

Addressing scarcity of new vehicles with used car strategies

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Over the past few months, the demand for used cars has changed radically due to short-term and midterm scarcity of new vehicles, reshaping the mobility landscape and challenging fleet managers to reassess their fleet strategies.

This past February, the annual Remarketing Summit, hosted by the European Networking Group (ENG) and held in Berlin and online, addressed this changing paradigm with a wide range of international remarketing specialists, including ALD Automotive's Frederic Van Heems, Group Remarketing Director, and Guillaume de Leobardy, Group Regional Director.

Key topics discussed during this year's summit were:

- The road ahead: shaping the future in a post-pandemic world
- Managing the increased demand of used cars in the current scenario of scarce inventory and all-time high prices
- Key trends and successful strategies to meet consumer demands for online used car dealerships
- The race towards an electric and carbon-neutral world and its impact on the used car business

During the conference Frederic Van Heems tackled “Changing strategies in fleet management to accommodate short-term and midterm scarcity of new vehicles” touching upon the post-Covid crisis and its impact on the availability of new vehicles, explaining how these acted as accelerators of convergence in the leasing and remarketing businesses. Notable developments included:

- The significant impact of new-vehicle scarcity on the take-up of used car leasing in fleet management
- The flexibility provided by extending leasing contracts to cope with the lack of vehicle replacements
- The option of re-evaluating residual values of extended lifecycles of used vehicles and its effects on the back-to-market strategy

On the second day of the summit, Guillaume de Leobardy participated in a panel discussion on “The race towards an electric and carbon-neutral world”, with Sven Heyen, Head of Business Development & Business Affairs for Share Now, and Alfonso Lopez-Heredia, Director Remarketing Europe for Hertz.

The discussion addressed both the challenges and opportunities brought to the used cars business by new eco-friendly European regulations (at both central and local levels) and the acceleration of electrification.

Some of the key success factors identified to accompany this transition to more sustainable mobility were:

- The capacity to conduct cross-border sells in order to match used cars offer with market demand
- The possibility of being able to propose recent and last generation used vehicles
- Accompanying customers in their transition to electrification with flexible leasing or subscription offers

This year’s summit clearly underlined the growing importance of used cars in the mobility landscape and the importance of incorporating them in a fleet management strategy for greater flexibility, better cost control and as means to facilitate future strategies.