

FROST & SULLIVAN

TARGA TELEMATICS

2022
ENABLING
TECHNOLOGY
LEADER

EUROPEAN
TELEMATICS USAGE-BASED
INSURANCE INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Targa Telematics excels in many of the criteria in the insurance telematics for usage-based insurance space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Customer Impact</i>
Commitment to Innovation	Price/Performance Value
Commitment to Creativity	Customer Purchase Experience
Stage Gate Efficiency	Customer Ownership Experience
Commercialization Success	Customer Service Experience
Application Diversity	Brand Equity

Targa Telematics: An Exemplary Innovator for Usage-based Insurance

“Frost & Sullivan commends Targa for offering intelligent mobility solutions that benefit end-users, ensure cost savings, and improve driver safety.”

**- Manuel Albornoz,
Best Practices Research Analyst**

The soaring trend of connected cars, users’ adoption of in-vehicle-connected services, and heightened awareness of vehicle usage encourage the growth of automotive usage-based insurance (UBI) in Europe. Specifically in the United Kingdom, Germany, Italy, France, and Spain, insurance companies’ telematics adoption revolutionizes the industry with innovative insurance policies for customers.

Frost & Sullivan estimates Europe’s automotive usage-based insurance market will reach \$26.83 billion in revenues by 2028 with a compound annual growth rate (CAGR) of 30.4%. Italy will constitute a predominant region during the forecast period, with a CAGR of 27.2%.¹ Targa Telematics (Targa) uniquely leverages its technology and human expertise to meet its customers’ needs. It is well-positioned to capitalize on new growth opportunities, cementing its leadership in this space. Founded in 2000 and headquartered in Treviso, Italy, Targa develops high-tech solutions and enables new business models by responding to the market’s latest trends with flexible insurance services. It is the most significant player in UBI telematics and a partner of the biggest auto insurance companies in the country, such as UNIPOL and Aon. Frost & Sullivan commends Targa for offering intelligent mobility solutions that benefit end-users, ensure cost savings, and improve driver safety.

¹ *Automotive Usage-based Insurance (UBI) in Europe-5, Forecast to 2028* (Frost & Sullivan, October 2022)

Commitment to Innovation: Enabling New Mobility Offers

Backed by world-class experts, Targa has developed its product baseline over the last 20 years, refining its holistic approach and continually building its technology. It created an automotive-specific internet of things (IoT) platform and advanced IoT devices that collect and transmit telematic data from vehicles. After collecting the data, the company's Open Mobility Platform processes the information using artificial intelligence (AI), machine learning, and Big Data analysis algorithms to enable new mobility services and products. The platform is hardware and data stream agnostic. Hence, it can manage information from original equipment manufacturers and third-party devices. Targa's hardware solution outperforms competitors by considering the complexity needed to interface with more than 800 vehicle models.² It provides development teams with an interface allowing standardized data access.

With its foundational technology, Targa supports customers by providing more accurate and reliable risk profiles, effective systems to combat fraud, and detailed, automated, and timely accident reconstructions for claims management. This offering also enables insurers to assess the risk for new mobility services such as car-sharing.

An End-to-end Portfolio Based on Customer Needs

Targa's data analytics allows a more accurate risk assessment of each event and profile for insurance companies, enabling profiled rates and new services to engage, reward, and consequently retain customers, reduce compensation costs, and prevent fraud. Furthermore, it can reduce insurance premium costs for companies with vehicle insurance by allowing more suitable policies and negotiating more agreeable terms.

Overall, the company provides insurers with essential information to manage risks, reduce accidents, and set risk mitigation policies for potentially hazardous events. Targa's product portfolio includes:

Claims Management solution: Streamlines management processes by simplifying them to establish the parties' respective responsibility levels with detailed information on the accident's dynamics:

- **Fraud recognition:** With the event's accurate snapshot, Targa enables insurance companies to avoid fraud, data manipulation, and misinterpretation/misrepresentation.
- **First Notice of Loss:** The company provides real-time notifications of suspected accidents, performing the necessary verifications to ensure report accuracy, validating the data, and raising the degree of help offered to end users.
- **Reconstruction of Accidents:** Targa processes the telematic device data using AI, reconstructing the accident's precise dynamics and determining the damage liability.

Driver Profiling: The level of risk varies based on the driver's distinct driving style and habit. Therefore, Targa's technology allows customers to develop accurate profiles based on statistical data and historical behavior analysis.

- **Risk management:** The company builds detailed driving profiles for businesses to diversify their risk

² Innovative devices that enable the most advanced functions of your mobility services (Targa Telematics website: <https://www.targatelematics.com/en/solutions/targa-plexer/>)

management and hazard mitigation policies, rewarding the best drivers. It allows for risk assessment based on behavioral patterns and, thus, more accurate pricing.

- Personalized offers: With Targa's technologies, businesses provide individualized pricing plans based on driving behavior (pay-how-you-drive model) or car use (pay-per-drive). Insurance businesses can use the offers to reward end users, alert discounts, and do service upsells.
- Customer segmentation: The company uses algorithms to co-design customer loyalty programs with rewards and penalties and define retention rates alongside customer scores.

Driver Safety and Vehicle Security: Provides assistance and prompt intervention in the event of accidents or emergencies with the following offerings:

- Theft incidence reduction: With cutting-edge AI, Targa codes thief behaviors and theft patterns, successfully predicting theft events. Targa built its know-how and database over the last ten years, with over 5,000 actual thefts managed yearly.
- Stolen Vehicle Recovery: Targa locates and recovers customers' stolen vehicles in cooperation with local law enforcement. It also facilitates compensation processes if retrievals are unviable. Targa staffs around-the-clock active control rooms in Europe. It offers multilingual assistance via specialized operators versed in the company's systems and procedures.
- Driver Support: The company delivers immediate roadside assistance to the site of the vehicle whenever the driver calls the control room.

Above and beyond, the company combines this comprehensive portfolio with highly skilled professionals and software tools, minimizing the operational impact on the customer. Targa manages several operational aspects through its "operated service" proposal, including the devices' logistics, warehouse and service point stock levels, technician training, shipments, network installation, quality checks, and network uninstallation.

The company's customers leverage these technologies across various industry verticals, achieving broader organizational objectives in multiple businesses such as leasing companies, short-term rental car companies, corporate fleets, financial service companies, car dealers, and insurance companies.

Simplifying the Integration of Smart Mobility Trends

The telematics box allows Targa to offer essential services like asset management, fleet optimization, integrating mobile and innovative devices for smart mobility, and solutions that optimize employees' use of non-fleet vehicles. Together with its mobility platform, these services create the gateway to its expansion, assembling a portfolio that aids customers in developing mobility products in a brief timeframe.

The company's data collection, integration, microservices, and verticals for car rentals go further beyond with a robust partner ecosystem that includes roadside assistance, EV charging stations, payment systems, and fuel cards. Finally, its digital tools support operated services like stolen vehicle recovery, sanitification, 24/7 helpdesk, logistics, installations, testing devices, field assistance, and driver assistance.

Targa's internal expertise and relationships with hardware manufacturers enable device customization

and co-creation of bespoke solutions with the customer. The company's telematics onboard unit can integrate fleet management features with external sensors and diagnostics technologies, insurance technology with mobile apps and battery mounting, smart mobility with driver authentication, and asset management with ghost trackers.

A Customer-centric Approach Driving Unmatched Client Experience

Targa has 20 years of experience converging in more than 155 employees, over 2 million connected vehicles, and 40,000 new assets deployed monthly.³ It serves over two million active end users across five nations. The company's solid network maintains its high-quality service across its entire customer base: It assembles six control rooms, 50 suppliers providing installations, worldwide quality control services, multiple first-level help desks supporting drivers, 20 road assistance providers, and a second-level help desk for technical assistance.⁴

Through the control room departments, users communicate with knowledgeable, committed staff who support them in an emergency by working closely with the police and local authorities. Regarding vehicle recovery for corporate fleets, customer reviews sustain Targa's excellence:

"We are very satisfied with the partnership with Targa Telematics, whose professionalism, prompt availability, and service efficiency we particularly appreciate. The Stolen Vehicle Recovery solution we have adopted has immediately brought us concrete results in terms of vehicle recovery of our fleet."

- Carina Ratzke, Senior Executive Fleet Manager Sixt Italia⁵.

With mobility patterns changing from ownership to users, drivers are increasingly not purchasing vehicles. Instead, they prefer to lease, subscribe, or co-own vehicles. With Targa telematics-enabled insurance,

"Targa has 20 years of experience converging in more than 155 employees, over 2 million connected vehicles, and 40,000 assets deployed monthly. It serves over two million active end users across five nations."

**- Manuel Albornoz,
Best Practices Research Analyst**

customers can build flexible insurance products addressing these trends. Examples are telematics insurance products linked to trends like sharing mobility, pay-per-use rental, and car rentals specific policies with logistics of variable risk assessment.

Human resources are the cornerstone of Targa's development. The company trains all employees to guarantee the human capital's value as a distinctive element. It regularly improves its solutions based on

customer input and market trend analysis to preserve its competitive advantage. Targa implements strategic and operational business choices through customer-centric approaches.

The company promotes a quality culture, pursuing continuous improvement and applying ISO 9001 as a standard tool to optimize processes, helping ensure customer satisfaction. It works with insurance giants such as Aon, Unipol, Nobis, and Verti, which cover more than 90% of Italy's total auto insurance market⁶.

³ Targa Telematics Interview with Frost & Sullivan (Frost & Sullivan, October 2022)

⁴ Targa Telematics "Insurtech" presentation (Targa Telematics, 2022)

⁵ Sixt and Targa Telematics: a successful model for the Stolen Vehicle Recovery (Targa Telematics website: <https://www.targatelematics.com/en/sixt-and-targa-telematics-a-successful-model-for-the-stolen-vehicle-recovery/>)

⁶ *Automotive Usage-based Insurance (UBI) in Europe-5, Forecast to 2028* (Frost & Sullivan, October 2022)

Ultimately, Targa's matchless customer retention score of over 98% bears testament to its excellent customer service.⁷

Designing the Future of Mobility: A Promising Outlook for 2022 and Beyond

Targa has a proven track record. The company consistently develops profitable solutions by investing in research and development. Additionally, Targa regularly implements expansion initiatives to increase its UBI availability in various European markets. It opened four new offices in Paris, London, Lisbon, and Madrid in the last five years.

Since its inception, Targa's sterling reputation and customer-centric framework have led to its coveted preferred partner status. Over the years, it added several new customers to its established base: Since 2018, Targa and Unipol partnered to create Unipol's vehicle ecosystem. Over and above, Targa is an exclusive partner of Aon, creating cutting-edge pay-per-use technologies and new mobility products.

"This collaboration is based on a common intent and vision in that both companies strongly believe in the values of innovation and technological development, for the benefit of people, companies, and the environment."

- Gabriele Ratti, AonMobility Solutions Director⁸.

In 2021, Targa partnered with Investindustrial, a global experienced automotive industry private equity fund with over \$11 billion raised fund capital. Over the next five years, this relationship will aid the company's expansion in Europe and the United States. In 2022, the company reported staggering revenue growth over 2021, with gross earnings of €49 million, a remarkable organic increase compared to rivals in the market. Additionally, it anticipates doubling its personnel and billings by 2024.⁹

Frost & Sullivan believes Targa is well-positioned to drive the space into its next growth phase, capturing market share and gaining leadership in the coming years.

⁷ Targa Telematics Interview with Frost & Sullivan (Frost & Sullivan, October 2022)

⁸ Targa Telematics supports Aon in the development of Flee, the pay per use long term renting service (Targa Telematics website: <https://www.targatelematics.com/en/sixt-and-targa-telematics-a-successful-model-for-the-stolen-vehicle-recovery/>)

⁹ Targa Telematics Interview with Frost & Sullivan (Frost & Sullivan, October 2022)

Conclusion

Technology integration is a critical success factor for the usage-based insurance (UBI) industry. UBI's success is partially attributable to end users acknowledging concrete advantages like lower premiums for safe drivers. Another reason is that it aids insurers in identifying drivers on the verge of being dangerous, enabling them to tailor prices accordingly.

Within this framework, Targa remarkably delivers a one-stop shop for insurance companies looking to offer UBI. With many options available, market stakeholders need to leverage the most appropriate and best technology-based solutions to optimize their market impact. The company's technology enables easy claims management, accurate driver profiling for customized offerings, and several safety measures to ensure maximum satisfaction.

Targa stands out from competitors based on its commitment to innovation, creativity, and ability to launch new solutions with far-reaching impact and application. Its technology aids leasing companies, short-term rental car companies, corporate fleets, financial service companies, car dealers, and insurance companies. The company pairs its technology focus with customer-centric values, thus earning a solid reputation in the market.

With its strong overall performance, Targa Telematics earns Frost & Sullivan's 2022 European Enabling Technology Leadership Award in the telematics for the usage-based insurance industry.

What You Need to Know about the Enabling Technology Leadership Recognition

Frost & Sullivan's Enabling Technology Leadership Award recognizes the company that applies its technology in new ways to improve existing products and services and elevate the customer experience.

Best Practices Award Analysis

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO’s growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

