

Digi ventures into US\$2.2bil IoT space with connected vehicles strategy

By Digital News Asia | Jun 09, 2017

- **Connected vehicles a potential key business driver for Digi leveraging on its 4G+ network**
- **Ready to activate usage-based insurance (UBI) solution for passenger vehicles**



Digi chief digital officer Praveen Rajan with the iFleet team

IN MALAYSIA, connected vehicles and insurance telematics have been identified as two of the fastest growing use cases for IoT that will contribute towards the expected US\$2.2billion (RM9.5 billion) GNI creation by 2020.

On June 8, Digi Telecommunications Sdn Bhd (Digi) announced their intention to make a strong push into IoT with their connected vehicles strategy, offering a spectrum of solutions for commercial and private vehicles, and insurance providers.

Taking a spin into the future of IoT

As machine-to-machine (M2M) connectivity becomes not only a prerequisite for maximising business performance but a decisive factor for gaining competitive edge, solutions that layer intelligence on top of M2M connectivity are poised to become a key driver in this 'new normal' business environment of IoT.

For Digi, layering intelligence on its M2M connectivity to provide a new range of robust IoT solutions is a natural progression for the business.

Digi chief digital officer Praveen Rajan said, “Digi’s focus on the IoT market represents a clear and natural strategy that we are undertaking to diversify revenue streams as we transform from a telecommunications provider into a digital company.

“By leveraging on our solid 4G+ network, this is an opportunity for us to better monetise data and draw a broader audience to our new digital offerings that package connectivity with intelligent solutions. It is about translating digital into real business value for us with bottom-line impact for our customers.”

The company’s IOT strategy will see it either develop in-house solutions or more efficiently partner with ready technology platforms or experts to offer IoT solutions as opportunities present itself.

“Malaysia’s automotive market landscape indicates that there is an opportunity for Digi to disrupt the status quo, to draw and create much value from the growth within this industry.

“The outlook is promising, where commercial vehicles carrying goods are increasingly required to have real-time tracking systems as per SPAD’s ICOP safety guidelines, and the number of registered vehicles total more than 27.6 million in 2016 with growth rates set to maintain at over 60,000 and 500,000 per year respectively for new commercial and private vehicles,” said Praveen.

A B2B solution for commercial vehicles with iFleet

iFleet is a B2B solution targeted at commercial vehicles, the first IoT solution Digi is introducing from its range of connected vehicle offerings.

The intelligent fleet management solution enables businesses to track their fleet in real-time.

Key advantages of iFleet include:

- All-inclusive solution that takes care of hardware, software and connectivity at one go
- Advanced tracking technology providing greater fleet insights to improve business productivity
- Driver behaviour insights and scoring to instil safe driving culture
- A continuously evolving value-added solution introducing features beyond tracking, such as smart fuel management and usage-based insurance (UBI)

“While there are many players within this space, we believe we are disrupting the fleet management solutions market with a best-in-class, end-to-end solution for an affordable fee.

“The low cost outlay in return for a comprehensive and continuously upgraded solution will benefit more Malaysian enterprises than before, regardless of their size - a digitisation effort that adds to their competitive advantage by helping them manage their business more efficiently,” said Praveen.



Digi chief digital officer Praveen Rajan (left) with SnT Global Logistics CEO David Wong

One of these companies is SnT Global, a home-grown logistics provider who has integrated iFleet into its business to ready themselves for the e-commerce boom in Malaysia.

As bigger logistics companies feel the pressure of coping with the growing rate of online sales and package deliveries, it is now an open market for second tier logistics companies to step in and take advantage this market growth.

Beyond this, iFleet is also being piloted across industries as diverse as FMCG, automobile and infrastructure with names such as Peugeot, Kia, Gamuda and Citylink to name a few.

iFleet is available to all Malaysian enterprises interested in leveraging on digital technology as a competitive advantage for their business.

As an added incentive, companies who are also Digi Enterprise Business customers stand to benefit from a promotional offer of only RM75/month instead of the regular RM90/month fee for the all-in-one fleet tracking solution, valid from now until 30 June 2017.

As part of Digi's strategy, the company will introduce a B2C connected vehicle solution in 2H 2017 that will offer private vehicle owners a solution that encompasses tracking, driver safety, vehicle security and smart in-vehicle services for an affordable price.

At the same time, the company is also preparing to disrupt the motor insurance industry with its ability to translate valuable data into actionable insights, in this instance, to collect and analyse data to score driving behaviours.

It will soon introduce usage-based insurance (UBI) solutions that provide insurers the capability to price motor insurance premiums more accurately according to actual individual vehicle or fleet performance, ideally benefiting good drivers with lower premium payments.

This product will encourage safer driving habits while reducing insurance claims loss ratios for Insurers. In 2016, gross written premiums for motor insurance amounted to RM8.17 billion with an overall 66.9% net claims incurred ratio for this segment.

This UBI product is ready to activate as soon as insurance tariffs are liberalised in July 2017. Currently, Digi is piloting with several forefront insurers to understand the types of data available, and how the data can be used to price premiums.

Through the company's playbook on connected vehicles, Digi has mapped out a comprehensive set of solutions versatile enough to be adapted for different customer types, from B2B, B2C to B2B2B/C.

"Businesses, vehicle owners and Insurers that seek a competitive edge through IoT solutions can expect to see more dynamic offerings and success stories from Digi in the coming quarters," added Praveen.