

OPPORTUNITY FOR KPM IS STAR SHAPED

by Sandie Goodwin and Bob Fisher

Soon after the news broke that LTI was giving notice on its Independent Dealer Franchise, KPM held a press conference to tell London's taxi trade the position this will leave their dealership in. Peter DaCosta said: that all the independent dealerships across the UK had been informed at the same time of the forthcoming changes. As Peter is Chair of the independent Dealers' Association, he has been in constant communication with those dealerships affected. Peter said: "KPM will cease to sell new LTI taxis from 17 July 2010 although KPM will continue to sell used LTI taxis and provide after sales service to LTI taxis after this date." Peter continued by telling reporters that this decision from LTI now leaves more time to focus on the sales of the Mercedes Vito taxi. He says that he is saddened that LTI are forced into the position of terminating the Independent Dealer Franchises, but understands why. "KPM will of course continue to support LTI Vehicles during the termination period." Peter continued by saying, "Having held my green badge for 41 years, as well as being in the taxi business for almost 35 years, I have a good understanding of the cab trade. There is no animosity of my behalf, but I would say that it now puts KPM in an excellent position to be selling the Mercedes taxi. Sales of the vehicle continue to grow, with the latest available figures showing that since January 2009, 25 percent of cab sales in London have been the Mercedes."



Peter DaCosta

MORE LICENSING AREAS LICENSE THE VITO

The good news for KPM is that more areas within the UK are licensing the Vito and for some of the dealerships losing their LTI franchise the Mercedes taxi could soon take its place. This includes two dealerships in Liverpool and Scotland. "Our expansion plans for the UK are on track and we are in advanced discussions with several former LTI dealers wishing to sell the Mercedes Vito. This follows the increasing level of sales enquiries regarding the Vito that we have received from the rest of the UK over the course of the year," Peter stated: that Coventry City Council, Manchester, Trafford, Peterborough, Southampton, Reading and Cambridge now license the Vito.

The three pointed star that is symbolic of the quality of a Mercedes is becoming ever more popular with both owner-drivers and also fleet proprietors. Mercedes Benz is of course pleased that the focus of KPM's new sales will soon be solely Mercedes. Peter acknowledged that for KPM the sales of new TX4s were a diminishing part of their business, for every 4 new vehicles sold 3 were Mercedes Vito taxis and only 1 was a LTI TX4 taxi. "This is an expected development for which we have been planning for some time. We had forecast our sales of new LTI vehicles tailing off over the next 12 months in any event as the Mercedes Vito gained further traction with our customers. We continue to investigate

further collaborative opportunities with Mercedes." In September, another Mercedes Vito will be launched as a taxi for those areas that do not have the 25 foot turning circle requirement that has seen the rear wheel steer added to the Vito. This will be a long wheel base vehicle and also be made in Coventry where the current Vito hails from. The vehicles that come into the factory in Coventry are completely fitted out inside and the rear wheel steer added, together with seating and the taxi sign. Peter commented that in his opinion the taxi fleet in London has deteriorated in recent years and he would like to see this improve.

OWNERS BENEFIT FROM LOWER RUNNING COSTS

Peter said that owners of the Vito taxi have been saying that their running costs are reduced. There is a Mercedes TLC pack available for £400, which covers the Servicing costs for three years. Mercedes have a 24-hour Assist Programme and drivers are able to use the dealer network across the country as Mercedes dealerships train their technicians to work on the taxis. Peter was pleased to say that the first Vito taxi to undergo its overhaul had cost just £240.00. Due to the nature of the relationship with Mercedes and the three-year warranty, KPM are in a position to allow more discretion should a Vito come in for warranty work. Mercedes want to know why a part has failed and put every effort into rectifying the problem once they are aware of it to keep drivers on the road and working. Mercedes, along with KPM, are extremely proud of their taxi product and defensive of it.

ECO MARKETS CONTINUE TO GROW

KPM is part of Eco City Vehicles plc and has been working on finding a good "Green" solution. After the press conference, Peter took journalists out in the hybrid/lpg Mitsubishi Canter van, which is now available for sale. Work continues on a 3.5 ton truck and an environmentally friendly Mercedes Vito taxi is due out in 2010. Peter DaCosta reported that more details would be published as they become available.

