Although the main perceived benefit for vehicle recovery services is a `get you home' service, more than 80% of vehicle breakdowns are solved at the roadside.

The vehicle breakdown services market has four main sectors, but they are not mutually exclusive. These are the ad-hoc sector, the private/retail sector, the third-party sector and the commercial sector. The main perceived benefit for vehicle recovery services is a `get you home' service, yet more than 80% of vehicle breakdowns are solved at the roadside.

(PRWEB) September 21, 2003 --Research and Markets have announced the addition of the "Vehicle Breakdown Services Market Assessment 2003" report to their offering.

This report provides an overview and analysis of vehicle breakdown services in the UK for private motorists, including those with fully expensed company cars.

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Motorists who do not have motoring organisation membership or insurance-backed cover for breakdowns have ad-hoc use of vehicle breakdown and recovery services, normally from local garages, and are charged at the time of use. The private or retail sector is for individuals who belong to motoring organisations Â such as the Automobile Association (AA), the Royal Automobile Club (RAC) and Direct Line's breakdown service Â and who engage the recovery organisation in the event of a breakdown at no charge at the time. Providers such as Green Flag, Mondial Assistance and Europ Assistance offer breakdown services to individual motorists at no charge at the time, but are predominantly contracted through a third party, such as an affinity group, insurance company or car manufacturer. However, Green Flag and Europ Assistance also sell breakdown cover directly to individuals via online purchasing facilities on their websites. The commercial sector is for businesses with fleets of cars or commercial vehicles, but is not covered in this report in any depth.

For most of the last century, the AA and the RAC dominated the UK vehicle recovery industry. In the last 30 years, new entrants Â notably Green Flag, Direct Line, Europ Assistance and Mondial Assistance Â have increased competition in the market, particularly in the third-party sector. In the last decade, growth in the market slowed, partly as a result of the recession in the early part of the 1990s and competition between the main organisations. However, since 1999/2000, the industry has been revitalised by the change in ownership of the main motoring organisations providing vehicle breakdown cover.

The main motoring organisations, including the AA, RAC and Direct Line's breakdown service, have adopted strategies designed to offer more than vehicle breakdown services, resulting in much stronger customer relationships and expansion of the market. They have also adopted strategies to expand third-party provision. This has come at a time when car manufacturers have generally been extending warranty periods with the offer of vehicle breakdown and recovery assistance, many insurance companies have started to offer vehicle recovery and breakdown service options and a large number of affinity groups have added these services to member benefits.

The Government's 10-year plan for transport is designed to encourage the use of public transport and it will reduce the growth in road traffic between 2000 and 2010. Nevertheless, the underlying growth in the economic wealth, coupled with the desire for mobility and flexibility, will ensure the continued growth in private motoring. Although cars are becoming more reliable, the complexity of electronics in modern cars is increasing the requirement to call for assistance when a breakdown does occur.

The main perceived benefit for vehicle recovery services is a `get you home' service, yet more than 80% of vehicle breakdowns are solved at the roadside. Fast call-out and service within an hour are also important perceived benefits for vehicle recovery. Most vehicle recovery organisations have an average call-out of between 30 and 40 minutes, and over 90% of breakdowns are contacted within an hour. There are in excess of 8.5 million vehicle breakdown and recovery call-outs per year. The important main benefits of vehicle recovery vary by age, socio-economic class and geography, which is critical to the way vehicle recovery organisations promote their services. The use of main media advertising by recovery organisations declined considerably in 2002, but all major competitors reported increases in membership and sales. Much of this growth has come through third-party sales.

For a complete index of this report click on http://www.researchandmarkets.com/reports/36352

REPORT DATA SUMMARY:
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