

Car Manufacturers in 2010

A good year for fleet



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2009 wasn't the best fleet year in history, it goes almost without saying. But last September at the Frankfurt Motor Show we already observed a positive attitude from car manufacturers for the year 2010. And if we are to believe them they will more than ever focus on the fleet business.

According to our annual Fleet Europe Car Manufacturer Questionnaire, most of today's car manufacturers expect an increase in total sales in 2010, compared to last year. And fleet sales will be the main driver of this ambition. "In 2010, even

& Remarketing of Hyundai Motor Europe, "with a fleet share rising to almost 20%, compared to 9% in sales." Mercedes-Benz is also convinced that they are in a strong position to grow fleet sales in 2010. "We will especially benefit from the fact that this year our entire E-Class family will be available", states Hans-Georg Lutz. "In addition to this we expect an increase of sales in growing markets like China." Citroën Automobiles put some strong targets ahead: we expect the fleet market to develop somewhat better than the total market in 2010, and our objective is to continue increasing the Citroën market share in B2B with our passengers cars to advance towards our objective 8% market share in 2012", confirms David Staniforth, Director Citroën Business International. His Peugeot colleague Marcel De Rycker, Director International Corporate Sales,

goes in a same direction: "we want to gain three places in the worldwide ranking of manufacturers by 2015. 2010 will be a year of major changes for Peugeot. One of them is that the ambition to increase our leadership in the B2B market is embedded in the core of the sales strategy of the Group." Some fleet challengers such as SEAT and the luxurious Infiniti have strong fleet aims. The forecasted corporate volume for SEAT in the main 15 countries of Europe for this year is 57,000 vehicles. This is an expected increase of almost 30% compared to last year. Infiniti, the luxurious range within the Nissan-Renault alliance, is also scheduling growth of around 30% in fleet sales. Toyota Motor Europe (TME) and General Motors are more careful with their predictions. "We forecast a small increase of our fleet sales volume, with a fleet mix that remains around 30%", says

"Even in difficult times companies still have to change their cars and renew their fleets."

though the forecast is for a total market decrease of a modest 10-15%, our plan is to achieve a growth in the relevant fleet portion equal to +30% versus 2009, claiming a higher percentage of our business compared to the retail market", says Giuseppe Tommaso, Fleet & Remarketing Manager of KIA Motors Europe. Also Hyundai is confident when it comes to fleet sales. "We expect our sales mix to shift this year", says Sebastian Fuchs Manager European Fleet

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Johan Verbois, Fleet & Remarketing Manager at TME. "Our fleet sales will grow slightly as a proportion of our total sales compared to 2009 which was a strong retail year driven by government stimulus packages and scrappage programs", says Emil Gaynor from GM.

Small, medium, large

If we look at fleet customer strategy, we see a clear distinction between car brands that essentially concentrate on small and medium fleets and those targeting all fleet clients. "Our fleet strategy specifically focuses on small and medium sized fleet customers", states Johan Verbois, "and our dedicated business centres support the needs of this demanding category, thanks to our 'Customer First' principle." SEAT and Hyundai want to focus on the small fleet segment too. "In many markets there is a growth potential for this segment and it remains the biggest volume segment. But despite this we do not ignore large and international customers", declares Elena Delgado, Head of Fleet Sales & Remarketing SEAT. "Regarding fleet sales, KIA will be targeting 'healthy' fleets such as Small & Medium companies, Operational Leasing companies, Public & Private Bodies and Government Organizations. KIA is more and more considered as a genuine 'alternative brand' to the older and well established European brands", says Giuseppe Tommaso of KIA.

Mature fleet brands like Volkswagen, GM, Mercedes-Benz, Renault and Fiat have a broader scope and look at all type of customers. "Our fleet organization allows us to implement fleet strategies dedicated to all customer types", says Olivier Gautier Corporate Marketing Manager Renault.

Important here is the fact that Renault offers not only passenger cars but also commercial vehicles. Fiat also has a wide product range and offers commercial vehicles, but the main focus will be on large international clients. "We observe cross-border prospecting by global clients and our goal is to increase the fleet share with this type of customer in every country", declares Christophe Bertoncini, Fiat Group Automobiles Head of Fleet. Emil Gaynor, Director GME Pan European Corporate Sales and Leasing: "we at GM recognise that it is important to maintain a balanced portfolio of customer types and so will continue to focus on all current and potential fleet customers."

Since 2006 Daimler AG has been operating in the key international arena in the most important fleet markets worldwide. "From a headquarters point of view our focus is on large international customers", says Hans-Georg Lutz of Mercedes-Benz. "But on a national basis, our sales organizations have a range of comprehensive fleet programs with offers designed to satisfy the needs of the small user or the large corporation." Almost the same structure can be found in the Volkswagen Group. "Small and large fleet customers will mainly be handled by our importers and local dealer network, while our global fleet department will focus on major international key accounts and give support to the local importers. All these segments have different needs and our segment strategies will consistently follow these needs", says Rainer Mielke, Director of Global Fleet at Skoda Auto.

Continue to improve

Questioned on the main differences in fleet strategy between

2009 and 2010, most car manufacturers are building on their existing fleet strategy. "In 2009 fleet sales were defined as a crucial element within the commercial strategy of SEAT", says Elena Delgado. "In 2009 we set the basis for an efficient fleet business and this year we expect to implement our fleet programs in the main markets, so that we can offer the best service to our fleet customers." Renault too will pursue its existing commercial development strategy based on seeking new international customers, but there will also be new accents. "We will be more actively committed to decreasing our clients' TCO and CO₂ footprint", says Olivier Gautier. Renault will maintain its performance on quality, the development of environmental policy and a decrease in maintenance costs. Fiat also believes in 'green' as a key area. "Customers are still looking at efficient ways to reduce costs. We are seeing more interest in our products, as we are very competitive from a TCO perspective and can offer a real downsizing and attractive green fleet alternatives", states Christophe Bertoncini from Fiat. Mercedes-Benz is putting an increasing emphasis on the existing customer relationships through improved personal contact. This will help the fleet division to better understand the customer and to meet individual requirements. As a young fleet brand Skoda wants to look for best fleet practices and so help local importers to develop segment strategies in the various countries. Toyota is also focusing on retailers and its network. "We continue to develop a best in class service offer for our retailers, because they are the first and main point of contact for our fleet customers" states Johan Verbois. KIA will implement in 2010 the KIA Fleet Business Centre, focusing on



Toyota Motor Europe and its new Fleet & Remarketing Manager Johan Verbois forecast a small increase of fleet sales this year.

Small an Medium sized companies, developing dealer policy and dealer staff training to better serve these sectors. As a new fleet brand Infiniti has several key areas to concentrate on this year. Emmanuel Bussiere, Corporate & Infiniti Pre-owned Manager: "first of all there is the focus on the international customer, with a presentation of the fleet assets of our brand to 120 customers under the Alliance contract. Secondly we will develop an international leasing contract with 6 major leasing companies. We will also develop higher dealer standards to increase the service to fleet customers and finally we will develop activities with premium rental companies."

So whatever strategy is followed by the car manufacturer, it is clear that the fleet client is crucial and that quality and service improvement is used to attract these clients.