

ICDPA RESEARCH: 2008

The structure of ICDPA's 2008 research schedule is based on 4 interconnected themes:

1. Understanding customers' requirements from the system	1
Automotive Body Repair Industry	1
Australian Automotive Website Rankings	1
Dealer Website Rankings	2
Service Dominant Logic	2
2. Updating the dealer model	2
Dealer Succession	2
Generation X & Y	2
Sustainable Retail Concepts	3
3. Evolving distribution channels	3
An Analysis of Dealer Groups	3
Aftersales Case Studies	3
New Vehicle Stock & Sales.....	3
Technology & the Vehicle 2020.....	3
Lean Dealer™	3
4. Living with the cycle of regulation	4
Legal Issues	4
Congestion	4

1. Understanding customers' requirements from the system

Automotive Body Repair Industry

Following on from the research conducted on the European and Australian independent, aftermarket mechanical and auto-electrical repairer sector, and based on additional information requests from ICDPA Members, in 2008 a research project will be undertaken reviewing the crash and body repair industry in Australia. As per the mechanical and auto-electrical repairer sector research, this study will provide an analysis of the Australian market, industry structures, performance dynamics and strategies for participants, with relevant comparisons made to the situation in Europe.

Australian Automotive Website Rankings

ICDPA will continue to prepare six monthly reports on the Australian automotive sector's Internet presence as it relates to manufacturers and importers. ICDPA has prepared this analysis over a three-year period and as such has developed a detailed survey of how websites focus on providing detailed information offers to automotive consumers.

Dealer Website Rankings

As a complementary project to the above-mentioned research, ICDPA will review franchised dealer e-marketing strategies by preparing an analysis of leading dealer Internet websites. This report will be published on an annual basis.

Service Dominant Logic

ICDPA will facilitate research based on a relatively new management and marketing methodology called Service-Dominant (S-D) Logic. The theory suggests that there is greater value to be generated from shifting from a goods or products based 'logic', where production of goods is the key determinant, to a heightened concentration on 'service', in other words service-dominant logic. A key element of this approach is reviewing and understanding a firm's activities and behaviours. The research will introduce S-D logic and S-D strategic orientation to ICDPA Members; develop a diagnostic tool enabling business customers to evaluate a firm's degree of S-D practice; and measure the impact of the S-D orientation on organisational performance (such as ROI and ROA; and non-financial outcomes, e.g. customer satisfaction, and loyalty).

2. Updating the dealer model

Dealer Succession

ICDPA research has found that over 50% of owners of franchised dealerships are over 50 years of age. It is expected that many will retire or sell their businesses in the next 5 to 10 years, yet there is little research into how these businesses are preparing for succession or what form the succession will take. Preliminary exploratory research was carried out by ICDPA with Monash University in 2002. In 2008, a research study will be prepared that will investigate the issue of succession planning in the dealership system. Issues that will be focused on include: the combination of skills and experience expected of a dealership 'successor'; how succession is affected given the different ownership structures that operate; the range of succession planning systems in place; and what resulting problems have been experienced by rural/city based dealerships and small (single franchise) through to larger multi-branded dealerships.

Generation X & Y

Engaging and retaining a cross-generational workforce is critical, especially given labour shortages, and competition for talented and skilled employees. Following on from earlier research, ICDPA is preparing a report on how to attract and retain a cross-generational workforce in the automotive industry. The key objective of the research project is to examine the unique characteristics and motivations of the different generations that exist in the automotive workforce, and identify best-practice strategies for attracting and retaining them in an increasingly competitive labour market.

Sustainable Retail Concepts

With considerable emphasis being placed on environmental and sustainability issues by consumers and manufacturers, it is timely that ICDPA address the issue of sustainable retail footprints. This research will address best-practice concepts for automotive retail operations while being fully cognizant of current and future planning for environmental and sustainability issues.

3. Evolving distribution channels

An Analysis of Dealer Groups

In 2007, Andrew Tongue of ICDP Europe presented an analysis of the major Dealer Groups in Europe. The analysis covered the top 50 Dealer Groups in Europe assessed by market share, brand portfolio, regional diversification and level of (brand/product) specialisation, their financial performance; and an appraisal of the relative benefits of scale. ICDPA will undertake a similar analysis for the Australian market in 2008.

Aftersales Case Studies

Following on from the research conducted on the European and Australian independent, aftermarket mechanical and auto-electrical repairer sector, ICDPA will provide Members with case studies outlining how European manufacturers, NSCs and dealers are addressing this important area of competition.

New Vehicle Stock & Sales

In 1999 and 2004, ICDPA researched the level of new vehicle stock and sales performance in the Australian market. ICDPA again will be undertaking this longitudinal study in 2008, measuring the performance of the new vehicle supply system.

Technology & the Vehicle 2020

With the increased use of information and communication technology (ICT) hardware and software in today's automobiles, it is forecast that by 2010 over 50% of the retail value of the automobile will be represented by ICT hardware and software. It is therefore timely that ICDPA consider the implications of the usage of more advanced technology in automobiles, with specific consideration of the various implications arising for automotive distribution and especially dealers.

Lean Dealer™

ICDPA continues to work on the implementation of Lean Dealer™ processes with ICDPA Members. This unique methodology developed by ICDPA has the potential to deliver significant gains to those dealers who are prepared to undertake the challenge of adopting Lean Dealer™ systems. ICDPA has a team of specialists available who can assist in facilitating this process.

4. Living with the cycle of regulation

Legal Issues

Each year ICDPA undertakes a review of contemporary legal issues impacting on the Australian retail automotive industry. This review has proven very popular with ICDPA Members.

Congestion

ICDPA have been at the forefront of research into vehicle congestion issues in Australia. Specific areas of analysis have included congestion taxes, community-based short-term hire vehicle programmes, and the economic costs of congestion. As vehicle congestion is becoming ever more evident as a social and economic issue, ICDPA will again provide research for Members on this area.

In addition to all of the above topics, ICDPA will continue to provide Members with timely research and insights into other topics as they arise and develop through the course of 2008.

We will again host ICDP colleagues from our associate programmes. These meetings will provide Members with current insights into the automotive industry in other markets.

For further information contact

Graeme Addison (03) 9822 5354, Mob: 0412 364 833,
Fax: (03) 9822 2675 *email:* graeme@icdp.net

Darryl Cleeve 0412 254 106 *email:* darryl@icdp.net

Roberto Colanzi 0412 288 800 *email:* roberto@icdp.net

Jeannette Harlock 0412 467 047 *email:* jeannette@icdp.net

ICDP website: www.icdp.net