



Czech Republic

Mystery shopping – an example from the Czech automotive market

In the first half of 2008, sales of new cars in Europe went down by 2.2% to 8.33 million.

In the new EU Member States, sales rose over the half year by 4.1% to 571,877 vehicles. In the Czech Republic, half-year sales increased by almost nine per cent to stand at 73,455 vehicles.

Although the markets in the 'new' EU member states are unable to compete in terms of volume, car companies are very interested in them because of their dynamism. A key growth opportunity lies in the field of company fleets, representing approximately 55% of the vehicles sold in the Czech Republic but accounting for 70% of the financial volume. For the sake of simplification we are talking here of the market for new cars, excluding commercial vehicles (LCVs, rigids, tractors).

The fleet market is therefore lucrative for numerous makes of vehicle in terms of both volume and value. But what is the situation really like? To what extent are brands competitive in fleet sales to customers? How do dealers cope with the completely different standard of the sales process when they are negotiating with a professional rather than a typical retail customer. What procedures need to be improved so that specific makes can be regarded as fleet brands not only because companies use their vehicles, but also because they handle the sales process and other aspects of care of the professional customer competently.

The mystery shopping project focused on a comparison of seven top brands with the highest penetration in corporate fleets. The task of the mystery shoppers was to play the role, in a plausible manner, of a corporate customer currently looking for five vehicles with the prospect of a further two or three in each subsequent year. This sort of customer should be of interest to the overwhelming majority of dealers in the Czech Republic. However, the results suggest otherwise: of the 65 dealers visited, only 20% were able to offer a suitable solution which fulfilled the company's requirements. A full 40%, however, failed the challenge entirely with their offer not only failing to meet the company's requirements, but quite obviously being an attempt to sell the customer cars which were in stock whatever the cost. The remaining 40% of dealers provided services which were standard for the market but unremarkable in terms of quality or scope.

All the car manufacturers involved run fleet schemes geared towards bulk discounts. While this is clearly important and essential, it is not enough on its own to win the customer. These customers expect guidance because, as a general rule, they are not automobile specialists and understand only part of what they are being offered. Customers want fleet brands to understand their needs and expectations, to listen to them and draw up an offer that is not based solely on price, but which also adequately reflects the company's requirements. The current situation, then, is a major challenge and an opportunity for all the brands on the market and their dealers to gain a grasp of the situation that specific fleet customers are in and then mould their procedures to meet their expectations.



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