

Understanding the ATV market in Germany and France



Ipsos Business Consulting

Client: A global all-terrain vehicle (“ATV”) and side-by-side vehicle (“SSV”) player
Industry: Automotive
Solution: Business Unit Strategy, Go-to-Market

Introduction

European L-homologation and T-homologation regulations are due to change by 1st January 2016. Our client, a leading market player, wanted to explore ways to increase its utility ATV business in Europe in light of these upcoming regulatory changes. Ipsos Business Consulting therefore worked with the client team to assess the impact these changes would have on the market in two countries, France and Germany, and identify opportunities for the client within each of these markets.

About the Client

The client is a leading player in the European ATV market offering a wide range of sports and utility models for both leisure and utility use. Some examples of their motor products are motorcycles, scooters and all-terrain vehicles. In addition, the company offers maintenance services and spare parts such as oils, lubricants and care products. These products are distributed throughout Europe through the client’s large network of dealers.

Business Issue

The new homologation regulations will significantly change the market environment in which our client operates and in the absence of a new direction or strategy being set, will result in a drop in European product sales. Our client is therefore looking to explore the possibility of new strategies for their products, in order to identify ways that they can maintain and then expand their position in Europe.

Ipsos Business Consulting Solution

Ipsos Business Consulting undertook a three staged approach through a combination of secondary research and in-depth interviews with key stakeholders, to gather insights which addressed the client’s business issue:

1. A Market Landscape Overview gave the client a comprehensive understanding of the market in each of the two countries. It involved sizing the market in each country and estimating growth, profiling key players and their strengths and weaknesses, and identifying and quantifying the best performing distribution channels and any changes in channel usage.
2. Market Segment Potential: This stage assessed the attractiveness of each market segment in terms of segment size and current/future profitability. Ipsos also evaluated the strength of competitors’ positioning within the segment and their differentiating capabilities. A segment potential assessment measured the potential of each segment for our client.
3. Ipsos undertook a Segment Profiling exercise to identify market segment characteristics e.g. key growth drivers and barriers for each segment and the impact that the regulatory changes will have on each segment. Ipsos also examined customers’ characteristics within each segment by identifying the main customers, their current and expected future usage, their decision making process and influencing factors. Customers’ unmet and unidentified needs and the level of satisfaction of customers were also assessed to complete a comprehensive analysis of each segment for the client.

Results

Ipsos presented the client with opportunities and implementation initiatives that the client could incorporate in their strategies going forward within these two markets. Some key findings included identifying where growth is most likely to come from in each market, and the strategies the key competitors are employing to grow their business and retain customers in the changing market environment.