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UK firms see business benefits in telematics technology

More than two thirds (68%) of businesses in the UK are saving money on their vehicle fuel bills due to adoption of telematics, according to research by RAC Business*.

The study of businesses across all sectors of industry also suggests that 55% saw a reduction in wear and tear and 48% said there was a reduction in downtime for their vehicles, contributing to further savings.

The results of the survey have been released at a time when increasing numbers of businesses are installing telematics in their vehicles, and show more than one in three (38%) are now making use of the devices, many for a variety of reasons beyond simply tracking vehicles.

As well as driving up efficiencies in terms of cost savings, the RAC Business research found that 43% of firms said the use of telematics supported their Duty of Care policies, while more than half (58%) saw a reduction in speeding incidents and fines, and 52% claimed a reduction in accidents involving staff. In addition one in 10, (11%), said insurance premiums had decreased as a result of installing telematics.

- **Telematics use by region/nation**

Around the UK 45% of businesses in London said they have telematics, above the national average of 38%, followed by Scotland and the North East of England, which both report telematics levels of 44%. Parts of the UK with the lowest take-up include Northern Ireland, 27%, Wales 30%, and the North West of England 30%.

- **Telematics use by size of business**

In terms of size of business, just 11% of firms with 10 or fewer employees said they have telematics fitted, compared to 25% of firms with 50 or fewer staff, and more than half, (55%) of firms with up to 500 employees.

- **Telematics use by sector**

Businesses in the manufacturing sector are among the highest users with half (49%) of those surveyed saying they have telematics, followed by the transport and distribution sector with 45%, and the automotive and FMCG sectors both at 44%.

The sectors with the lowest take-up include communication services at 31%, then retail at 36% and construction at 38%.

RAC Telematics managing director Nick Walker says the results of the research confirm a significant shift in the use of telematics in business away from a 'Big Brother' tracking function, to being much more concerned with vehicle health, driver information and keeping staff safe.

He said: "The results of this research very much endorse what we're hearing from businesses about how they are using the technology with many seeing fuel savings of between 10% and 15%, as well as many other efficiencies.

"The potential for telematics in terms of looking after a fleet of vehicles is enormous as there is so much information that can be extracted and used by the business owner or fleet manager.

"The idea that businesses are using telematics just to track their staff is really quite outdated now, they are much more interested in information about how the vehicle is performing and getting alerts about parts that need replacing, or vehicles that need servicing.

"Telematics is a key aspect of Duty of Care policies now, helping to promote safer driving so there are fewer speeding fines or accidents, which all contributes to less downtime and therefore a much more efficient business.

“Investment in a fleet and the ongoing running costs are significant for any business, and with the kind of information now available through telematics you can ensure those valuable business assets are being properly maintained wherever they are in the country, that is extremely valuable insight for any business owner.”

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Notes to editors

*Research carried out by 3Gem Media among 500 UK businesses with vehicles, on behalf of RAC Business in September 2015.

About RAC Business Services

RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists.

RAC Patrols repair vehicles on average within 31 minutes at the roadside and carry more than 500 parts and tools, so we're always well-equipped and ready to fix wherever possible

RAC Business offers a comprehensive range of services and products for UK businesses of all sizes and currently support about six million vehicles on the road.

Products available include: fleet breakdown coverage, telematics, fuel cards, accident management, inspections, training, commercial and fleet insurance, fleet management (Business Club) and risk management services.

RAC also provides client-branded outsourced services and call centre support for customers of leading car manufacturers, insurance, fleet providers and logistics companies, as well as truck breakdown, truck warranty and insurance for vehicles from 3.5t to 44t.

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