

TS24
the telematics survey

The Telematics Report 2024

The Telematics Survey 2024 - TS24

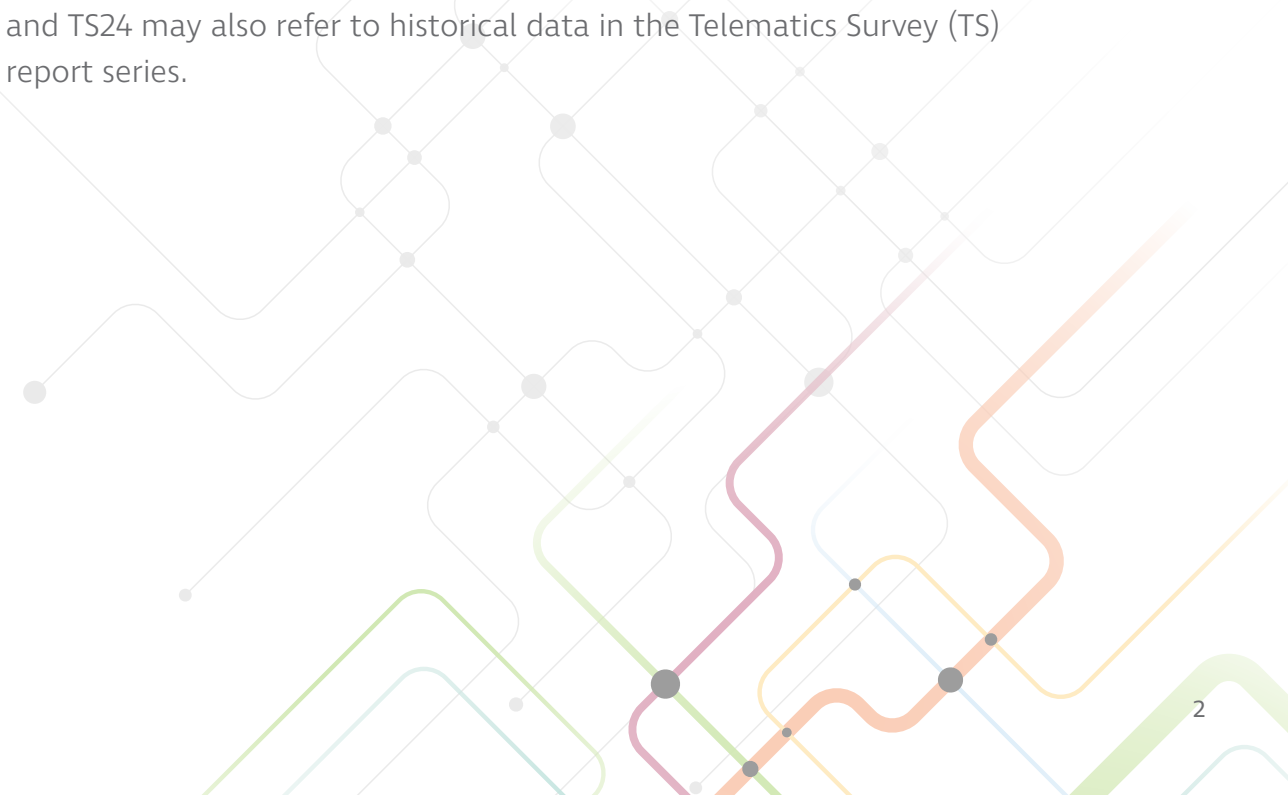
Teletrac Navman carried out the TS24 survey of global fleet professionals to investigate the prevailing attitude towards the future of the transport, logistics and construction industries.

What you'll find in this report

For the Telematics Survey 2024, Teletrac Navman surveyed over 500 fleet professionals across the globe to identify:

- Core sustainability challenges facing fleets such as high costs, emerging technologies, and limited charging infrastructure hinder decarbonization progress
- How the cost-of-living crisis is impacting driver mental health and staff retention
- How telematics solutions and artificial intelligence (AI) technology simplify the complexities of fleet management

Results may not amount to 100% due to questions with multiple selections, and TS24 may also refer to historical data in the Telematics Survey (TS) report series.





Alain Samaha
President - Teletrac Navman

Fleet operators worldwide are navigating through a storm of economic pressure, societal changes and sustainability demands. This clash of business challenges signals a rapidly changing operational landscape and dynamic shifts in strategic focus as industries brace for a new era.

In our Telematics Survey 2024, we surveyed over 500 operational leaders globally. We discovered that the familiar challenges of rising fuel costs, staff retention and technology adoption are being further intensified by a workforce in flux, seeking cultural alignment and the push from governments towards decarbonization. How quickly can businesses adapt to the evolving environment? Can our critical industries successfully transform themselves?

A post-Covid perspective, coupled with a generational transformation in the workforce is driving a quest for a better work-life balance and a need for organizations to resonate with their employees' values. Fleet operators find themselves on the front line of this evolution, with an

increasingly mobile workforce and the imperative to nurture talent, all while maintaining productivity and profitability in a notoriously razor-thin margin market.

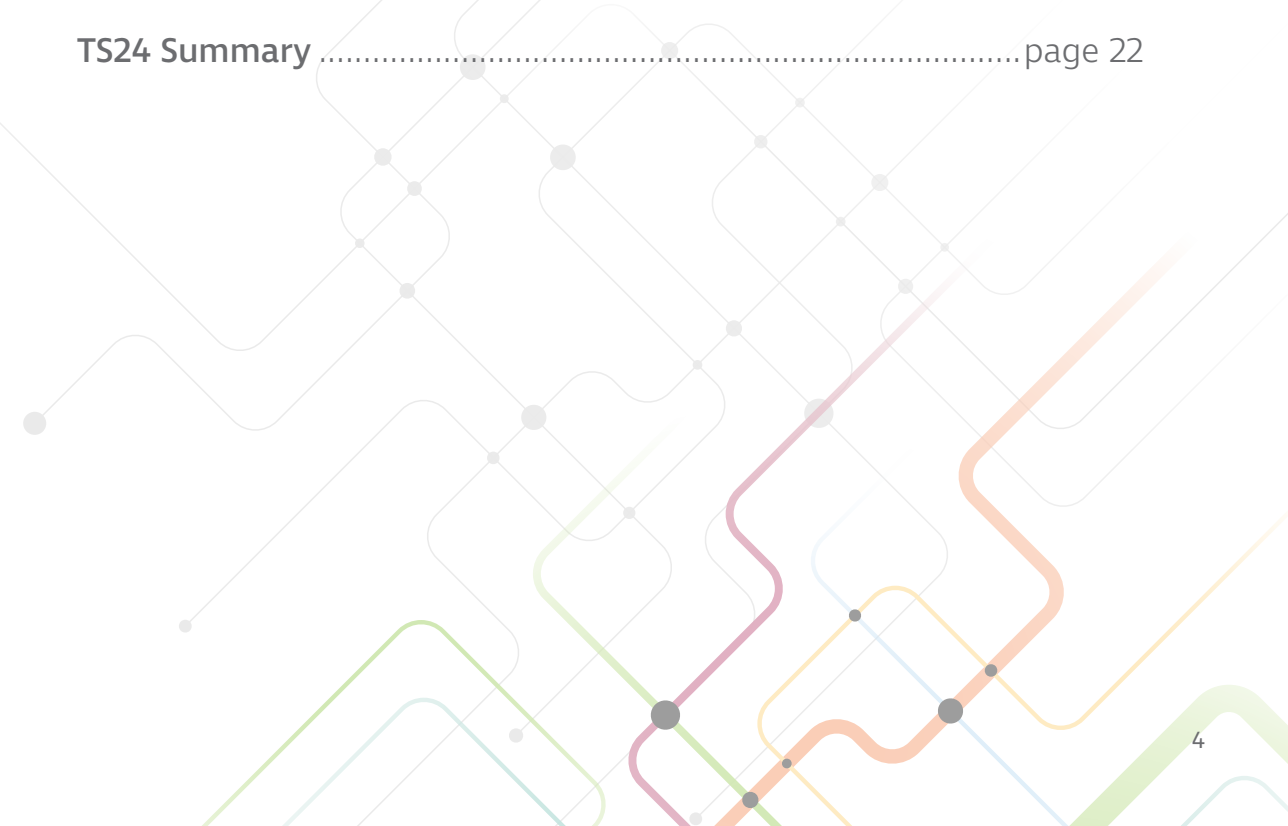
Fleets in all sectors are already planning and navigating the transition to alternative fuels, there's no room to look back. Vehicle manufacturers retool production lines to deliver new vehicle platforms, energy infrastructure is expanding and government mandates are beckoning. At Teletrac Navman, we have a practical outlook recognizing the long-term viability of established alternative energies like Biofuels and CNG (Compressed Natural Gas) and scaling technologies like EV (Electric Vehicles) and hydrogen. It's clear that the future for many fleets involves a diverse energy mix which will lead us to our sustainable future.

I hope you find this research helpful as you navigate your path to success.



Contents

Executive Summary	page 5
Chapter 1: Tackling Challenges One Vehicle at a Time	page 7
Chapter 2: Operators Steer Driver Support	page 12
Chapter 3: Future-proofing the Transportation Landscape Means Breaking the ICE	page 17
Expert Perspective of Decarbonizing Fleets	page 19
TS24 Summary	page 22



Executive Summary

Fleet Industries at the Crossroads of Innovation, Adaptation, and Sustainability.

Navigating this new business landscape means that operators are focused more than ever on retaining talent, and despite a generational workforce shift and rising costs, the emphasis remains on providing an effective work-life balance which aligns with employee values.

Fleets are proactively planning their transitions to alternative fuels, responding to accessible energy infrastructures and the execution of cross-regional government mandates.

Improving Efficiency

Telematics is proving to be an invaluable tool to manage fleet operations, with 96% of respondents reporting measurable savings through administration time savings, fuel savings or overall cost savings. 47% of respondents also actively use AI tools as part of their tech-stack, to simplify their complex processes with more accurate, efficient automation.

Safety & Wellbeing

More than half of respondents recognize that the cost-of-living crisis is negatively impacting the mental health of their drivers. As a result, 27% are deploying recognition and rewards programs, 25% are introducing performance-based bonuses and 24% are looking at ways to improve overall benefits in an effort to retain or support current drivers. This demonstrates how despite the current cost-of-living crisis affecting global economies and many fleet operators feeling tight budget constraints, prioritizing the talent and retention of drivers remains a non-negotiable investment.

Sustainability

A growing number of transportation managers globally are already operating a mixed energy fleet, and the concept of transitioning to a fully carbon fleet has been widely accepted as a plan of action. However, barriers such as newly emerging technologies, a high purchase cost of electric vehicles (EVs) and limited public charging infrastructure across the globe are causing some operators to hit pause on their decarbonization plans, especially as 56% of respondents do not expect their local governments to go ahead with mandates to transition to sustainable energy.



1 | Improving Efficiency



Tackling Challenges One Vehicle at a Time

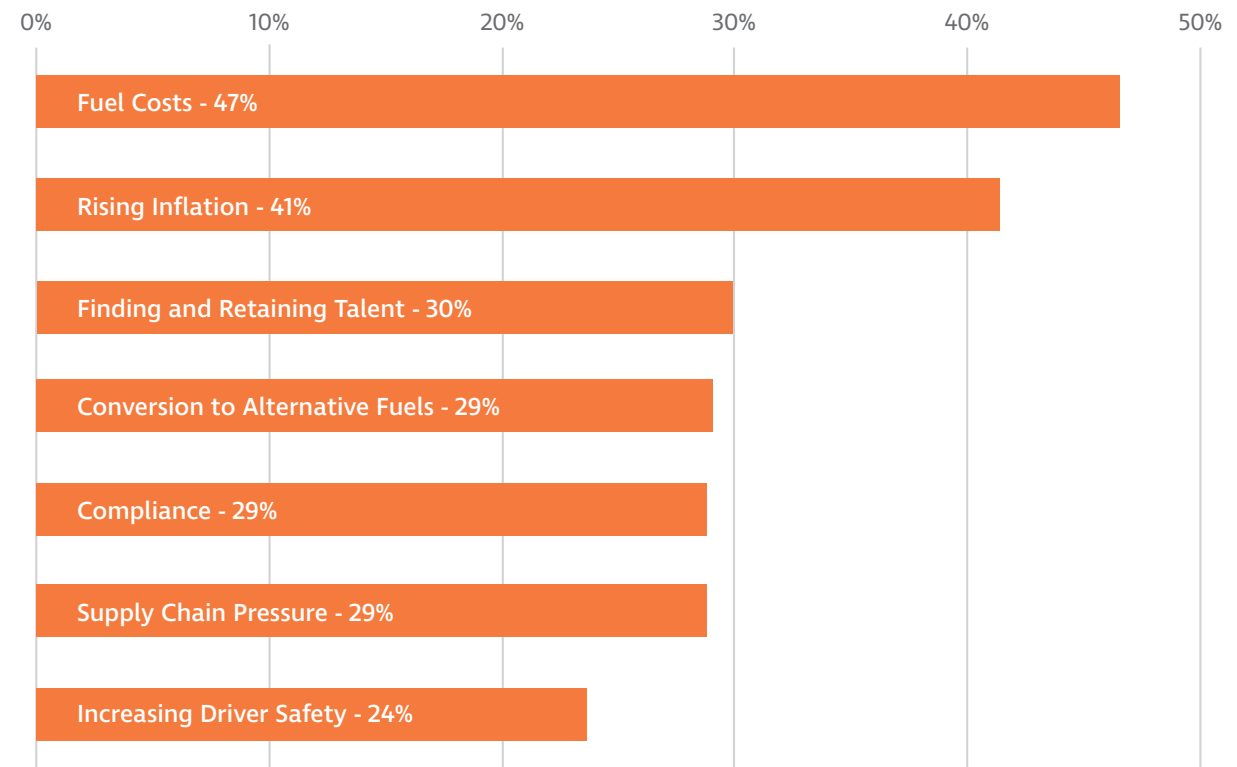
Rising fuel costs pose a significant financial burden for fleet operators, increasing operational expenses and reducing profit margins. This challenge forces operators to either absorb the additional costs or pass them on to customers, potentially impacting competitiveness and overall business sustainability.

47% list fuel costs as their top business challenge

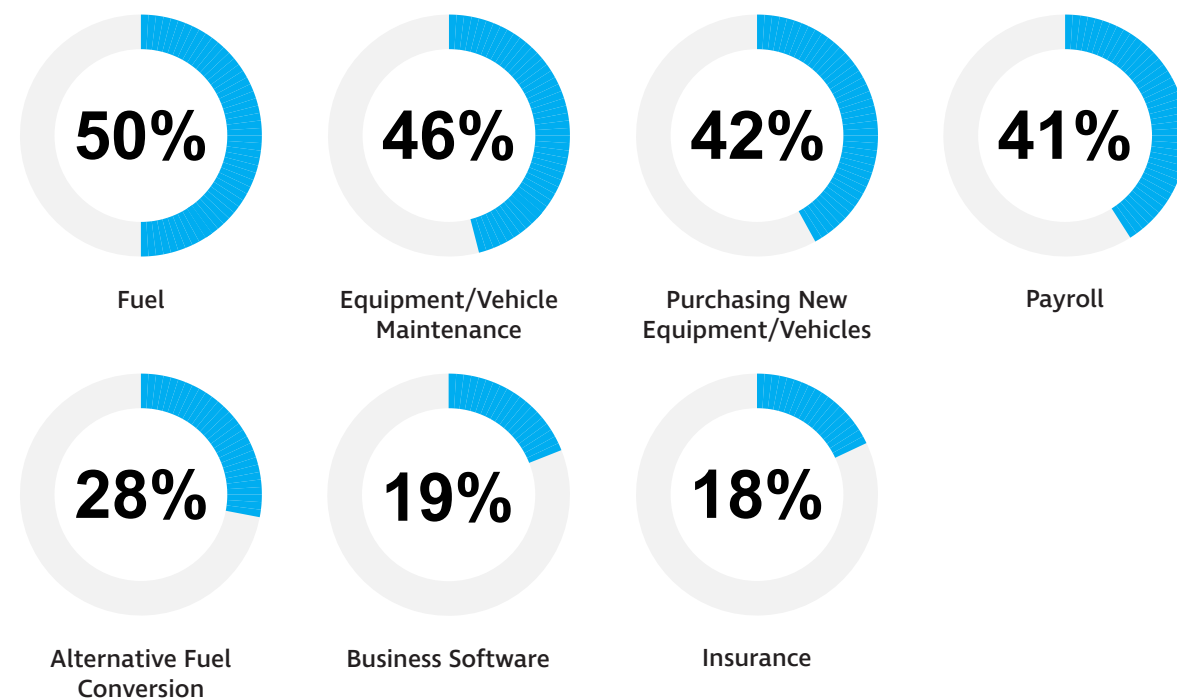
High fuel costs may also encourage fleets to downsize as a strategic response to manage their operational expenses more efficiently. Reducing fleet size and vehicle utilisation enables companies to streamline operations and maintain competitiveness.

35% plan to downsize their fleets over the 12 months as a result of continuously rising costs

Over the last year what have been your top business challenges?



Over the last year what have been your largest areas of expense?



Resilience Amid Soaring Fuel Costs

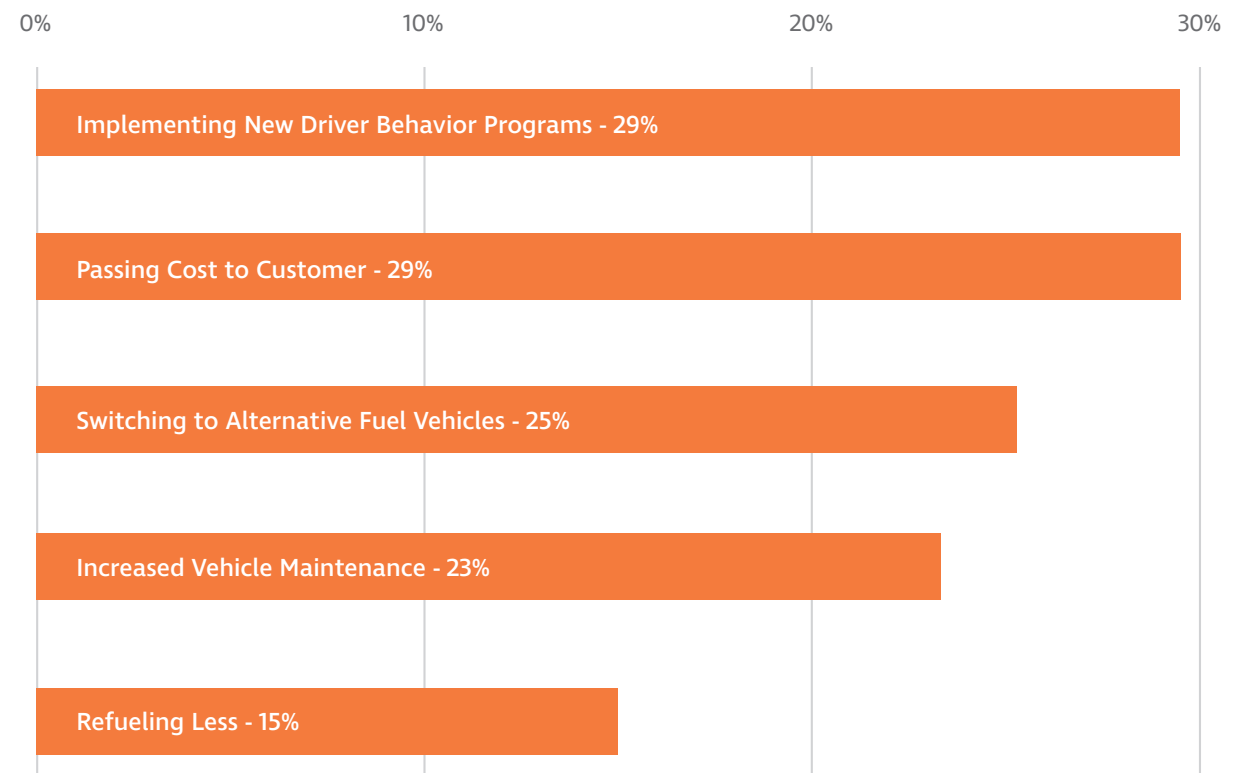
Switching to alternative fuel vehicles can mitigate the impact of rising fuel costs by providing a more cost-effective energy source. This not only addresses environmental concerns but also helps operational efficiency, offering a strategic advantage in the face of rising fuel prices.

25% are navigating rising fuel costs by switching to alternative fuel types

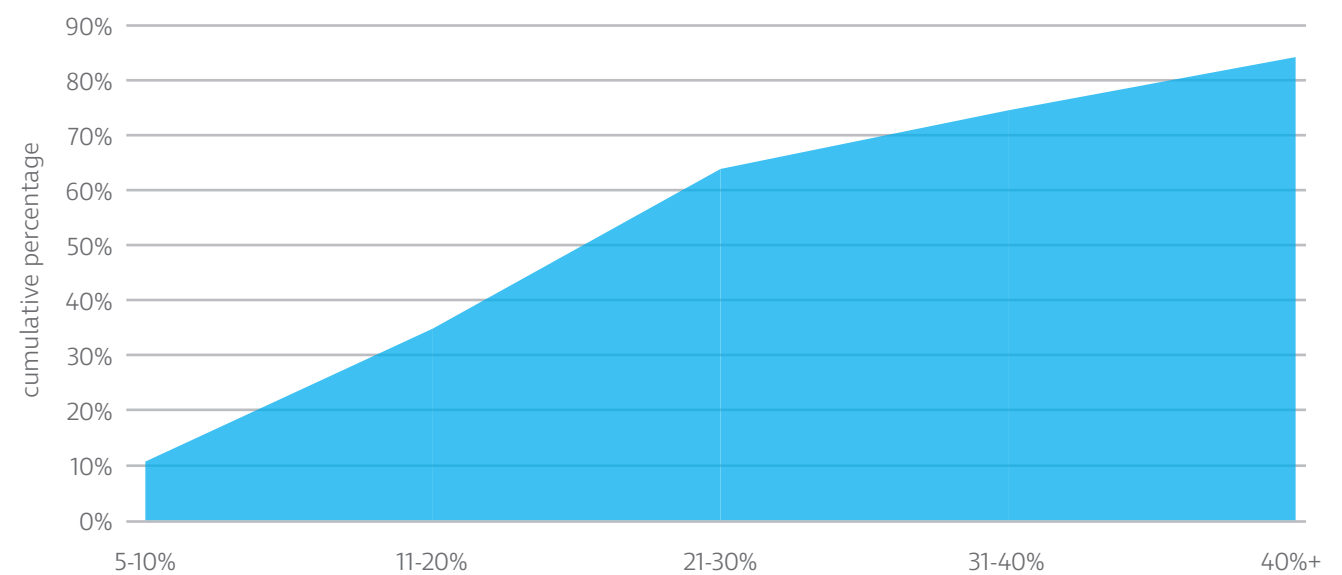
Telematics enables fleet managers to monitor fuel savings in real time by identifying and correcting driver habits, while also optimizing routes for enhanced fuel efficiency.

37% sight fuel savings as a top benefit from using telematics, an 88% increase from the 2023 survey

How are you navigating rising fuel costs?



How much has your fuel spend reduced since installing telematics?



Smart Technologies Are Reshaping Fleets

The increased range of applications for telematics within fleet operations is a positive trend, as the technologies can be used to enhance efficiency and safety through real-time tracking and data-driven decision-making.

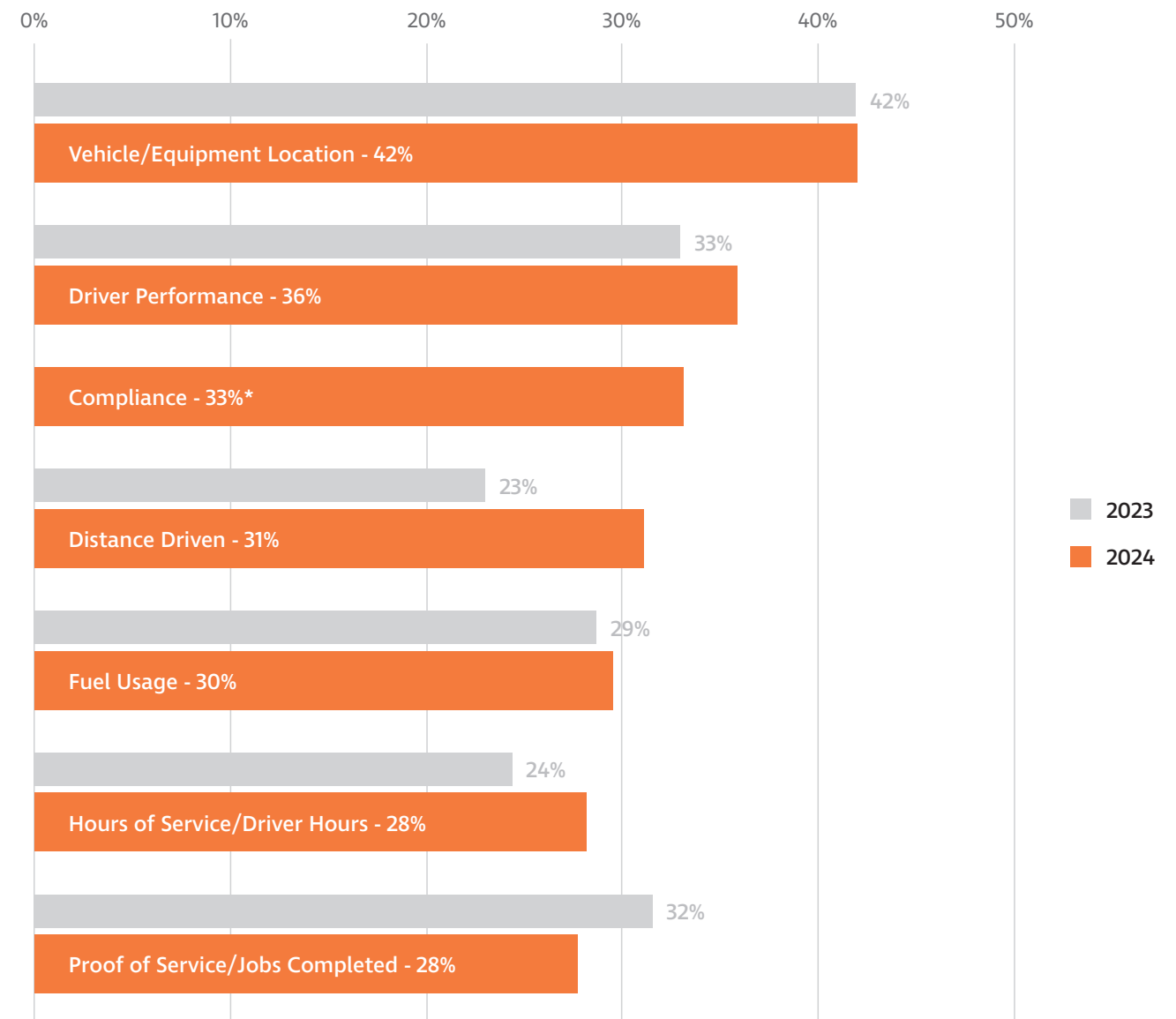
98% are currently using a telematics solution on all or part of their fleet

The adoption of artificial intelligence (AI) by fleet managers is commendable. It can be used to optimize routes using historical and real-time traffic data, predict maintenance needs and even be used to analyze driver patterns and behaviors by building sophisticated algorithms for each unique person. The result is that AI helps to streamline operations and enhance efficiencies, contributing to cost savings and improved performance.

Harnessing AI's capabilities also empowers fleet managers with predictive analytics and intelligent decision-making tools, revolutionizing the way they navigate challenges and ensure the success of their operations.

47% are currently using AI solutions in their fleets

What do you manage with your telematics solution?



*New for 2024

Regional Trends from Around the Globe



An impressive 62% of UK and US respondents are using AI-operated solutions to manage their fleets today, but the same cannot be said for Australia and New Zealand where only 38% have adopted the technology.



Measurable savings are a common benefit of telematics solutions across all regions, yet the US also identifies reduced insurance premiums as their 2nd highest monetary saving.



Asset visibility ranks as the number 1 benefit of telematics solutions for Australia, New Zealand and the UK, while US respondents list the environmental benefits as their top advantage, aligning with increased pressure for sustainable practices across supply chains.



"We plan to downsize for efficiency and general cost savings, but by no means will we allow a drop off in customer service. 2024 will be about maximizing efforts and streamlining processes."

Owner, of a US Transport business

2 | Safety & Wellbeing



Operators Steer Driver Support

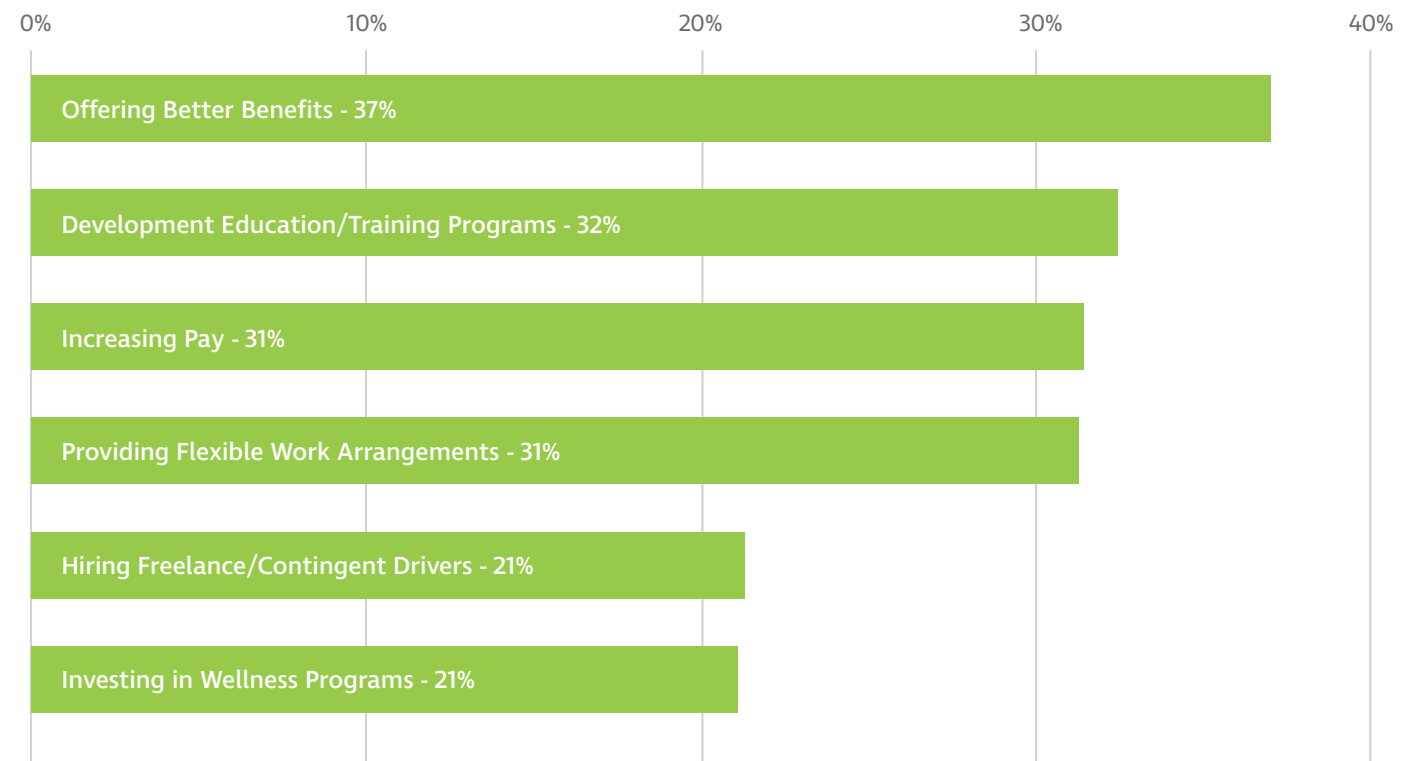
Inflation is heightening the financial stresses for drivers, contributing to anxiety and job-related pressure. The increased economic strain, coupled with the demanding nature of the job, is exacerbating the risk of mental health challenges among drivers, and leading to operators considering all options to support them best.

63% recognise that the cost-of-living crisis is negatively impacting the mental health of their drivers

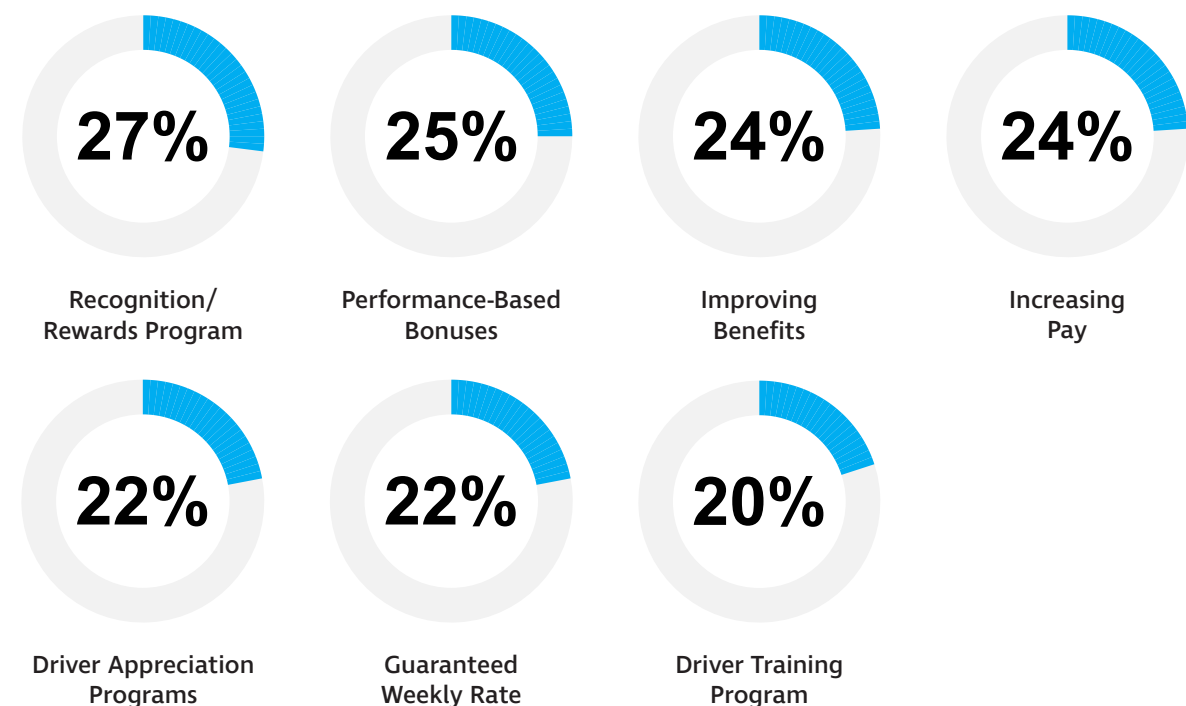
Yet while financial incentives remain key to retention strategies, driver wellbeing is emerging as a business priority, with support lunches, rewards, and recognition being prioritized to help boost driver morale, foster a positive work environment and reduce stress. Improving these benefits demonstrates an operator's commitment to driver wellbeing, enhancing job satisfaction and retention in a challenging industry.

110% increase in driver appreciation programs to retain and support teams in comparison to 2023 survey response

How are you addressing the global driver shortage?



What is your organization doing to retain or support current drivers?



Elevating Driver Wellbeing for Optimal Safety

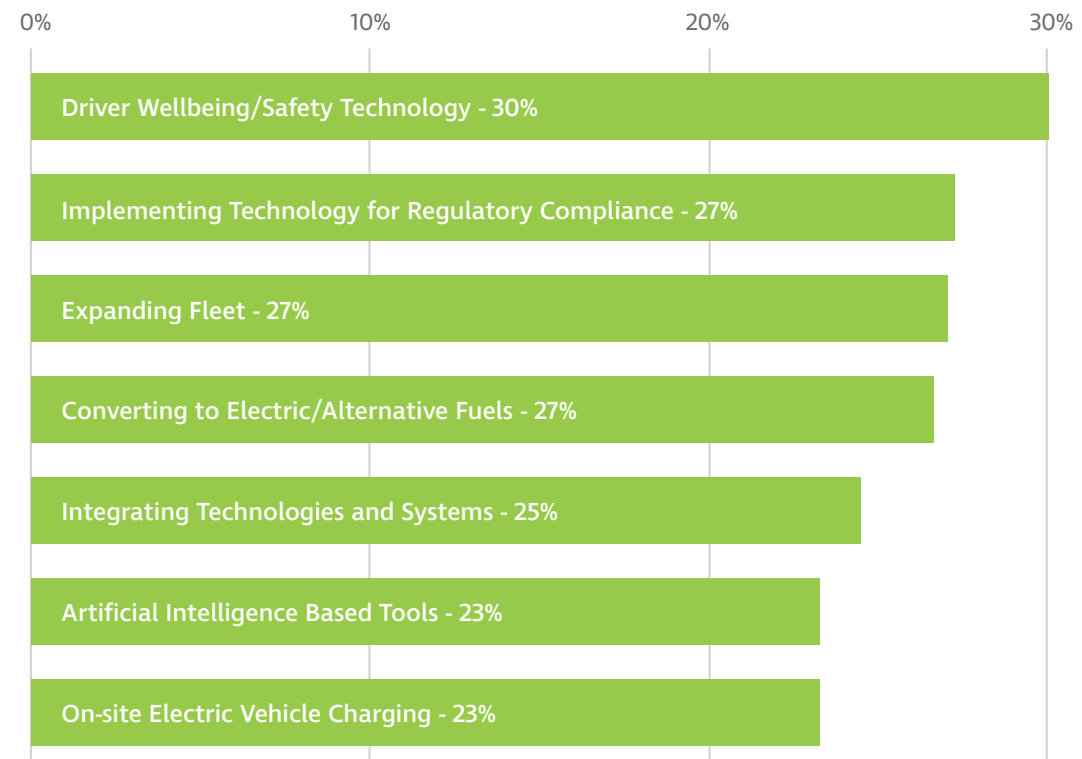
Investing in technologies for driver wellbeing can improve safety, efficiency, and reduce stress, creating a more sustainable and supportive work environment. Implementing this can emphasize a commitment to driver wellbeing, bolstering job satisfaction and fostering higher retention rates within the transportation sector.

30% plan to invest in technology that support driver wellbeing and safety technology

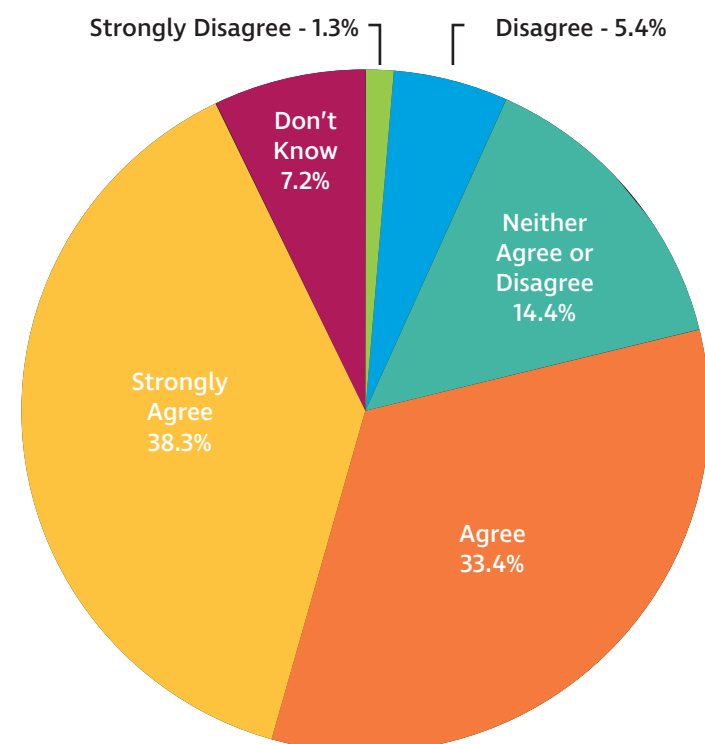
The substantial rise in fleet managers accessing accident data through telematics is a positive trend as it signifies a proactive approach to safety measures, reducing the likelihood of future accidents.

72% of telematics users have seen an improvement in driver performance through their reward programs

What investments are you planning in the next 12 months?



Have you seen improved performance through driver rewards programs?



Telematics Fuels Safety Culture

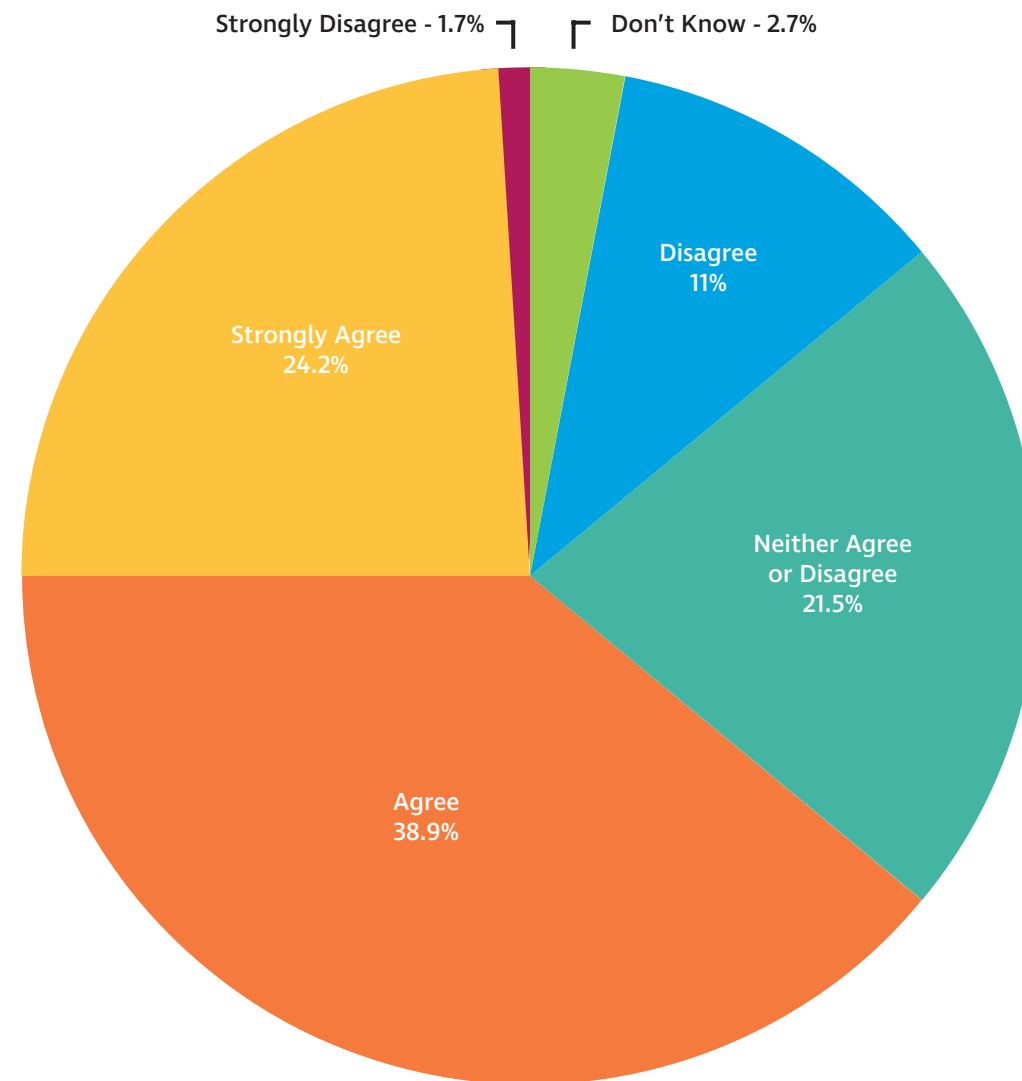
The continuous data insights from telematics empower both drivers and fleet managers to prioritize safety, ultimately cultivating a culture that values and promotes responsible driving practices.

63% believe telematics has helped build a safer driving culture

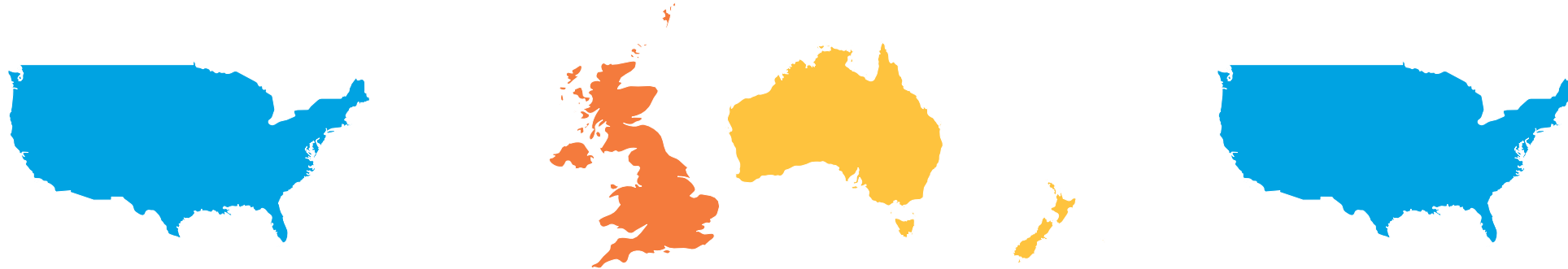
Fewer accidents on sites are crucial for maintaining a safe working environment, protecting the wellbeing of workers and reducing potential injuries. A lower accident rate can also enhance productivity, minimize downtime and contribute to cost savings by mitigating the financial and operational impacts associated with workplace incidents.

73% have seen fewer accidents on the road or job site since adopting telematics solutions

Has telematics helped build a safe driving culture at your organization?




Regional Trends from Around the Globe



In the US, driver wellbeing and safety technology is the number 1 planned investment for 2024 while in the UK, Australia and New Zealand fleet expansion is identified as the priority.

Australia, New Zealand and UK respondents highlight offering better benefits and providing flexible work arrangements as their primary ways to address the challenges around driver shortages, whereas the US is more focused on developing educational training programs and increasing pay to retain talent.

Managing driver performance is the number 1 use for telematics solutions in the US, but this ranks in 3rd position in Australia, New Zealand and the UK, behind vehicle location and compliance.




"My priority is keeping my drivers as the cost-of-living crisis and rising inflation is making them want to leave for better paid jobs."

Operations Manager, of an Australia based Manufacturing business



3 | Sustainability



Item	Value	Value
Item 1	10	20
Item 2	15	25
Item 3	20	30
Item 4	25	35
Item 5	30	40



Future-proofing the Transportation Landscape Means Breaking the ICE

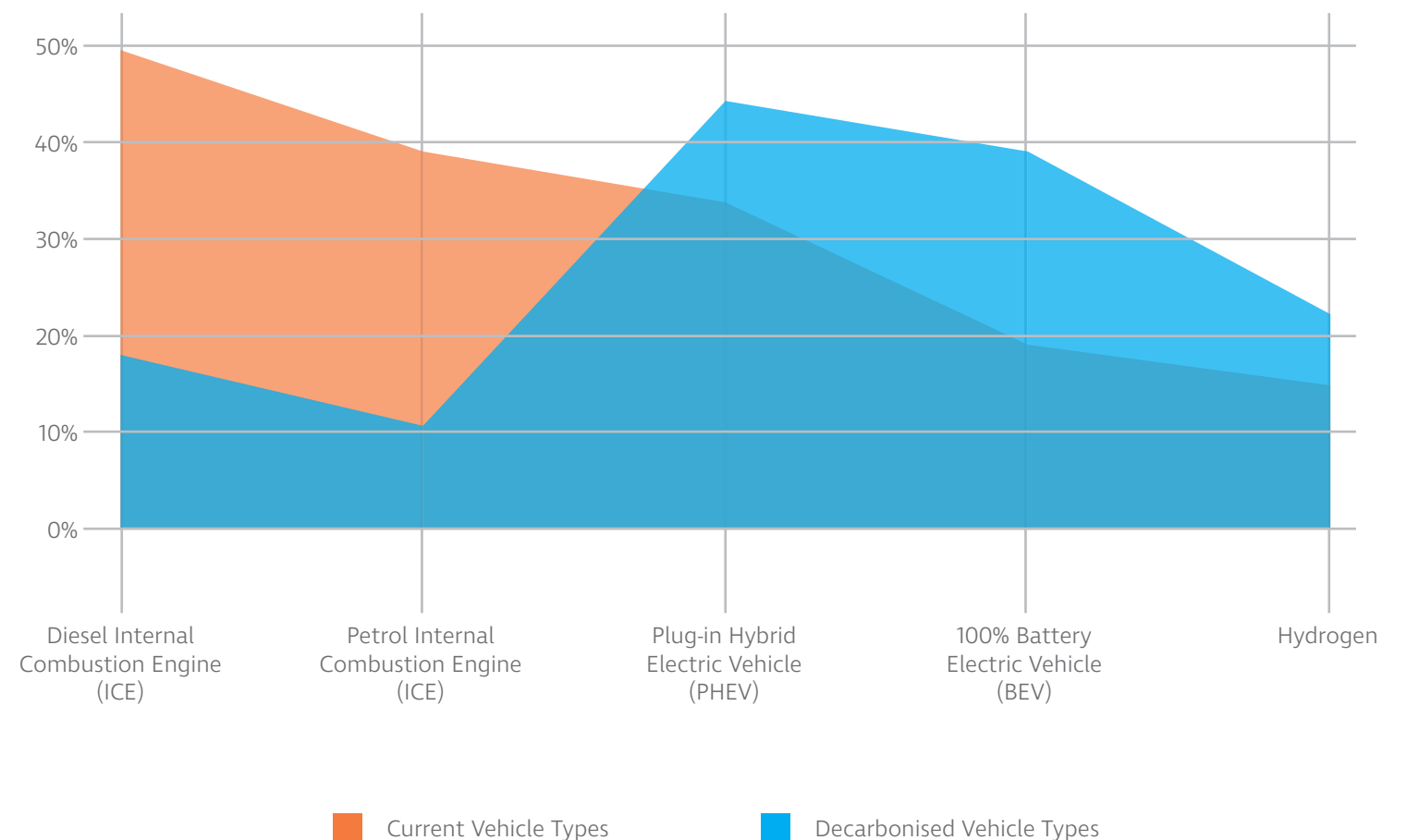
A high number of respondents are already operating a mixed energy fleet, including internal combustion engine (ICE) vehicles such as petrol and diesel, and plug-in hybrid electric vehicles (PHEVs) as they begin their energy transition journey. Those same respondents are also planning to introduce 100% battery electric vehicles (BEVs) to their fleets in the near future, signifying a dramatic shift in vehicle energy types being operated across the global transport sector over the coming 5 years.

44% believe that government mandates for a sustainable energy rollout will go ahead as planned

Over half of respondents agree that they are 'feeling the environmental pressure to transition' their fleets to alternative fuels. Investment in alternative fuels is also one of the top business commitments over the next 12 months, with many seeing transition as means to navigate global rising fuel costs.

73% say that ongoing cost pressures will likely delay their transitions to alternative fuels

What vehicle types do you currently have in your fleet Vs. vehicle types that will be introduced to decarbonize?



Expert Advice is a Worthy Investment to Drive Transition

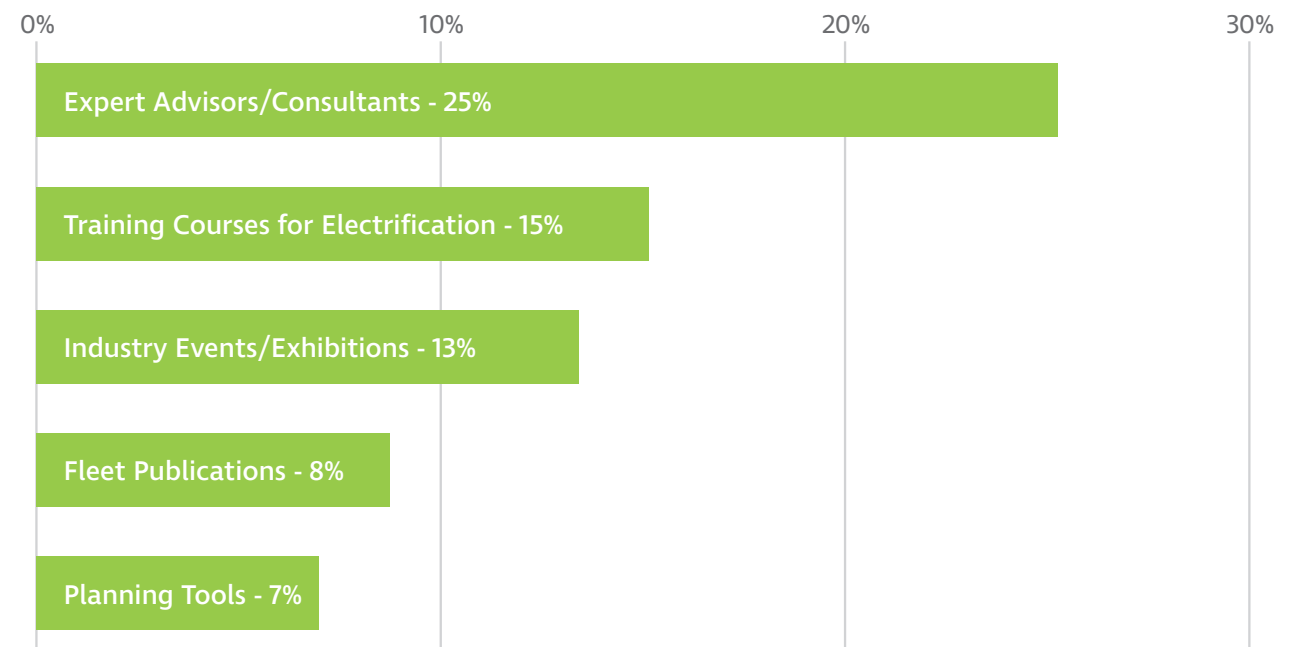
Expert guidance and dedicated training courses are the primary resources respondents are looking for in order to execute their transitions to alternative fuels. From understanding the total cost of ownership (TCO) and resale values, to environmental impacts and charging infrastructure, operators recognize the need to invest in bringing experts to the table, and accept the costs of bespoke training to fully understand its complexities.

40% respondents are looking for 'expert advisors/consultants' or 'dedicated training courses' for alternative fuel transition guidance

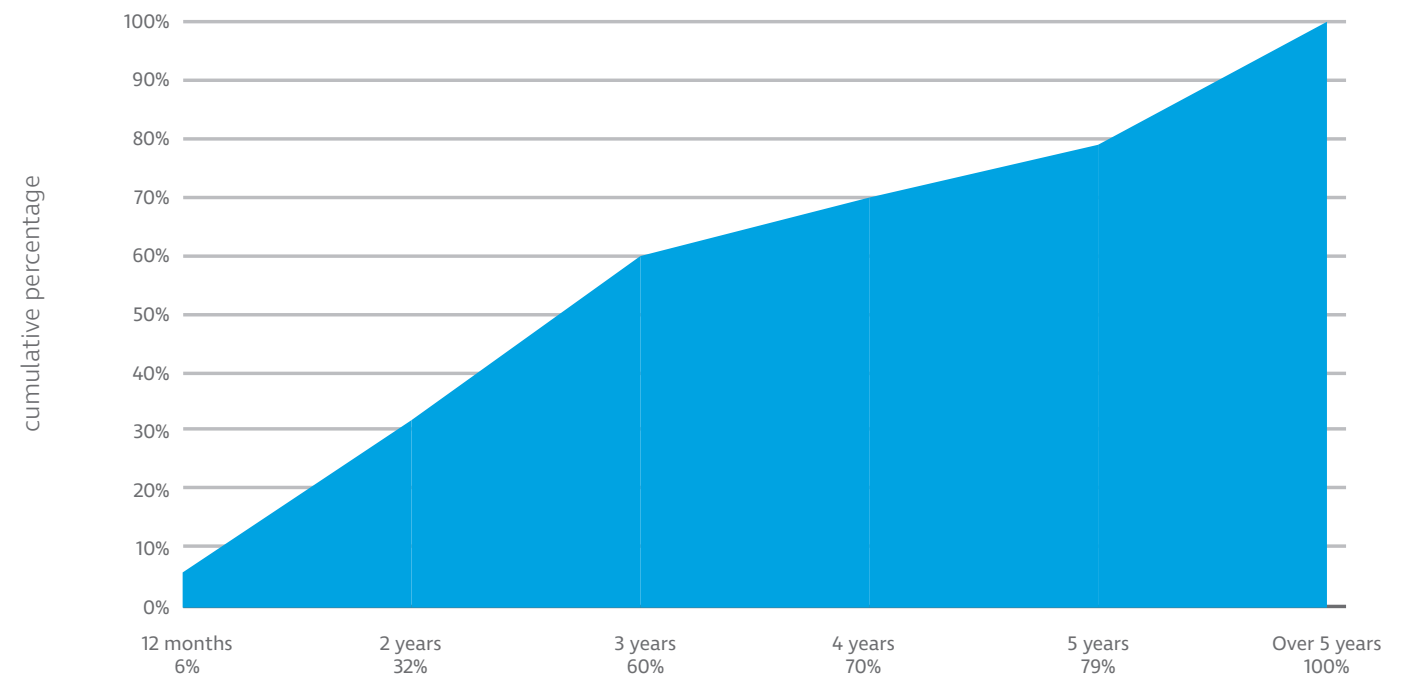
Almost half of respondents are at the middle stages of their decarbonization plans, where they are beginning to transition their fleet vehicles over to alternative fuels. This aligns with broader efforts to create a more sustainable and environmentally friendly system which not only benefits individual businesses but also contributes to global efforts to address climate change and build a cleaner, more sustainable future.

79% expect more than half of their fleets to be using alternative fuels in the next 5 years

Where would get information on how to transition to alternative fuels?



When do you expect more than half of your fleet to be using alternative fuels?



An Expert Perspective on the Decarbonization of Fleets

1. Are there geographical challenges with the distribution of charging infrastructure? Are some areas or countries getting more focus than others and what's the impact of this?

A lot of this comes down to policy and the question of how much infrastructure do we actually need.

In China, they are rolling out as many charging points as possible. In certain parts of America, they are rolling out as few as possible. The fact is, it is not the numbers, it comes down to whether the right chargers by the right type in the right place at the right time are being installed, and that is not happening at the moment.

It is not enough to measure chargers per 100,000 population, it needs to come down to how those chargers are distributed and a supporting infrastructure is built to accommodate. The Netherlands are a prime example of this where they have a national network of high power charges, but in the UK, there are around 350 local authorities who do it themselves as does the private sector, meaning a mosaic of activity is happening but is not necessarily delivering what the population needs.



Professor Colin Herron CBE
Founder of Zero Carbon Futures

As a leading global authority on the subject of EV, Professor Colin Herron CBE is a Special Advisor to the UK government and notably spent 17 years at Nissan where he was instrumental in the roll-out of the Leaf, the world's first mass market electric vehicle.

2. What is the total cost of ownership, are EVs more expensive to run than ICE vehicles?

At the moment, the upfront cost is more expensive, but with all vehicles, the more you use them, the more the cost comes down. You find the right use case with the right vehicle to do that job and over a 3, 4, 5 year period, what we may see through the data is that it is going to be cheaper to actually run on electric, but it boils down to what is available in the market from an OEM perspective.

What we also need to consider is that when an EV needs a service or maintenance, the costs are far less due to there being few moving parts. For example, some fleet operators have seen that they do not need to replace their brakes anywhere near the frequency because of regenerative braking, and the most common maintenance needed on EVs overall is a change in the pollen filter. This means that overall, the running costs for an EV are much less.

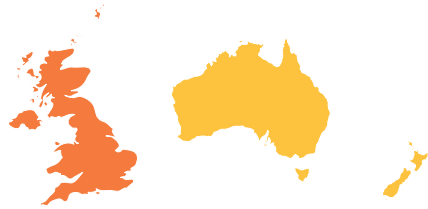
3. What are the risks of the rapid transition to EV and meeting mandates?

This risk with the technology is very low – it's quite simple. The real risk is the targets that have been set and having everything in place to achieve those targets when we are supposed to. It is also important to be mindful that it is the definitions of those targets that are driving the behaviors of the vehicle manufacturers, which in turn directly impacts our ability to transition.

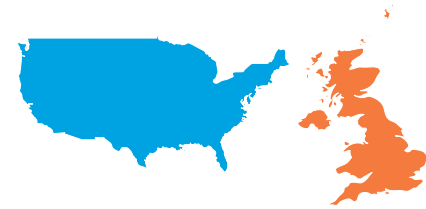
If you go back to the covid era, one of the biggest fears was that heavy goods vehicles would stop running, and if we were to ever have that situation, countries would collapse. It has become very clear that if we are setting a mandate for zero emission vehicles at a set point, the road haulage industry needs to be prioritized. If we do not have the infrastructure and the vehicles what do we do – go back to diesel, or stop making ICE vehicles entirely to push EV production and infrastructure along? No, we need to have a concrete plan in place.



Regional Trends from Around the Globe



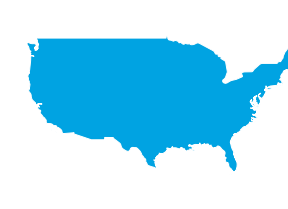
Where 69% of Australia and New Zealand and 57% of UK respondents do not expect their local governments to go ahead with sustainable energy mandates, 54% of US respondents do expect this rollout to go ahead as planned.



The US and UK decarbonization plans are further evolved, now at the middle stages where they are beginning to transition their vehicles to alternative fuels. Australia and New Zealand however, are further behind in this trend, with most respondents from these regions having yet to start their switch.



In the UK, alternative fuel conversion was one of the top 3 largest areas of expense throughout 2023. This was also recorded as one of the top 5 largest spends in the US, but fell much lower on the list for Australia and New Zealand where it ranked 6th.



When asked how soon regional operators expect more than half of their fleets to be powered by alternative fuels, the majority of US respondents state they envision this to take up to 2 years, while the UK expect up to 3 years, Australia and New Zealand to be over 5 years.

"As a retail business with an arm in last mile delivery, we are expected to offer a fully electric delivery experience for our customers. Therefore, that is our number 1 business goal for the next few years."

Safety Manager, of a UK Retail business



Summary

These findings highlight the evolving landscape for fleet operators, with a growing emphasis for a more streamlined, safer and sustainable fleet.

This signifies the transformative momentum in global fleets towards sustainable energy, emphasizing the critical roles of expert guidance and innovative technologies for a more efficient, environmentally conscious future. Core take-aways of the TS24 report are:

Mobilizing the Future of Fleets

- Fleets are already operating with mixed energy vehicles
- Expert guidance is required to build effective decarbonization plans
- The next five years will see a global shift in energy types

Driver Wellbeing

- Financial stresses contribute to mental health challenges among drivers
- Fleets plan to invest in technology supporting driver wellbeing
- Telematics data is a proven aid in building a safer driving culture

AI and Technology Innovation

- Fleets are considering downsizing in an effort to mitigate rising costs
- Switching to alternative energy vehicles is a counteraction to rising fuel costs
- Operators are actively introducing AI solutions in their fleets to streamline operations

To thrive in 2024, fleet managers should proactively integrate mixed energy vehicles and accelerate their decarbonization strategies in order to keep up with the competitive demands of a new, environmentally friendly culture.

Prioritizing the right technology investments to support driver wellbeing is a non-negotiable for 2024, and utilizing telematics data for cultivating a safe driving ethos is something that fleet managements must maximize to retain and attract talent.

Though staying ahead of the curve will ultimately mean exploring effective streamlining options such as downsizing fleet size, adopting alternative energy vehicles to address escalating fuel costs, and integrating AI solutions.

In 2024, success will hinge on anticipating industry changes, emphasizing sustainability, and embracing innovative technologies to pave the way for an efficient and environmentally conscious future.

We hope you find this research valuable, and look forward to sharing our next report in the TS series.



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