. CalAmp Corp.

Additional Benefits:

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

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