

The challenges of used car management

(Kullanılmış araç yönetimindeki zorluklar)

How to improve your network profits
(Bayi ağınızın karlılığını nasıl geliştirebilirsiniz?)

Andy Shields
Global Business Unit Director
Indicata

Key Themes (Ana Başlıklar)

Stock and Price Management (Stok ve Fiyat Yönetimi)

- Who are we?
- Market challenges – the turbulent market we live in
- Measuring network used car performance?
- How do you improve – and what is it worth?



Who are we? (Biz Kimiz?)

Autorola Group



>750 people worldwide



Founded in 1996.
1st online auction in 2001



c1 million vehicles
auctioned online each year



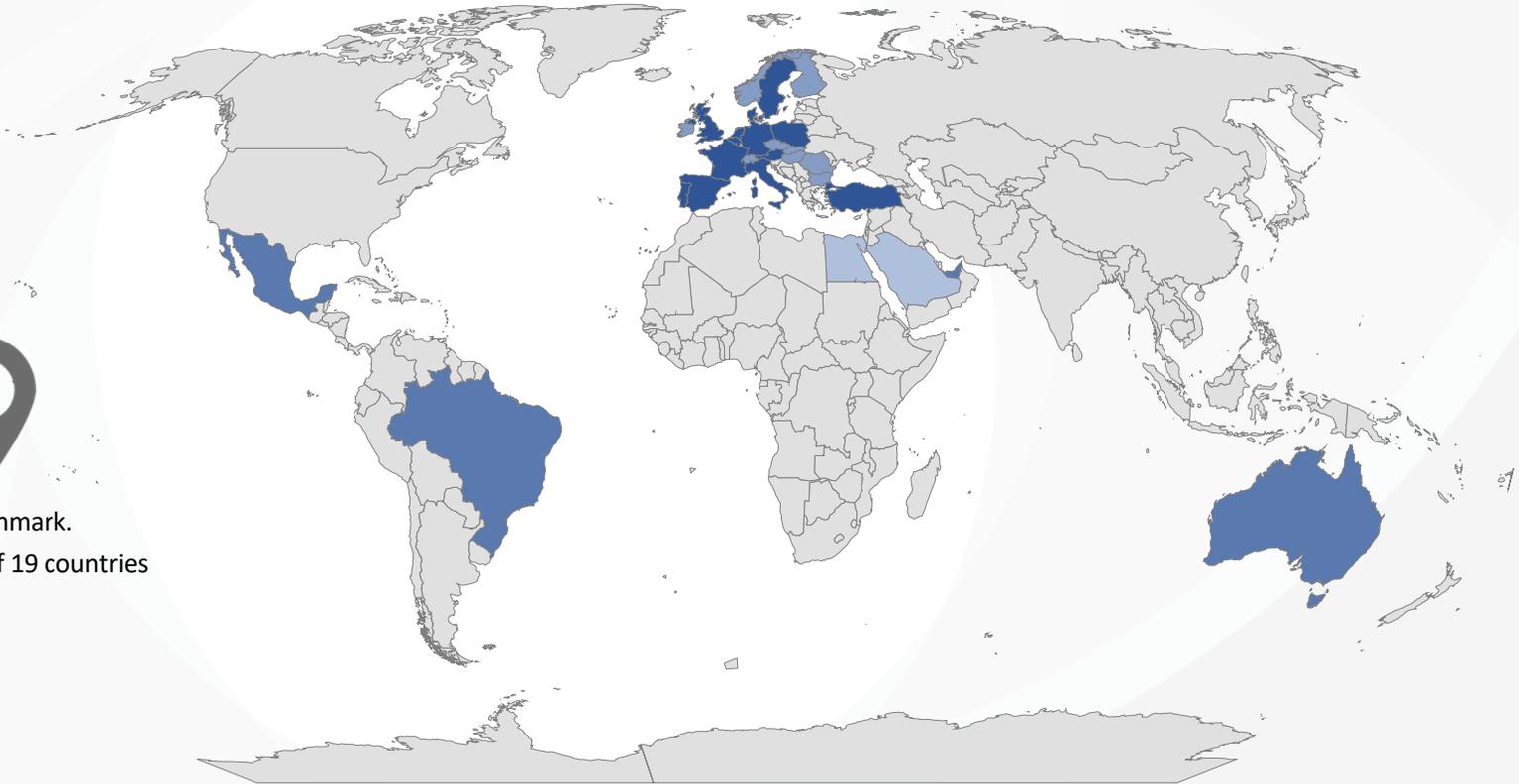
HQ in Denmark.
Operating out of 19 countries



Over 6,000 users of Indicata
data every day

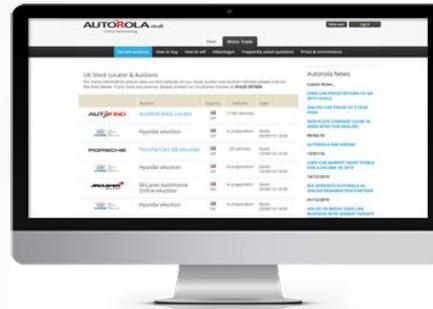


50,000 Customers in over 40
different countries



Our business units (Küresel İş Birimlerimiz)

AUTOROLA Group is divided into three global business units (AUTOROLA Grubu üç küresel iş biriminden oluşmaktadır)



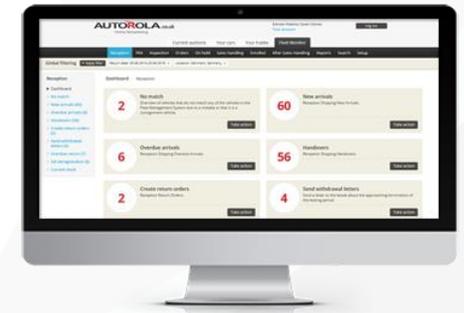
MARKETPLACE

Wide range of online auctions for European & global vehicle vendors.



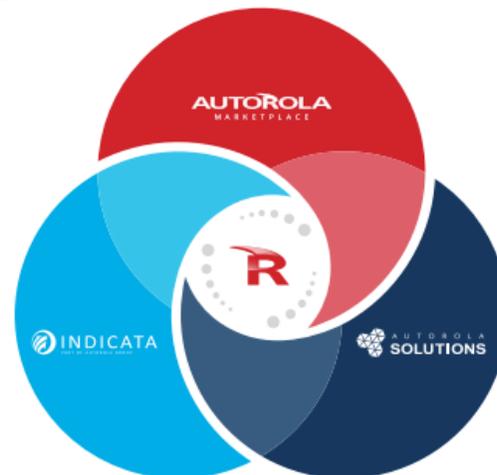
INDICATA

The next generation of business intelligence & market insights software.



SOLUTIONS

Customized solutions to fleet owners.



Our customer base (İş Ortaklarımız)

Partners at each layer of the industry (Her sektörden iş ortaklarımız)



VOLKSWAGEN



ŠKODA

Van Mossel



RCI Banque
groupe RENAULT



BBVA



Zeeuw & Zeeuw



TOYOTA



MAZDA



VOLVO

HYUNDAI
GLOVIS



Auto Brenner



FORD OTOSAN

Fratelli Giacomel



Our customer base (İş Ortaklarımız)

Partners at each layer of the industry (Her sektörden iş ortaklarımız)



- Europe's 2nd largest dealer group
 - Pricing and stock management to 102 outlets
 - Bespoke pricing strategies to optimise turn and profit
 - Four-person "Customer Success Team" work with management to improve branch performance



- BMW / BMW Financial Services / Alphabet
 - All Pan European remarketing
 - Cross border pricing and market attractiveness
 - Identification of optimum price, channel and country to sell in

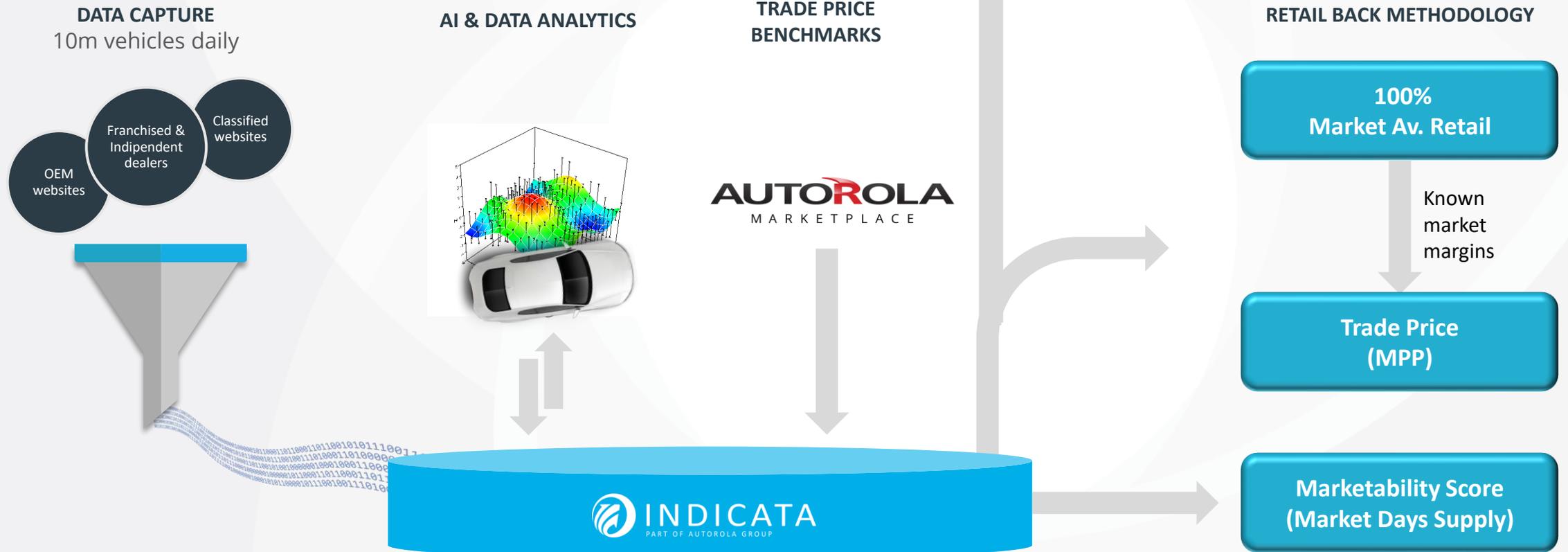


- Pan European Network tracking
 - Do their used car programmes actually work?
 - Do they increase residual values?
 - Do their dealers compete with independents?



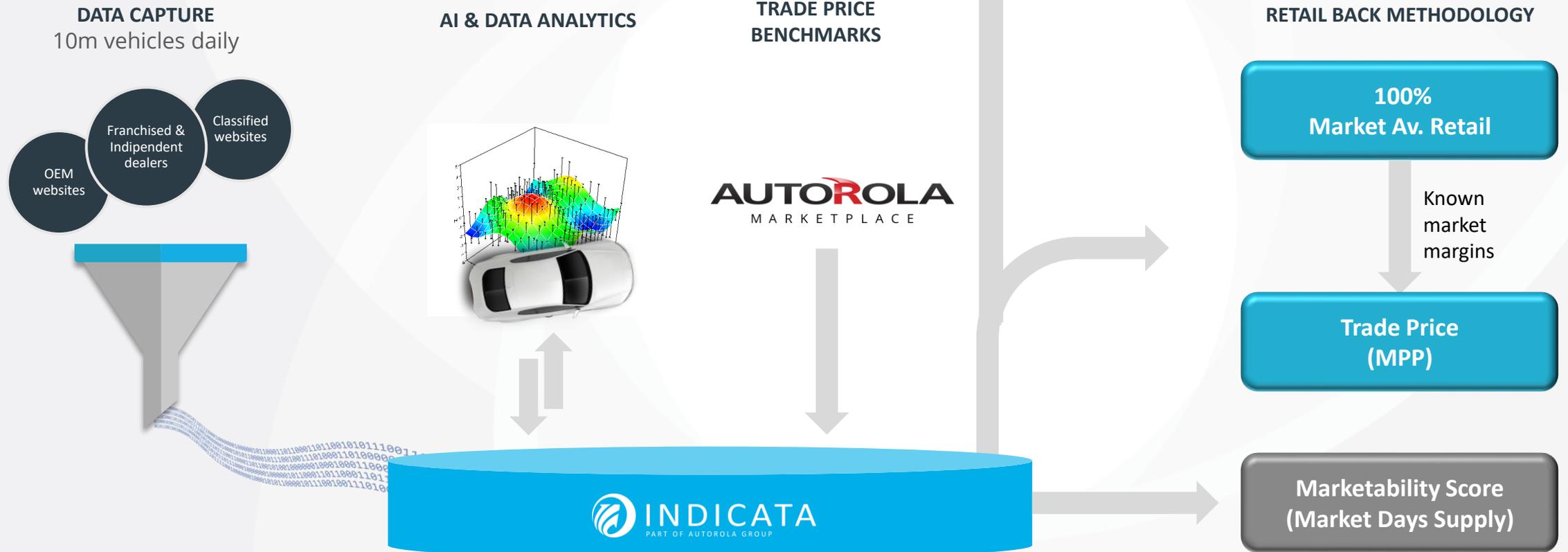
Pricing and Market Analysis (Fiyatlandırma ve Pazar Analizi)

Industry leading methodology (Sektör Lideri Metodoloji)

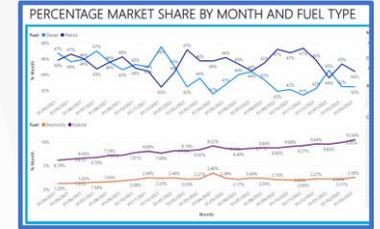


Pricing and Market Analysis (Fiyatlandırma ve Pazar Analizi)

Industry leading methodology (Sektör Lideri Metodoloji)



MARKET ANALYTICS



What is Market Days' Supply (Pazar Satış Hızı Nedir?)

Measuring a vehicle propensity to sell (for a better price)

(Bir aracın daha iyi bir fiyata satılma eğiliminin ölçülmesi)



VS.



=

30
MDS

How many cars in the market (12)

How many sold in last 30 days (12)



What is Market Days' Supply (Pazar Satış Hızı Nedir?)

Measuring a vehicle propensity to sell (for a better price)

(Bir aracın daha iyi bir fiyata satılma eğiliminin ölçülmesi)



How many cars in the market (12)

VS.



How many sold in last 30 days (12)

=

60
MDS



What is Market Days' Supply (Pazar Satış Hızı Nedir?)

Measuring a vehicle propensity to sell (for a better price)

(Bir aracın daha iyi bir fiyata satılma eğiliminin ölçülmesi)



How many cars in the market (12)

VS.



How many sold in last 30 days (12)

=

120
MDS



What is Market Days' Supply (Pazar Satış Hızı Nedir?)

Measuring a vehicle propensity to sell (for a better price)

(Bir aracın daha iyi bir fiyata satılma eğiliminin ölçülmesi)



SLOW MOVING STOCK

Market saturated

Price achievement could be difficult

AVERAGE STOCK

Market can absorb some stock - but should not be over-forced

FAST MOVING STOCK

Market can absorb stock

Average Market Price could be exceeded



Why is MDS important?

(Pazar Satış Hızı neden önemli?)

Let's look at some market price trends to show why

(Nedenini göstermek için bazı pazar fiyat eğilimlerini inceleyelim)



Retail price (weighted avg.) (index 100 = 01JAN) (Ortalama Perakende Fiyat (100 indeks))

GERMANY

Fuel ● Diesel ● Petrol



Country

Germany

Make

All

Model

All

Fuel

Multiple selections

Segment

All

Year 2020

2021

2022

2023

2024

Latest data update

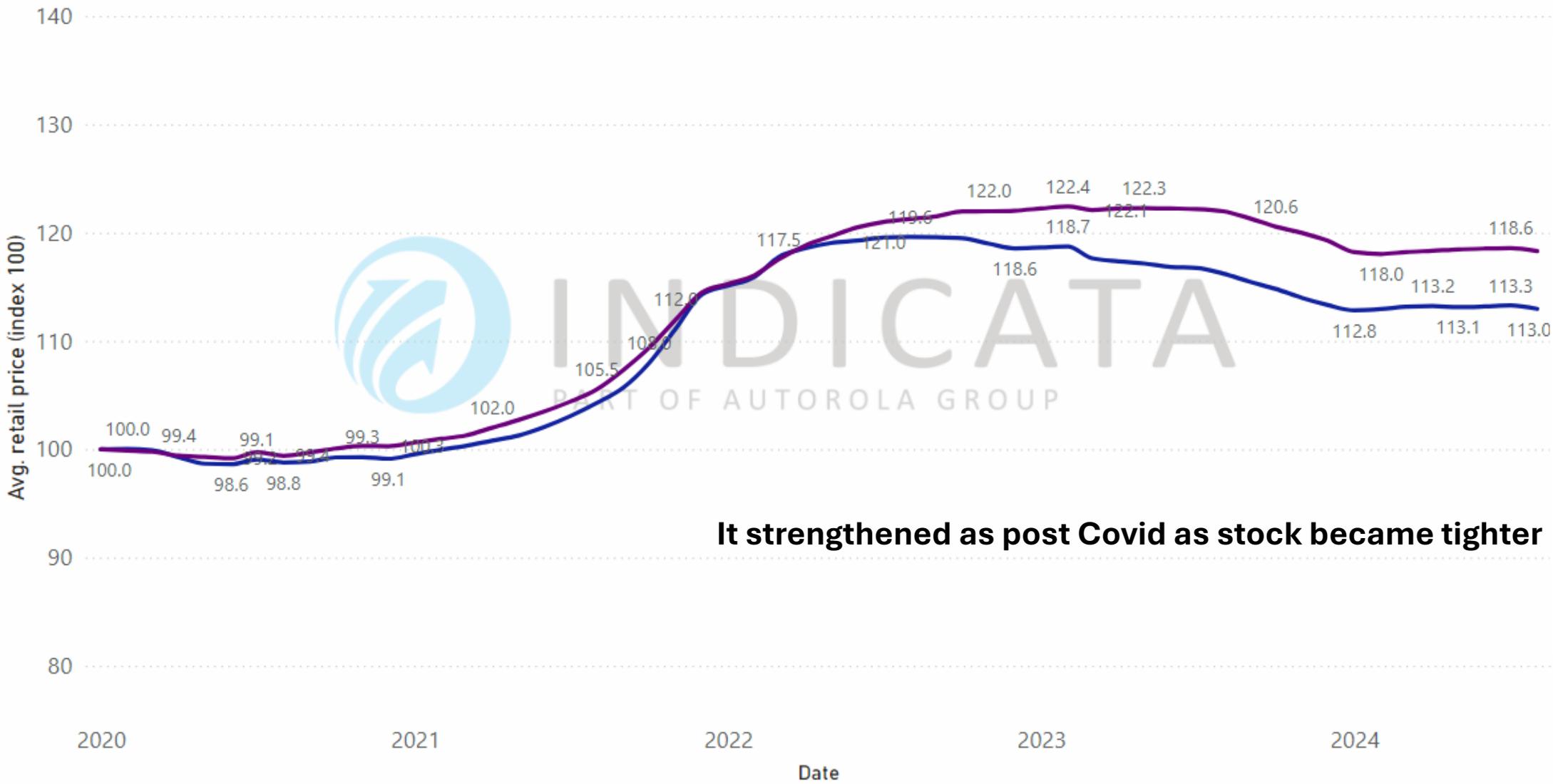
01/08/2024



Retail price (weighted avg.) (index 100 = 01JAN) (Ortalama Perakende Fiyat (100 indeks))

GERMANY

Fuel ● Diesel ● Petrol



It strengthened as post Covid as stock became tighter

Latest data update
01/08/2024

Country: Germany

Make: All

Model: All

Fuel: Multiple selections

Segment: All

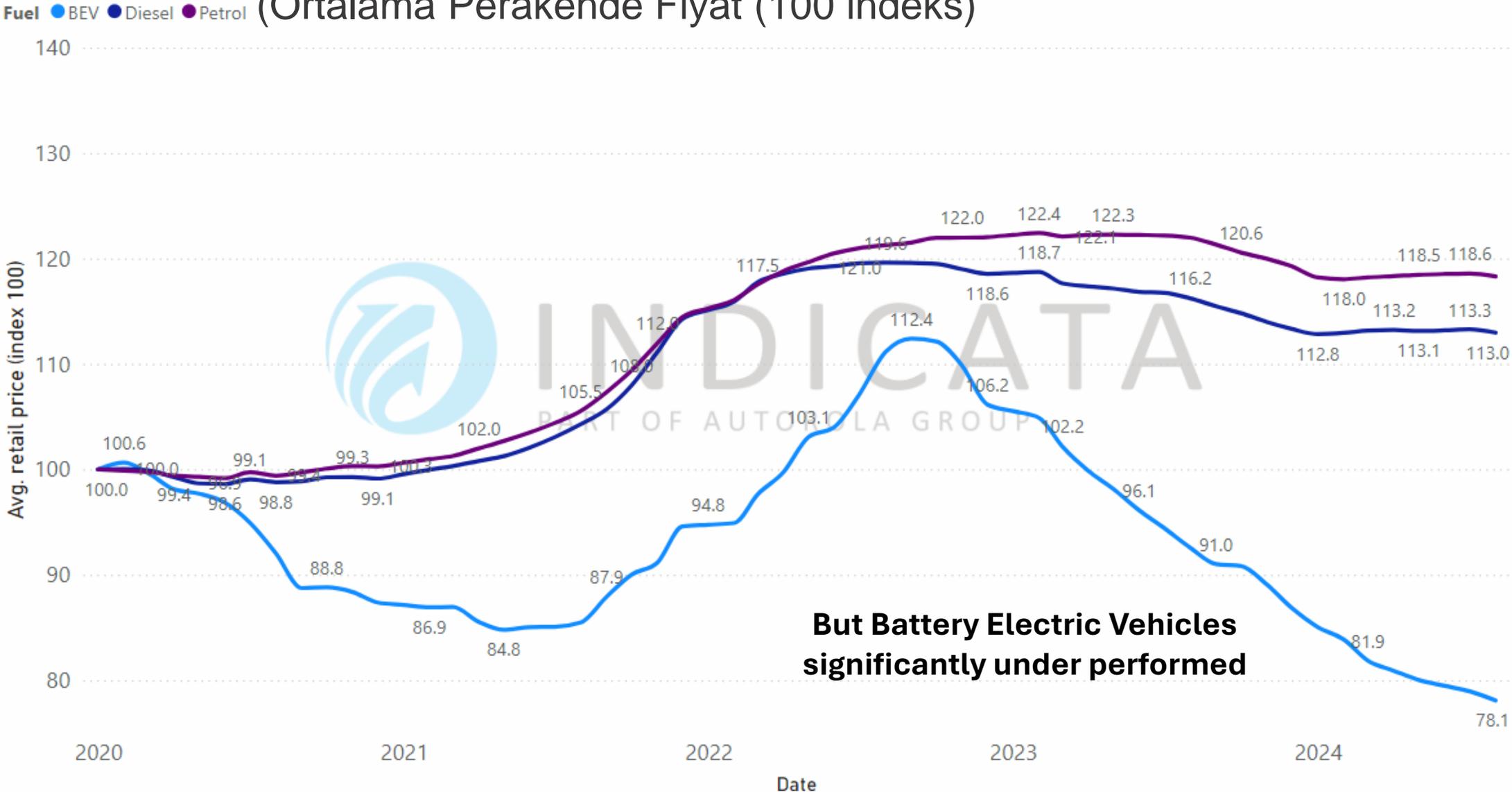
LCD: 3

Year: 2024



Retail price (weighted avg.) (index 100 = 01JAN) (Ortalama Perakende Fiyat (100 indeks))

GERMANY



But Battery Electric Vehicles significantly under performed

Latest data update
01/08/2024

Country: Germany

Make: All

Model: All

Fuel: Multiple selections

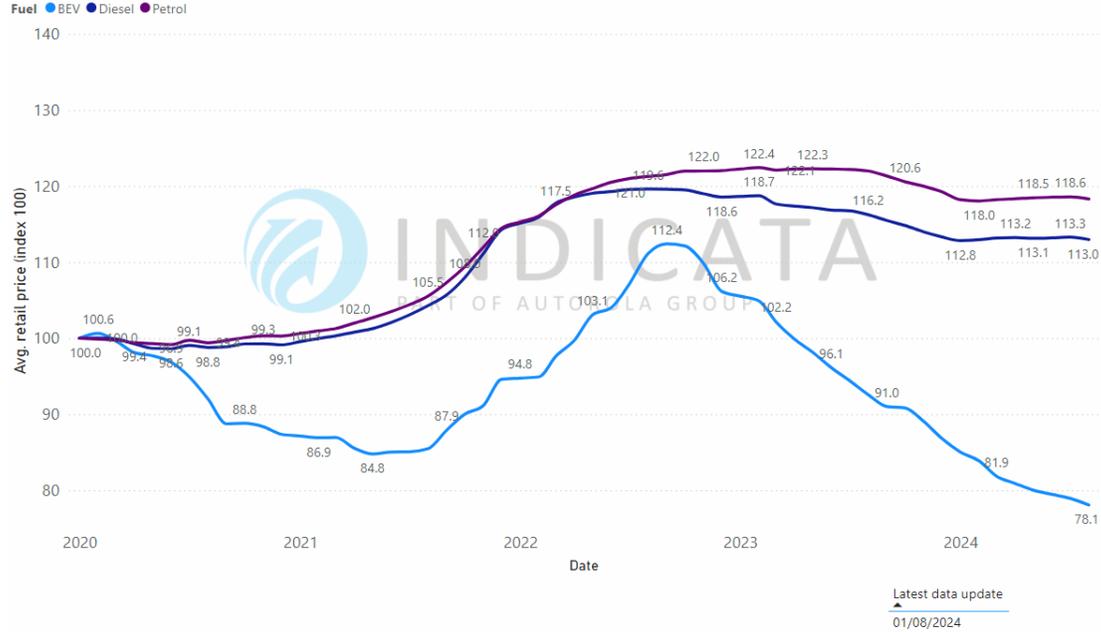
- Select all
- BEV
- Diesel
- HEV/MHEV
- Other
- Petrol
- PHEV

Year: 2020, 2021, 2022, 2023, 2024



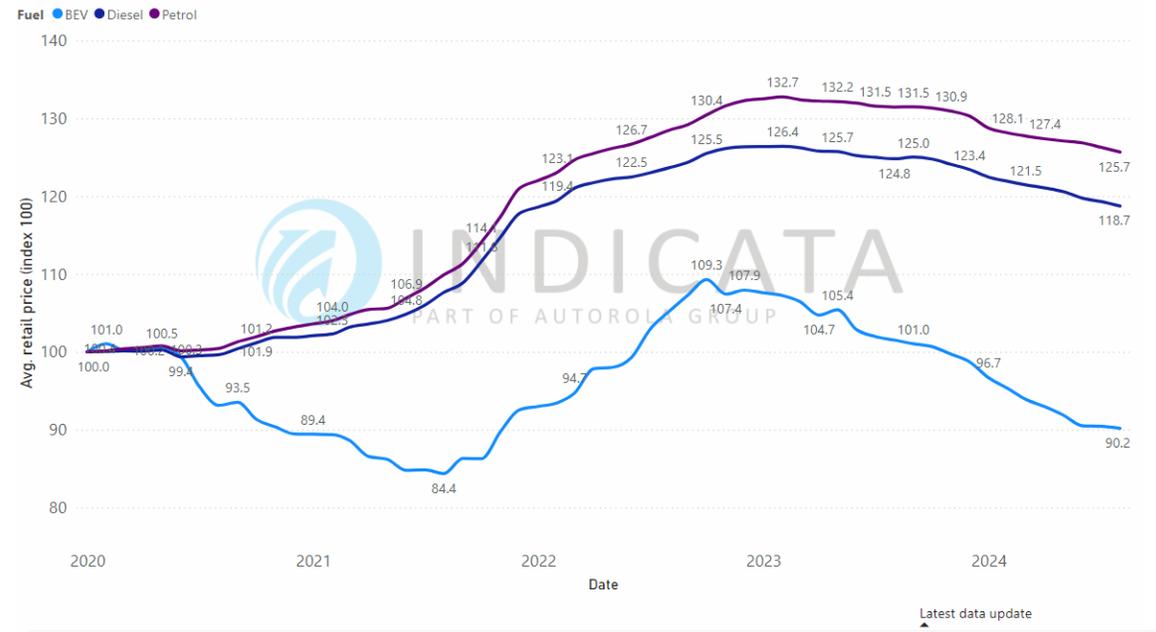
Retail price (weighted avg.) (index 100 = 01JAN)

GERMANY



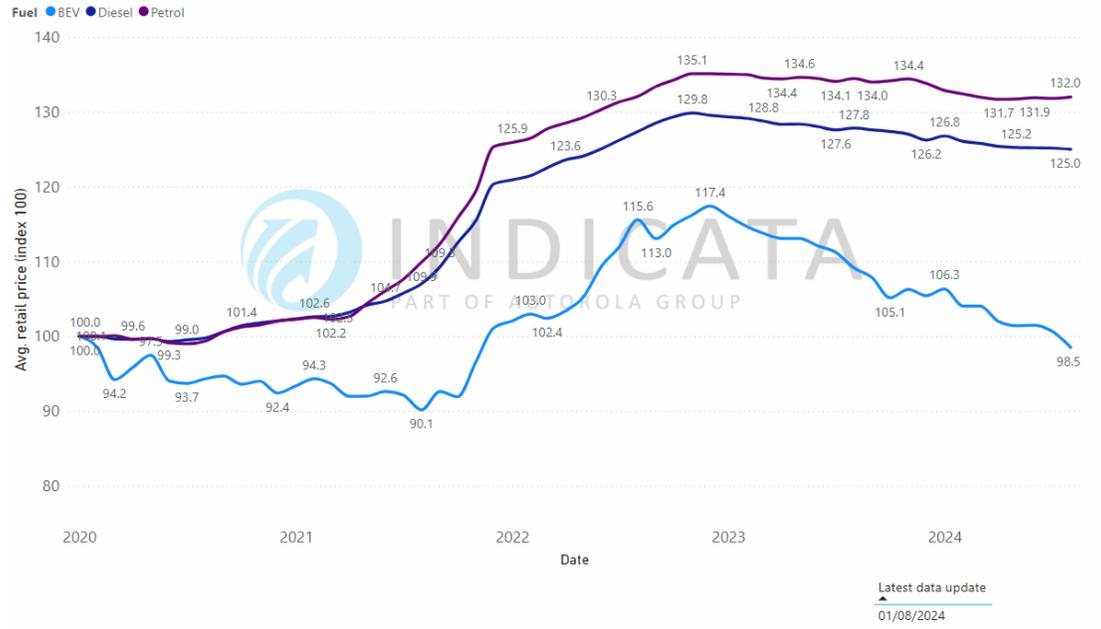
Retail price (weighted avg.) (index 100 = 01JAN)

ITALY



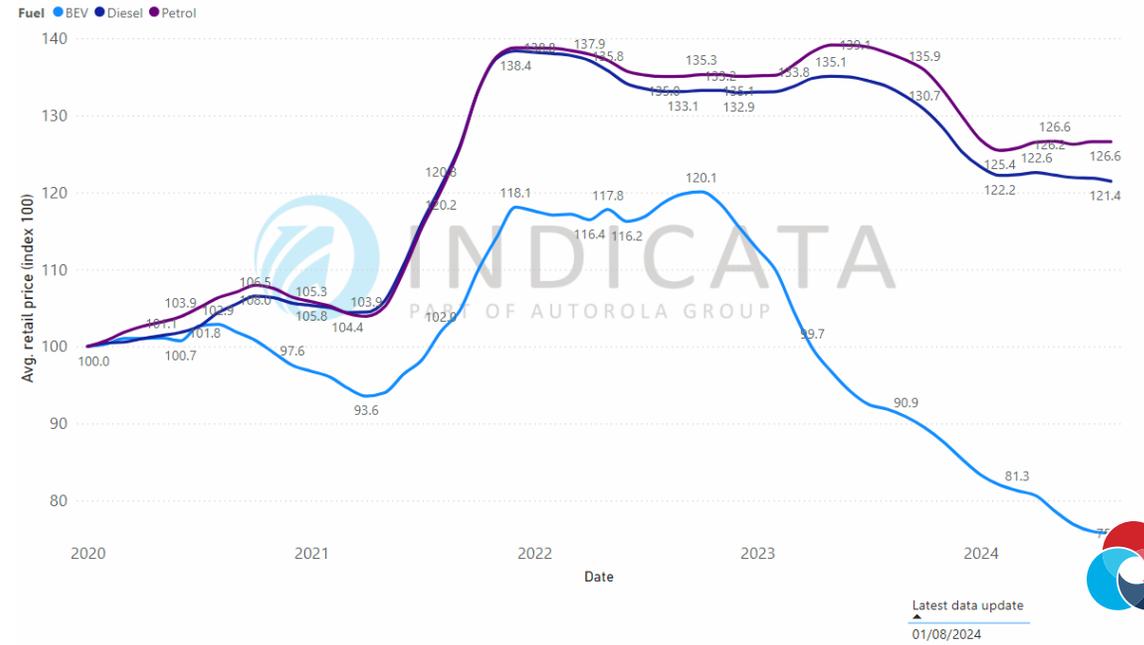
Retail price (weighted avg.) (index 100 = 01JAN)

SPAIN



Retail price (weighted avg.) (index 100 = 01JAN)

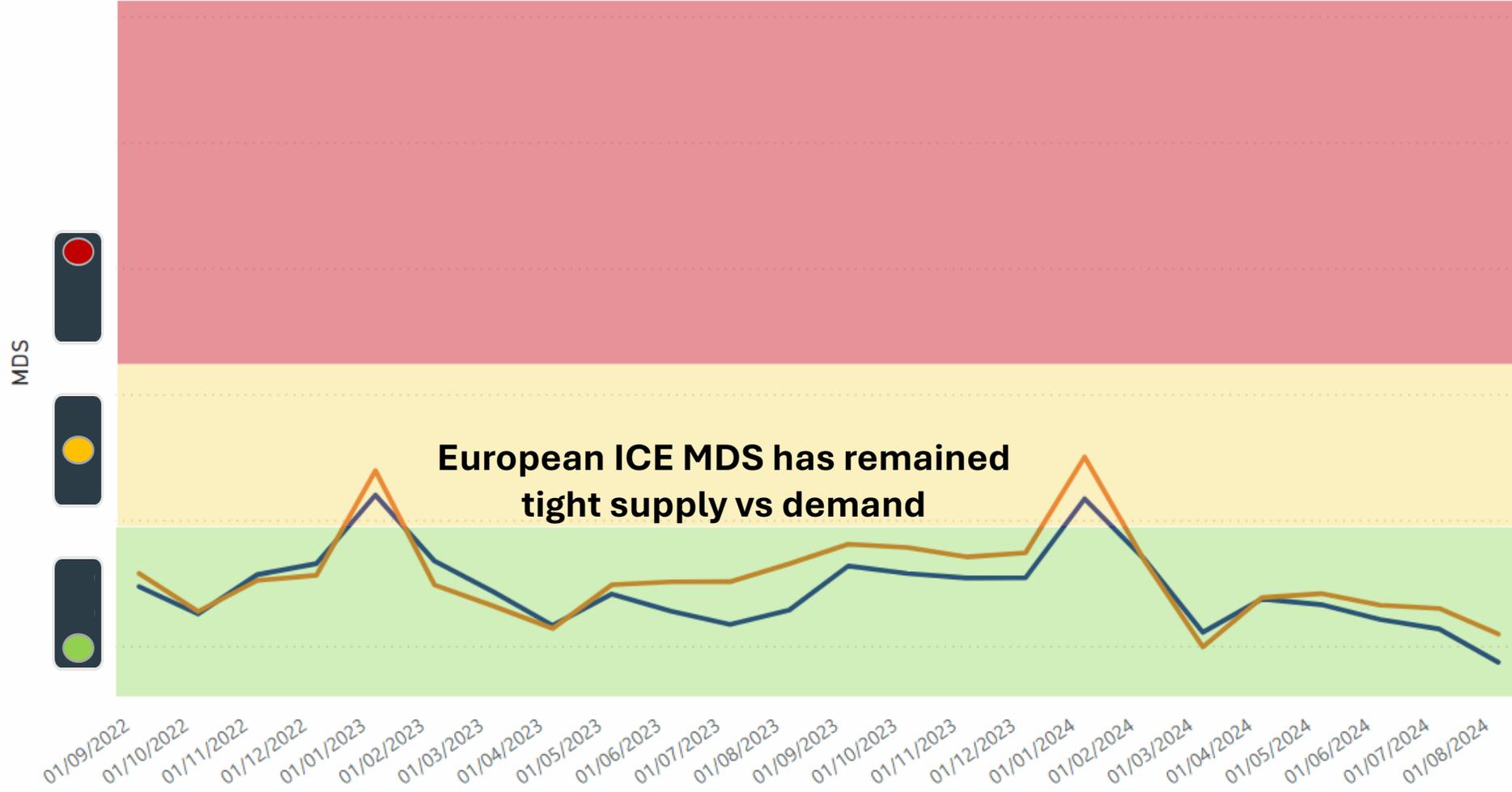
UNITED KINGDOM



MDS by Fuel Type (Pazar Satış Hızı / Yakıt Tipi)



Fuel ● Diesel ● Petrol



Make

Model

Category

Transmission

Age Group

- 2 Years or Less
- 3-4 Years
- 5+ Years

Body

- Cabriolet
- Coupe
- Estate
- Hatchback
- MPV
- Panel Van
- Saloon
- SUV

Country

- AT
- BE
- BR
- CH
- DE
- DK
- FI
- FR
- GB
- IE
- IT
- NL
- NO

Fuel

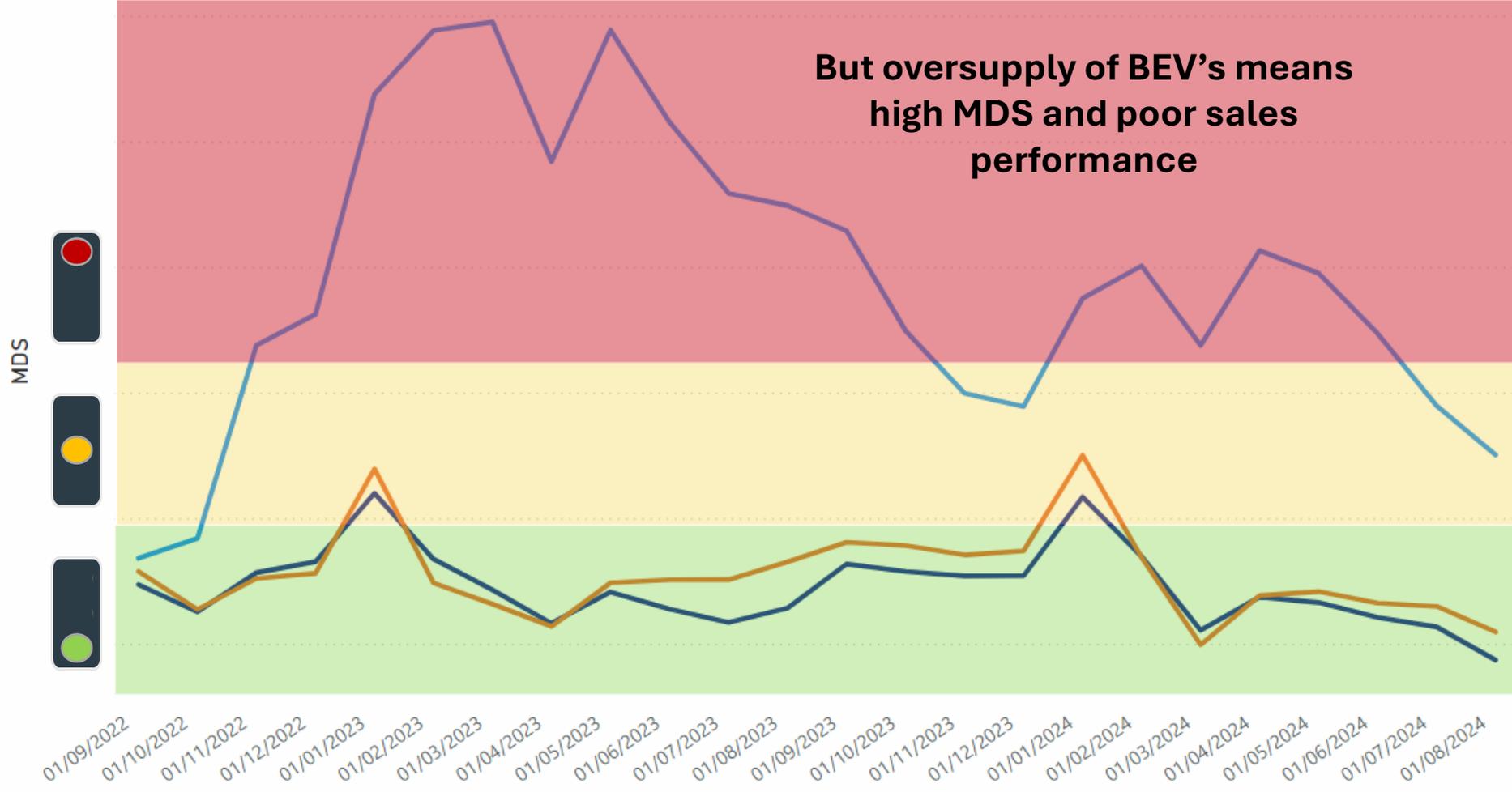
- BEV
- Diesel
- HEV/MHEV
- Other
- Petrol
- PHEV



MDS by Fuel Type (Pazar Satış Hızı / Yakıt Tipi)



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- IT
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Model

Transmission

Body

- Cabriolet
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- Hatchback
- MPV
- Panel Van
- Saloon
- SUV

Fuel

- BEV
- Diesel
- HEV/MHEV
- Other
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- PHEV



Why are used BEV's so poorly performing in Europe?

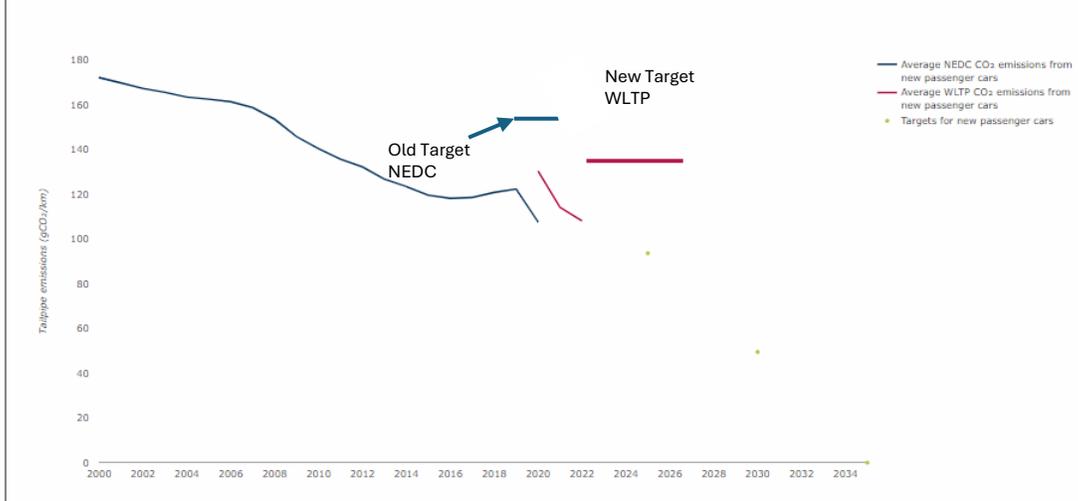
(Kullanılmış Elektrikli Araçların Avrupa'daki Performansı Neden Düşük?)

Oversupply through Government interference....ahead of real consumer demand

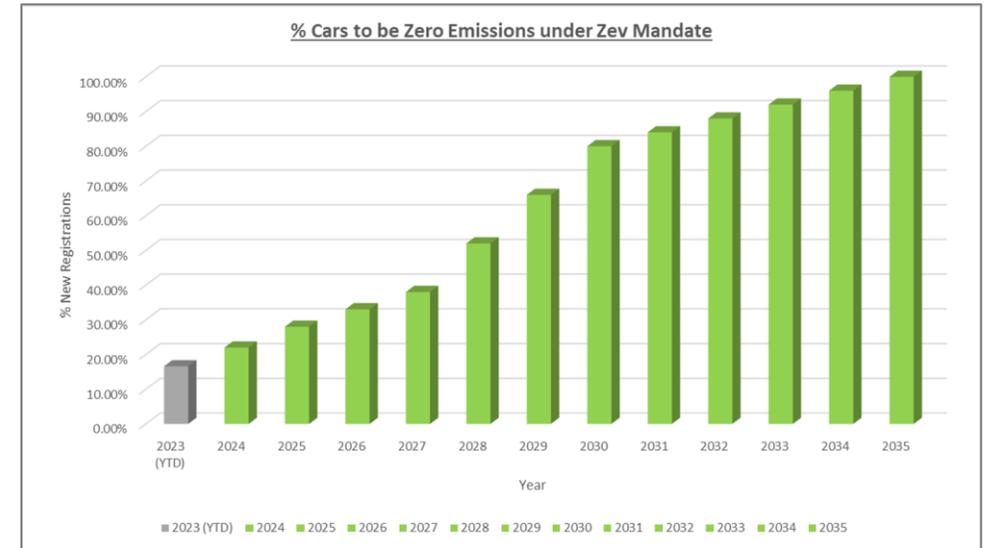
(Hükümet müdahalesiyle oluşan aşırı arz... gerçek tüketici talebinin önünde)

European Legislation (CAFE)

Figure 1. Average CO₂ emissions from new passenger cars and future targets



UK Legislation (ZEV Mandate)



Carmakers facing €15bn in fines over 2025 emissions targets, warns Renault CEO

UK OEMs are targeted with 22% share of BEV's but achieve only 17% despite heavy discounting and incentives.

£15,000 fine (£680,000) for ever car over target

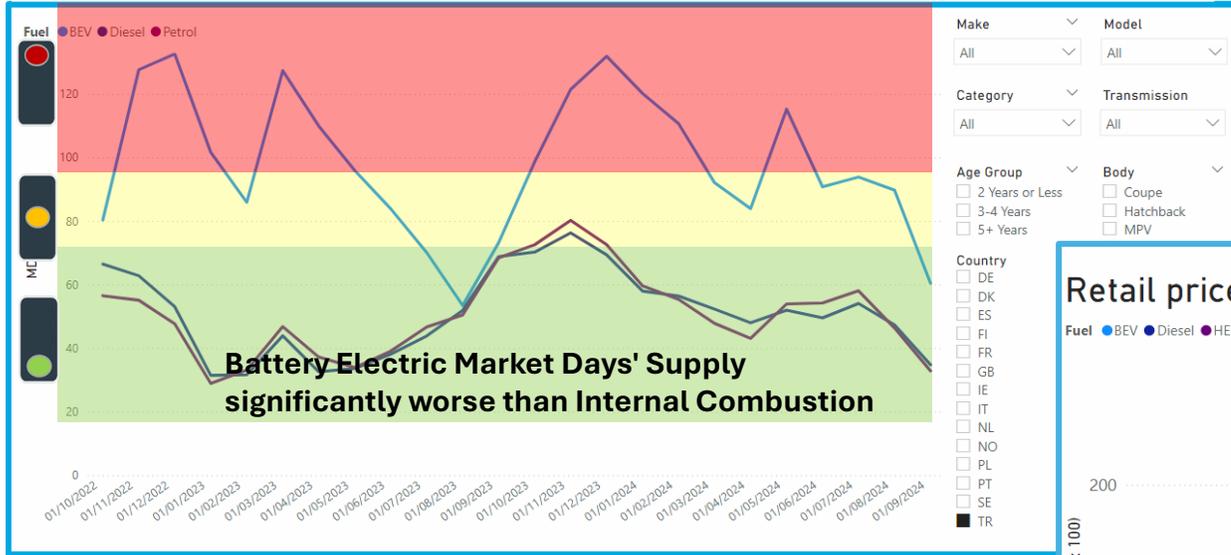
“[We] no longer have a car market – we have a government controlled supply chain..... that is out of control”



In Türkiye we see the same differential between ICE and BEV (Türkiye’de geleneksel içten yanmalı motor ve elektrikli araç farkı)

With the same difference in price performance (Aynı fiyat performans farkı)

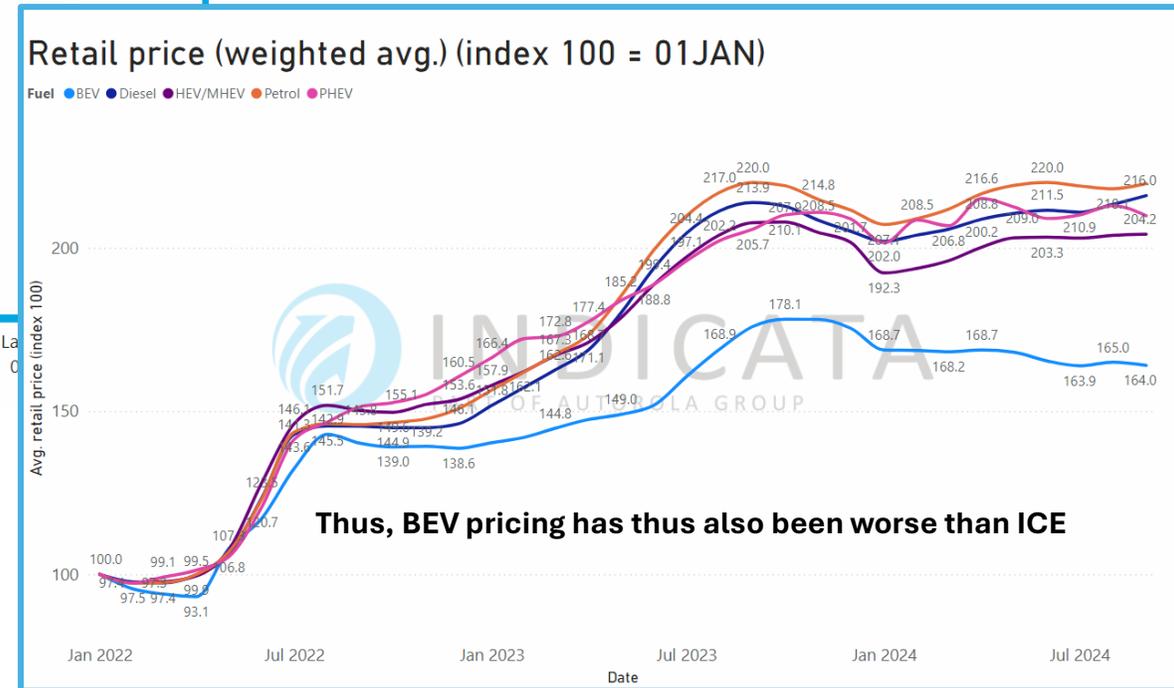
MDS by Fuel Type



MDS = Market Days Supply
Indicata's Measure of marketability - Lower is better

Used car hyper-inflation has protected used car operators

These days are ending...so operators must adapt or die



Interim Summary (Ara Özet)

Oversupply and Market Turbulence (Arzın fazla olması & pazar türbülansı)

- Supply vs Demand is the key driver of price (and success) in the used car market.
- The European Used car market is being hit by waves of interference that is making pricing unstable
- But this is nothing new for Europe (or indeed Türkiye)
 - Pressure areas are different – but the turbulence outcome is the same
- However, Türkiye's hyper-inflation has protected many players
- The key for an OEM and for a dealer is to have the right strategies to cope in the new markets



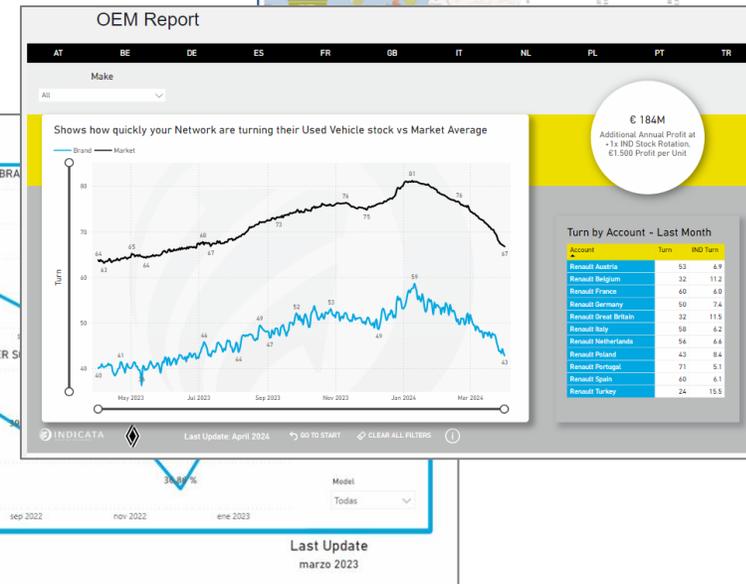
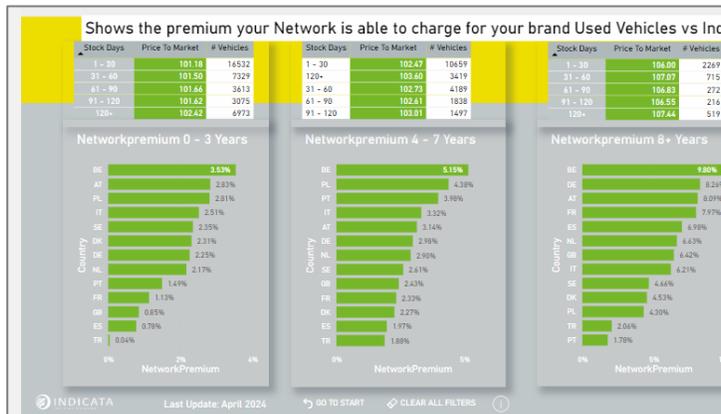
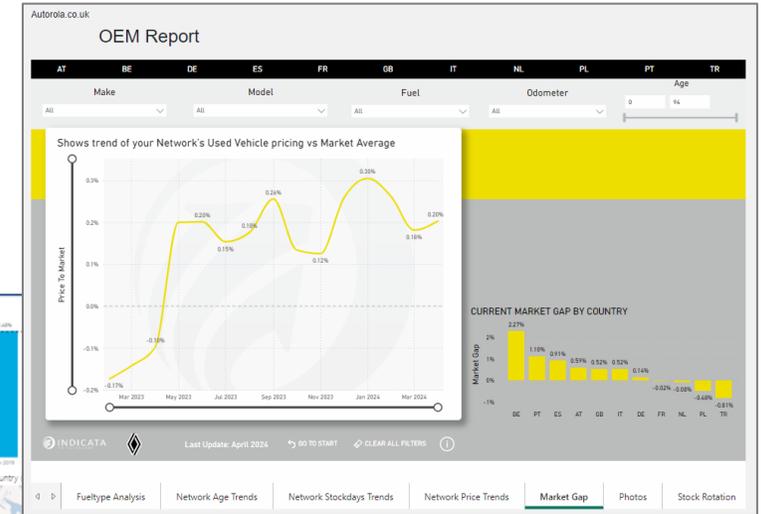
Good used car performance = good new car performance (İyi kullanılmış araç performansı = iyi yeni araç performansı)

But does your network really perform?
(Peki bayi ağınız gerçekten performans gösteriyor mu?)

Do your dealers charge a premium vs independent dealers – helping your Residual Values?

Who sells more of your brand's used cars – your dealers or independents?

Do your dealers have the skills to sell used cars effectively?



When assessing a dealer or OEM – we start with a health check

Bir bayi veya distribütörü değerlendirirken – bir sağlık kontrolüyle başlıyoruz

Details key performance of the operation (Operasyonun temel performans detayları)

Overview of Türkiye's OEM dealer networks

SUMMARY TABLE

Sales by MDS			
MDS Group	Vehicles	First Price	Sales Price
No MDS	58	109.5	107.6
<20	304	99.6	98.2
20 - 30	1968	98.6	97.6
30 - 40	3359	98.1	97.1
40 - 50	2925	98.3	97.4
50 - 60	1716	98.5	97.4
60 - 70	979	98.3	97.4
70+	1655	97.7	96.7
Total	12964	98.3	97.3

Stock by MDS			
MDS Group	Vehicles	First Price	Stock Price
No MDS	514	101.0	100.9
<20	223	100.5	101.2
20 - 30	1646	100.9	99.9
30 - 40	3131	100.5	100.0
40 - 50	3042	100.9	100.2
50 - 60	1837	99.4	100.1
60 - 70	1218	101.6	100.5
70+	2764	100.9	99.9
Total	14375	100.7	100.1

Stock by Make	
Make	Stock
Renault	2406
Fiat	1633
Opel	1175
VW	1156
Ford	1095
Peugeot	782
Citroën	720
Hyundai	575
Toyota	523
Dacia	463
Mercedes-Benz	463
Nissan	385
Škoda	376
Audi	332
BMW	315
Volvo	304
Kia	301
Honda	275
Seat	167
Jeep	96
Chery	77
Alfa Romeo	69
DS Automobiles	69
Total	14375

Turn by MDS			
MDS Group	Count Sold	Count Stock	Turn
No MDS	58	514	1.4
<20	304	223	16.4
20 - 30	1968	1646	14.3
30 - 40	3359	3131	12.9
40 - 50	2925	3042	11.5
50 - 60	1716	1837	11.2
60 - 70	979	1218	9.6
70+	1655	2764	7.2
Total	12964	14375	10.8

Stock by Age			
Stockdays	Vehicles	Stock Price	MDS
<=30	5279	99.1	58
31-60	2129	100.1	57
61-90	2369	100.8	57
91-120	1381	100.7	60
120+	3217	101.1	62
Total	14375	100.1	59

Last Update	
Make	Stock
Renault	2406
Fiat	1633
Opel	1175
VW	1156
Ford	1095
Peugeot	782
Citroën	720
Hyundai	575
Toyota	523
Dacia	463
Mercedes-Benz	463
Nissan	385
Škoda	376
Audi	332
BMW	315
Volvo	304
Kia	301
Honda	275
Seat	167
Jeep	96
Chery	77
Alfa Romeo	69
DS Automobiles	69
Total	14375

Subscription Account	
Subscription Account	Multiple selections
Multiple selections	Multiple selections

Seller	
Seller	All
All	All

Reg. Year	
Reg. Year	All
All	All

Odometer Band	
Odometer Band	All
All	All

Month	
Month	July 2024
July 2024	July 2024

► Türkiye's franchise dealers = 9% of used market (UK franchise dealers = 28% of used market)

► On average OEM branded dealers only price 0.1% more than non-franchised dealers

► Best performing were

- 3 Japanese brands (1.2% - 1.7% above market)

► Worst performing were

- German premium brand (3.0% below market)
- French volume brand (2.1% below market)

► All networks failed at key price and stock strategies

- Lost opportunity = £3.5Bn (Minimum)

Opportunities through Market Days' Supply (Pazar Satış Hızı ile fırsatlar)

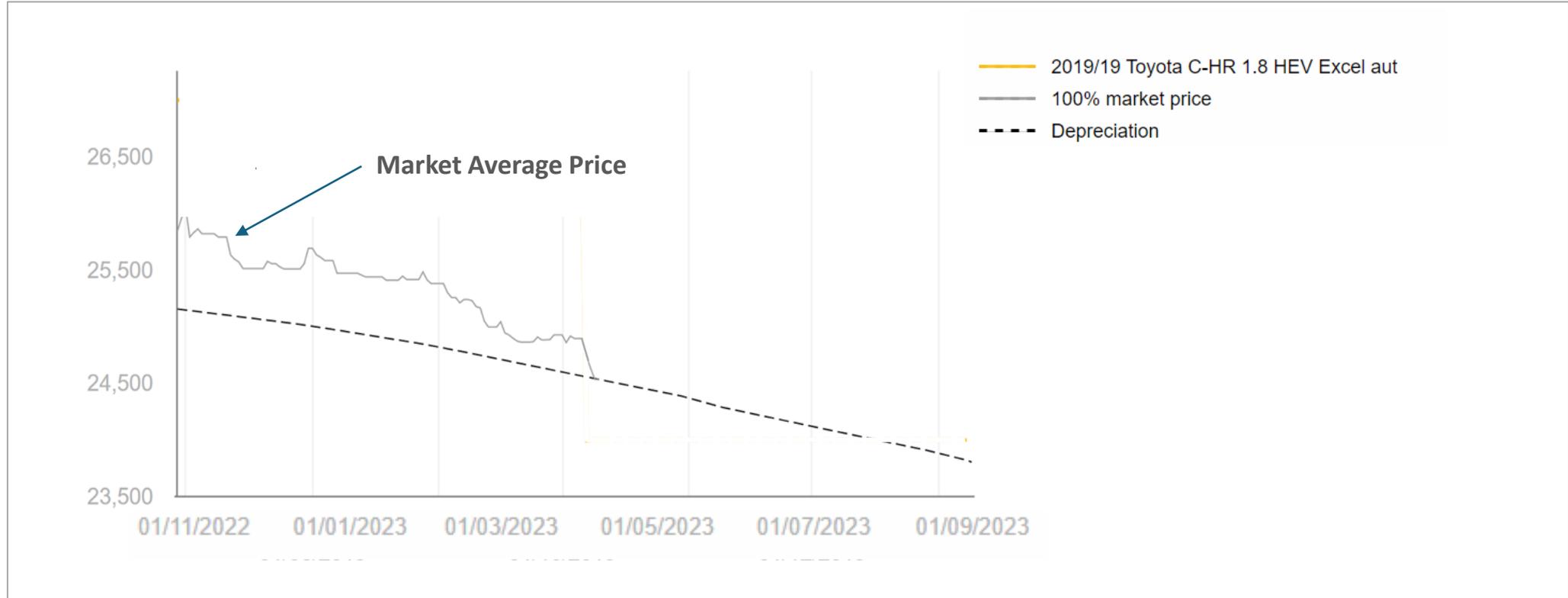
With retail pricing strategies, MDS is a key to unlocking better performance

(Perakende fiyatlandırma stratejileriyle pazar satış hızı, daha iyi performansın anahtarıdır)



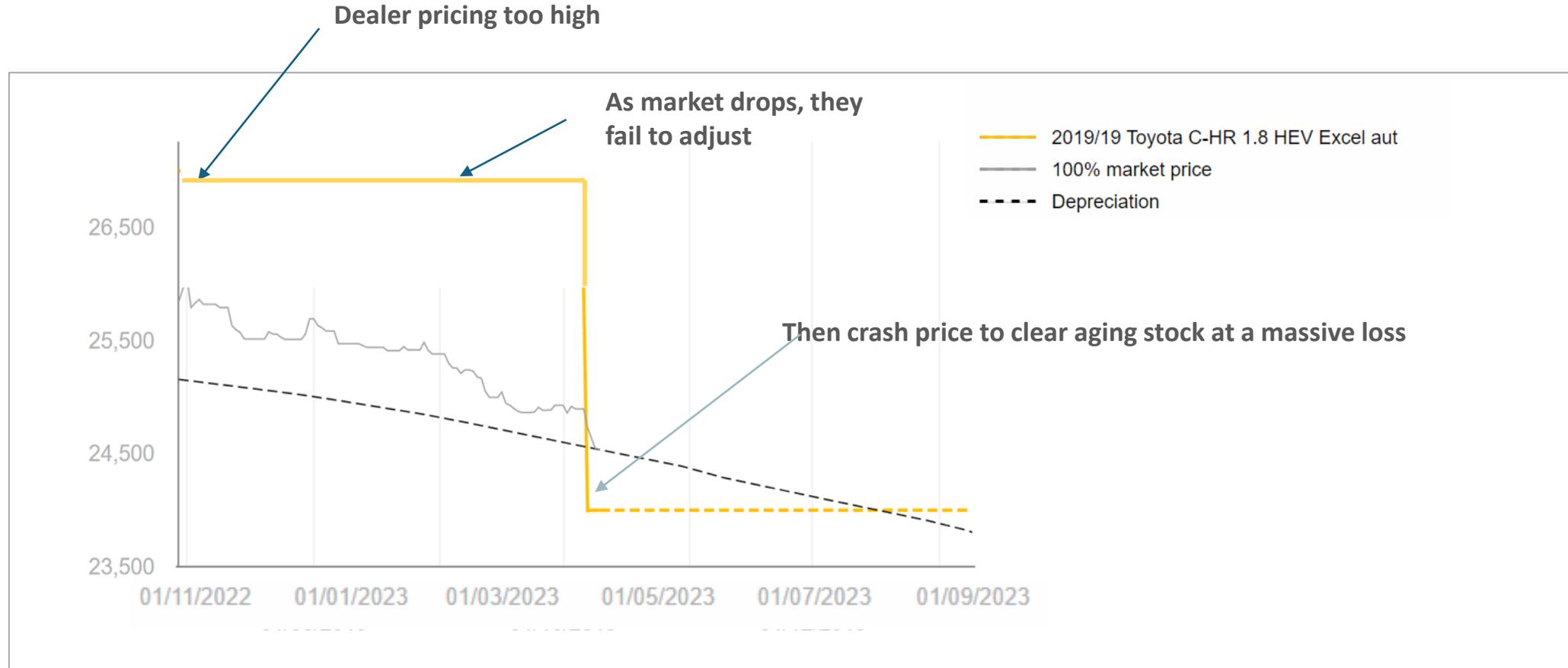
Pricing Strategies (Fiyatlandırma Stratejileri)

Dynamic Velocity Pricing (Dinamik Fiyatlandırma)



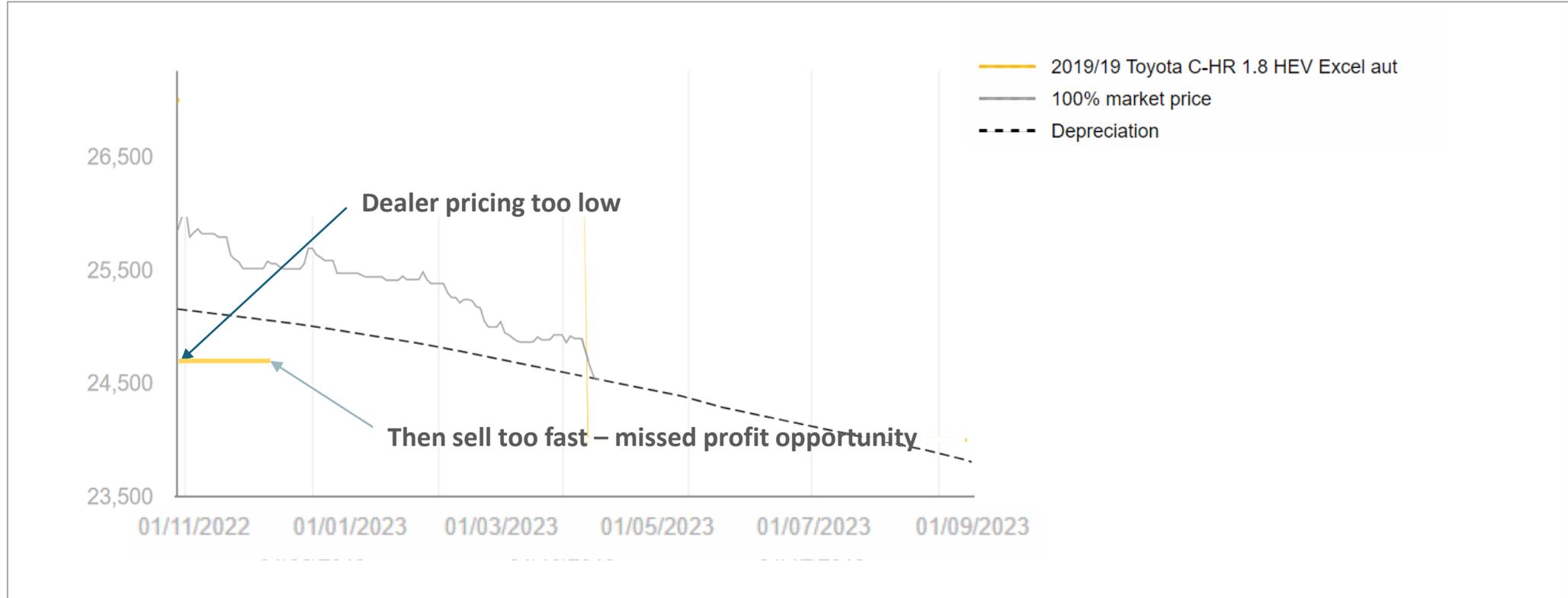
Pricing Strategies (Fiyatlandırma Stratejileri)

Mistake One (a) – Initial pricing too high (Birinci Hata (a) – İlk fiyatlandırma çok yüksek)



Pricing Strategies (Fiyatlandırma Stratejileri)

Mistake One (b) – Initial pricing too low (Birinci Hata (b) – İlk fiyatlandırma çok düşük)



Pricing Strategies (Fiyatlandırma Stratejileri)

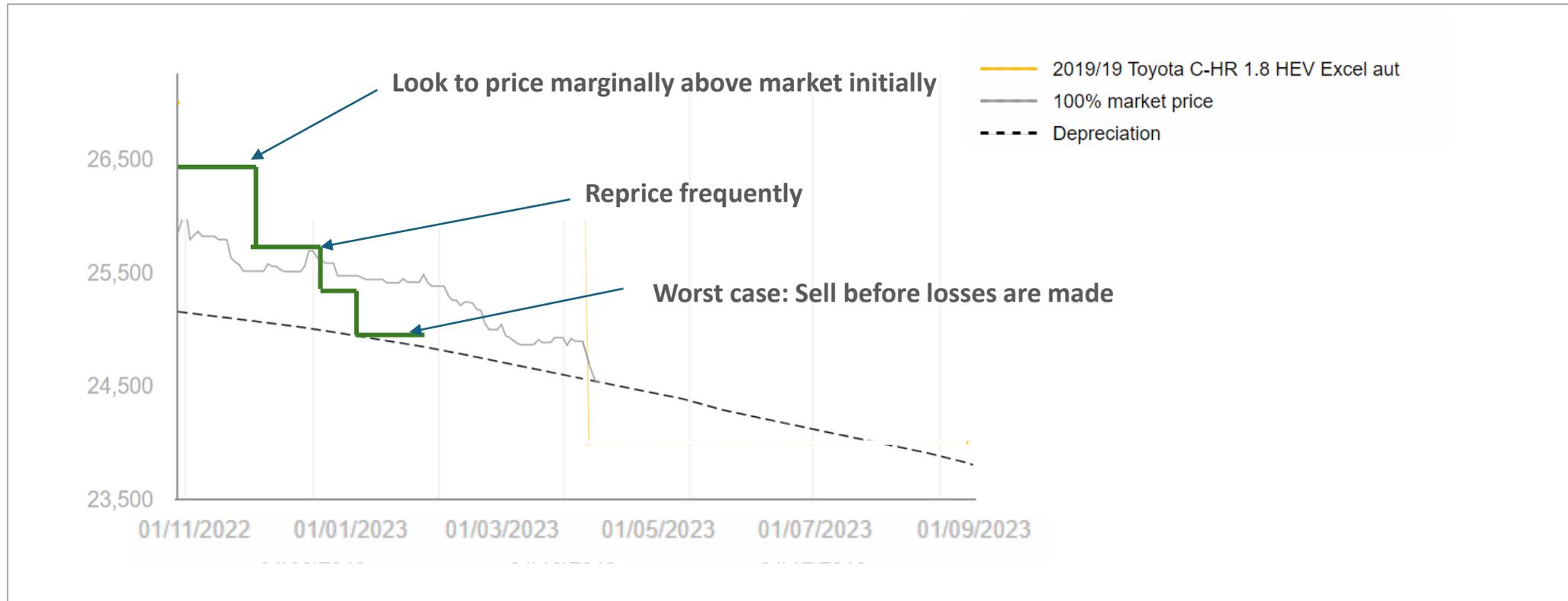
Dynamic Velocity Pricing – On good stock (İyi Stokta Dinamik Fiyatlandırma)

SLOW MOVING STOCK
Market saturated
Price achievement could be difficult

AVERAGE STOCK
Market can absorb some stock – but should not be over-forced

FAST MOVING STOCK
Market can absorb stock
Average Market Price could be exceeded

<40



Pricing Strategies (Fiyatlandırma Stratejileri)

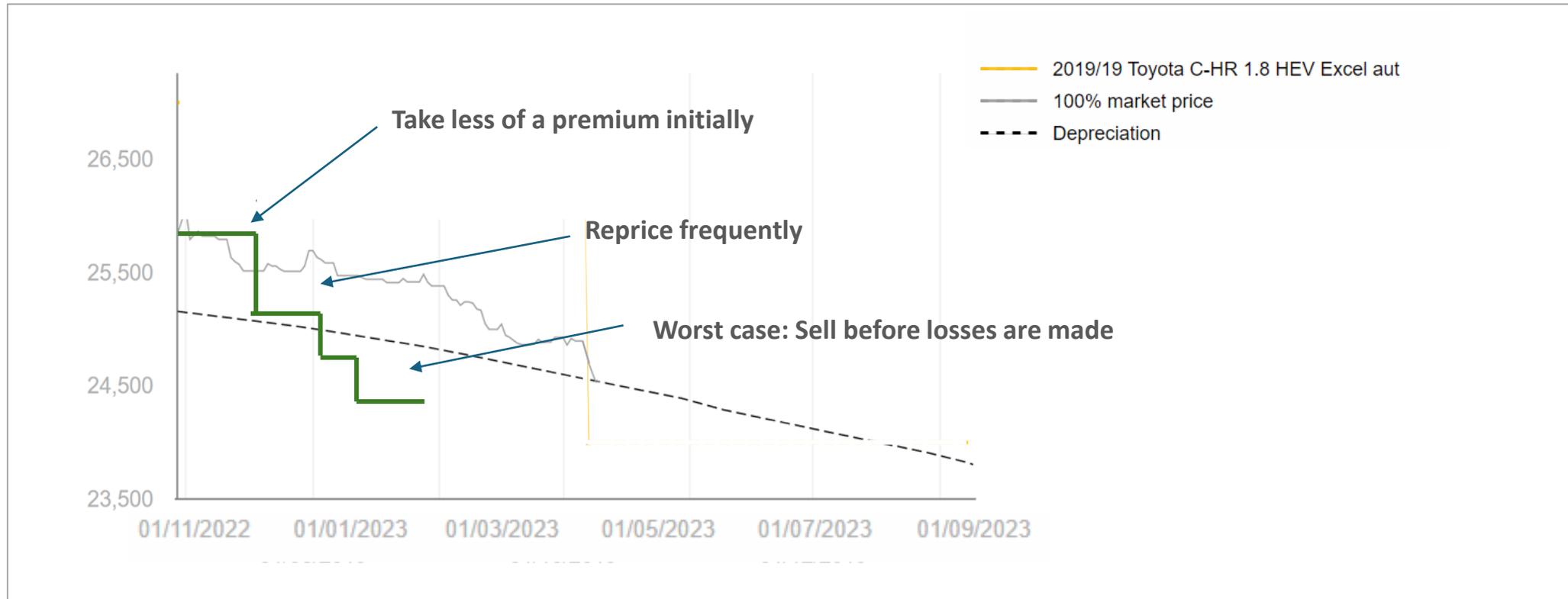
Dynamic Velocity Pricing – On average stock (Ortalama Stokta Dinamik Fiyatlandırma)

SLOW MOVING STOCK
Market saturated
Price achievement could be difficult

40-70

AVERAGE STOCK
Market can absorb some stock – but should not be over-forced

FAST MOVING STOCK
Market can absorb stock
Average Market Price could be exceeded



Pricing Strategies (Fiyatlandırma Stratejileri)

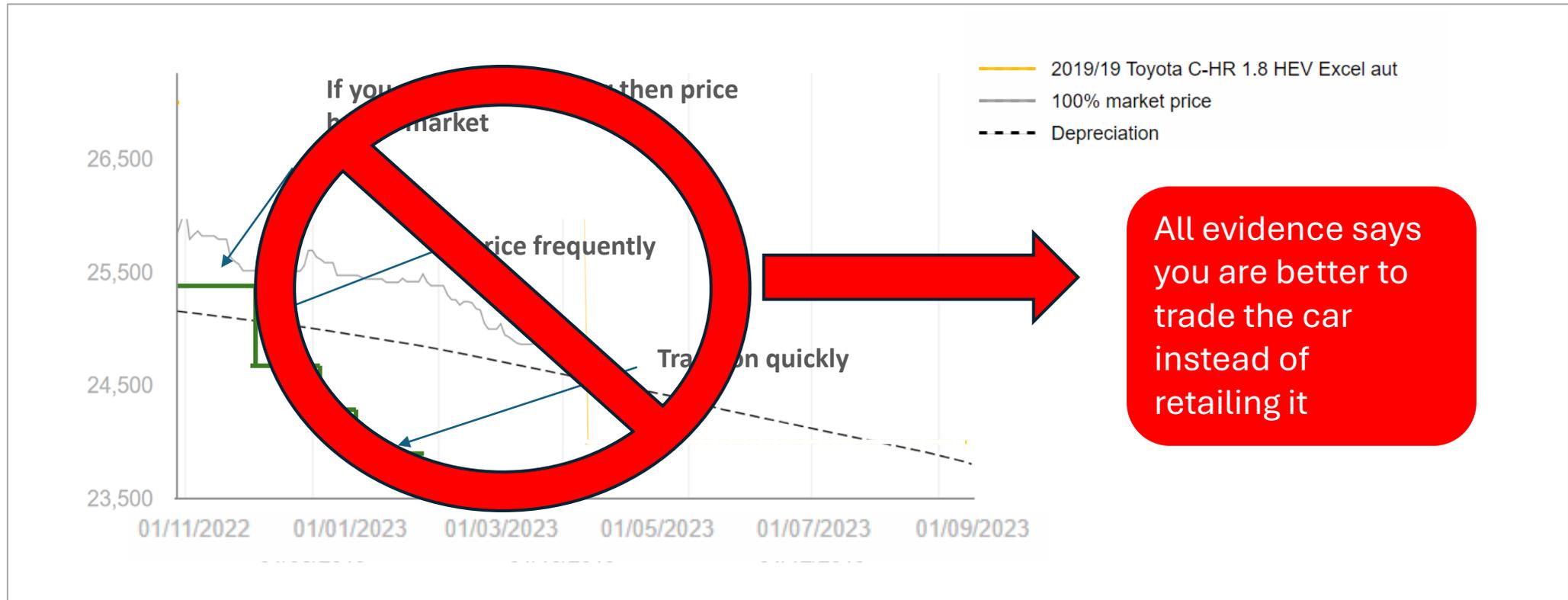
Dynamic Velocity Pricing – On poor stock (Zayıf Stokta Dinamik Fiyatlandırma)

>70

SLOW MOVING STOCK
Market saturated
Price achievement could be difficult

AVERAGE STOCK
Market can absorb some stock – but should not be over-forced

FAST MOVING STOCK
Market can absorb stock
Average Market Price could be exceeded



Pricing Strategies (Fiyatlandırma Stratejileri)

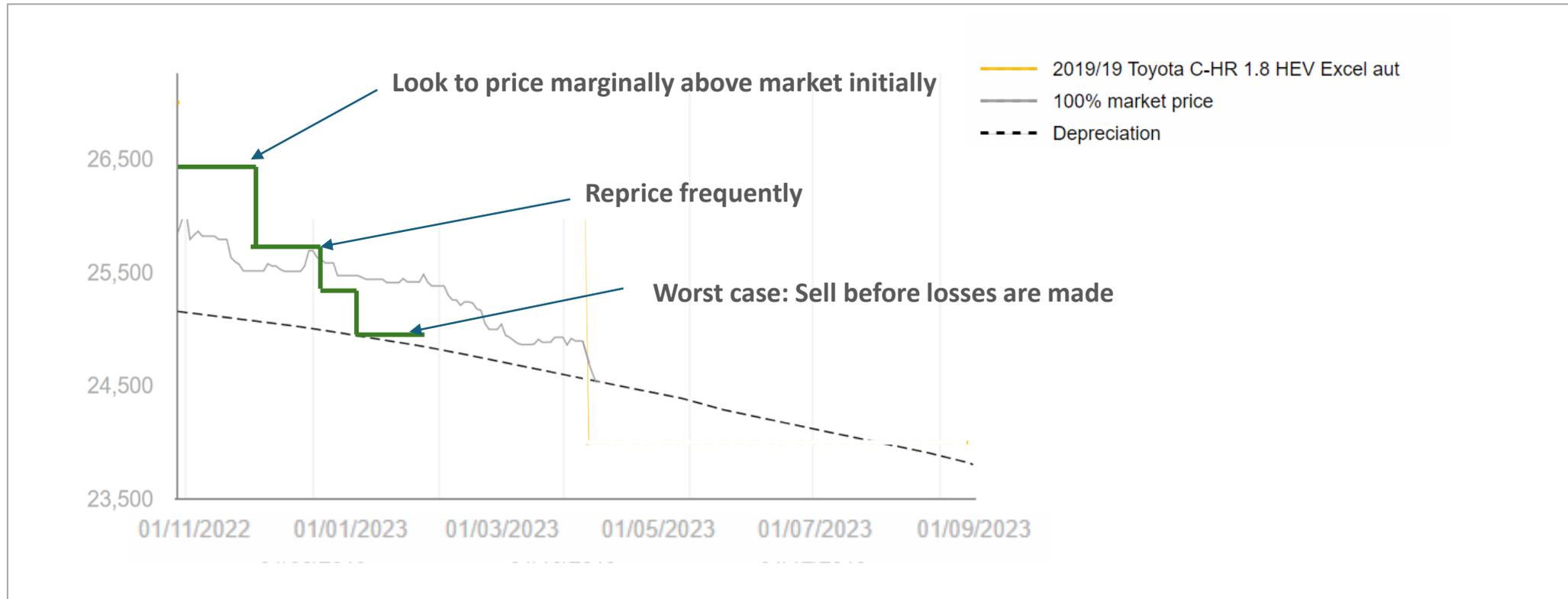
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<40



HOW MUCH DIFFERENCE CAN THIS MAKE?



Pricing Strategies (Fiyatlandırma Stratejileri)

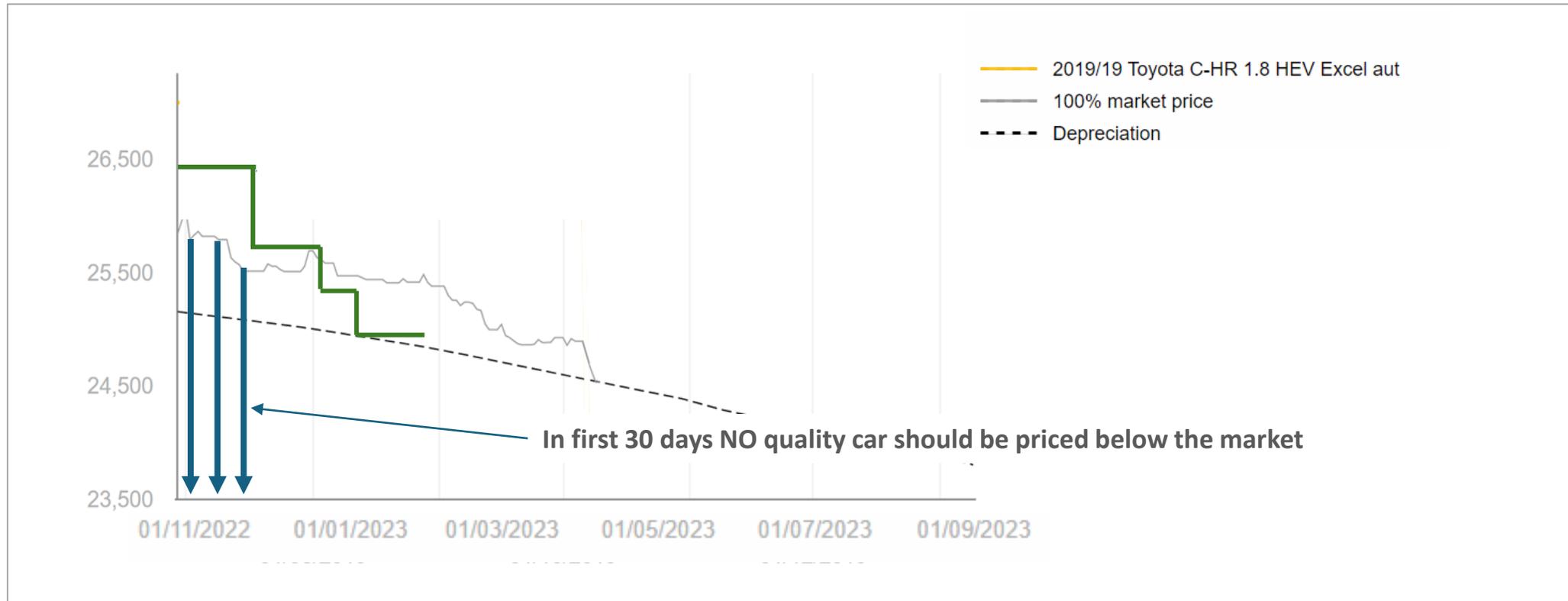
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<40



HOW MUCH DIFFERENCE CAN THIS MAKE?



Lost Opportunity Analysis (Kaybedilen Fırsat Analizi)

Assessment of dealer opportunities to improve profits (Karı arttırmak için fırsatların değerlendirilmesi)

Lost Revenue: Lost Opportunity Last Month

List of all the missed pricing opportunities

Make	Model	DaystoSell	MDScomp	PricetoMarket	Price Sold	Target Value	MarketValue100	IndicatalD
Renault	Megane	19	25	99	1259000	1274444	1274444	270125200
Opel	Corsa	11	26	99	1500000	1518457	1518457	271249084
Opel	Insignia	8	30	99	1036000	1048733	1048733	272110325
Fiat	Tipo	10	20	99	729500	738486	738486	272873783
Fiat	Tipo	6	21	99	2160000	2186745	2186745	270804531
Fiat	Tipo	3	27	99	840000	850447	850447	271121204
Nissan	Qashqai	4	20	99	1020000	1032662	1032662	273561852
Audi	A3	4	39	99	3600000	3644773	3644773	273556416
Hyundai	i20	9	21	99	969900	982040	982040	270802145
Fiat	Tipo	4	26	99	1830000	1852905	1852905	271510488
Opel	Corsa	25	33	99	1390000	1407435	1407435	270802100
Fiat	Tipo	14	21	99	625000	632865	632865	272521707
Opel	Corsa	29	15	99	3615000	3661212	3661212	270821568
Total		12	28	95	3911792674	4118476419	4118476419	

Account: OEM

Subscription Account: 1OEM / DACIA & RENAULT, 1OEM / HONDA, 1OEM / HYUNDAI, 1OEM / MAZDA, 1OEM / MERCEDES BENZ, 1OEM / MITSUBISHI

Seller: Search

Make: Search

Target Value: 90%, 91%, 92%, 93%, 94%, 95%, 96%, 97%, 98%, 99%, 100%, 101%, 102%

MDS Filter: 0 to 40

Price to Market Filter: 0 to 100

Days to Sell Filter: 0 to 30

country: FR, GB, NL, TR

206.68M
Lost Opportunity Last Month at Target Value

2.48bn
Estimate loss 12 months at Target Value

Good MDS cars

Sold below 100%

In less than 30 days

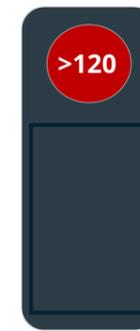
Opportunity missed in month

Annual missed opportunity



Pricing Strategies (Fiyatlandırma Stratejileri)

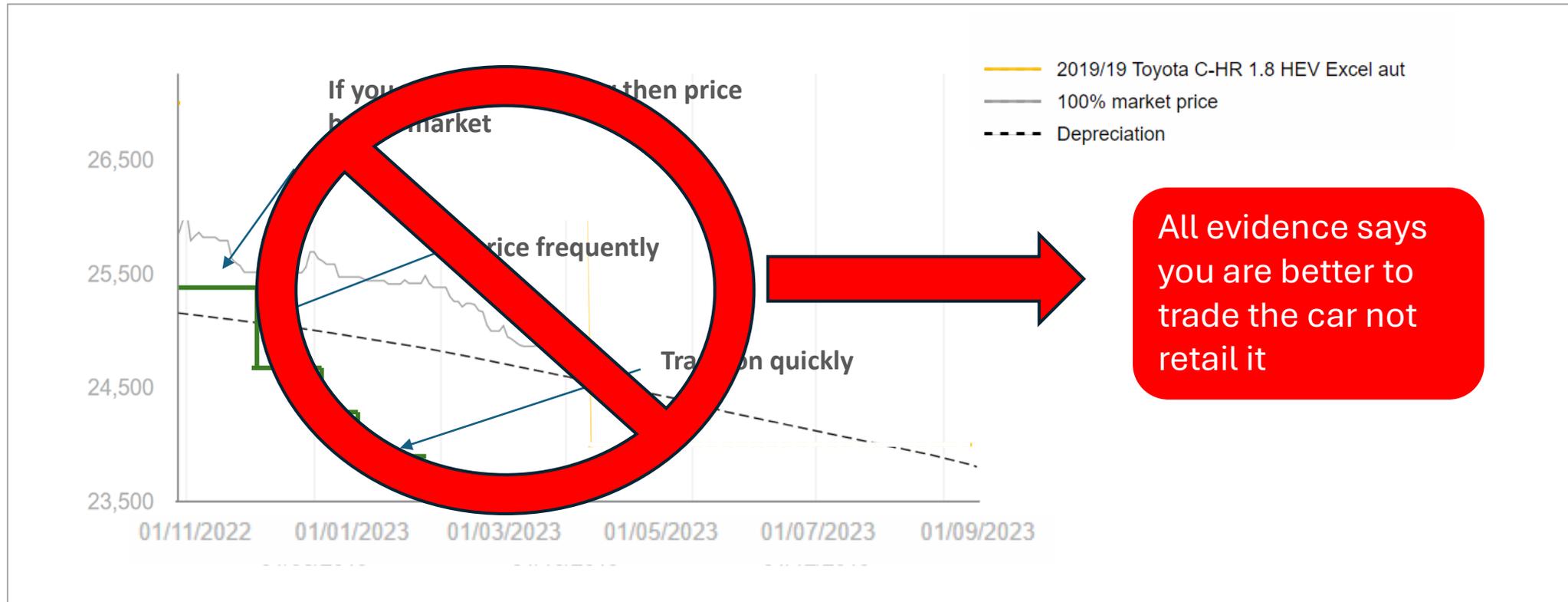
Dynamic Velocity Pricing – On poor stock (Zayıf Stokta Dinamik Fiyatlandırma)



SLOW MOVING STOCK
Market saturated
Price achievement could be difficult

AVERAGE STOCK
Market can absorb some stock – but should not be over-forced

FAST MOVING STOCK
Market can absorb stock
Average Market Price could be exceeded



Market Days' Supply – Dealer Health Check

(Pazar Satış Hızı – Bayi Sağlık Kontrolü)

All dealers get initial health check to identify and quantify opportunity

(Fırsatları belirlemek ve ölçmek için tüm bayiler sağlık kontrolünden geçer)

Turn by MDS

MDS Group	Count Sold	Count Stock	Turn
<20	31	23	16.2
20 - 30	249	190	15.7
30 - 40	425	355	14.4
40 - 50	417	374	13.4
50 - 60	217	245	10.6
60 - 70	120	169	8.5
70+	207	297	8.4

High quality stock

Poor quality stock

High Stock Turn

Low Stock Turn



Market Days' Supply – Dealer Health Check

(Pazar Satış Hızı – Bayi Sağlık Kontrolü)

All dealers get initial health check to identify and quantify opportunity

(Fırsatları belirlemek ve ölçmek için tüm bayiler sağlık kontrolünden geçer)

Turn by MDS

MDS Group	Count Sold	Count Stock	Turn	First Price
<20	31	23	16.2	99.5
20 - 30	249	190	15.7	101.5
30 - 40	425	355	14.4	100.1
40 - 50	417	374	13.4	101.0
50 - 60	217	245	10.6	96.5
60 - 70	120	169	8.5	100.7
70+	207	297	8.4	100.7

High quality stock

Poor quality stock

No Pricing based on vehicle quality



Market Days' Supply – Dealer Health Check

(Pazar Satış Hızı – Bayi Sağlık Kontrolü)

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Poor quality
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Poor quality
stock



**Don't stock poor cars.....
Trade them on and find better
ones**



Market Days' Supply – Dealer Health Check

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70+	207	297	8.4



Trading poor cars and sourcing better
= £101m improvement

$$297 \times 13.4 \times \text{£}68,000 = \text{£}271\text{m}$$

$$297 \times 8.4 \times \text{£}68,000 = \text{£}170\text{m}$$

Across all OEM networks this is c£1.0bn improvement



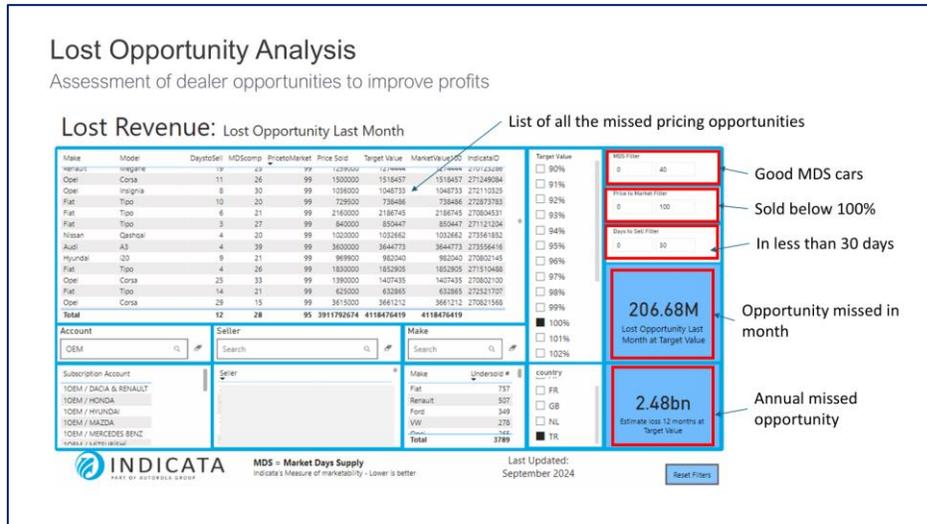
Market Days' Supply – Dealer Health Check

(Pazar Satış Hızı – Bayi Sağlık Kontrolü)

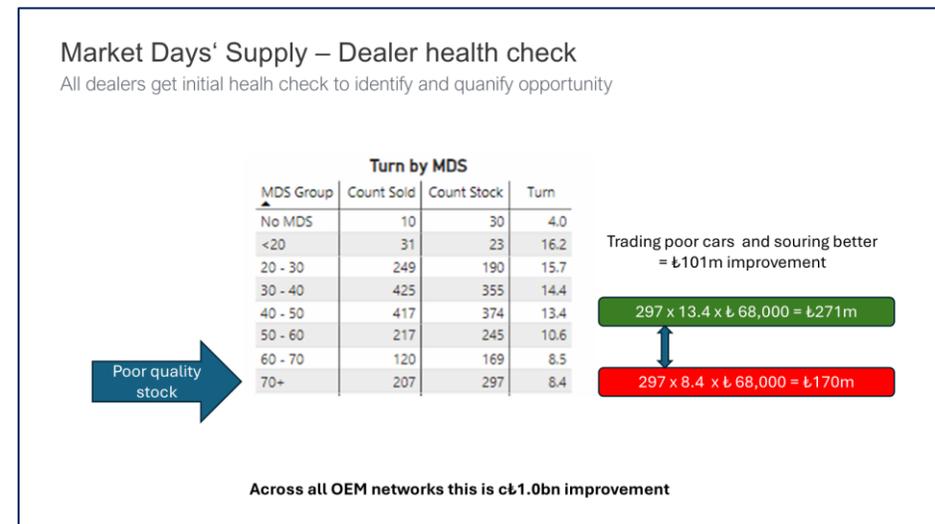
All dealers get initial health check to identify and quantify opportunity

(Fırsatları belirlemek ve ölçmek için tüm bayiler sağlık kontrolünden geçer)

High quality cars – £2.5Bn opportunity



Poor quality cars – £1.0Bn opportunity



2 Opportunities = c£3.5bn per year



Indicata Dealer Pro – Making it happen on the ground

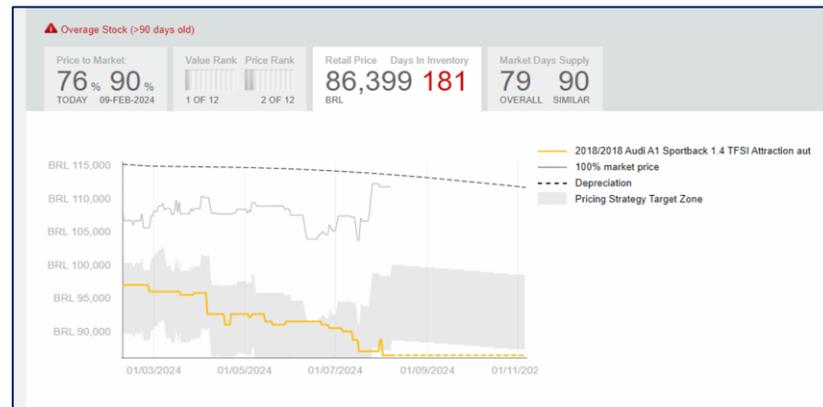
(Indicata Bayi Stok Yönetimi – Pazarda bunu gerçekleştiriyor)

A full stock and pricing management tool (Tam kapsamlı bir stok yönetimi ve fiyatlandırma aracı)

Store	Vehicles	% of cars in stock over first price to market	Market Supply	Avg. Price/Market	Actual Pricing Strategy	Turn
AUDI ██████████	 38	44% BRL -80,139	32 days	100% BRL 10,408,710 BRL 10,442,875		9.5 per year
VOLKSWAGEN SORANA - BRAZ LEME	 35	22% BRL -14,519	46 days	103% BRL 4,256,860 BRL 4,118,153		18.9 per year
VOLKSWAGEN SORANA - SERVIÇOS	 24	21% BRL -8,924	51 days	101% BRL 2,466,770 BRL 2,448,722		18.1 per year
Overall	 97	30% BRL -103,582	44 days	101% BRL 17,132,140 BRL 17,009,550		15.2 per year

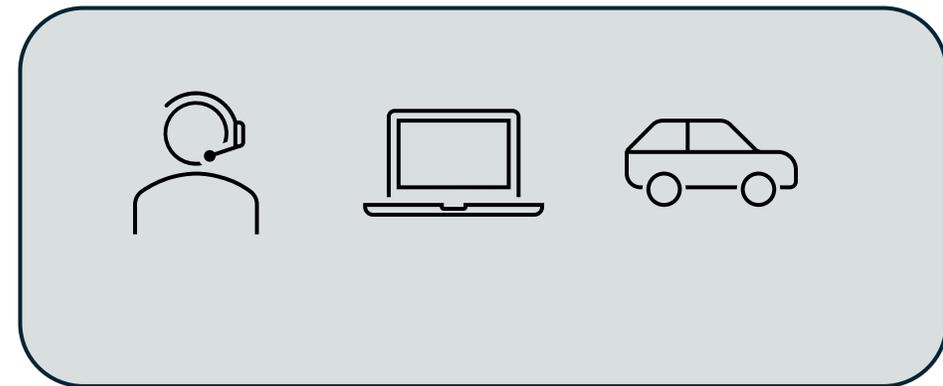
Days In Inventory	Vehicles	Average Price to Market	Average Market Days Supply	Vehicles that may need your attention
1-20	34	96.7%	36	Cars in stock over first price to market 28
21-40	9	100.1%	53	Price not changed recently (>10 days) 46
41-60	11	114.2%	71	Slow Selling Vehicles 15
61+	43	100.9%	50	Overage Stock (>90 days old) 31
All	97	100.7%	44	Too few pictures (<3 pictures) 12

CEO overview report - branch health checker



Day by day stock and market price tracking and recommended actions

Stock warning system

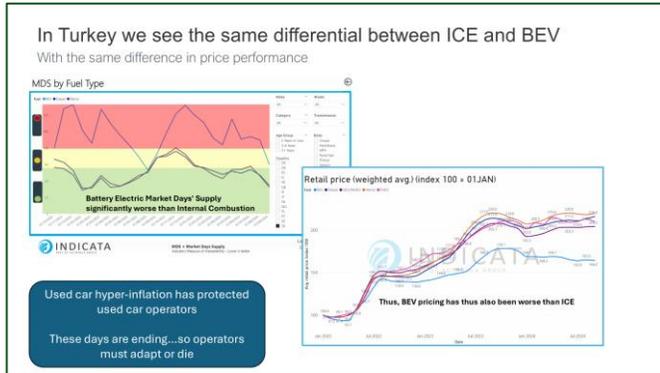


Regular Customer Success engagement and review



Summary (Özet)

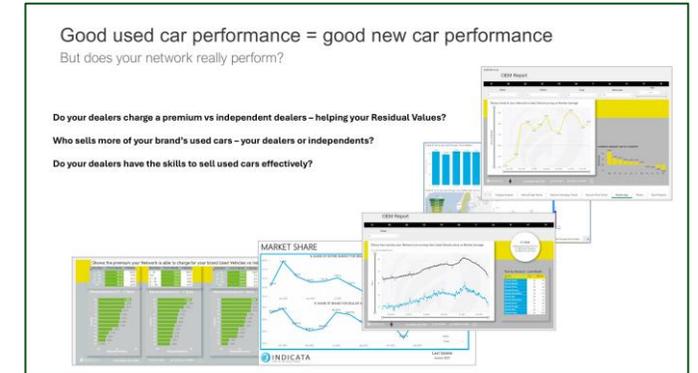
Full stock and pricing management to drive network performance
(Bayi ağının performansını artırmak için stok ve fiyatlandırma yönetimi)



1. The market is always turbulent.
But hyper-inflation has protected many players



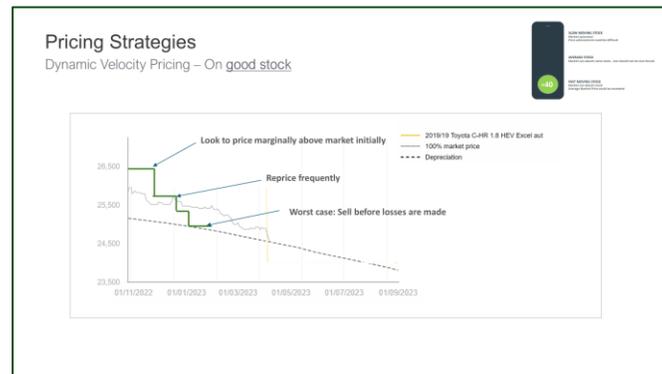
2. Understanding supply / demand is key



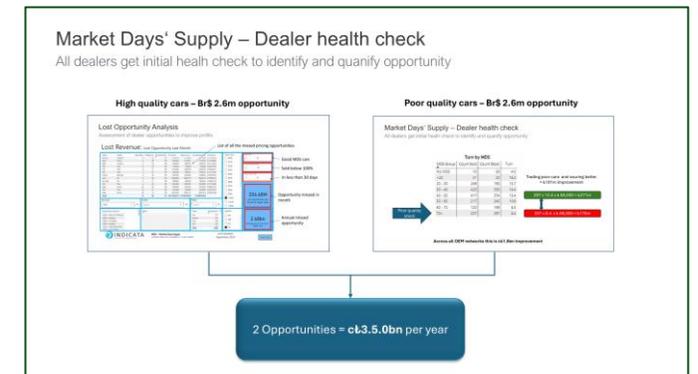
3. Indicata reporting a start



4. Identification of opportunities to increase profit



5. Implementation of stock mgt. & price strategies



6. Opportunities to grow networks profit and performance – supporting new car sales



Many thanks

Any questions

