

ICDPA RESEARCH: 2011

PROFITING FROM CHANGE

The structure of ICDPA’s 2011 research programme – ‘Profiting from Change’ is based on 4 interconnected themes:

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Each of the ICDPA presentations and reports will conclude with a summary for Members of the practical application of specific topic(s) which address:

- What can I do tomorrow?
- What should be in our planning for 3-5 years?
- Relevant metrics; benchmarks; and toolbox items.

1. Dealers, customers and society

What customers want – new and used vehicles, and motorcycles

In 2010 ICDPA conducted focus group based research examining the Australian consumer after-sales experience. This research provided Members with clear insights into understanding the key experiences, reactions and expectations of owners of passenger vehicles with respect to the repair and servicing of their vehicles, and explored the resulting implications for franchised dealers and vehicle manufacturers. In addition, the research discovered customer perceptions of value added elements in the

after-sales period, with a particular focus on the factors driving choice in the servicing and mechanical repair of vehicles. This research contributed to an improved understanding of what customers perceive and value in the course of vehicle ownership, and in particular the factors driving their choices in the servicing and mechanical repair of their vehicles. Of key interest were the decision drivers deliberated over by vehicle owners such as to remain with the franchised dealer or visit an independent repairer for standard service and repairs.

In 2011 ICDPA will conduct similar consumer focussed research and explore similar issues and consumer responses for both new and used vehicle purchasing, and also for motorcycles, through franchised dealerships. Particular attention will be paid to physical retail facilities; the sales process; finance and insurance sales; and after sales repair and service intentions.

Legal issues

Each year ICDPA undertakes a review of current legal issues impacting the Australian retail automotive industry. This review has proven very popular with ICDPA Members, and offered timely insights into a range of commercial law matters which in past years have addressed issues such as trade practices law, franchising, and industrial and employee relations.

Vehicle congestion and urban planning

ICDPA has 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, environmental and economic issue, ICDPA will again provide research for Members on this area.

Service dominant logic for dealership operations

ICDPA pioneered the study of and direct application of a relatively new management and marketing methodology called Service-Dominant (S-D) Logic for dealership operations. The research highlighted 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 dealership's activities and behaviours. ICDPA will continue to develop this unique approach to modifying dealership culture, in order to intensify the value proposition to consumers.

2. Network structures, performance and resilience

Dealer group concentration and network planning

ICDPA research continues to track the rapid evolution of dealer groups in the Australian marketplace (as well as in major overseas mature markets). The concentration of dealer groups within an individual brand presents significant policy challenges for manufacturer and importer network planning strategies. This research will analyze current practices of manufacturers and importers in the Australian market in response to the growth of

dealer group concentration, and will also importantly look at emerging trends in the structure and formation of manufacturer and importer dealer networks. The study, planned for release in 2011, will be the first in the series, and will initiate an ongoing longitudinal study.

Sustainable retail concepts

With considerable emphasis being placed on environmental and sustainability issues by consumers and manufacturers, ICDPA will continue to address the issue of sustainable retail footprints. This research will address best-practice concepts for retail operations while being fully cognizant of current and future planning for environmental and sustainability issues. Issues to be covered will include environmental business best practice strategies and tactics, architectural and urban planning design, and legal regulations and requirements from Australia and around the globe.

Lean Dealer™

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, to assist dealers to minimize wasteful practices and generate production and service flow efficiencies in their operations.

Automotive body repair industry

Following on from the research conducted on the European and Australian independent, aftermarket mechanical and auto-electrical repairer sector in 2008, ICDPA will review the crash and body repair industry in Australia with respect to industry structures, performance dynamics and strategies for participants, with relevant international comparisons.

3. Transforming the retail and aftersales model

Tax and accounting issues

Each year ICDPA undertakes a review of current and proposed tax and accounting issues impacting on the Australian retail automotive industry. With the Australian government conducting a detailed review of the tax system this analysis will again be especially valuable to ICDPA Members.

Social media

ICDPA research in 2010 explored how to effectively connect and engage with current and potential customers in a rapidly changing media landscape. This research addressed the contribution of different online and offline marketing communications in promoting new products and services to prospective and current customers. The research also considered the development and nurturing of online brand communities. ICDPA will continue to bring Members insights into new initiatives in this emerging field.

Technology and legislation – a North American perspective

The global automotive industry has just been through some of its most tumultuous years ever, and today's manufacturing landscape is very different than just two years ago. The next transformative change will likely focus on products and technology. Major efforts are aimed at increasing safety, reducing greenhouse gases, and eliminating dependency on oil imports (especially in the US).

In conjunction with the Center for Automotive Research (CAR) in the USA, ICDPA Members will receive a firsthand account of the state of the North American automotive industry, identify trends, and provide a guide to what the future may hold.

Australian automotive website rankings

ICDPA will continue to prepare six monthly reports on the Australian automotive sector's Internet presence as it relates to manufacturer, national sales company and importer websites. ICDPA has prepared this analysis over a six-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 continue to review franchised dealer e-marketing strategies by preparing an analysis of leading dealer websites. This report is published on an annual basis.

Australian motorcycle website rankings

ICDPA will continue to prepare its annual report on the Australian motorcycle sector's internet presence. ICDPA has prepared this analysis annually over a three-year period and as such has developed a detailed survey of how websites focus on providing detailed information offers to motorcycle consumers.

4. Insights from around the world

ICDP Europe and Center for Automotive Research (USA) research

Each year ICDPA presents Members with relevant research topics from its affiliates in Europe and North America. These topics are selected during the year and offered to Members via presentations and or reports. The topics provide guidance for Members on issues and developments which may have an impact on the Australian automotive industry.

Global retail trends and best practice retailing

Since 2000, ICDPA has provided Members with insights into best practice retailing from non-automotive industries from around the globe. As automotive retailers continue to compete for customers' 'share of wallet' it is valuable to review and analyse the initiatives taken by non-automotive retailers to secure their 'share'.

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 2011.

ICDPA reserves the right to modify the above topics as and if necessary.

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