

Cost factor deters wider use of tracking devices

Mamuni Das
T.E. Rajasimhan

Use of telematics to track vehicle movements is yet to pick up in the goods transport sector in India. Currently, hardly five per cent of the trucks have telematic devices. According to industry experts, additional costs, availability of cheaper devices and the fragmented nature of the trucking sector are some of the reasons for slow adoption.

Some high-value cargo movement in sectors such as oil and gas, pharmaceuticals, is driving adoption of telematics in vehicles. This is because, telematic devices is a tender

condition for hiring vehicles for transport of such cargoes. Currently, a majority of commercial vehicle users has GPS devices to track location. Also, some devices are used to check over-speeding of vehicles, average speed, mileage and other activities.

"Telematics equipment adoption will go up if it is pushed by original equipment manufacturers (truck makers), end customers, or if the Government agencies define them as minimum standards," said S.P. Singh, Senior Fellow, Indian Foundation of Transport Research and Training (IFTRT), an institute that tracks commercial vehicle sector.

"For moving pharmaceutical products, we use temperature recording machines in the refrigerated vehicles. Customers want to ensure that the air-conditioner is not switched off by drivers to save fuel," said Vineet Agarwal, Joint Managing Director, Transport Corporation of India (TCI), a listed logistics firm in India.

TCI has tracking devices in almost 1,400-1,500 of its own trucks, which are part of its overall 7,000 truck fleet running in market at any given point in time.

Vineet Kanaujia, Vice-President (Marketing), Safexpress, which has a



High-value cargo movement in sectors such as oil and gas and pharmaceuticals is driving adoption of telematics in vehicles. — K.K. Mustafah

Range of telematics

Telematics deals with the long-distance transmission of computerised information. Information is gathered by a telematics device, which typically includes a GPS chipset, a data logger, and a GPRS module for transmitting data of the mobile data network.

The most basic form is a standalone vehicle tracker. These usually run on a battery and send data by text message about the location of the vehicle. They are

typically used as anti-theft devices, and are also used by taxi operators to identify the location of their vehicles.

More sophisticated devices utilise vehicle power supply and have a backup battery of their own. They can also be linked with the vehicle IT system and collect and process data on engine performance, speed and fuel consumption, and store data when the vehicle is out of range of a cellular network.

The more sophisticated devices also link to other on-board sensors that indicate, for example, engine idling, doors open, tail gate open and temperature of refrigerated compartment.

These can also be linked to voice and video systems and panic buttons to enable two-way communication between drivers, giving added security and visibility for vehicle operators, drivers and passengers.

Source: TRN Ltd

captive fleet of 4,000 vehicles fitted with GPS devices, said, "IT and retail are other sectors that drive basic telematic equipment adoption. The problem is customers want all kind of telematics-based services but are unwilling to pay a premium for such services." Kanaujia also pointed out that GPS-based tracking is the most basic of telematics.

MONEY MATTERS

Cost of such devices can be wide-ranging depending on the applications that they provide. At present, logistics firms generally use standalone GPS devices, which are much cheaper.

"Most commercial vehicle users

use separate GPS devices, which are available for Rs 8,000-14,000. But tankers carrying gas use GPS devices that are fitted by the truck maker. This means an additional cost of Rs 1,25,000 because that is what the end customer has demanded," said IFTRT's Singh.

According to Steve Kremer, author of research report, TRN India Vehicle Tracking and Fleet Management 2013-17, "Price of vehicle tracking devices in India range from Rs 5,500 (or less) for basic tracking units to Rs 25,000 (or more) for the more sophisticated devices. On top of that there are a number of additional charges, which may be bundled or charged separately."

The Indian market is too fragmented, unorganised, and complicated to see large-scale adoption of telematics. In the current structure in an effort to save costs, most commercial vehicle owners don't buy trucks with the drivers cabin cargo body from the OEMs. "Too of 95 per cent of medium and heavy commercial vehicles are sold without the driver's cabin and cargo body, with just the cowl and chassis as buyers look to cut costs," Singh explained. Medium and heavy commercial vehicles comprise over a third (70 per cent) of total commercial vehicle population in country and are used for long haul routes. There is also a perception issue, h

Smaller truck operators, who have one or two vehicles, do not use telematics. They fully trust the drivers, who have been with them for a very long time. "We just go by what our drivers say," said Mohan, a truck operator in Namakkal, which is the hub for the truck industry in the south.

M.K. Janardanan of Okay Transport, which has installed tracking devices in some of the vehicles, said they are of no 'great' use. If the drivers feel they are being monitored, their attitude will be different. "Policing will always lead to trouble," he said. "The drivers always have the option of disconnecting the device," he said.

FASTER ADOPTION IN BUSES

Meanwhile, TRN's Kramer pointed out that in the backdrop of safety concerns, buses are likely to adopt usage of tracking devices faster. "Less than two per cent of the commercial vehicle and bus fleet in India currently uses telematics solutions, though the rate of penetration in the bus fleet is growing faster than in the commercial vehicle fleet as a result of decisions by policy maker to improve safety on public transport," Kramer said. For instance, passenger