

PEUGEOT SA

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CORPORATE BROCHURE





Working hard on **shorter pit stops**

Jeff Daniels looks at what Peugeot in South Africa is doing to change perceptions and win a greater share of the market



In South Africa, the perception of all things French is positive but pricey. Think of such iconic representations of France as food, wine, perfume and fashion and nobody disputes their quality. It's just that they are often thought of as being in a price bracket that is more gift than everyday commodity.

For brands such as Chanel and Dom Pérignon, being considered aspirational is probably no bad thing; but it's not an image that sits too well when competing in the mass market for cars.

Such is the situation that the marketing, PR and sales, and dealer network teams at Peugeot South Africa are contending with. But having a clear and unambiguous target is not all bad. If the only thing that is holding the brand back is a perception of being expensive, then let's prove to the nation that it is not the case.

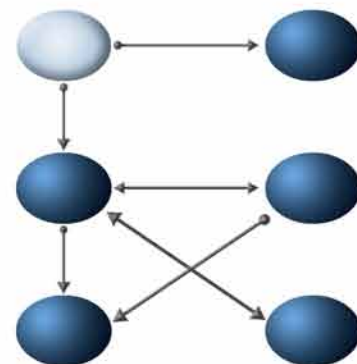
The notion that French cars are expensive actually comes not so much from the purchase price but from servicing costs; and it has to be admitted that there was some truth in the perception. But despite not having a manufacturing base in the country—which undoubtedly helps to keep down costs when locally made products can be sourced—Peugeot is taking the challenge to be seen as competitive by the scruff of the neck.

There are a number of issues related to servicing costs, of which by far the most important are the charges themselves and the speed at which parts can be obtained. In the case of the latter, not only has Peugeot matched



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the market but it has taken a giant step ahead.

At the heart of the new improved servicing arrangements is the company's Linbro Park parts warehouse, home to about R35 million of parts. Here is to be found the same sort of totally integrated storage, identification and picking system as is found in Peugeot France—a system which allows for the rapid retrieval of parts. So much so that Peugeot dealers in and around Gauteng can now get an unprecedented four deliveries of parts a day. Not only does this improve productivity at the dealership by reducing turnaround times and throughput; but it puts a big smile on customers' faces when they

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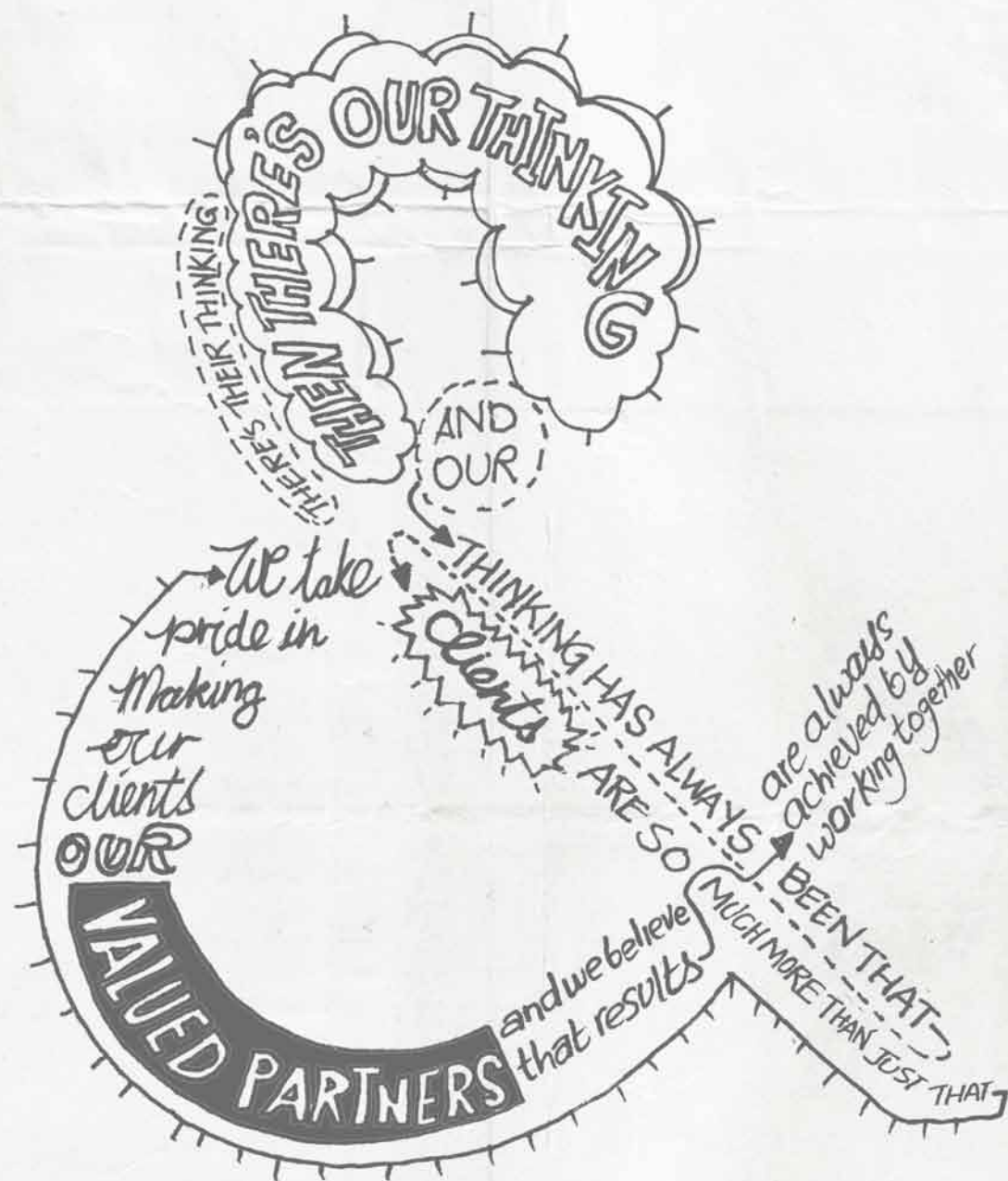
get their cars back from routine maintenance or repairs with minimal delay.

This happy state of affairs has been made possible by the strong working relationship Peugeot has built up with its delivery partner, UTI Distribution. By manning a 'satellite' UTI office within the Linbro Park warehouse, the handover of spares to be rushed out to dealers is executed with minimal red tape and associated delays.

The performance is impressive. Dealers who get their order into Peugeot by 4pm will have a visit during the night and the parts on order will be put into a secure drop box so they are ready and waiting for the mechanics when they get to work the next morning. If they happen to miss the 4pm deadline, orders will be processed when the Peugeot parts warehouse office opens for business once more the following morning at 6am and the dealer will then receive the spares just a few hours later on the day's first delivery



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run—which means by 10 am. Time the order just right, and it is not inconceivable that dealers could receive a part within 90 minutes of placing an order.

Of course, not every replacement part will be held at Linbro Park all the time. But customers don't need to feel stranded: Peugeot has made a commitment to provide owners with a loan vehicle if the local parts infrastructure is unable to provide certain items (excluding service and maintenance parts, and also accessories), requiring them to be ordered directly from France.

The second weapon in the armoury might not be unique to Peugeot but by introducing fixed price servicing, it does help to negate the notion that Peugeot is pricey. For example, the Peugeot 206 (the most popular vehicle in the line-up until

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“ Purchasing something as expensive as a car involves lots of different strands of thought—many practical but some purely emotional ”

the 207 replaced the 206 range) is now backed by a fixed price service covering new oil and oil filter, air filter, spark plugs (on petrol engines) and sump gasket. It also includes the inspection of all fluid levels plus a bumper-to-bumper safety check and a complementary car wash.

Naturally, by only installing genuine replacement parts in its already competitive price, Peugeot believes it is offering exceptional value for money. But there is also the side benefit of having a Peugeot-trained technician who can accurately assess the vehicle in other areas as well as having the necessary skills and equipment to carry out remedial work should it be necessary.

Purchasing something as expensive as a car involves lots of different strands of thought—



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“ Peugeot has stayed well away from the bottomless pit that is Formula 1 and instead has gone for endurance races as a way of demonstrating performance and staying power ”

many practical but some purely emotional. For certain market segments, value is important but so is the right kind of image. French cars have always been considered stylish and racy, so demonstrating that capability on the track is a major part of the promotional mix. But unlike some mass market manufacturers, Peugeot has stayed well away from the bottomless pit that is Formula 1 and instead has gone for endurance races as a way of demonstrating performance and staying power.

Following a podium position at the 12 Hours of Sebring and a one-two at the 1,000 kilometres

of Spa Francorchamps, Peugeot came within 14 seconds of winning the most charismatic of them all—the 24-hour Le Mans. Despite missing out on the top spot, Team Peugeot Total nevertheless made a huge impression on enthusiasts by having its three cars in second, third and fourth positions, thereby demonstrating beyond doubt the reliability of its machines.

The company's profile has also been raised by a partnership with the Orlando Pirates that will see the Orlando Pirates make use of Peugeot's array of vehicles. The line-up includes the Peugeot Boxer Panel Van, the Peugeot Boxer



19-Seater, the Peugeot Expert Tepee Leisure people carrier, the Peugeot 3008 crossover MPV and the Peugeot 308 Access.

“Orlando Pirates and Peugeot are two powerful brands renowned for being stylish yet resilient and reliable,” commented Dr Irvin Khoza, chairman of Orlando Pirates Football Club. “In Peugeot we have a partner whose roots are in the origins of style and imagery.”

Francis Harnie, Peugeot South Africa’s managing director, added: “Peugeot South Africa is proud to be associated with the legendary Orlando Pirates. Both brands have a heritage of success, and attract a loyal supporter base.

“Peugeot is committed to the South African market, with an expanding range of latest-generation models offering local buyers the

latest in automotive design, technology and safety. This sponsorship is just one of the ways the brand is reaching out to its SA customer base thanks to prominent exposure we will have at the club’s home ground,” he concluded.

In addition, the Orlando Pirates 2011/12 Player of the Year will drive Peugeot’s highly desirable RCZ sports coupé—an incentive that is sure to inspire the Orlando Pirates stars to new heights.

Peugeot SA also subscribes to the philosophy that trading in the country is not just about importing cars and creating a dealer network—long term viability requires making a material contribution to society, it believes.

One of the schools Peugeot SA is assisting is Olievenhoutbos Primary School, north of Johannesburg. It aims to empower learners and

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teachers alike in terms of practical knowledge. This takes the form of creating and maintaining a permaculture school garden capable of providing healthy vegetables—the theory being that the garden must become part of the school’s heartbeat, supplying its soup kitchen on a daily basis. The Olievenhoutbos project falls under the Schools Environment Education

and Development (SEED) umbrella, a non-profit organisation which is supporting a network of 34 schools in their Organic Classroom programme.

With so much happening in Peugeot, the South African team thinks it is only a matter of time before the company’s market share reflects all the hard work the company has been doing.

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