

WHICH VEHICLE WILL DRIVE OUR INDUSTRY?

By JOHN M. GREENE

Our industry is based on making a decision, though it's usually the customer that makes it. They decide who they want picked up, where they want to go, what time they want to get there, sometimes even who they want to drive them. Occasionally they will also ask us, "What car do you think works best for my situation?" And that's where we, as operators, come into the decision-making equation. So what does it say to our industry, and to our customers, when our response is, at least to ourselves, "I don't know?"

Throughout the years the response would have been simple, "A Lincoln Town Car." Back in the day the choice was clear cut, not only to us but to the customer. And why not, these sleek black chariots defined the industry for many years. Unfortunately, in August of 2011 the Canadian plant that manufactured the Town Car shut down because retail sales had plummeted (Cadillac soon followed suit regarding the DTS). The torch needed to be passed.

Time has a way of erasing things, wiping the slate clean for the next round in both technology and customer's tastes. It usually makes for a smooth transition (from 45s, to 8-tracks, to cassettes, to CDs, etc.). But now and then time (a.k.a. progress) plays a cruel trick on us and gives us too many choices – which, sadly, is what we are faced with now. We flock to limousine trade shows and become kids in a candy store, not knowing what to pick because everything, at least on the surface, *looks so good*. But if we don't all rally around a new face for our industry very soon, we are going to have some serious problems going forward.

Why such urgency? Because if our fence straddling gives the impression to the customers that we are a house divided, then eventually that house will collapse like a deck of cards. And if by being fractured we are unable to understand the customer's expectations, how will we know how to stock our

fleets. I know few companies so strong they can afford to stock their garage with "one of everything."

We need to make sure the customer is not confused, or that our own indecision further fuels that confusion. If we work in a luxury marketplace, then we need to define what a luxury car is. And it isn't necessarily 100% about customer's expectations. There's also the issue of resale value, something the Town Car could boast proudly of. If we operate in a fragmented marketplace, equally fragmented will be the market on resales.

So how do we find the king of the road, short of putting every vehicle on a giant dartboard and hoping our aim is true? On the surface, the new Lincoln MKZ and the newer version of the Cadillac seem like viable options. They both have excellent price points and are big enough to be categorized as a "full-size luxury vehicle." Both appear to be solid candidates to assume the mantle. But there are varying opinions.

Some operators, particularly those in the mid-size market range which rely on a great deal of affiliate work, are turning their lonely eyes to the larger markets in the Northeast and on the West Coast for direction. "I'm sitting on the sidelines waiting for the larger markets to make a decision and tell me what I need to have to accommodate their passengers," says a Virginia-based operator. "Unfortunately, the larger companies haven't made any decisions up to this point. So I'm still buying the Town Car 'L' series. I haven't seen anything on the market yet that matches the Town Car in terms of luxury, space, price, and reliability."

Echoes this operator in Arizona, "I'm still not sure how the MKT will go over or be perceived by corporate clients. I also think that each market will dictate which vehicle you might go with. We handle a lot of golf clubs and

for those trips we will likely up sell to an SUV as there won't be much choice for fitting all the luggage in. I think we will also have a more diverse fleet going forward, not like the 'old' days when all you had was Town Cars. In the future you may have more SUVs, a few Mercedes E-Class or BMW 5 GT, and some MKTs or XTSSs."

What we are witnessing is strong vehicle competition as we venture forth into a post Lincoln Town Car universe. At a recent major West Coast trade show, only two of more than 30 vehicles on display were stretch limousines: A Krystal Town Car sedan stretch model and the new Lincoln MKT Town Car 120" stretch. The remaining vehicles on the red carpet were the Lincoln MKT Town Car, the Lincoln MKZ Hybrid sedan, the Toyota Avalon, the Hyundai Equus, the Audi A8, and the Mercedes-Benz R350, S400 and newly released S350 model.

With more vehicle choices come more bells and whistles, as everyone is fighting to get the inside track. For instance, the MKT was definitely designed as a high-tech mobile office, with its USB charging port, 110-volt plug, and a Wi-Fi hot spot for laptops and Smartphone's. Production on the MKT Town Car started this past February at the Ford assembly plant in Oakville, Ontario, with the first MKT Town Cars scheduled to hit chauffeured fleets by April 2012.

The choices are out there and the customers are waiting to see where the darts will land. As an industry, it is in our best interest to step up and make a decision – before the customer makes the decision to pass us by.

John M. Greene is a 25-year veteran of the limousine business, and President & CEO of ETS International in Randolph, MA. He can be contacted at 617.472.9900 or jgreene@etsintl.net.