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Telematics: Spy in the cab is proving an ally instead of an enemy

By Rose Jacobs



One recent Wednesday, an engineer working for the refrigerator repair company Serviceline made a swooping right turn in Surrey, south-east England, at 47mph. The radius of the curve meant he should have been going closer to 35mph. He did something similar a few minutes later, this time at a slower 37mph – but again too fast for the road.

These were but two of the dozens of driving “events” the engineer racked up that day, as measured by a device in his van and logged at Serviceline’s headquarters in Stevenage, Hertfordshire.

“Tim” – not the engineer’s real name – “has not had the greatest of days,” admitted Kevin Sheehan, group IT and communications development manager, reviewing the report that evening.

Serviceline has long had a keen interest in what its 100-plus engineers get up to as they criss-cross Britain, responding to distress calls from restaurants and other businesses whose refrigeration systems have failed.

The walk-in units can carry thousands of pounds’ worth of food, meaning clients are often anxious, if not panicked, when checking in with the company’s dispatchers to see if help is on the way.

But the GPS and mapping systems Serviceline employs to answer those questions do much more, too. The technology, by satellite navigation specialist [TomTom](#), allows job tracking, messaging between head office and vehicle, and the separate logging of private and work modes for the vehicles – an important distinction in the eyes of the taxman.

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Moreover, they are part of a push by both carmakers and after-market product developers to record more effectively how a car is being driven, including whether speed limits are being observed and how aggressively a driver corners or brakes.

While the system that Serviceline uses does not account for a vehicle's make, newer models do, allowing easier like-for-like comparisons and standard-setting.

The appeal for fleet managers is mainly the savings on petrol or diesel: "Driver behaviour is the key element in reducing fuel use," says Geoffrey Finlay, executive chairman of Lysanda, the company that provides TomTom with software to give a "green" score to the way a vehicle is being operated. He estimates these sorts of in-car telematics have the potential to reduce fuel use by 20 per cent.

The devices offer other cost-savings, too, most particularly through lower insurance premiums. That is partly due to underwriters counting on using the reams of data on offer to fend off dangerous driving charges or health claims such as whiplash; but the data-crunching feeds more than defensive actions.

Robin Harbage, a director at Towers Watson, an insurance consultancy, and a 30-year insurance veteran, says the telematics revolution trumps other developments in the way auto insurance is sold. "Everything up to now loosely correlated with driving behaviour. This is driving behaviour," he says.

Analysts at BCC Research say that while the net market value of the industry – including both consumer and fleet systems – fell slightly in 2009 amid the global recession, it has since recovered and is forecast to grow 20 per cent a year for the next five years, surpassing \$40bn by 2016. That surge will be led by companies that provide services rather than hardware, predicts BCC.

The market is highly fragmented, says BCC, but the global leader in services for fleet systems is [Qualcomm](#), with estimated revenues from such products of \$435m. It is followed by GE Capital and [Volvo](#).

In terms of demand, South Africa is a world leader because early adoption was spurred by security concerns, and Brazil is growing quickly.

Carmakers have taken note, with Mercedes-Benz developing a product called FleetBoard and [Ford](#)'s hybrid Fusion being one example of cars that tell drivers with coloured lights or graphics when their driving is deemed eco-friendly.

"The UK is leading the way on this, whereas GPS was picked up fastest in [continental] Europe," says Bart Vanham, who works with PwC in Belgium. He has watched telematics catch on first among trucking firms (20-25 per cent penetration, TomTom estimates) and now, more slowly, move to light



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commercial vehicles such as Serviceline's fleet (15 per cent penetration).

The next wave will be companies' "perk cars", he predicts (just 1 per cent penetration), where managing the feedback to drivers themselves rather than their managers is key. While a bad driver can push up the cost of care for a car by 15 per cent, he says, managers of those cars will nevertheless hesitate to tell off people who are likely to be their bosses for bad driving. They will prefer to leave it up to chirpy icons and automated messages sent to the executive's iPhone.

There is real hope that at least some will respond. Among Serviceline's drivers, while many were wary of the system when it was first introduced, particularly to the extent it infringed on their privacy, others have been keen to learn from the record-keeping.

It helps, says Mr Sheehan, that one of the first times the data were used, it got an engineer out of a jam: someone had called to complain about his driving, but when the team in Stevenage looked at his log to check speed limits and braking, they found he hadn't been anywhere near the location cited.

Giles Margerison, head of UK sales for TomTom, says fleet managers need to emphasise that sort of positive usage in order to get drivers to "buy in".

All the more frustrating, then, that the one measurement his company has yet to perfect is a positive one showing when people are driving safely, smartly and efficiently.

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