

## **Trends in European telematics: A detailed study by MiX Telematics**

MiX Telematics has conducted a detailed study across four key European markets – UK, France, Germany and Spain – to determine the current and likely future trends in the development of telematics solutions within the commercial vehicle industry. The study considered five key areas: Telematics in a Mature Market, The Value of 'Big Data', Road Safety, Telematics and Future Vehicles and Systems Integration in the Future.

Summarising the study's findings, MiX Telematics Marketing & Operations Director Steve Coffin says, "There's no doubt in today's world that the fuel efficiency gains provided by telematics solutions is a given. Progressive operators are therefore now looking beyond fuel savings alone by seeking to derive additional value from their telematics systems. To succeed in this aim, bespoke solutions need to be developed for specific operational issues. Here, the greatest benefits are unquestionably realised when operator and suppliers collaborate and work in partnership – this, in our view, represents the way forward for our industry."

The key findings of the study are as follows:

### **1. Telematics in a Mature Market**

According to [www.statista.com](http://www.statista.com), the global market for telematics will reach \$40 billion in 2016. In each of the four European countries studied, the adoption of telematics solutions has been steadily increasing throughout the 21st century. Consequently, the potential capabilities of telematics in terms of fuel savings, is now well known, understood and recognised. While the French market continues to be generally 'costs' orientated compared to the UK, Germany and Spain, operators in each market are now beginning to actively seek innovative ways of adding-value by integrating their telematics solutions with other onboard systems to eke out further efficiency, operational and safety gains. Leading this trend is the UK, where

applications as diverse as remote CAN-bus fault code reporting to integration with bus ticketing machines to automatically report driver log-on, are now a reality. The maturity of the market is also reflected in the fact that vehicle manufacturers are now beginning to include telematics as part of their offering. While this is a step forward in terms of exposing more operators to the advantages of telematics, the limitation is that solutions provided by manufacturers tend to be marque-specific and limited in scope, especially when it comes to integration with other onboard systems (see point 5).

## **2. The value of 'Big Data'**

Big data is a commonly used term today, and nowhere illustrates the expression better than the telematics industry: In total, for example, half-a-million vehicles worldwide are fitted with MiX Telematics solutions, with the 4,500 MiX Telematics-equipped vehicles belonging to the UK's Go-Ahead Group alone generating three billion GPS position updates and 46-million other events annually!

The challenge, therefore, is to draw out the data which will enable the greatest gains to be made in all areas of operation; fuel savings, environmental benefits, safety; and so on. Each market agrees that achieving this demands input from the telematics supplier. This is because these efficiency gains inevitably demand a bespoke approach likely to include both software and hardware development.

All markets agree that the days of 'fit and forget' suppliers are numbered.

## **3. Road Safety**

Road safety continues to ride high on the agenda for Europe's transport operators. The UK focus on cycle safety, for example, has been reflected by concerns in France where a survey for PRSE (Promotion et Suivi de la Sécurité Routière en Entreprise) found that 68 percent of operators now actively consider road risk, compared to 42 percent in 2010.

While operators in each market studied agree there is a link between telematics solutions and improved road safety, the actual extent of any safety gains in terms of collision reduction is, of course, impossible to quantify. One measurable outcome, however, is that bus and coach operators using in-cab driver aids such as the MiX

Telematics RIBAS system (see Editor's note) have reported a reduction in personal injury claims since adopting the system.

#### **4. Telematics and Future Vehicles**

According to Jean Delsey of the Institut Français des Sciences et Technologies des Transports, de l'Aménagement et des Réseaux, the composition of the European vehicle parc in 2050 will be 40 percent internal combustion, 20 percent electric and 40 percent hybrid.

While capable of measuring parameters such as fuel usage and driving style regardless of the power source utilised, telematics can also play an important role in terms of validating the performance of electric and hybrid vehicles. Currently, such vehicles tend to be used conservatively due to concerns over range. By modifying the parameters monitored by the telematics system to include discharge rate, charge remaining and 'distance-to-flat', it is possible to map the performance and capabilities of electric and hybrid vehicles with confidence. This application for telematics is now in operation in the UK.

#### **5. Systems Integration and the future**

Each market studied agrees the relentless drive for ever-greater operational savings will lead to a far greater integration of onboard systems, with the vehicle's telematics solutions acting as the central hub through which all information will pass. The scope for integration is broad and varied; anything from engine overheat warnings to (as in the case of Cardiff Bus) onboard accelerometers which monitor adverse road conditions to assist the local authorities deal with potholes, will become progressively more prevalent.

Key to the growth and development of integrated systems will be the consultancy services provided by telematics manufacturers. As the German study noted, "While the readiness to invest in innovation may not be that high, a key factor for the future will be the understanding of the customer's needs."

#### **Editor's note**

RIBAS is a dashboard-mounted display which gives the driver instant feedback on a range of driving-style parameters, namely:

**R** = over **R**evving

**I** = excessive **I**dling

**B** = harsh **B**raking

**A** = harsh **A**cceleration

**S** = over **S**peeding

Each of these parameters is represented on the display by an illuminated icon which is normally coloured green. Whenever a parameter comes close to being exceeded, its icon changes to amber, alerting the driver to a potential problem and thereby allowing corrective action to be taken. The amber light is intended purely as a warning sign; no record of an infringement is made against the driver by Fleet Manager at this time. However, should the amber warning be ignored and the parameter exceeded, the infringement is recorded by Fleet Manager and the red light illuminates.

## **MiX Telematics**

Using the Software-as-a-Service (SaaS) delivery model, MiX Telematics delivers its solutions to customers in more than 120 countries, across six continents.

Over 475,000 mobile assets – from trucks and buses, to vans, cars, motorbikes and trailers – are actively managed by MiX Telematics. In addition to employing more than 1,000 people, MiX Telematics has a network of more than 130 fleet partners world-wide. The company has offices in South Africa, the United Kingdom, the United States, Uganda, Brazil, Australia and the United Arab Emirates.

MiX Telematics shares are publicly traded on the Johannesburg Stock Exchange (JSE: MIX) and on the New York Stock Exchange (NYSE: MIXT).

### **Further information:**

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