

Switzerland

Market Environment

In 1992 296,009 new passenger cars (of which 41,393 fourwheel drive and 8,107 Diesel) were imported into Switzerland (compared to 314,830 in 1991). There were 286,289 new registrations, a decrease of 7.7% from the 310,193 in 1991. In the first 6 months of 1993, 174,382 new passenger cars were imported (a decrease of 14.1% compared to the same period in 1992). The number of new commercial vehicles and trucks (including delivery vans and semi-trailers) decreased from 20,915 in 1991 to 17,021 in 1992 while that of buses increased from 33,642 to 34,756. In 1992 there were 3,098,583 passenger cars (compared to 3,065,812 in 1991) and 275,743 trucks (compared to 277,375 in 1991) in circulation. Agricultural and industrial vehicles amounted to 169,299 and 48,138 respectively in 1992.

Due to the improvements in quality, service intervals are becoming longer which is having a negative effect on garages. At the present time the average age of a passenger car is 8-10 years.

There are some 5,000 garages in Switzerland 80% of which with 1-10 people and not all of them can provide full servicing. It is estimated that there are an additional one to two thousand places where automotive service is offered.

It is estimated that some C\$ 104 million worth of automotive service equipment was imported into Switzerland in 1992.

Official car dealers often have to purchase the equipment recommended by the exclusive distributor who provides the software support for proper servicing. German cars being very popular in Switzerland (126,452 imported in 1992 or almost 43% of total imports), the Swiss have traditionally looked to Germany as the major source of servicing equipment. Italy supplying well engineered, well designed and user friendly mechanical servicing equipment continues to keep its position as the second most important supplier.

Swiss distributors seek to minimize the cost of maintaining stocks and prefer to deal with manufacturers who warehouse their products in Europe. In order to obtain favourable prices the Swiss automotive trade has established its own buying cooperative in Burgdorf under the name of ESA. Besides cooperative buying from other Switzerland based wholesalers, ESA is also an exclusive distributor of imported equipment. In addition to maximum rebates and discounts, distributors and buying cooperatives are often granted advertising and promotional funds.

Factory training of the Swiss distributors, efficient post-sale service and local language manuals are the key factors to being competitive in the Swiss market.