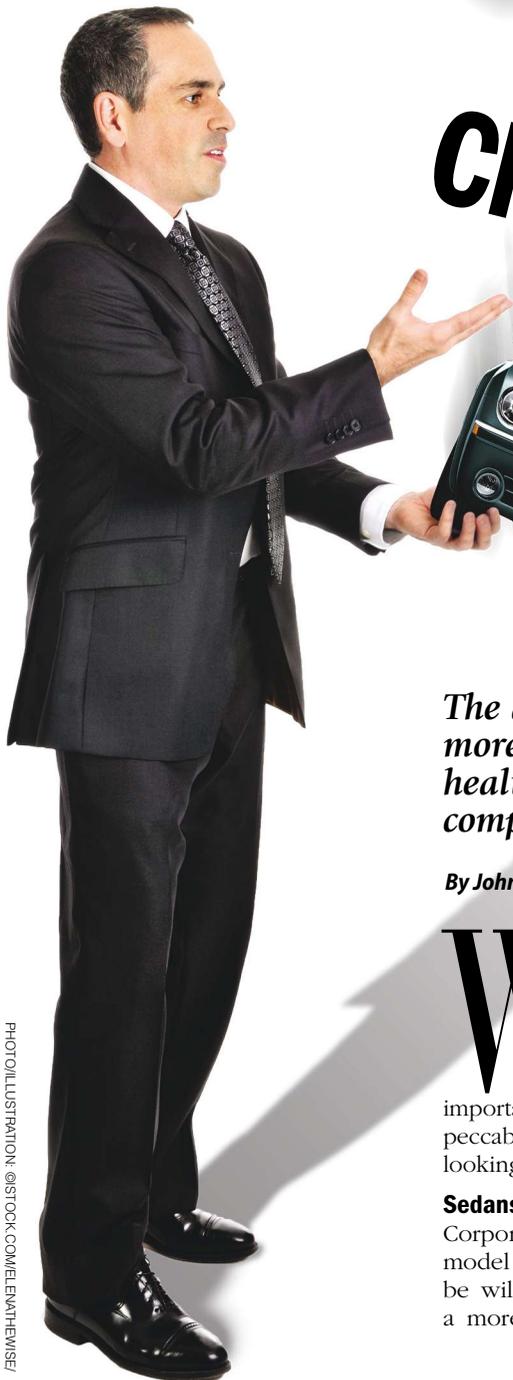


How To Please

Chauffeured Clients In 2015



The abundance of vehicle options and more brand flexibility has created a healthier, more responsive, and more competitive chauffeured market.

By John M. Greene

With new vehicle models readied for a new year, limousine companies can expect some changes in what corporate clients expect from us, but others remain the same.

Maintaining a professional image, with the chauffeur wearing a black suit and tie, remains the all-important attribute for many corporate executives, as is an impeccably clean vehicle. So the question is, what vehicles *are* they looking to enter in 2015?

Sedans For Everyone

Corporate clients in 2015 will still be looking at using a late-model (no more than two to three years old) full-size car, but be willing to stay away from the big Town Cars in favor of a more compact feel, particularly in the interior dimensions.

This is reminiscent of such vehicles as the MKT Town Car and Cadillac. However, we are seeing new entries into the market, particularly the Chevy Impala, Toyota Avalon, and even KIA is starting to make ripples in our industry with the premium-luxury level K900.

Still, many clients are likely to gravitate towards the Cadillac, a true successor to the Town Car, where comfort goes with not wanting to look ostentatious (The wounds of a fallen economy have yet to fully heal). CEOs still want to impress, and huge companies still want to move their executives around in comfort, with an eye to affordability, all of which Cadillac delivers.

That being said, corporate clients are willing to be more flexible in what they choose. Gone are the days when the corporate buyer's vehicle checklist was focused on two to three different cars. Today, the field has broadened, helped in part by the demise of the Town Car and the two successors MKT and MKS options in the Lincoln fleet. Other companies also took advantage of the opening and made themselves known with a variety of options. The iron didn't have to stay hot too long for other car companies to strike.

In 2015, you should be able to add anything you want to your fleet, just as long as the client perceives it as a premier vehicle. For instance, the Hyundai Genesis is a premium vehicle, but only if the executive knows that this isn't the same Hyundai being driven off the lot by a college student. People know a

the traditional boring van with bench seats, which has now pretty much been relegated to hauling cargo and luggage. In its wake come such entries as the Mercedes-Benz Sprinter, the Ford Transit, and the RAM Promaster, which offer more comfort and amenities, and the ability to move seats around to better accommodate customers who would prefer not to have to talk over their shoulder to someone sitting behind them.

These vehicles have helped redefine industry fleets, due to better curb appeal and bottom lines. Whereas we used to send 72-inch stretch limousines out on trips 20 times per month and bring in \$5,000, we now have the Sprinter hauling clients 60 times per month, producing \$15,000 per month. They have been perfect for road shows, sales meetings, board meetings, etc. And I see their potential use in 2015 only increasing.

At this point we use only the Sprinter in our fleet. But Ford isn't missing a beat and is expected this year to wheel out its redesigned Transit van, hoping to give competition to the popular Mercedes-Benz Sprinter. According to Ford, the Transit will be available with a customizable roof height up to 110 inches, and the vehicle's interior will be modified.

In a recent interview, Craig Hall, Specialty Vehicle Manager for Ford, stated:

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Mercedes-Benz or Lexus is high on the vehicle food chain. You have to educate your client about great alternatives out there, and one of them happens to be made by Hyundai (or Kia).

Groups Go Upscale

As the popularity of buses and vans increases, so too does the need to transport 15 people in more comfort than

"I think Transit is going to be just as good as or even better than the competition. It will be offered in both gas and diesel powertrains, and best of all, Transit will be built in the U.S. and have service access at over 3,000 Ford dealers across the country."

Both vehicles will fill a void for those who need more than a car and less than a bus, and it will all come down to

which vehicle operators are most comfortable with.



Going Green Better For Christmas

As the vehicle checklist available to corporate clients evolves, the emphasis on "going green" wanes. One limo company owner joked the only green initiative he has is money (at least we think he was joking). About five years ago, 25% of our vehicles were green. Like many ground transportation companies, we bought into the concept that if the CEO of a Fortune 500 company didn't drive away from his office in a hybrid with expensive filters tacked on to the exhaust, by the time he exited at the airport we'd be halfway to a second Ice Age. Today, only about 10% of our vehicles wear the green tag as the hype (some have called it hysterics, others a marketing ploy) seems to have toned down.

Part of the reason things are starting to go less green is the cost to operate the vehicles versus the potential ROI. According to some reports, a Ford Fusion will earn back its cost premium through fuel savings faster than any other green vehicle, although it might take just over five years. Still, it's more attractive than the projected 17 years it takes on a Honda Civic Hybrid. Science has proven that things may not be as drastic as first perceived. But the good that came out of it is cleaner fuel and finer car filters. There are still many good hybrid options available, as well as flex-fuel vehicles and other "green" vehicles. And now we understand there's at least a handful of limousine companies loading up its fleet inventory with electric cars.

The Bottom Line: we no longer have to lose money in order to save the Earth. Our corporate clients are more open-minded on what they'll ride in. There is more flexibility in the type of cars we can use to set up our fleets. And all that sounds like the perfect storm we need to look forward to a prosperous New Year. **LCT**

JOHN M. GREENE is a 30-year veteran of the limousine business and President / CEO of ETS International in Randolph, Mass. ETS International has an affiliate network of more than 350 limousine companies nationwide. The company was chosen in 2010 and 2014 as a LCT Operator of the Year Award winner. John Greene can be reached at (617) 804-4801 and jgreene@etsintl.net.

