

Analysis

Roger Trapp



HOW THE DEPRESSED CAR MARKET IS GOOD NEWS FOR ANYONE WANTING TO BUY A NEW MOTOR

Whatever the mixed signals about the length and depth of the current downturn, there can be no doubting the impact on the motor industry. Even the much-trailed Budget announcement of a "scrappage scheme" to encourage owners of older vehicles to swap to newer, cleaner models appears to be doing little to lift the gloom.

What is bad news for some can be good for others, though. And for those with cash rattling in their pockets, there can hardly have been a better time to shop for a new car. Not only is the market depressed, but buyers are no longer restricted to visiting their local showroom. Until recently, it was probably only committed car nuts obsessed with obtaining a particular model who went further afield. Now, though, thanks largely to the internet, it is increasingly easy for people to research different models and choose their future vehicles from the comfort of their own home – and save considerable amounts of money at the same time.

However, it is widely acknowledged that what will give smaller businesses an advantage over their larger rivals is personal service. Which is where Ashley Winston comes in.

Internet-based search services for cars are all well and good, but they typically still leave the individual customer having to make the decision on which car to select – and, unless they have some professional expertise, that can be daunting. Moreover, chances are that the perfect car is parked at the other end of the country, so viewing and collecting it can become a hassle.

Winston promotes his business, Palmdale, as a full service offering. As his marketing message puts it: "You tell us exactly what car you want. We search for every available car in the UK that meets your description. We negotiate with the seller. We make sure the car is perfect. We collect the car and bring it to your door. You enjoy your new wheels for many years to come."

This sounds ideal for the person who knows exactly what they want. But Winston – a self-confessed fanatic who, while only in his early thirties, has "owned well over 100 cars" – will also help customers who are less set on what they want. "Clients range from City professionals to young mums," he says.

Winston and his team of drivers travel up and down the country seeking out the best cars and delivering them to customers' doors. But he also believes that the transparency of Palmdale's charging structure plays an important part. Fees are charged based on the car's value, starting at £395, plus VAT, for a car valued at less than £10,000

and rising to £895 for those valued at more than £50,000. All expenses incurred are agreed beforehand, to avoid surprises. Winston also claims his expertise helps clients save an average of £1,500 and this is passed on.

The business grew out of a hobby. Winston previously worked in financial services marketing and was buying and selling cars in his spare time, initially for himself but increasingly also to help friends. About three and a half years ago, his wife suggested he set up a proper business – and Palmdale was born.

Based in Ealing, west London, the operation comprises just Winston, an administrator and two drivers. It has grown steadily, so that it now supplies about 12 cars a month, and Winston predicts that will reach about 20 shortly. But, having established the model, he is looking to expand more aggressively. He is employing a telemarketer to target small businesses with fleets and is looking at setting up satellite operations around the country because having two drivers based in the south of England is not always efficient.

Winston sees business increasing despite the recession. When people are more cost-conscious, they are "no longer prepared to lose money [through instant depreciation] by buying a new car" and so are more willing to buy a second-hand model. With demand for second-hand cars rising and dealers seeking to stimulate interest in new models with price cuts, prices for good second-hand cars are becoming increasingly close to those of new cars. But there could still be good business for Winston. With new cars being stockpiled in open yards and, in some cases, close to ports, customers should be keen to find out how "new" a new car is. And, as he stresses, he is acting solely for the customer. This puts him in a completely different position to the dealer who is keen to sell what he or she has in stock.

Winston's decision to market himself through the downturn will be music to the ears of Jonathan Yates, author of a pocket-sized book entitled *All-Time Essentials for Entrepreneurs, 100 Things To Know And Do To Make Your Idea Happen*. The book is designed to inspire entrepreneurs and those aspiring to join the club. For example, Essential Eight asks the reader if they are happy as an employee or whether they are prepared to "step into the unknown". Yates, who founded and sold a business selling a vitamin-enhanced flavoured water, sees the book as "a bit like a mentor you can call on whenever you need to". It sounds an appealing service – not unlike Winston's offering.

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