



## INTERVIEW

# CAR MOBILITY REMAINS OUR FOCUS, BRINGING IN FLEXIBILITY

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**1. The global economy seems to experience challenges we have not seen in decades: very high inflation, the prospects of synchronized recession, higher and higher interest rates, and even war. In this context, how do you deal with such challenges in your business sector?**

The market which facing these challenges, is very cautious and tries to avoid extended or long-term commitments. In the car mobility segment, consumers (individual or entrepreneurs and SME business mainly) are looking forward to cover the necessity of their short-term mobility needs without having a secure forecast for the near future. Companies that offer car mobility such as car rental and operating leasing, are trying to accommodate those shifts in the market by updating their portfolio of proposals, which now is focused to more flexible and shorter term of car use. Our Company as other similar, is targeting to more conservative car purchase plan, as new cars are very hard to come on time, if to come at all. Adapting its fleet to the new realities, offers shorter term car rental proposals for the car types that are in demand, as economy car group and city cars in general, as request for both luxury and high-class cars is diminishing. Also, our pricing policy should

reflect the overall increase of costs, -not possible to fall behind- and trying to adapt to the new reality.

**2. The companies want to concentrate on their way of making money, and it seems like they want to put aside additional administrative (and even repetitive tasks) like owning their car fleet. They want things to be simple, like no down payments, fixed and predictable monthly rates, to change their vehicle at any time (according to their needs), and finally to have the possibility to own it for a special price. How do you help companies (do you have any specific product) to satisfy what might be seen as the new normal in fleet management?**

The scheme of the past, that Companies should own fleet of cars in order to execute its business, that still is the trend to very few, mostly eastern European Countries, is shifting towards outsourcing car mobility services and expenses to dedicated for this purpose Companies, such as car rental and operating leasing providers. It needs a lot of time and space to analyze the benefits of renting a car instead of own it (fixed monthly cost, low risk, full cover of everything, hassle free processes, replacement car etc) so I will stay on that: Nowadays, even more pressing is becoming the fact that owning a car fleet is depriving valuable capital from being invested

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into the main business activity of each Company, and that by paying a monthly fee against car usage is far better option than owning a fleet.

**3. While for a big company, it is easy (and profitable) to externalize the car fleet management, how is the situation for a small or medium size company? Can you detail the financial benefit for an SME to do this?**

As the global economy is changing and becoming tighter and demands a much higher control of costs, not only the big commercial companies but as well the smaller ones, SME as we calling them, have to adapt and ensure that reserving capital and cash and concentrating all of their efforts to their main activities, is a top priority. It might look as “expensive” to outsource car mobility services, but on the long run the benefits are far greater. With or without a down payment, total budget that needs to be invested will worth it.

**4. Have you seen any radical shift in consumer preferences brought by the pandemic, inflation, higher interest rates, delays in delivering new cars, or supply chain bottlenecks? How does this manifest in your field of business, and do you think this shift is here to stay?**

Short term projects, avoiding long term and streaked obligations and commitments, is the new trend toping to this by a much-needed flexibility. This trend will be only growing as time passes and future looks more and more complicated, not to say turbulent.

**5. Until the first year of the pandemic, car supply had no problems, and customers received cars from overcrowded dealers. But now, we see very high demand and low supply, which increases the prices and causes delays. How can you help?**

For us in Hertz Romania is of a priority to serve our clientele, by utilizing on the highest possible ratio our existing car fleet, having cars available to cover newly established car rental programs, aiming to the flexibility and the immediate availability that market is looking for. The traditional boundaries of leisure car rental from the one end the long-term operating lease from the other, are nowadays changing to a new concept, this of car mobility. Exactly to this need our Company is ready to offer flex- drive opportunities and short-term car rental services.

**6. Going beyond large and medium size companies, I would like to ask how you think using a car with a monthly subscription will migrate from companies to people. It seems like owning a car in big cities is no longer a necessity for private persons. Is (or will be in the future) the short- or medium-term rental a viable alternative even for decent-paid private persons? Why or why not?**

Traditionally the fleet companies were the ones having a direct access to car mobility, while individuals and entrepreneurs were somehow “not in the field” as potential customers. But as global economy and commercial boundaries are shifting rapidly, the same flexibility and “easy going” of short and medium car mobility is requested alike by those individuals, the new generation, that considers ownership as a relic of the past, and looking forward to try products of sharing, using without to own, flexibility while utilizing, trouble and concern free mobility.

**7. What is your main message to your clients/partners regarding challenges and opportunities for the short and medium term?**

We stick on this: CAR MOBILITY remains our focus, bringing in FLEXIBILITY.