

Fleet Customers in 2010

The right residual value

The fleet world is a fast moving place, with changing client demands and mobility requirements, new legislation and tax elements and new cost issues. To keep ahead of all these changes car manufacturers have to set up a clear fleet customer strategy but they have got also to be able to react in a flexible way when needed.

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Many car manufacturers rely on the local importers and/or dedicated dealer network to keep in touch with the fleet client. The international fleet division acts here as a centralized regu-

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lator. “Our structure with Key Account Managers at an international and local level, supported by fleet teams of the Renault importers at a local level, is ideally suited to serving international clients”, says Olivier Gautier, Corporate Marketing Manager. “Renault’s International Global Offer Coordination secures the implementation of the single international corporate policy.” “SEAT will intensify the follow-

up of the international customers at a local level”, declares Elena Delgado, Head of Fleet Sales & Remarketing. “The motto ‘Think global, act local’ remains crucial at an international level. Only by offering the right attention on a local level we can increase the loyalty of our fleet customers.” Sebastian Fuchs, Manager European Fleet & Remarketing of Hyundai confirms this: “As the international fleet division we have to continue to take a lead in paving the way for strong relationships with key business partners and with the local fleet teams which implement the Hyundai offer.” For fleet challengers it is important to bring their products as close as possible to the fleet public. “Our strategy at Toyota is to have company and retailers much closer to the fleet customers, by shifting to a real fleet mindset. This approach is necessary to understand their needs”, says Johan Verbois, Fleet & Remarketing Manager at Toyota Motor Europe. Skoda too wants to integrate the local markets into the international fleet chain. Rainer Mielke, Director of Global Fleet at Skoda Auto: “It’s important that we go directly to the international clients, to discuss with them their requirements on an international level. We want to know if an international client is interested in our brand and if so, we go directly to the local markets to convince them of the advantages of

working with us. But we are not going to interfere with the importers. We will just create added value for them.” KIA Motors Europe has a clear fleet strategy. Giuseppe Tommaso, Fleet & Remarketing Manager: “We know that we can’t achieve success in the European fleet market without the right products. However, there’s more. Fleet customers require a wide range of services, and one of the most important factors is to become a reliable, pro-active partner. So we strengthen and further expand our fleet organisation, we will guarantee easy access through different fleet channels, we will deliver after-sales service that is top quality, we will protect residual values, we will improve our network’s used cars capability and last but not least we will develop product specifications for fleet needs.” Infinity, as a new fleet brand, is trying to create the best possible atmosphere for fleet customers: “We have several focus points this year”, says Emmanuel Bussiere, Corporate & Infiniti Pre-owned Manager. “We will continue to develop strong relationships with RBV companies which have supported us for over 3 years from launch. We will sign partnership agreements with the major leasing companies to improve our fleet services.”

Single point of contact

GM is focusing this year on the single point of contact principle. “We have to ensure that

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The new Peugeot iOn. The French car manufacturer is investing in a range of technologies to meet mobility needs without affecting driving enjoyment.

we provide our customers with the very best fleet products and services” Emil Gaynor, Director GME Pan European Corporate Sales and Leasing, tells us. “For international customers we will continue to provide a single point of contact to facilitate the co-ordination of their requirements across the region.” Fiat is very strong in its home country Italy. “In Italy, as the dominant player, we’re tailoring the offer to the specific needs of fleet customers. In Europe we have increased our resources to be able to contact more customers and more specifically to target those companies that can benefit from our products, either by downsizing or by implementing our products in their fleet. We also leverage our strong position in LCVs to present the full range of our passenger cars”, says Christophe Bertoncini, Fiat Group Automobiles Head of Fleet. Contact with the client and prospect is also vital for Mercedes-Benz. “In this rapidly changing environment it is our intention to be strategically positioned in every key market, to be able to identify trends and customer needs, so that we can proactively develop suitable products and services when the customer requires

them”, underlines International Corporate Sales Director Hans-Georg Lutz. Citroën is focussing on all type of customers. “The new Citroën Business International team is targeting all 3 areas on the B2B market”, explains David Staniforth. “We reach the SMEs with expansion of our Citroën Business Centers, the large national accounts with additional Key Account and Back office resources and International clients with the newly created International Corporate Sales team.” We see a same approach within Peugeot, were small and medium companies are served by fleet experts in the Peugeot Professional Centers, while bigger prospects and international clients can rely on the expertise of the dedicated team of Peugeot Professional with International Key Accounts. “Our teams are trained and qualified to give customers the necessary advice and added value so that they can take the right decisions for their people and company” says Marcel De Rycker of Peugeot.

Control over residual values

The residual value issue will continue to be an essential point for manufacturers. “Firstly, it is

crucial to maintain the product desire of used cars as well as new vehicles”, says Hans-Georg Lutz. “This can only be done by focusing on innovative design and by constantly improving quality, fuel efficiency and TCO. Secondly, we carefully control our volumes in short-term rental channels. For 2010 we are investigating a project to provide option/ specification recommendations to lease and rental companies to maximize the residual value at the end of the contract.” This vision comes close to that of Fiat. “Our strategy is based on four key pillars: optimizing quality and TCO, ensuring desirability in the second hand market, developing retail sales and controlling the supply of nearly new vehicles.” Renault too pays close attention to short term rental activity. “We have specific Renault Residual Value Management that takes care of this issue. The key to success in this field is to already think in used vehicles terms at the conception stage. We make regular Residual Value Diagnostics based on internal and external information. And we have implemented a sales policy based on the strict control of short term rental volumes”, confirms Olivier Gautier. “It’s essential

to consider residual value implications for new products at an early stage”, says Sebastian Fuchs from Hyundai. “And optimization of the fleet and after sales service at dealer level can have a positive impact, as it enhances the perception of the brand.” “We are working closely together with EurotaxGlass’s”, confirms Giuseppe Tommaso. “Beginning of 2010, we have set-up a ‘Dashboard’ to track and manage main items influencing residual values. On top of that, we have appointed a dedicated task force with the objective of achieving a competitive total cost of ownership for all our models.”

David Staniforth of Citroën : “We have invested in a dedicated Used Car/ Remarketing organisation (Citroën Véhicules d’Occasion International), as well as in a global Used Car label, Citroën Select.”

Emil Gaynor of GM stresses the importance of a good sales mix: “We have undertaken a thorough review of our remarketing operations across mainland Europe and are currently enhancing both our practices and processes. Regarding the protection and enhancement of our RVs, this starts by ensuring that we have the right sales mix across different channels, and that we manage our used vehicle disposal.” SEAT and Škoda have paid attention to improved processes at a wholesale level and are working on the dealer network in terms of qualification and retail capacity. They both involve residual value specialists and strategy analysts during new model development.

It is quite clear, that the ‘sharp end’ in terms of fleet sales remains the dealer network and associated processes.