

BAIN & COMPANY 



LONG TERM RENTAL TO PRIVATE CUSTOMERS THE NEW MOBILITY FRONTIER

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Rome: May 31st 2018

Consumer Survey powered by

Toluna  | Influenza il tuo mondo



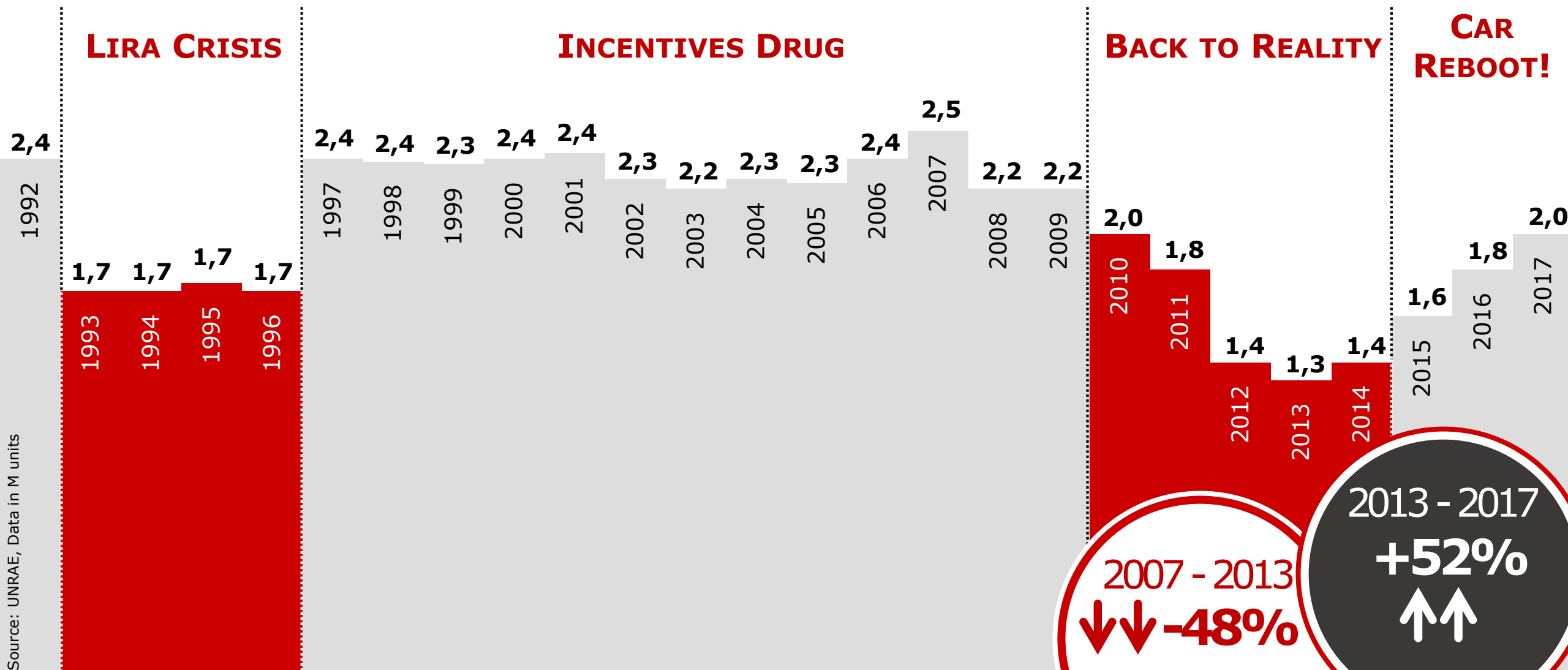
An aerial, black and white photograph of a winding road on a dark, forested hillside. The road is light-colored and curves through the dense trees. A prominent red horizontal band is overlaid across the middle of the image, containing white text.

HOW THE CAR MARKET HAS CHANGED

1

2012 CRISIS, WORSE THAN THE ONE FOLLOWING THE LIRA DROP, HAS HAD A **HUGE IMPACT ON THE CAR MARKET**

CAR REGISTRATIONS

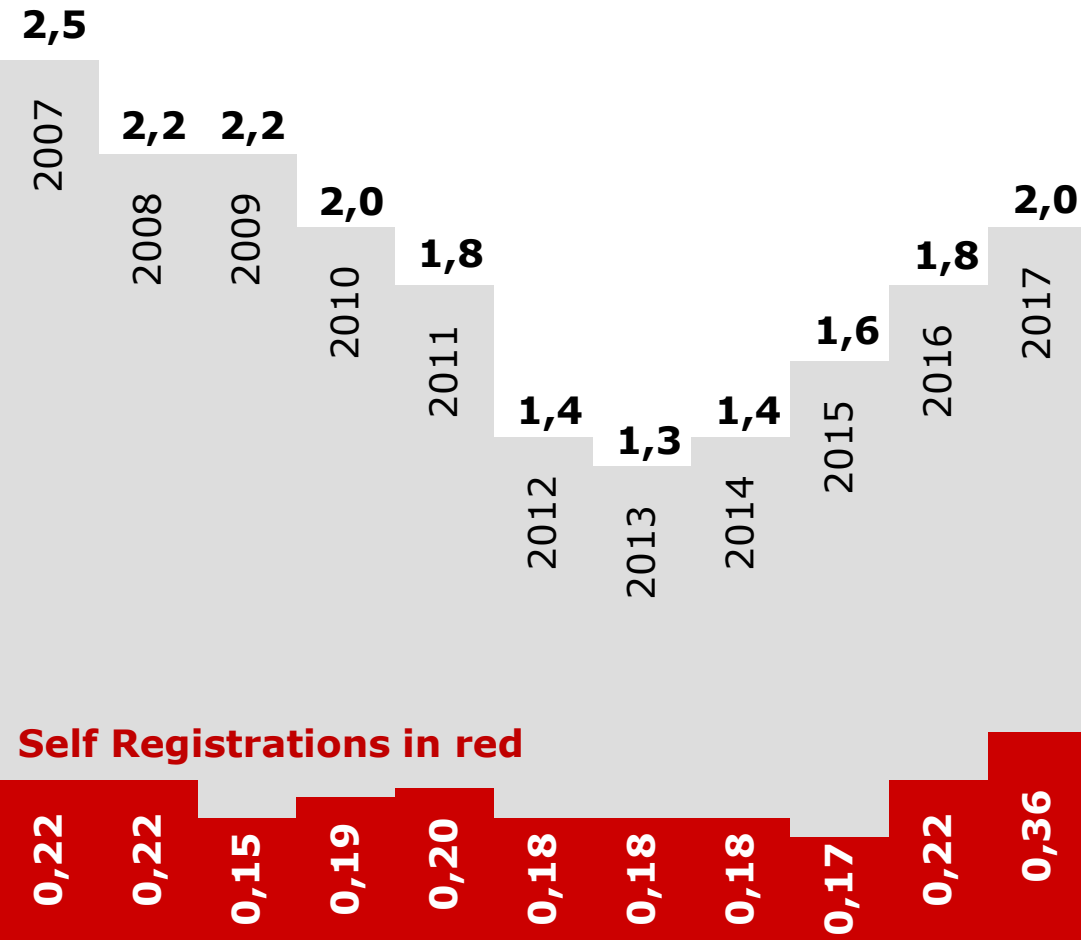


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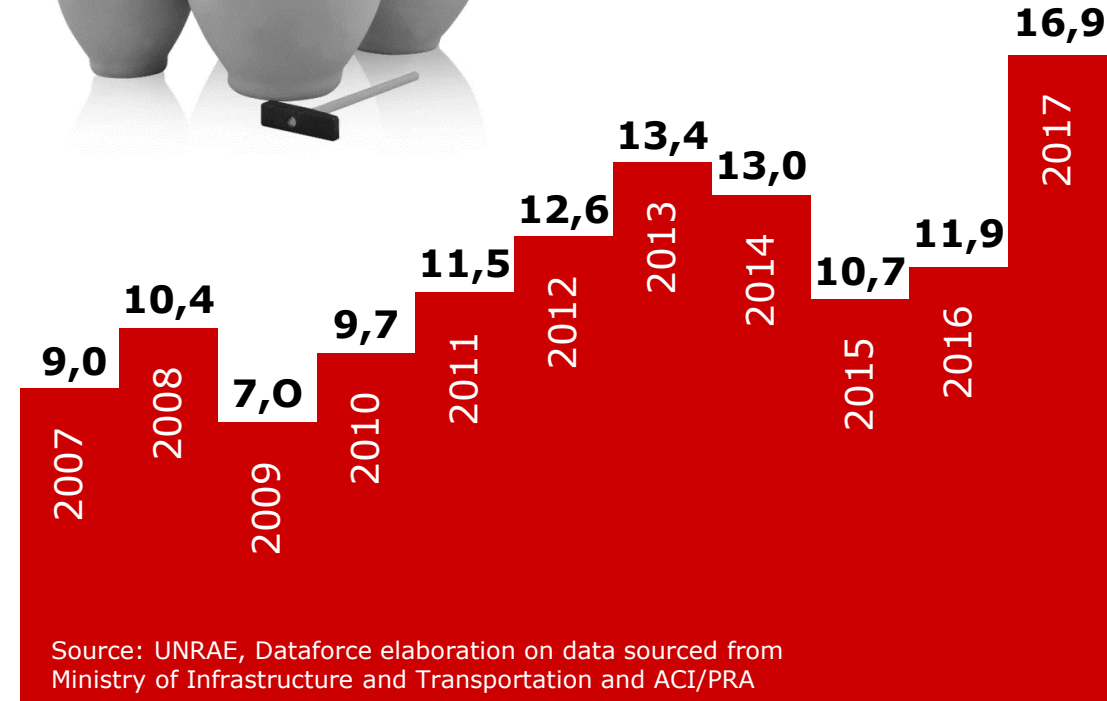
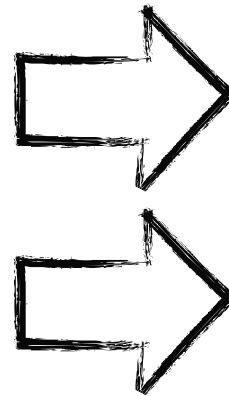
THE MARKET MET 2 MILLIONS BAR, BUT **IT IS DIFFERENT THAN BEFORE**, ITS STRUCTURE IS MUCH MORE...FRAGILE!

REGISTRATIONS + SELF REGS

% SELF REGS



ALMOST ONE FIFTH OF THE MARKET IS **PRICE DRIVEN**

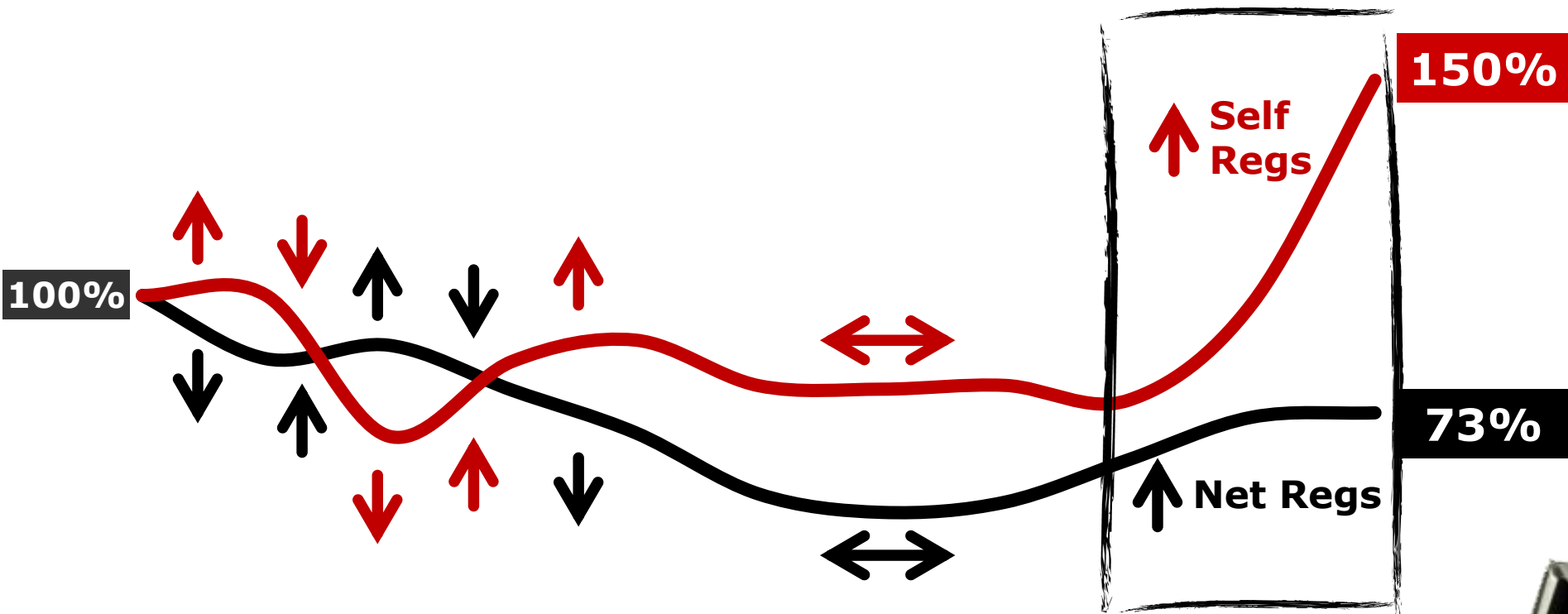


Source: UNRAE, Dataforce elaboration on data sourced from Ministry of Infrastructure and Transportation and ACI/PRA

1

FOR THE FIRST TIME, **SELF REGISTRATIONS ARE GROWING WITH THE MARKET**, MEANING THAT THE GROWTH IS PARTIALLY FAKE

VARIATION, 2007=100%



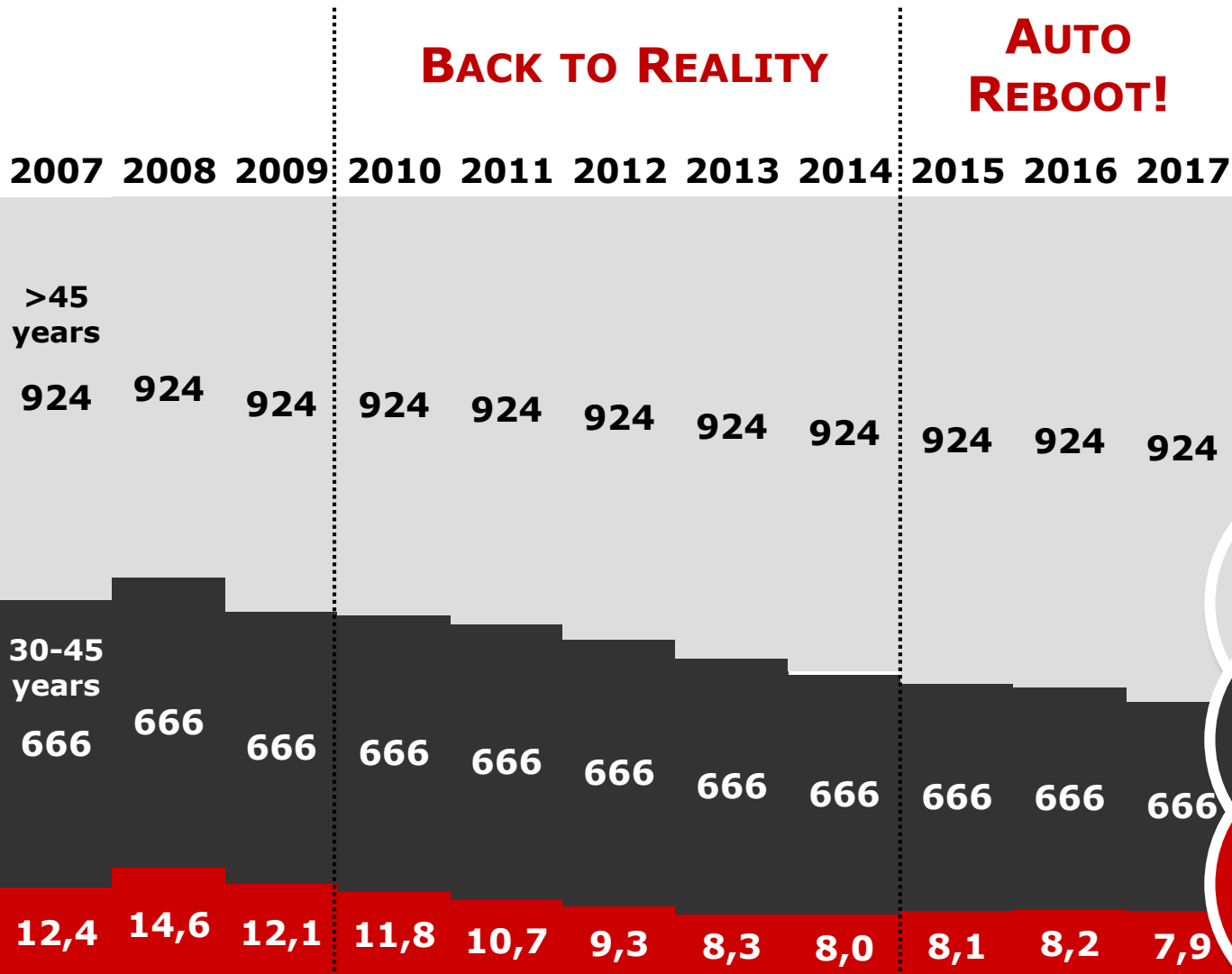
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017



1

CLOSE TO THIS TREND IS THE PLUNGE IN CAR REGISTRATIONS FOR MILLENNIALS: **IS CAR NOT THEIR TOP OF MIND** ANYMORE?

REGISTRATIONS TO PRIVATES



BACK TO REALITY

AUTO REBOOT!

-23%

-52%

-61%

18-29 years

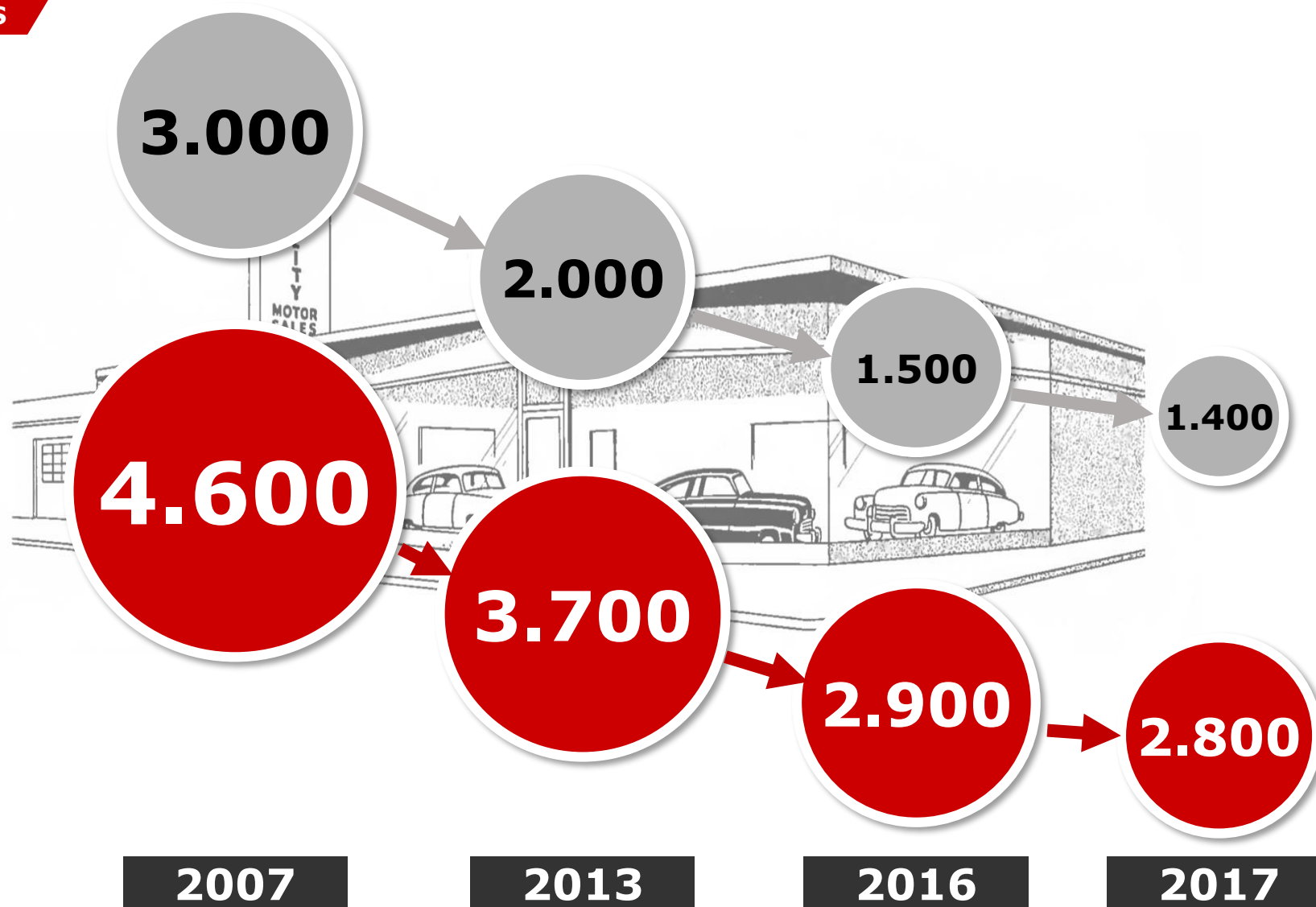


Source: UNRAE

1

ON THE NETWORK SIDE, **MANY DEALERSHIPS HAD TO SHUT DOWN** AND TO REINVENT THEMSELVES

DEALERS



KEY WORD FOR OEMs:
**REDUCE
CAPILLARITY**

-50%
LEGAL ENTITIES

-40%
POINT OF SALES

1

MANY OF THEM HAVE EVOLVED AND HAVE BEGUN TO PROVIDE RENTAL SERVICES STARTING FROM THE CAR BUSINESS

BROKER #1



*The only dealership specialized in long term rental. We serve Companies and Professionals **but also Privates** that are willing to benefit from LTR*



BROKER #2

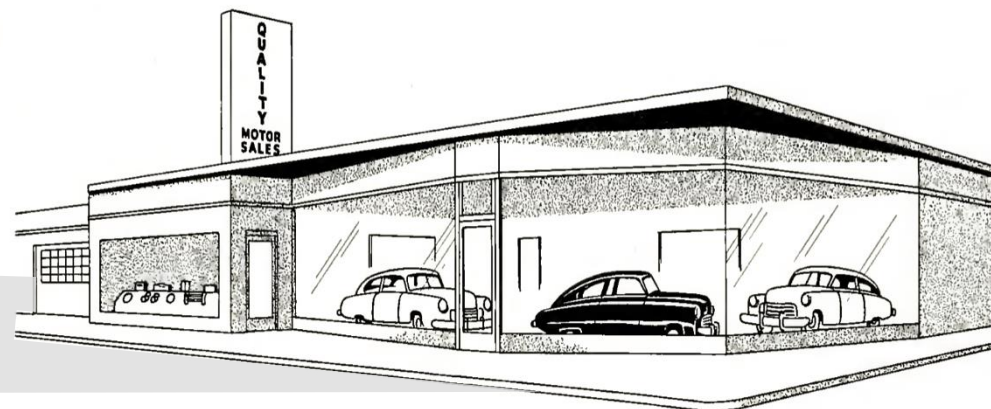


*Notess is a **company born from the experience in the automotive and mobility industry** to provide qualified consulting services and intermediation in the long and short term rental*

BROKER #3



*We offer advantageous solutions of long term rental for cars, SUV, commercial vehicles – **both for companies / professionals and privates** – with special updated offerings*



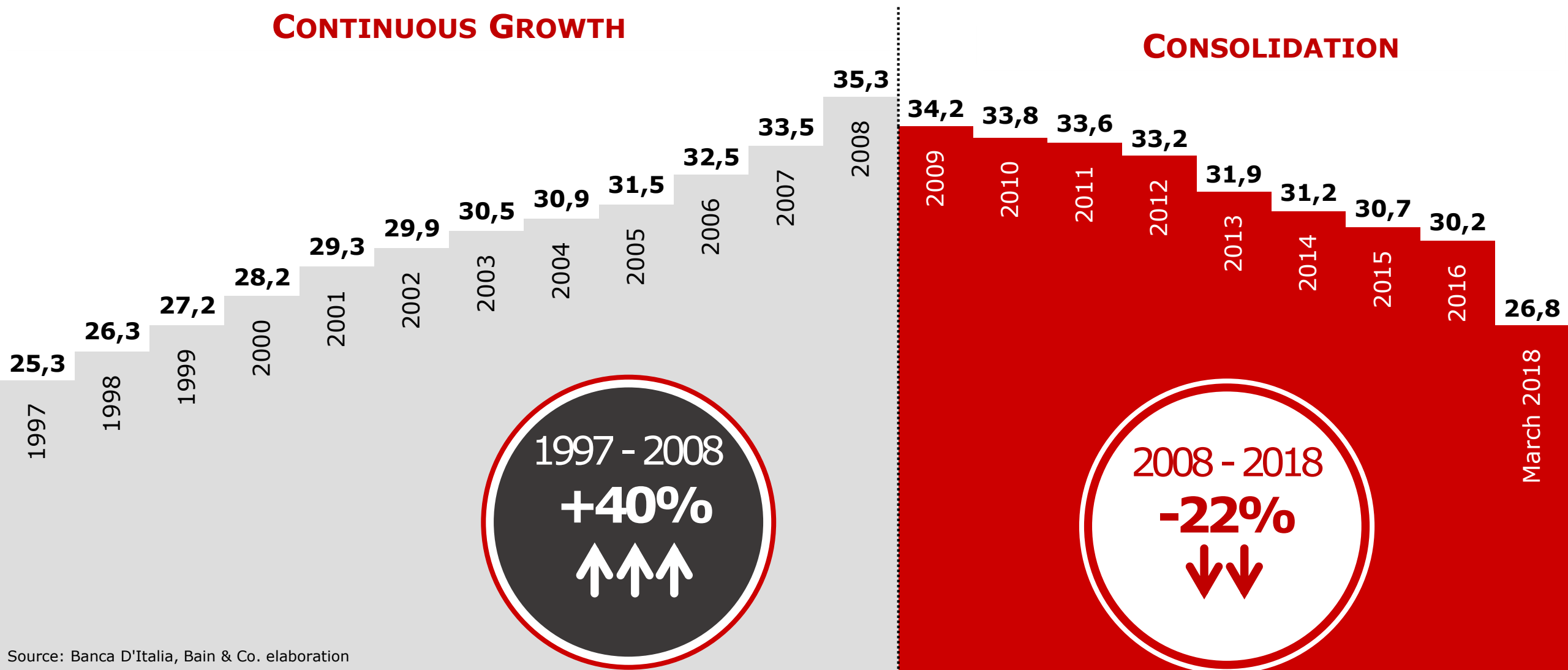
1

THE CRISIS ALSO HIT THE BANKING INDUSTRY, WHICH HAD TO STRONGLY REDUCE ITS NETWORK OF PHYSICAL BRANCHES

BANK BRANCHES ('000)

CONTINUOUS GROWTH

CONSOLIDATION



1

EVEN **BANKING COMPANIES** HAVE EXTENDED THEIR RANGE OF SERVICES, ALSO INCLUDING CAR RENTAL

MANY BANKS HAVE STARTED TO OFFER
CAR RENTAL SERVICES AT THEIR BRANCHES

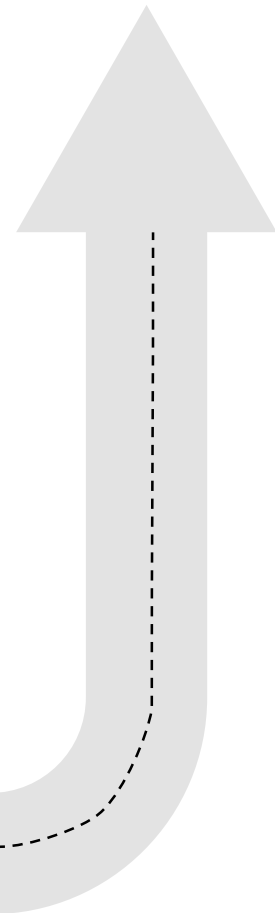
PRODUCTS, EVEN SIMPLE ONES, SOLD BY
THE PHYSICAL BRANCH CONSULTANT



BROKER



BANKS



1

CAR RENTAL IS INSERTED IN A CONTEXT OF PROGRESSIVE SHIFT OF THE CAR FROM BEING **AN ICONIC GOOD TO...A 'COMMODITY'**

THE BEGINNINGS

1 Dealer = 1 Brand

OEM Brand

SELLING...THE PRODUCT

From...

THE EVOLUTION

1 Dealer = More Brands

**RaC Brand
(often captive)**

SELLING...THE SERVICE

TODAY

1 Dealer = More Brands

1 Broker = More RaC

Broker's Brand/Agent

SELLING...THE PRICE

**I PAY THE CAR ONLY
WHEN I NEED IT!**

...To



HOW THE RENTAL OFFER HAS CHANGED

2

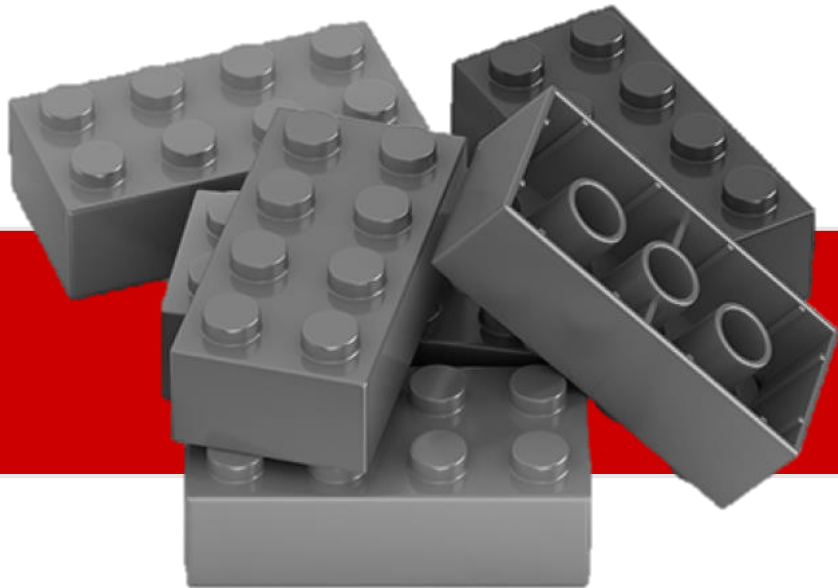
IN THIS CONTEXT RENTAL COMPANIES HAVE EVOLVED, **WIDENING THEIR SCOPE OF ACTION**

HORIZONTAL EXPANSION

NEW BUSINESS LINES, LOOKING FOR ADJACENCIES WITH RESPECT TO THE CORE LTR BUSINESS

VERTICAL EXPANSION

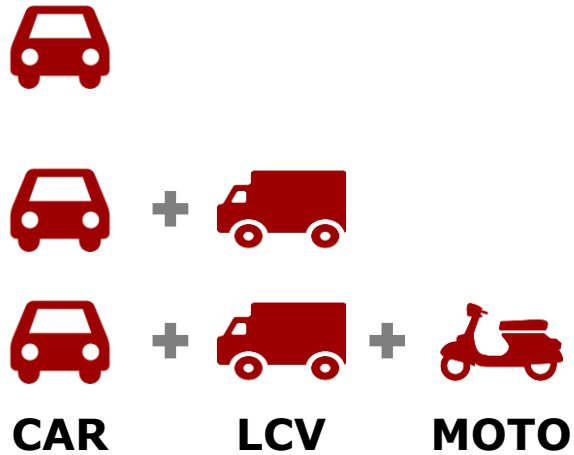
NEW TIME HORIZONS AND COLLAPSE OF THE BARRIERS AMONG SHORT, MEDIUM AND LONG TERM



EVOLUTION VERSUS FULL MOBILITY PROVIDER OR MOBILITY ONE-STOP-SHOP (FOR B2B AND PRIVATES)

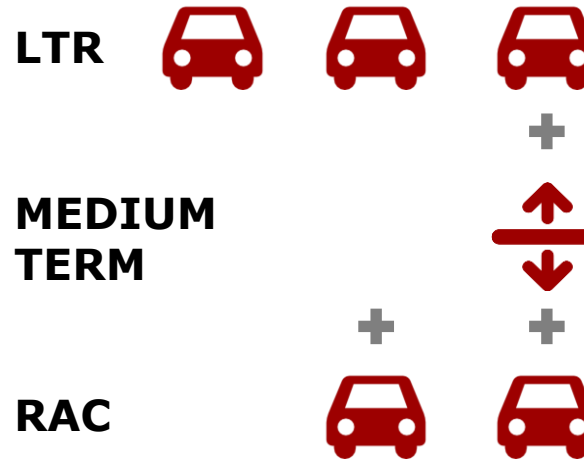
2

EXPANSION VERSUS NEW ADJACENCIES AND DURATION OF RENTAL HAVE **BLURRED THE INDUSTRY BOUNDARIES**



HORIZONTAL EXPANSION

LONG TERM
EVOLUTION VERSUS
ANCILLARY SERVICES TO
THE MAIN PRODUCT

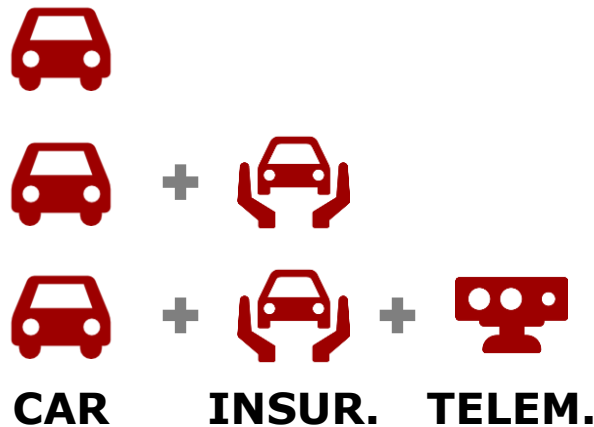


VERTICAL EXPANSION

LONG TERM
EXPANSION BOTH
ORGANIC AND BY
ACQUISITION OF
COMPANIES OPERATING
IN THE SECTOR OF NEW
MOBILITY

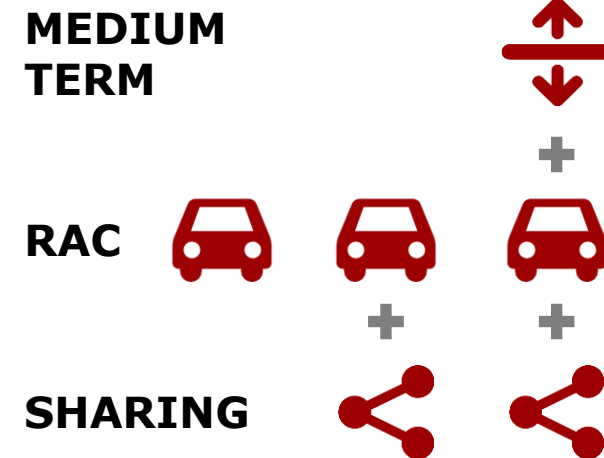
HORIZONTAL EXPANSION

SHORT TERM
EVOLUTION FROM CAR
RENTAL TO RENTAL OF
OTHER MEANS OF
TRANSPORT



VERTICAL EXPANSION

SHORT TERM
EXPANSION BOTH
ORGANIC AND BY
ACQUISITION OF
COMPANIES OPERATING
IN THE SECTOR OF NEW
MOBILITY



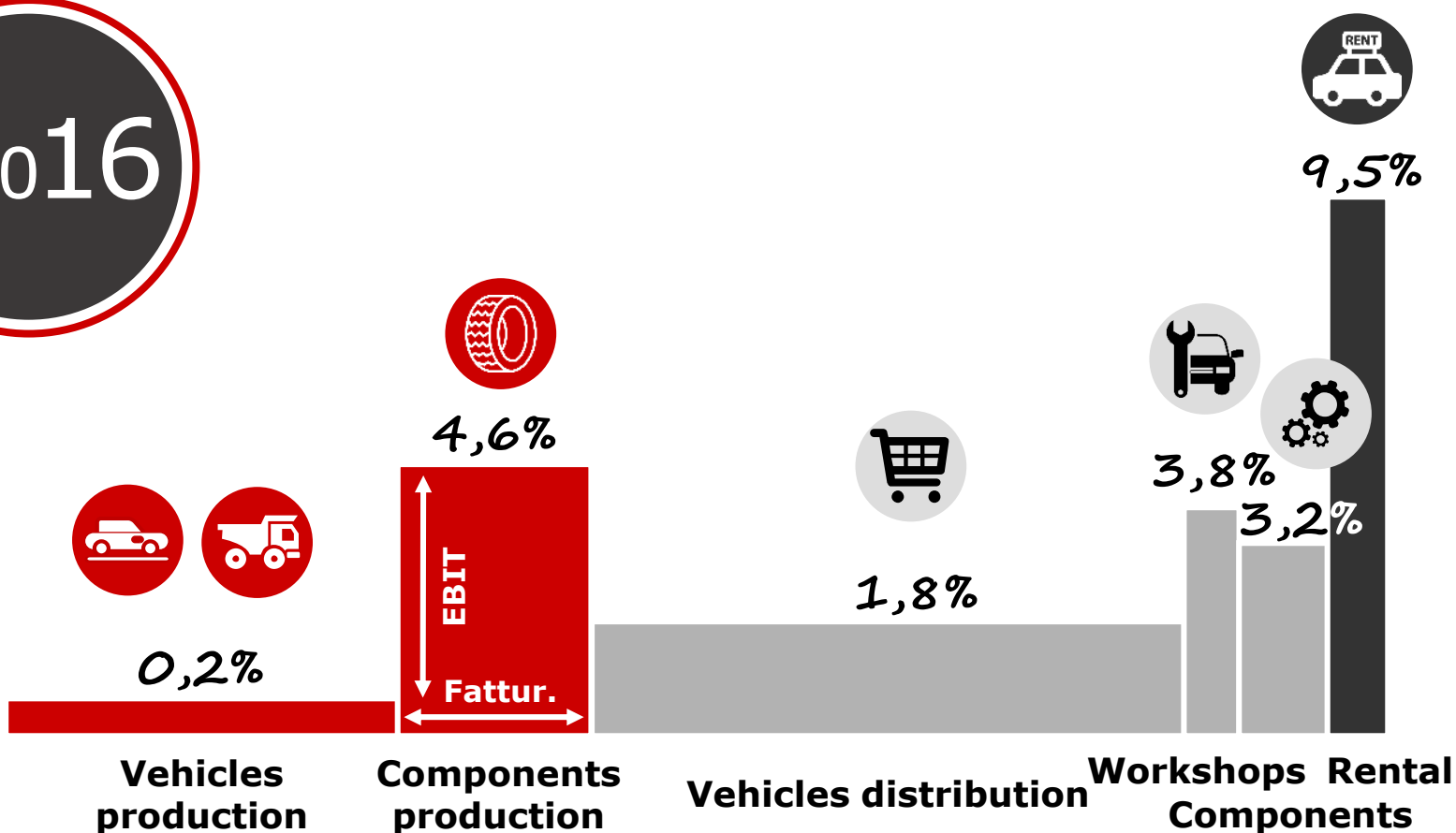
2

RENTAL SERVICE PROVIDERS UNDERSTOOD HOW TO RIDE THE TREND AND TODAY THEY HAVE **THE HIGHEST PROFITABILITY**

PROFIT POOL 2016

AUTOMOTIVE VALUE CHAIN "EBIT" MARGIN (>4€B)

2016



PRODUCTION

LOW SINGLE DIGIT MARGIN FOR THE PRODUCTION OF VEHICLES

DISTRIBUTION

HIGH TURNOVER BUT RESTRAINED MARGINS FOR DEALERS/WORKSHOPS

RENTAL

STILL LIMITED TURNOVER BUT WITH DOUBLE DIGITS MARGINS







2

CAR RENTAL IS THE SECTOR WHICH HAS SEEN **THE HIGHEST GROWTH IN MARGIN** OVER THE LAST YEARS

PRODUCTION
SIGNIFICANT TURNOVER GROWTH AND SLIGHT INCREASE IN MARGINS

DISTRIBUTION
MARGINS UNDER PRESSURE NOTWITHSTANDING THE TURNOVER RECOVERY

RENTAL
STRONG GROWTH OF MARGINALITY, THE HIGHEST OF THE INDUSTRY

AUTOMOTIVE	TURNOV.	EBIT
Vehicles / moto. production 	↑↑	↑
Components production 	↑↑	↑
<hr/>		
Vehicles / moto. distribution 	↑	↔
Components distribution 	↑↑↑	↓
Workshops 	↑↑	↑
<hr/>		
Rental 	↑↑	↑↑↑

MARGINS ARE SHIFTING FROM PRODUCTION **TO DISTRIBUTION (DOWNSTREAM)**

Evolution
2007-2016

Source: Bain elaboration on annual reports

2

IN THIS CONTEXT, LTR PROVIDERS KNEW HOW TO **BUILD AD HOC PRODUCTS**, ESPECIALLY FOR PRIVATE CUSTOMERS

NEW PRODUCTS THOUGHT FOR 'PRIVATES'

BE FREE

ALD | 2life

SHAKE IT!

Let's move!

RICARIC | a | !

 **DRIVE
DIFFERENT**

NO DONWPAYMENT

TO MEET ECONOMIC NEEDS OF PRIVATE CUSTOMERS

'PACKAGE' FORMULAS

TO SIMPLIFY THE CHOICE FOR CUSTOMERS THAT ARE NOT USED TO LTR

ALL-INCLUSIVE

BIRTH OF 'THOUGHTLESS' SOLUTIONS, INCLUDING CAR EXCHANGE



2

NEW PRODUCTS HAVE BEEN SOLD THROUGH THE **STRENGTHENING OF THE INDIRECT / INTERMEDIATED CHANNELS**

INDIRECT CHANNEL

Consumer channels: new retail formats

Mobility centers



Shopping centers / supermarkets



Banking channel

Third parties

Bank branches



Dealer



Broker



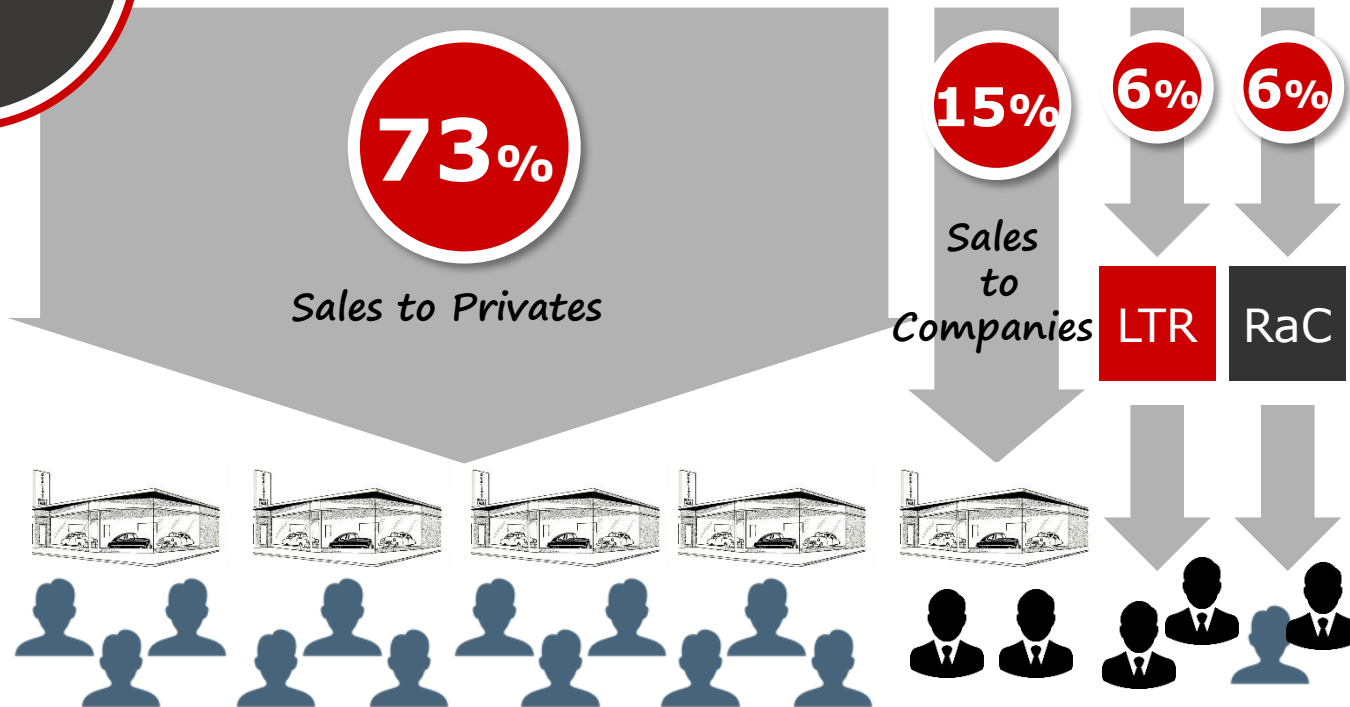
PROLIFERATION OF INDIRECT CHANNELS HAS SHORTEN THE DISTANCE BETWEEN RENTAL AND LOCAL REALITIES

2

CARS ROUTE-TO-MARKET HAS THEN CHANGED, SERVICE PROVIDERS ARE MORE AND MORE INTERMEDIATING PURCHASE

2005

CARS REGISTRATIONS (% on Tot)



3 OUT OF 4 TO PRIVATES

MARKET IS MOSTLY CONCENTRATED ON THE PURCHASE FROM PRIVATE CUSTOMERS

1 OUT OF 7 TO COMPANIES

SIGNIFICANT SHARE OF PURCHASE FROM COMPANIES

1 OUT OF 8 TO RENTALS

EVEN DISTRIBUTION BETWEEN SHORT AND LONG TERM RENTAL

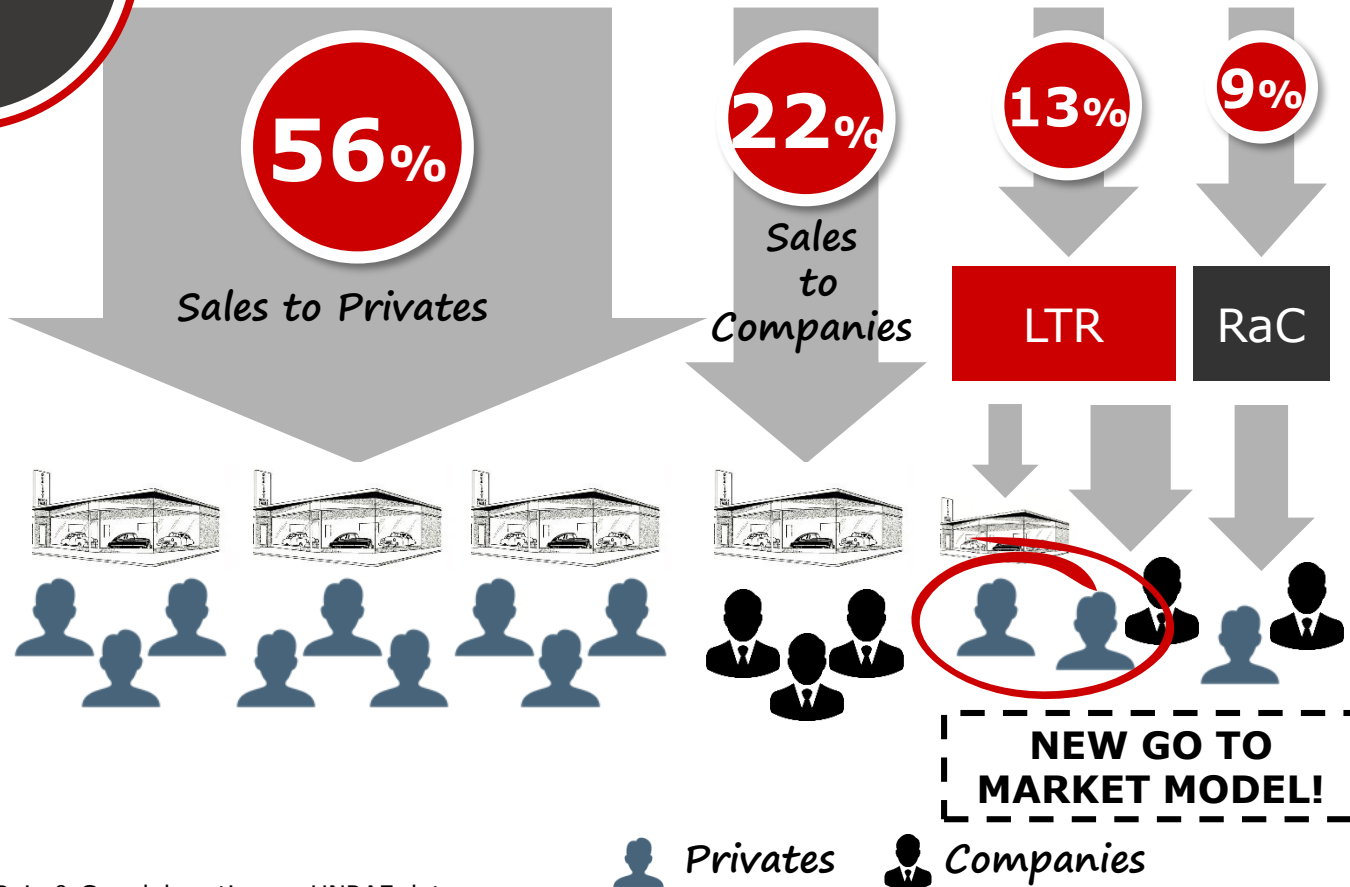
Privates Companies

2

CARS ROUTE-TO-MARKET HAS THEN CHANGED, SERVICE PROVIDERS ARE MORE AND MORE INTERMEDIATING PURCHASE

2017

CARS REGISTRATIONS (% on Tot)



1 OUT OF 2 TO PRIVATES

STRONG DROP IN PURCHASE FROM PRIVATE CUSTOMERS, MOSTLY FOR YOUNG PEOPLE



1 OUT OF 5 TO COMPANIES

INCREASING IMPORTANCE OF COMPANIES / OTHER ENTITIES



1 OUT OF 5 TO RENTALS

STRONG GROWTH OF LTR, WHICH HAS MORE THAN DOUBLED ITS GROWTH



2

THIS FORM OF DISTRIBUTION **HAS SHRUNKEN THE DISTANCE BETWEEN RENTAL FORMULAS AND LOCAL REALITIES**

From...

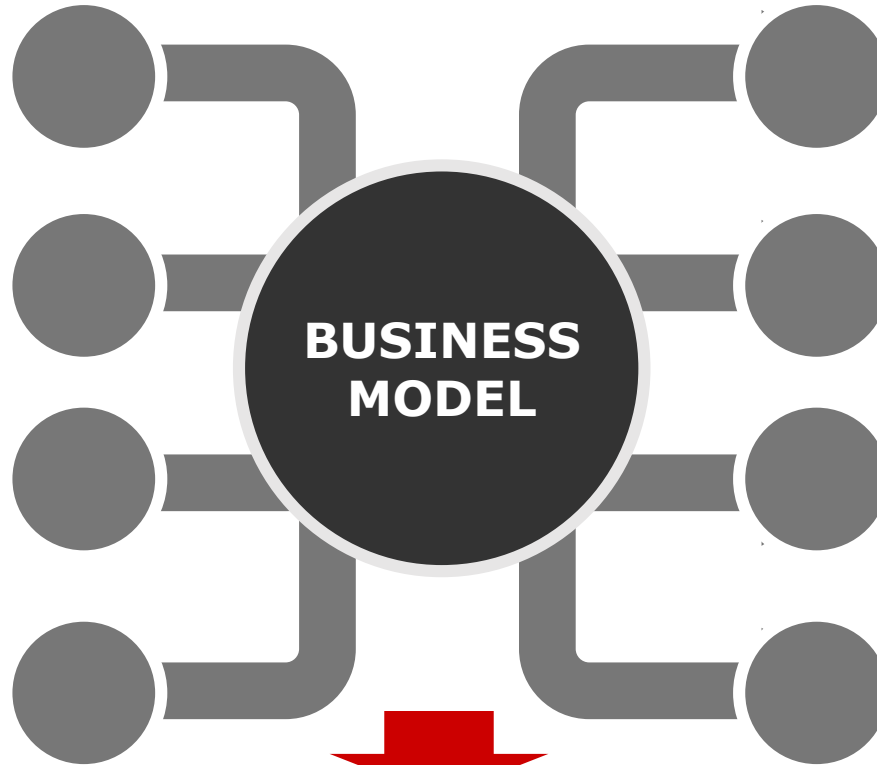
...To

EXCLUSIVE FOCUS ON **DIRECT CHANNEL**

CENTRALIZED
SALES MODEL

FEW, LARGE FLEETS

"ONE SIZE FITS ALL"



RENTAL COMPANIES **MULTICHANNEL**

GEOGRAPHICAL MATRIX
SALES MODEL

LOT, SMALL
"MINI-FLEETS"

'CUSTOMIZED' 1-2-1
RENTAL SOLUTIONS

**ARE LTR COMPANIES ACTUALLY READY TO IMPLEMENT THIS NEW MODEL?
HAS A PRIVATE CUSTOMER THE SAME NEEDS OF B2B CUSTOMERS?**

2

THE OFFERING IS ADAPTING TO THE **NEW CORE PRINCIPLES OF MOBILITY USE** BY PRIVATE CUSTOMERS



USE WINS OVER OWNERSHIP

OWNING A CAR HAS GONE OUT OF FASHION; THE CAR IS STILL A STATUS FOR THE HIGH SEGMENTS OR IF IT IS 'GREEN'



CERTAINTY WINS OVER RISK

THE RISK OF OWNERSHIP IS A WASTE OF TIME AND MONEY, BETTER PAYING A FIXED FEE...AND STOP THINKING ABOUT IT!

SERVICE WINS OVER PRODUCT

HIGHER ATTENTION TO THE SERVICE AND NEED FOR OPERATORS TO **DIFFERENTIATE THE CUSTOMER JOURNEY**



COST WINS OVER CUSTOMIZATION

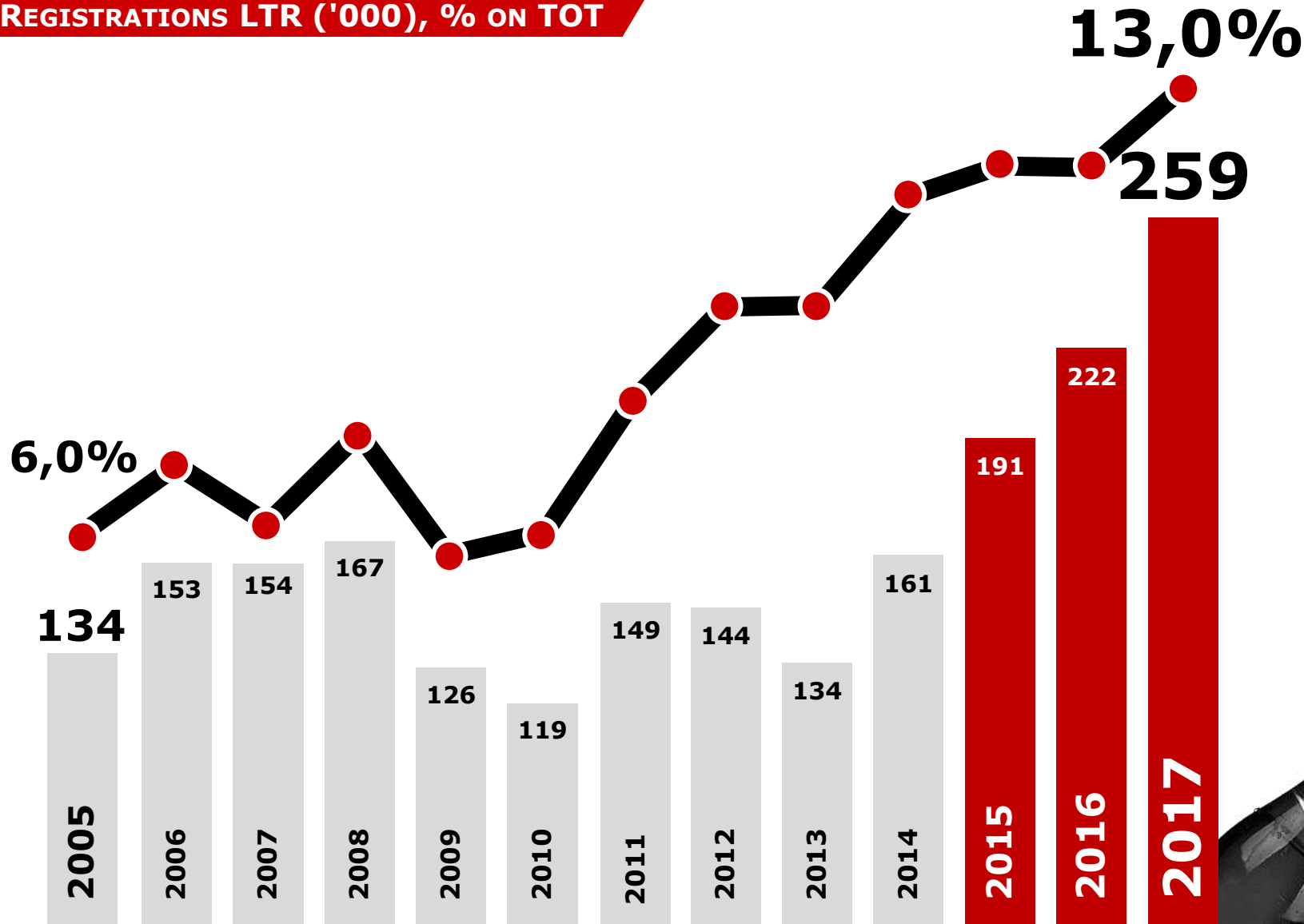
IN ORDER TO PAY LESS (IN THEORY...), THE MOBILITY CLIENT **LOOKS FOR THE CAR (CAR SHARING) AND GIVES UP PROPERTY (RENTAL)**



2

THE COMBINATION OF NEW OFFERING AND THE NEW DEMAND HAS GENERATED **THE UPWARD RACE OF "RENTAL SHARE"**

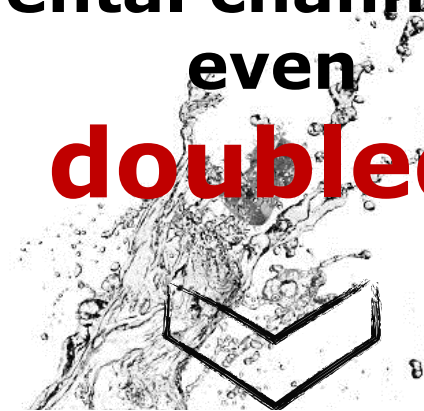
REGISTRATIONS LTR ('000), % ON TOT



In a car market
plunged by **11%**
(2005-2017)...

...rental channel has
even

doubled!



In which measure
the growth is due to
Rentals to Privates?

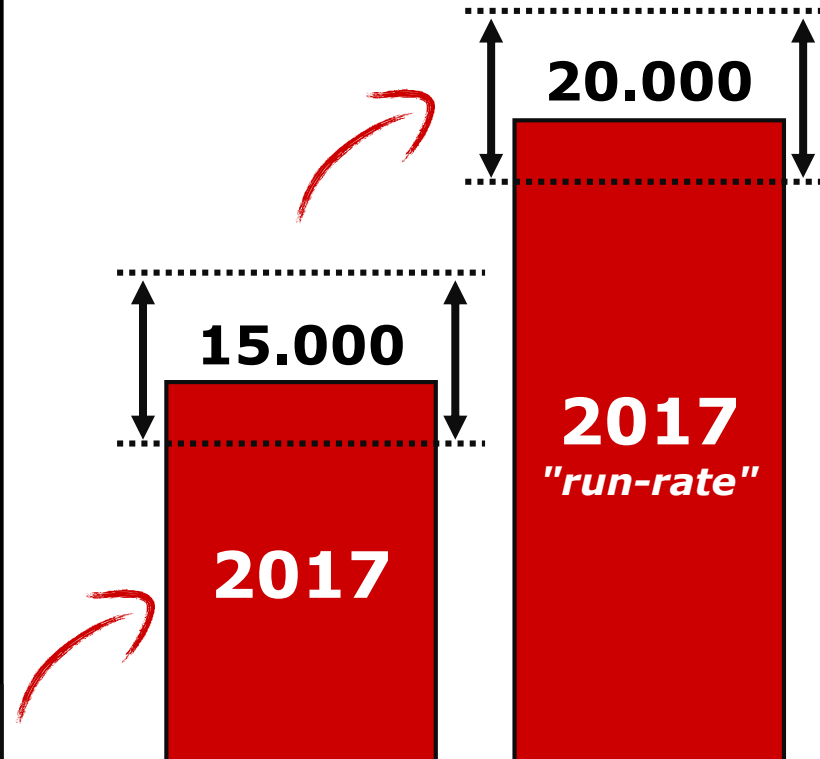
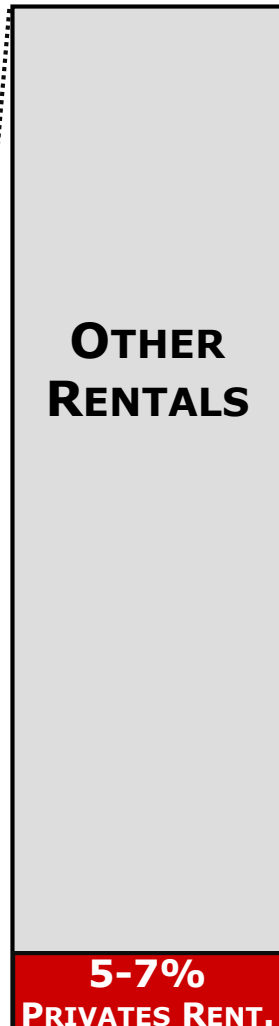
2

RENTALS TO PRIVATES HAVE REACHED IN 2017 AROUND **15.000 UNITS** (ANNUAL ORDERS), GROWING CONSTANTLY

REGISTRATIONS

2.000K

259K



SHARE IN CONSTANT GROWTH
THE SHARE OF RENTAL TO PRIVATES IS CONSTANTLY GROWING MONTH OVER MONTH

SHORTER DURATIONS
FOR ITS NATURE, RENTAL TO PRIVATES HAS SHORTER DURATION THAN B2B, AS A CONSEQUENCE THE CAR PARK TURNOVER IS HIGHER

HETEROGENEITY
% OF CARS INTENDED FOR PRIVATES IS HIGHLY VARIABLE AMONG DIFFERENT OPERATORS (EVEN 2X OR 3X)

THE DEMAND STRUCTURE

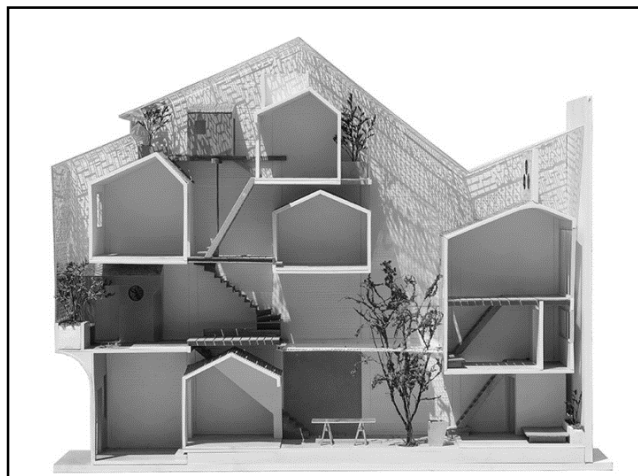


3

THE SHARING ERA ENCOMPASSES MANY INDUSTRIES, BUT IN AUTOMOTIVE **WHAT IS SHARING IS RENTAL**

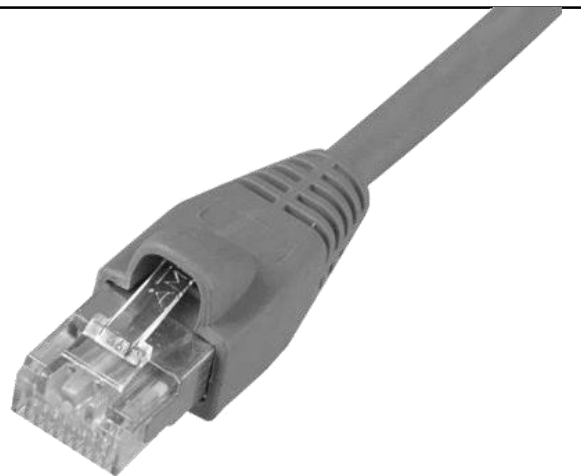
TOURISM/ HOUSING

FROM BUYING HOUSES TO SHARED-PROPERTY, TO **HOUSE SWITCH FOR HOLIDAYS**



SOFTWARE / LICENSES

FROM BUYING LICENSES TO **SAAS (SOFTWARE-AS-A-SERVICE)** GROWTH



PAY-PER-USE SUBSTITUTES PAY-PER-OWN IN MANY INDUSTRIES AND THE AUTOMOTIVE WORLD RIDES THIS TREND TO RENEW ITS BUSINESS MODEL

FROM COMPANY OWNED OFFICES TO **CO-WORKING IN SHARED SPACES**

WORK OFFICES



FROM THE PURCHASE AS A STATUS TO THE **SHARED USE OF 'ICONIC' GOODS**

WATCHES / CLOTHING



3

MOBILITY OFFERING IS RADICALLY CHANGING, BUT ALWAYS **TO SATISFY A VERY "BASIC" NEED**

MANUFACTURERS OFFERING (YESTERDAY/TODAY)

To whom?

**Single
individuals**

What?

Cars

How's the client paying?

**Financing
/ Leasing**

How do you sell it?

Dealer

**Flattish
Marketing
Budget**

3

MOBILITY OFFERING IS RADICALLY CHANGING, BUT ALWAYS **TO SATISFY A VERY "BASIC" NEED**

MANUFACTURERS OFFERING (TOMORROW)

To whom?

Fleet

What?

Mobility services

How's the client paying?

**By fare/
subscription**

How do you sell it?

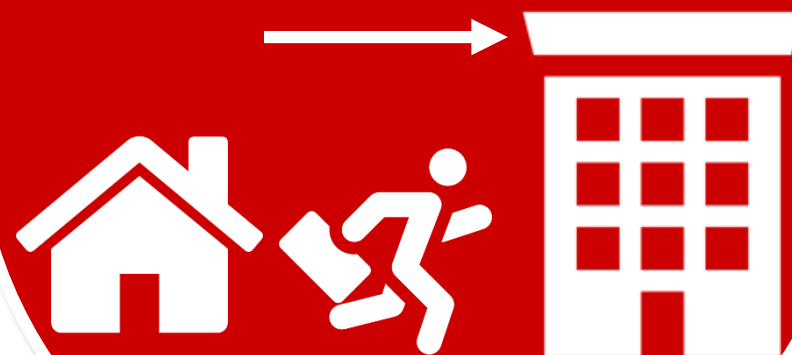
Direct sales

Lean Marketing Budget

SINGLE CLIENT NEED

What is the basic client need?

**GETTING HOME /
TO THE OFFICE**



3

IN ORDER TO APPRECIATE THE INTEREST OF PRIVATES FOR RENTAL
WE INTERVIEWED **1.300 'MOBILITY USERS'**

1.300

**WEB
RESPONDENTS**

**HOMOGENEOUS
DISTRIBUTION
ACROSS ITALY**

ANSWERS
**RANDOMLY
DISTRIBUTED**

55% FEMALE

IN LINE WITH NATIONAL
AVERAGE

3 COMPONENTS

ON AVERAGE FOR EACH
HOUSEHOLD

45% DIPLOMATES

34% GRADUATES

8% MIDDLE SCHOOL
LICENSED

7% FROM PROFESSIONAL
SCHOOLS

32% EMPLOYED

12% STUDENTS

**11% INDEPENDENT
BUSINESSMEN**

10% HOUSEWIVES

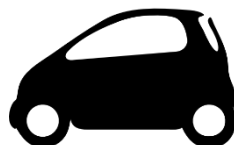
7%

NO CAR



18%

MINI CARS



33%

SMALL CARS



27%

MEDIUM CARS

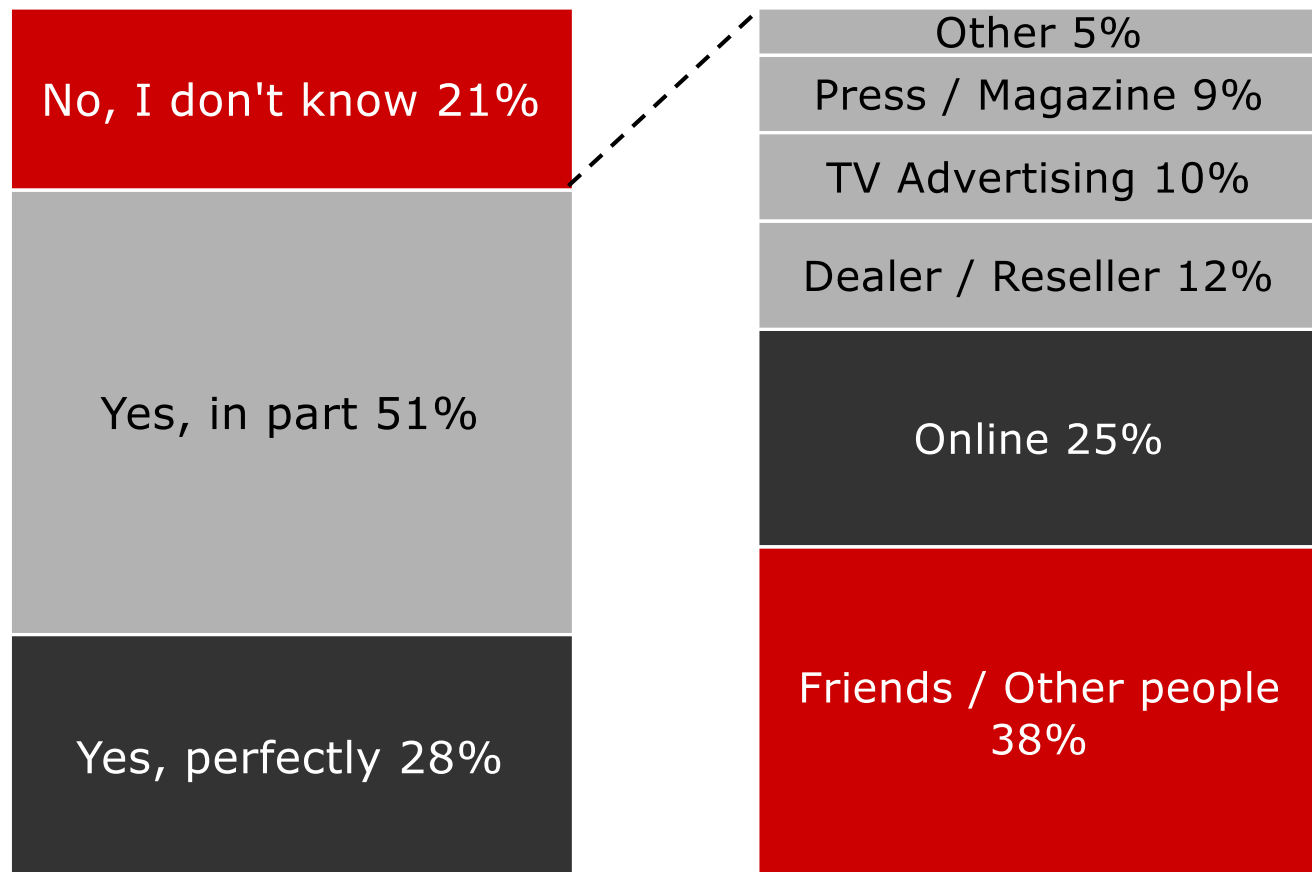


3

THE PRIVATE CUSTOMER SEEMS TO BE KNOWLEDGEABLE ABOUT RENTAL: 1 OUT OF 4 KNOWS IT WELL, 1 OUT OF 2 IN PART

DO YOU KNOW WHAT LONG TERM RENTAL IS?

WHERE DID YOU HEAR ABOUT IT FOR THE FIRST TIME?



BUT RENTAL KNOWLEDGE IS STILL **ONLY PARTIAL**

WORD OF MOUTH AND THE **WEB** ARE THE MOST RELEVANT CHANNELS

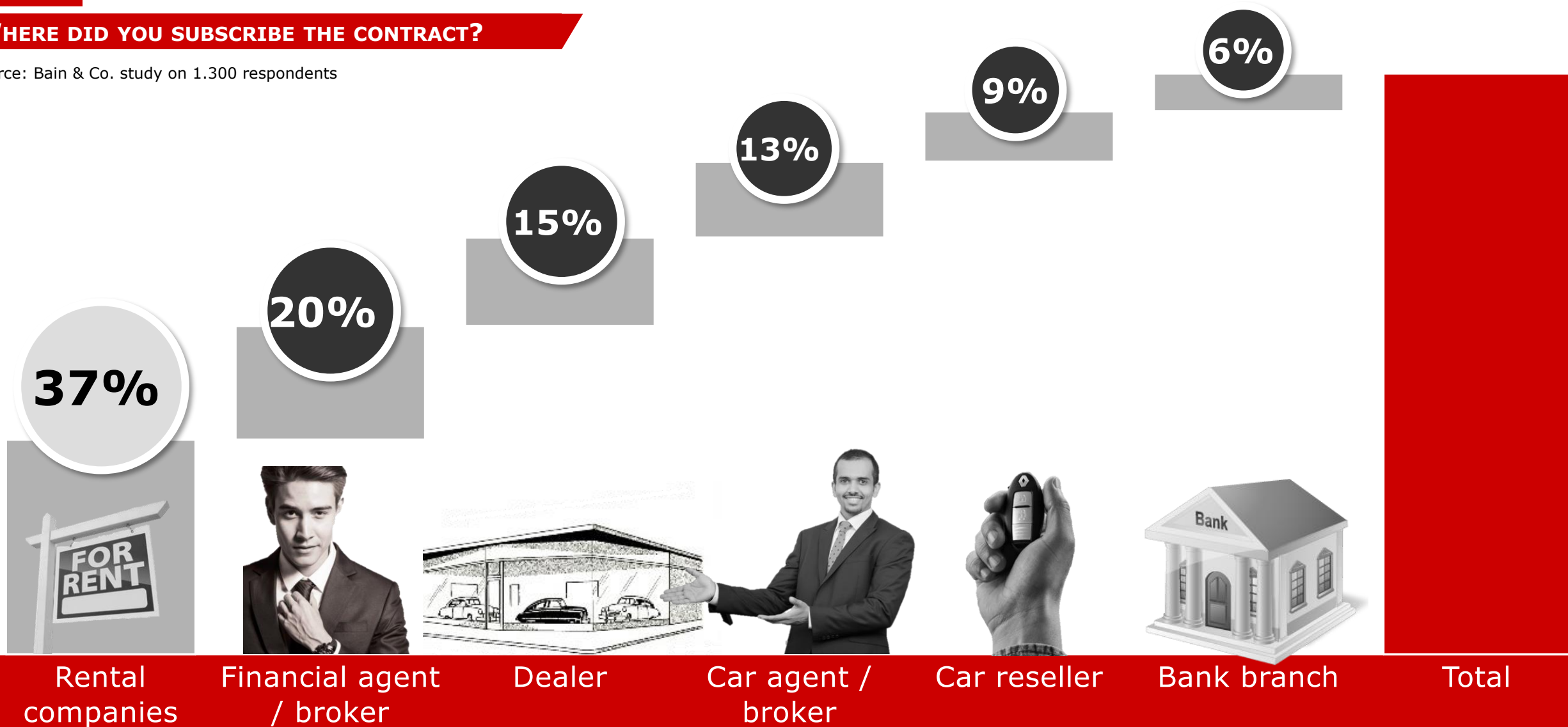
Source: Bain & Co. study on 1.300 respondents

3

PRIVATES WHO RENTED OR ASKED FOR INFORMATION, DID IT IN LARGEST PART THROUGH **INDIRECT CHANNELS**

WHERE DID YOU SUBSCRIBE THE CONTRACT?

Source: Bain & Co. study on 1.300 respondents



Rental companies

Financial agent / broker

Dealer

Car agent / broker

Car reseller

Bank branch

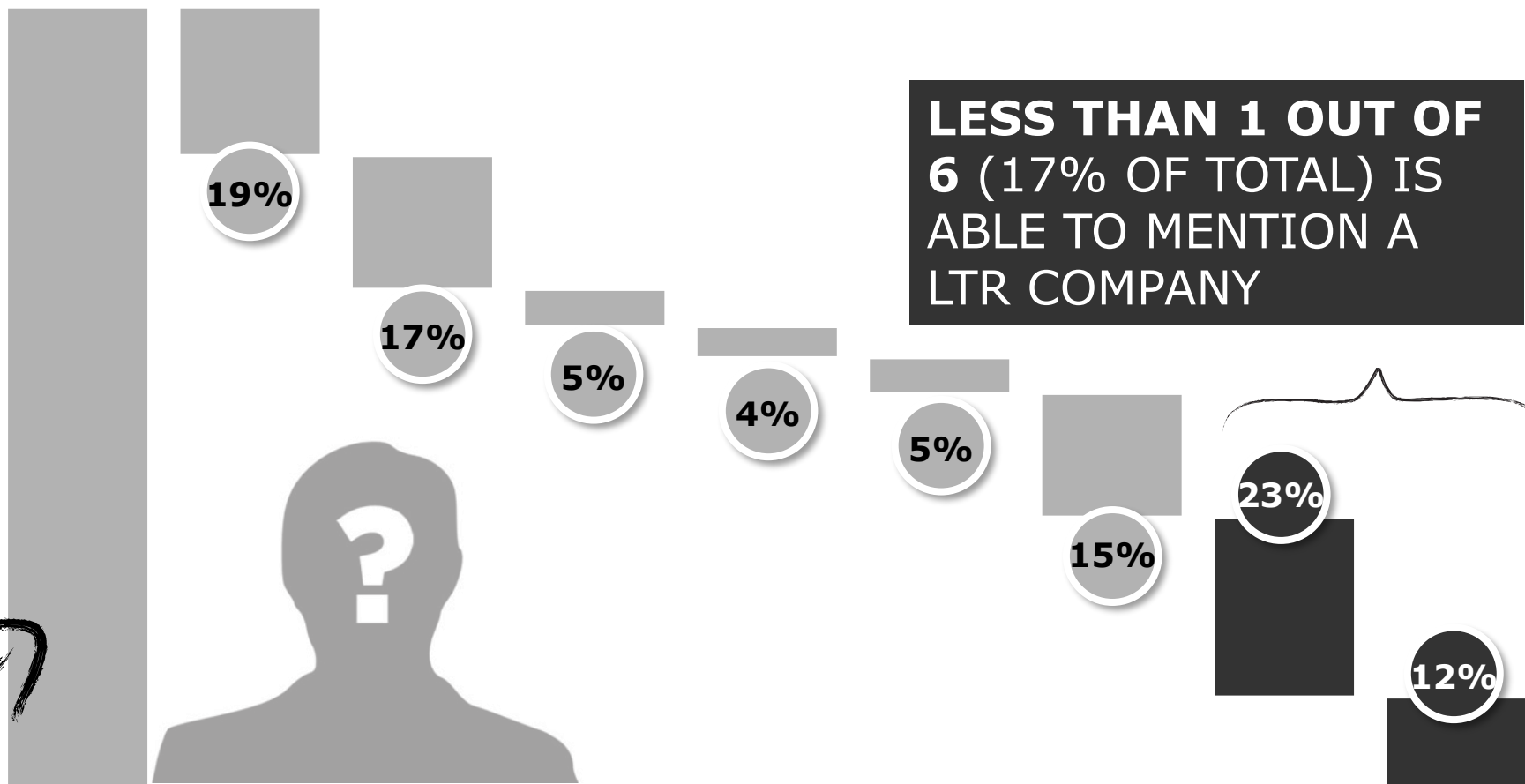
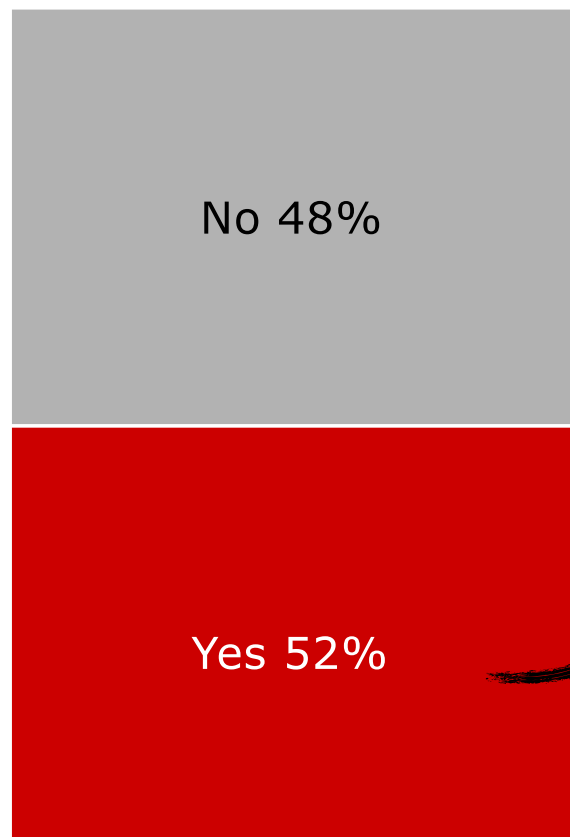
Total

3

HOWEVER, THE **BRANDS OF LONG TERM RENTAL** ARE STILL **ALMOST UNKNOWN** TO USERS...

CAN YOU MENTION THE NAME OF A LONG TERM RENTAL BRAND?

MENTION THE NAME OF AT LEAST ONE LTR BRAND



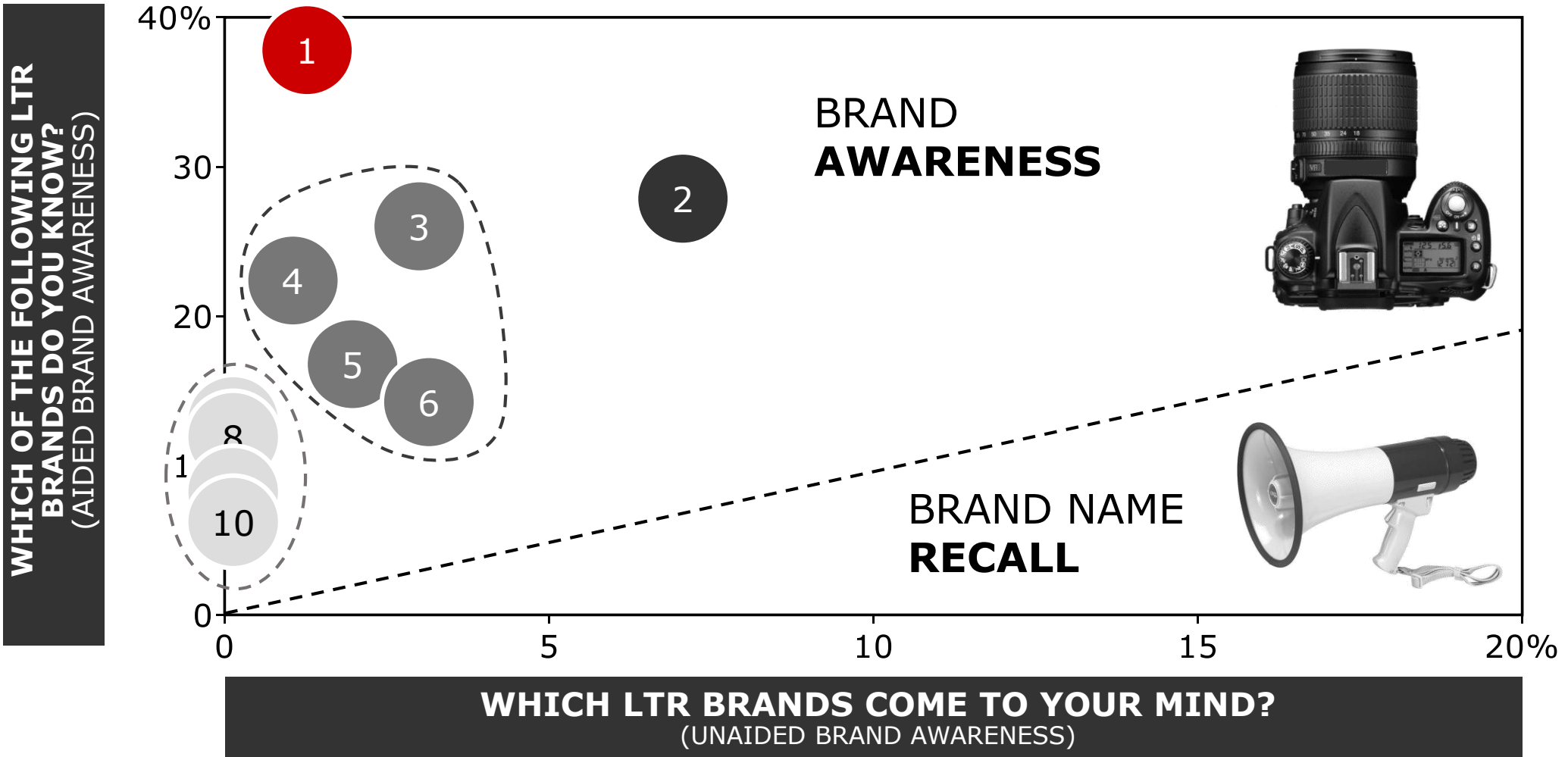
LESS THAN 1 OUT OF 6 (17% OF TOTAL) IS ABLE TO MENTION A LTR COMPANY

Source: Bain & Co. study on 1.300 respondents

3

...SUCH THAT **NO MORE THAN 7%** OF THE SAMPLE REMEMBERS A SPECIFIC LTR BRAND. RESULT LOOKS DIFFERENT WHEN PROMPTED!

KNOWLEDGE OF NLT BRANDS

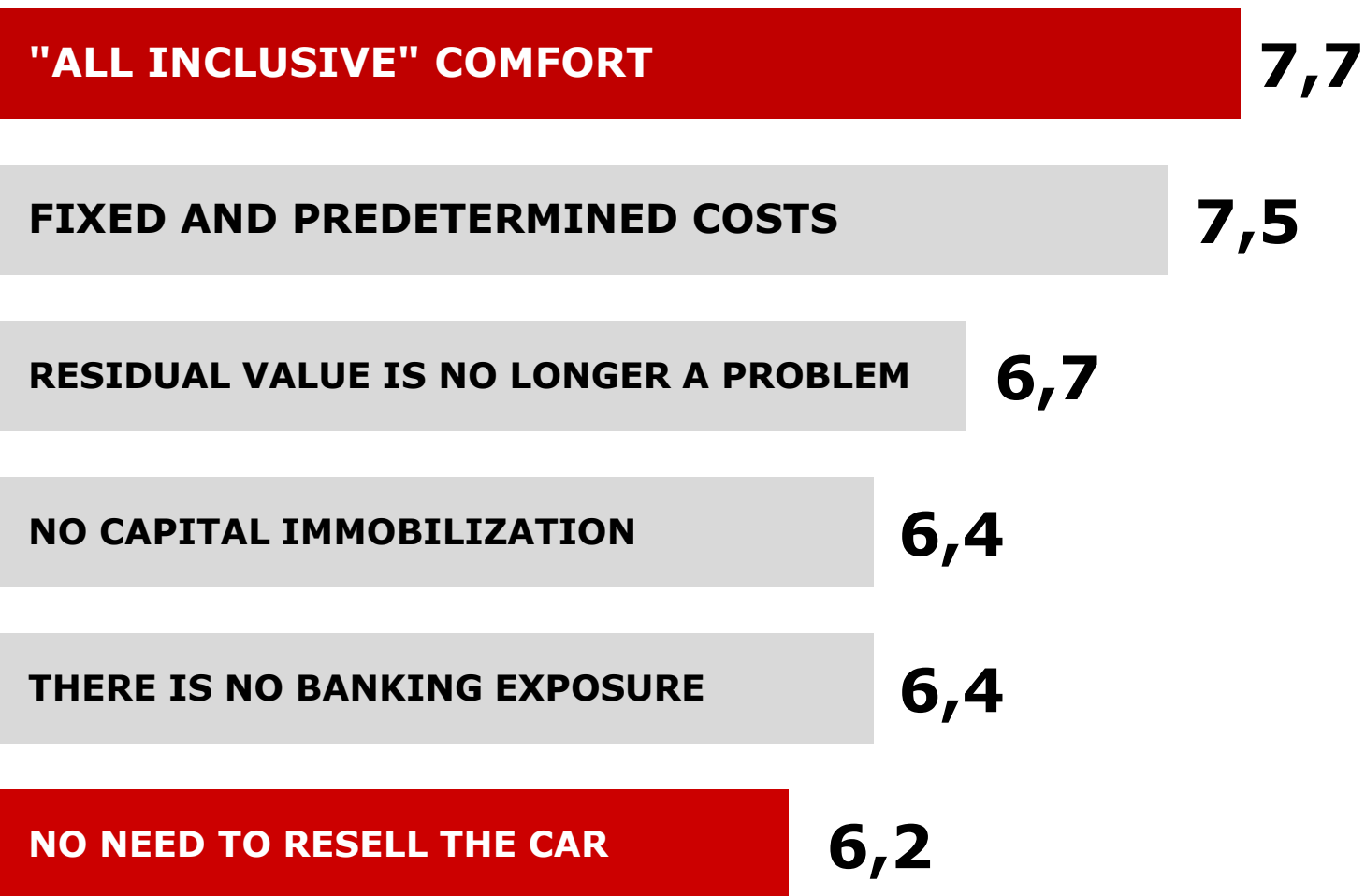


Source: Bain & Co. study on 1.300 respondents

3

THE CLIENT THAT TURNS TO RENTAL DOES IT, IN MOST OF THE CASES, FOR **COMFORT** REASON AND **CONTROL OF COSTS**

FROM 1 TO 10, WHICH ARE THE GREATEST ADVANTAGES OF LTR?



COMFORT

IN A POST-CRISIS CONTEXT, USERS SEEK A "WORRY-FREE" SERVICE



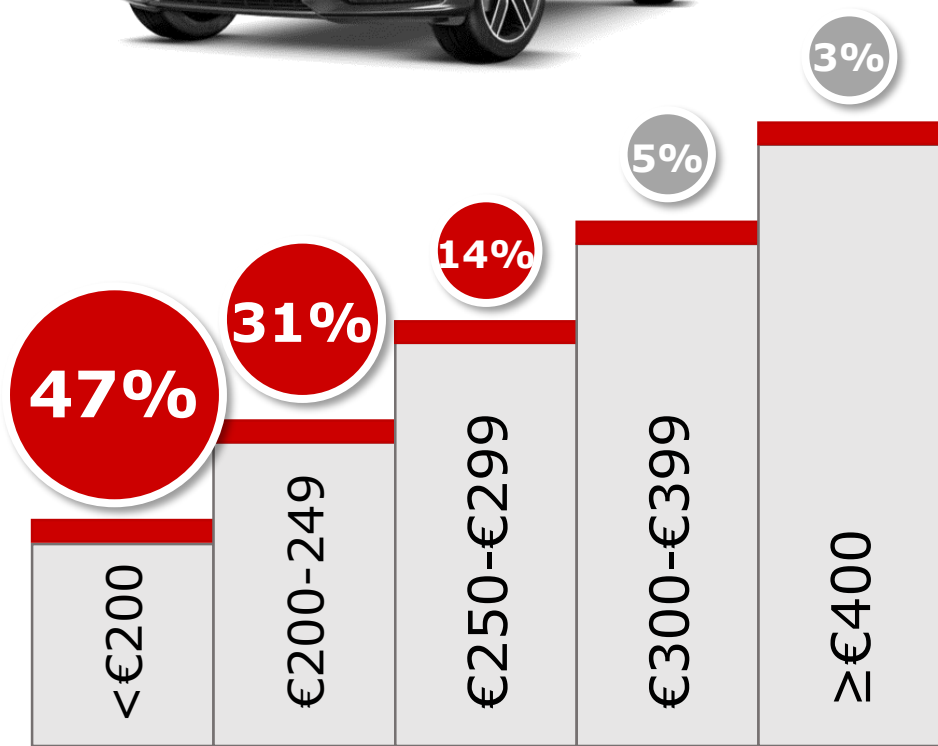
COSTS CERTAINTY

IN A POST-CRISIS CONTEXT, USERS SEEK COSTS CERTAINTY AND "NO-SURPRISE" FORMULAS

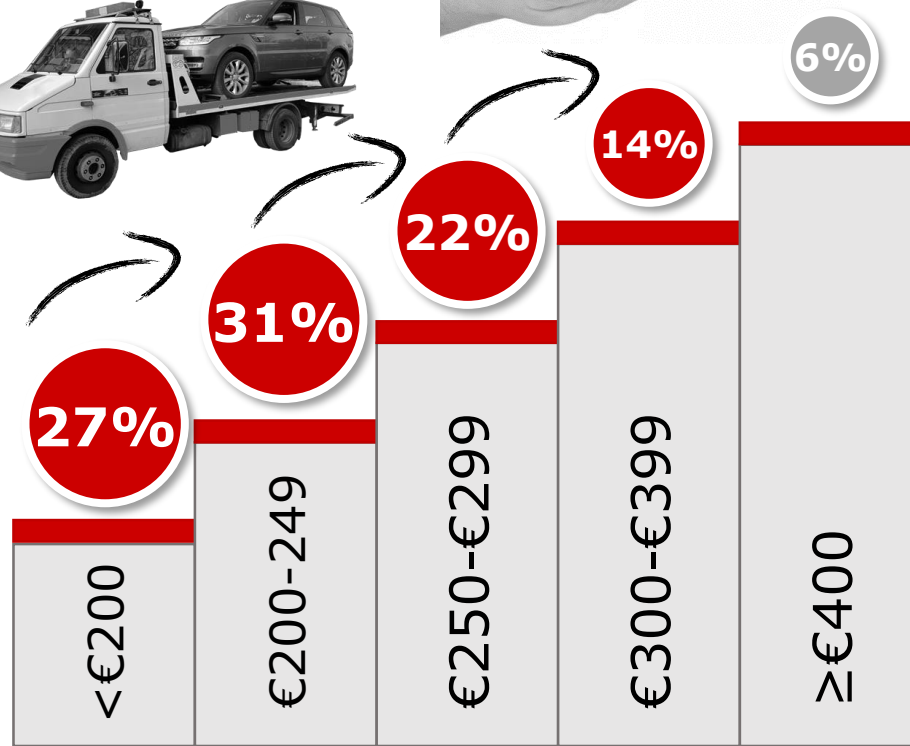
3

THE CONTROL OF THE INSTALLMENT IS A CRUCIAL ELEMENT TO CHOOSE THE RENTAL FORMULA

MONTHLY FEE – CAR ONLY



MONTHLY FEE – INCLUDING ANCILLAR.



3

WHEN IT COMES TO ANCILLARIES, **INSURANCE** AND "**ALL INCLUSIVE**" ARE TOP OF MIND

RELEVANCE OF NLT ANCILLARIES

INSURANCE



MAINTENANCE



DAMAGE COVERAGE



ROADSIDE ASSISTANCE



COURTESY CAR



CLAIMS MANAGEMENT



3

IN THIS CONTEXT, PRIVATES ARE STILL **GIVING UP RENTING** OR DO NOT CONSIDER IT AT ALL

HAVE YOU EVER THOUGHT ABOUT RENTING A CAR LONG TERM?

YES, AND I WILL RENT

5%

NO, I NEVER THOUGHT ABOUT IT

29%



1 OUT OF 3

DOES NOT CONSIDER RENTING. IS THE FORMULA STILL POORLY KNOWN?

YES, BUT THEN I GAVE UP

25%



1 OUT OF 4

HAS GIVEN UP RENTING. WHICH ARE THE REASONS?

NO, BUT I WILL THINK ABOUT IT IN THE FUTURE

9%

YES, I AM CURRENTLY CONSIDERING THIS OPTION

32%



1 OUT OF 2,5

IS YET CONSIDERING TO RENT A CAR LONG TERM

3

THE **LACK OF KNOWLEDGE** OF RENTAL 'BRAND' AND ITS PROVIDERS IS **LIMITING ITS DIFFUSION** ACROSS PRIVATES

FOR WHICH REASONS YOU CHOSE NOT TO RENT A CAR?

I HAVE NEVER THOUGHT ABOUT IT

35%

I WANT AN OWNED CAR

23%

IS NOT CONVENIENT **11%**

BY THE END YOU HOLD "NOTHING" **10%**

I DON'T KNOW ANY COMPANY **8%**

OTHER REASONS **13%**



3

IN ORDER TO CHOOSE RENTAL, USERS ASK FOR MORE **CLARITY** (COSTS AND CLAUSES) AND MORE **FLEXIBILITY** OF USAGE...

UNDER WHICH CONDITIONS WOULD YOU RENT A CAR?

COSTS

MORE **CLARITY** ON INSTALLMENT

31%



CLAUSES

MORE **CLARITY** ON CONTRACTS

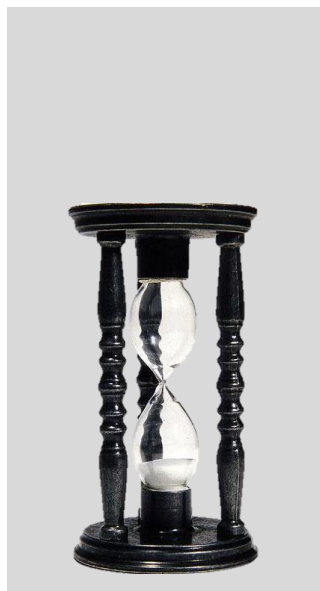
27%



PAUSE

OPTION TO **HANG** THE CONTRACT

25%



DILUTION

POSSIBILITY TO **DILUTE** THE INSTALLMENTS

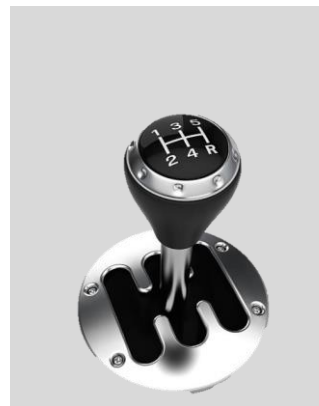
18%



CHANGE

POSSIBILITY TO **CHANGE** THE VEHICLE

17%



DEPOSIT

ABSENCE OF THE INITIAL **DEPOSIT**

16%



SUBLEASE

POSSIBILITY TO **TO SUBLEASE** WHEN THE CAR IS NOT USED

16%



3

...AND WOULD **IMPROVE THE INSTALLMENT** AND THE **QUALITY OF CUSTOMERS TOUCHPOINTS** (APP, CALL CENTER, SELLERS,...)

WHAT WOULD YOU IMPROVE OF LTR?

**CONVENIENCE OF THE
INSTALLMENT**



37%

**QUALITY OF THE LTR
COMPANY APP**



33%

**CONTRACT
TRANSPARENCY**



30%

**CALL CENTER
QUALITY**



28%

24%



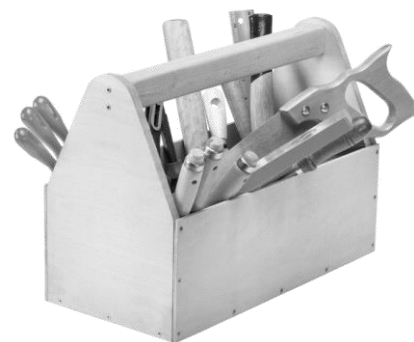
**COURTESY OF THE
SALESMAN**

20%



**ORDINARY SERVICE
ASSISTANCE**

17%



**COMPETENCES OF THE
SALESMAN**

15%

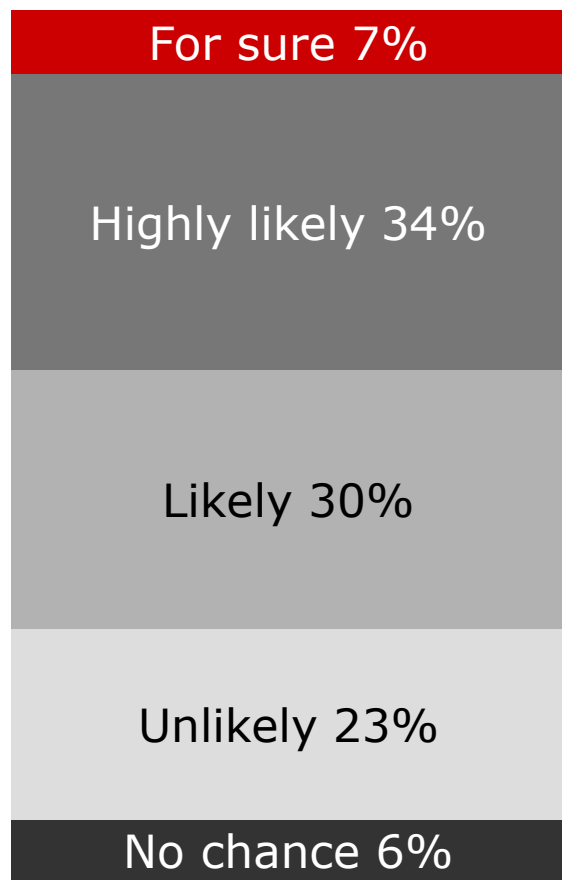


**EXTRAORD. SERVICE
ASSISTANCE**

3

IF THESE CONDITIONS WERE TO BE MET, A CONSISTENT SHARE OF PRIVATES **WOULD CHOOSE TO RENT**

IF THE PREVIOUS REQUISITES WERE TO BE MET, WITH WHICH PROBABILITY WOULD YOU RENT?



40% OF PRIVATES IS ALREADY POSITIVELY ORIENTED TO RENTAL, AND THIS MIGHT REPRESENT THE "LAND OF CONQUEST" FOR THE RENTAL OPERATORS



Which is the profile of a private, who takes into considerations long term rental?



3

THE AVERAGE PROFILE OF THE PRIVATE WHO IS INTERESTED IN RENTAL IS A **YOUNG MALE, WELL EDUCATED AND HIGH INCOME...**

MALE

YOUNGER

+ EDUCATED

WEALTHIER

YES
I KNOW IT
AND I AM
CONSIDERING
IT



52%
Male



41%
18-34
years



44%
Bachelor

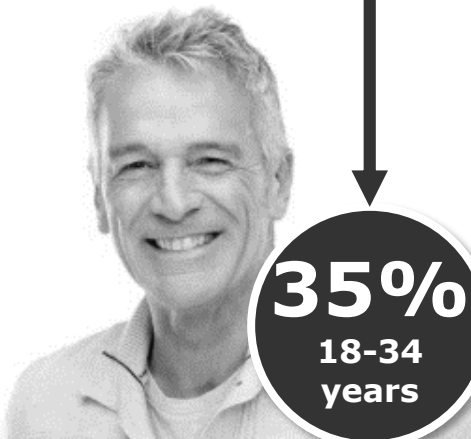


14%
High
Income

No
I'VE NEVER
THOUGHT
ABOUT IT



35%
Male



35%
18-34
years



33%
Bachelor



8%
High
Income

3

...WHO **TRAVELS A LOT FOR WORK**, WITH A **MEDIUM CAR**
POTENTIALLY **GREEN**

+ GREEN

+ WORK

LARGER

MORE OFTEN

YES
I KNOW IT
AND I AM
CONSIDERING
IT



28%
Hybrid



71%
Work
reason

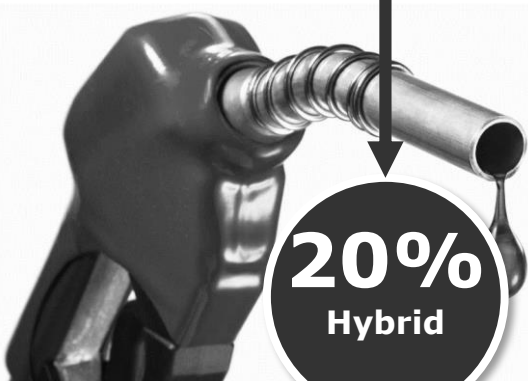


53%
Medium/
Super. car



19.000
km

No
I've never
thought
about it



20%
Hybrid



57%
Work
reason



37%
Medium /
Super. car



15.000
km



THE RENTAL COMPANIES AGENDA

4

FOLLOWING THE USERS FEEDBACK, RENTAL COMPANIES ARE YET ORGANIZING TO WIN **4 KEY CHALLENGES**

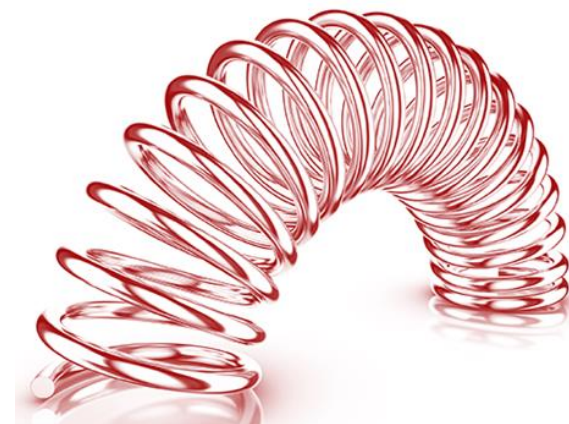
CUSTOMER JOURNEY

THE RENTAL COMPANIES APP, CALL CENTERS SCRIPTS AND WEB SITES ARE **STILL NOT GOOD ENOUGH**



VELOCITY

WITH PRIVATES IT IS NO LONGER A DAYS ISSUES...BUT **JUST FEW HOURS TO CLOSE THE CONTRACT**



TRANSPARENCY

COMPLETENESS OF INFORMATION AND CLAUSES CLARITY ARE NOWADAYS A PREREQUISITE



FLEXIBILITY

CAR SWITCH, EXCHANGE MANAGEMENT AND AD-HOC CLAUSES WILL BE A DISTINCTIVE ELEMENT

4

**BUT TO MEET CUSTOMERS' EXPECTATIONS IT IS NECESSARY TO
PAY ATTENTION TO DIFFERENT RISKS**

RISK ON RESIDUAL VALUES

THE GROWING DEMAND OF ELECTRIC / HYBRID VEHICLES, CONFIGURED BY 'PRIVATES' INCREASES THE RISK ON RESIDUAL VALUES

PURCHASE CONDITIONS

THE ACCESS OF LTR PROVIDERS TO PRIVATE CUSTOMERS WILL CAUSE, SOONER OR LATER, A REACTION FROM THE MANUFACTURERS SIDE

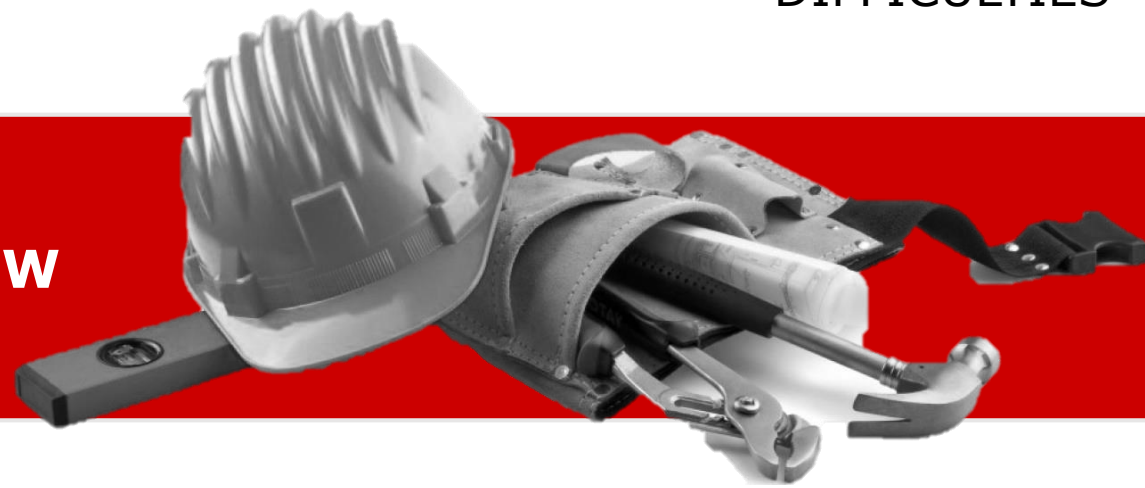
MANUFACTURERS DIRECT SALES

WHAT IF THE MANUFACTURERS STARTS SELLING / RENTING DIRECTLY TO CUSTOMERS?

OPERATING COMPLEXITY

THE INCREASING NUMBER OF CUSTOMERS COULD CAUSE NON NEGLIGIBLE OPERATIONAL DIFFICULTIES

THE COMPETITIVE LANDSCAPE WILL NOT STAY THE SAME AND THE *PAY-PER-USE* OPPORTUNITY WILL BE OF INTEREST OF NEW SUBJECTS, WITH NEW AND DISRUPTIVE BUSINESS MODELS



LONG TERM RENTAL TO PRIVATE CUSTOMERS: THE NEW MOBILITY FRONTIER

1

THE CAR CRISIS HAS CHANGED THE RENTAL OFFERING STRUCTURE

Many small and medium-sized local businesses have emerged and have joined the supply chain. Brokers have developed. The proliferation of these realities has indirectly approached the rental to the public of private individuals. The consumer today has several "proximity" contact points that sell rental.

2

EVEN RENTAL COMPANIES STARTED FOCUSING ON 'SMALL AND MEDIUM'

Greater attention to the SME sector and creation of products designed specifically for private customers. Revaluation, in *outbound* form, of the direct channel and call center, a real point of contact for private customers. Increasing importance of the indirect channel or proximity of channel, to also serve the local private demand.

3

THE MOBILITY DEMAND IS READY TO WELCOME THE NEW OFFERING...OR ALMOST!

Mobility consumers are moving towards forms of use rather than ownership. But the increase in the LTR segment does not go hand in hand with consumers' knowledge of the sector. Many users are still hesitant and poorly prepared; they ask for certainty of costs and transparency, without surprises.

4

RENTAL TO PRIVATES STILL NEED TO PASS....THE FINAL EXAM!

Need to define more transparent offers for a user who pays attention to price and conditions. Opportunity to rethink the points of contact with the customer in a more consumer perspective, starting from websites and Apps. Competitive context in the middle of a strong change that sees new subjects emerging and disruptive business models.

GIANLUCA DI LORETO, PARTNER BAIN & COMPANY AUTOMOTIVE PRACTICE



Gianluca has been working in the business of strategy consulting for multinational companies as Manufacturers and Rental Companies for more than 17 years, with projects that span from **strategy** to **innovation** and **organizational changes**. He has been involved in transformational programs with main focus in Italy and Europe (France, Spain, Germany). He authored the study "**Smart Mobility and the Italians**", which is being updated every 3 years to monitor the way in which Italian commuters interpret the new mobility; furthermore he has been author of several studies on *sharing mobility*, from *car sharing* to rental

FOR FURTHER QUESTIONS
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