

SIGN UP FOR OUR **FREE** WEEKLY E-BRIEF

Email Address:

Fleet & Asset Management
 Infotainment & In-Car Content
 Insurance Telematics
 Navigation & LBS
 Telematics for EVs
 V2X & Safety

- Home
- Navigation & LBS
- Infotainment & In-Car Content
- Fleet & Asset Management
- Insurance Telematics
- V2X & Safety
- Telematics for EVs

Consumer Telematics Seminar 2005
05/01/2005 - 05/01/2005

Managing driver behavior with fleet telematics

Sep 25, 2012

Greg Nichols reports on how fleet operators can boost the bottom line by managing driver behavior

In the quest for greater fuel efficiency and lower maintenance, repair, and replacement costs, fleet operators often focus on optimizing vehicles and routes. But driver behavior, studies show, impacts both fuel economy and vehicle repair and maintenance to a tremendous degree.



Printer-friendly version
 Send to friend

Share 1
 Like 0
 Tweet 15
 +1 1

Add a comment

Related Articles

- ▶ [Industry insight: Fleet telematics](#)
- ▶ [Industry insight: Telematics and machine-to-machine communications](#)

Fleet operators are now finding that intelligently implemented driver policies aimed at reducing poor driving behavior can increase road safety and bring substantial savings, which benefit the bottom line.

Jeff Pursell, vice president of telematics and strategic development at Donlen, a fleet management company, is part of a growing cadre within the industry focusing on the potential savings associated with driving behavior.

"We can literally plug a device into a vehicle, and plug one into a second vehicle, let the drivers go drive for a month, and we can tell them, based on comparison, which driver has better MPG, just looking at raw behavior," says Pursell. (For more on driver behavior, see [New telematics tech for fleet and asset management](#).)

Unexpected savings

At Donlen, Pursell and colleagues have spent the last few years developing parameters to quantify these behaviors. Their research shows how drivers—even those with impeccable safety records—are being wasteful.

"We break it down into four critical behaviors," says Pursell: acceleration, deceleration, over speed, and idle. While these may seem like obvious indicators, the savings are unexpected.

"If you take a fleet that has done no training, has paid no attention to driving behavior, you can typically see anywhere from a 10% to 20% decrease in fuel costs by putting in some kind of driving behavior program and actually monitoring your drivers," says Pursell.

That number starts to make sense when you look at the waste associated with inefficient driving behaviors. Speeding, for example, has a huge impact on fuel economy. On average, operators can expect a vehicle to lose 7% of its fuel economy for every five miles per hour exceeding 65 MPH.

And the potential for savings doesn't stop there. "We've seen customers reduce accidents by as much as 25-30%," says Pursell. That translates into huge cost reductions related to vehicle repair and maintenance. (For more on fleets, see [The future of fleet telematics, part I](#) and [The future of fleet telematics, part II](#).)

Establishing a policy

The question is, What can fleet operators do with this knowledge?

"You have to establish a policy," advises Pursell. "The policy can be informal, it doesn't have to be written." Companies that have established policies, and have combined those policies with effective monitoring and driving feedback mechanisms, have seen huge dividends.

Molex Incorporated, a leading supplier of cable components and connectors, has a fleet of 300 vehicles and does about 14,000 fuel transactions each year. In an effort to cut soaring costs associated with rising fuel prices, Molex partnered with Donlen to come up with a strategy that included fuel expenditure monitoring.

Donlen used a centralized billing system and analyzed the fuel spend patterns for each driver monthly. It then informed drivers, via individualized emails, of things like below average fuel economy and fuel purchases that exceeded the vehicle's tank capacity. By combining monitoring with direct driver feedback, drivers started to understand the consequences of their inefficient driving behaviors.

Aware that they were being held accountable, they also became more conscientious on the road and at the pump. "So [drivers] improve their driving behavior," Pursell observes. "They stop doing the rapid acceleration, rapid deceleration. They're no longer tailgating drivers on the highway. They're using the momentum of the vehicle. They've become safer drivers."

Six months after implementing the program for Molex, Donlen found that the company was saving, on average, \$141 per vehicle in fuel costs alone. (For other growth areas in fleet telematics, see [Fleet telematics: Where the growth is, part I](#) and [Fleet telematics: Where the growth is, part II](#).)

The psychological effect of monitoring

The psychological effect of monitoring can't be overstated. Donlen worked with Multiband Corporation, a DIRECTV home service provider, to install DriverPoint™ telematics devices in a portion of the company's vehicles. While drivers typically plug the DriverPoint™ devices into the vehicles themselves, Multiband head Carl Roth instructed his regional managers to install the devices instead.

As an experiment, and to gain a baseline for effective benchmarking, a third of the drivers were told about the monitoring while two-thirds were not. After a few months, the difference in driving behavior between the two groups was astonishing.

Those who knew they were being monitored drove more safely. Roth decided to expand the DriverPoint™ program. After eight months, accident rates at Multiband decreased by 16% and complaints to the company's Driver's Alert number fell by 30%.

Fleet operators interested in capitalizing on these kinds of savings should be looking to combine robust monitoring and feedback systems, such as those that employ in-vehicle telematics devices and driver report cards, with clear driver policies and proven training programs. "Once you start combining all that," says Pursell, "you can really take the cost savings to a whole new level."

Greg Nichols is a regular contributor to TU.

For more on fleets, see [Special report: Fleet telematics](#).

For the latest on fleets, visit [Telematics for Fleet Management USA 2012](#) on November 13-14 in Atlanta.

For all the latest telematics trends, check out [Telematics Japan 2012](#) on October 9-11 in Tokyo, [Telematics Munich 2012](#) on October 29-30, and [Content and Apps for Automotive USA 2012](#) on December 4-5 in San Diego.

For exclusive telematics business analysis and insight, check out TU's reports: [In-Vehicle Smartphone Integration Report](#), [Human Machine Interface Technologies](#) and [Smart Vehicle Technology: The Future of Insurance Telematics](#).

Consumer Telematics Seminar 2005
05/01/2005 - 05/01/2005

Post new comment

Name: * Email address: *

Subject:

Message: *

Most Popular Articles

- [Industry insight: Insurance telematics](#)
- [Industry insight: Telematics and V2V/V2X technologies](#)
- [Industry insight: Fleet telematics](#)

Featured Events

- [Telematics India and South Asia 2013](#)
Apr 16, 2013 - Apr 17, 2013
India

Featured Articles



Q&A: Telematics and Renault's automatic app store
Patrick Hoffstetter of Renault Digital Laboratory on his company's roll out of its global automotive app store



Fleet telematics: Creating synergies with the insurance industry
Siegfried Morkowitz explores how telematics can form an important element of effective risk management for fleets



Telematics, infotainment innovation and Mercedes-Benz
Jan Stojaspal explores how Mercedes-Benz is integrating brought-in devices with onboard infotainment systems

Reports

- [Telematics Connectivity Strategies Report 2013](#)
Winning Strategies To Integrate Auto Content To Ensure Your Services Remain Relevant To The Next Development Cycle of the Connected-Vehicle
- [Insurance Telematics Report 2013](#)
Devise a future proof UBI strategy with this critical analysis of the burgeoning US and European insurance telematics market
- [Human Machine Interface Report 2012 Edition](#)
Develop a lucrative business model for the connected car equipped for future applications and market growth.

Podcasts

- [Podcast: Telematics and market-specific UBI solutions](#)
Frederic Bruneteau, managing director of consultancy Ptolemus Group, on how market-specific solutions are key to usage-based insurance success
- [Podcast: Fleet telematics and fuel efficiency](#)
Fredrik Callenryd, senior business analyst with Scania fleet management, on how automated driver assistance systems can improve fuel efficiency
- [Allstate: Ushering in a new era of auto insurance](#)
TU catches up with Nate Bryer, usage based insurance general manager at Allstate, about the insurance telematics field and Allstate's DriveWise solution