

Bandvulc exports have tripled since 2009

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Over the last two years Bandvulc has seen a consistent demand for its commercial retreads within Europe and especially Germany, but lately the pace of export growth has increased significantly. Not only have sales through existing partners increased by over 50 per cent in some countries, but new customers are reported to have been won – and in additional territories too. Key developments include distribution arrangements with agents as far away from South West England as Greece and Poland.

In 2009, European exports accounted for 2.4 per cent of all the retreads Bandvulc produced. By the end of last year the figure had more than tripled to 7.9 per cent. When you consider that the manufacturing company reported an annual turnover of roughly £30 million in 2009, you can see that these figures must also translate into significant value in terms of sales as well as volumes. Now Bandvulc reports that it has plans in place design to continue this upward trend with “similar growth and development” in 2011.

Retreader recommended for German council purchases

Germany has always been Bandvulc’s largest single export destination, but during 2010 the fact that Europe’s largest tyre market was emerging from recession meant Bandvulc saw sales double in a range of tyre sizes, primarily trailer fitments. The group also saw selected customers adopt its BTC (Bandvulc Tyre Contracts) management programme, thus giving the company a stronger foothold in the German market and a platform from which to grow.

Phil West, Bandvulc commercial director commented: “Our management system is quite distinct from others in the market as we have bespoke reporting and analysis for different customers. We have an adaptive process which accommodates country specifics.”

In the well-established German market, with its exclusive trading partner, Vergölst, Bandvulc is seeing its BIG and Wastemaster tyres continue to be favoured by city councils and drivers alike. To illustrate this point: three major German city councils – BSR Berlin, SRH Hamburg and AWM, the Munich City Council, specify Wastemaster MKIII tyre as sole fitment on their refuse collection vehicles. These three councils equate to over 3,000 vehicles and each authority has subjected Wastemaster products to independent tests for endurance and safety (such as the Lüneburg ADAC skid pan and TÜV Süd). According to the company, the tests satisfied requirements in terms of environmental issues, safety, traction, braking distances, weather conditions, M&S ability and certification. Bandvulc attributes the Wastemaster’s success to the fact that the range was designed and developed based on feedback from drivers and operators in the industry, a policy it has adopted with all tyre developments.

The fact that the German government looks to local authorities such as Berlin Council to establish standards and pave the way for other companies to follow also gives Bandvulc the opportunity for further growth.

In addition to the successful introduction of the Wastemaster tyre within BSR Berlin, Bandvulc now also collects and carries out inspections on all casings removed from BSR’s fleet of around 1,700 vehicles. The benefits of Bandvulc’s in-depth casing reporting have already led to improvements in BSR’s fleet economics.

At the latest count Bandvulc’s tyre sales to Germany were already up by 159 per cent

year on year for 2010, with "further substantial orders" to kick start 2011. One such consignment includes the first delivery of BD09s – Bandvulc's high mileage, long haul, drive axle tyre destined for Hamburg Council.

Further east

In 2010 Bandvulc also made its first venture into Poland with one of its UK blue-chip customers. Operations running in Teresin, near Warsaw will now use Bandvulc tyres as their primary policy fitment for trailers. By adopting this change, Bandvulc's customer (a well-known supermarket chain) will be expanding its already well-established retread tyre policy into Eastern Europe.

Greece was a new market in 2009 and is reported to have maintained its level of sales despite a very difficult financial climate. Bandvulc's appointed dealer Agripan is said to have done "a sterling job" in raising the profile of the Bandvulc range to logistic companies throughout the whole of Greece. One surprise addition to Bandvulc's country portfolio was Georgia and "expansive plans" are in place for 2011 and beyond.

It is also important to classify Ireland in Bandvulc's euro zone. According to the company, Eire forms a major part of Bandvulc's plans for Europe; market penetration is opportune as cheap new tyres become more unattractive and scarce. One of Bandvulc's biggest successes here is with Kerr's Tyres where sales have tripled over the past 12 months.

Working with independent distributors in European markets is an important channel for Bandvulc to distribute products and promote its brand. These companies have the advantage of language and cultural background of how to sell product in their country. Working together with an 'in country' partner is the same as having a Bandvulc warehouse and sales force working in that country; they are representing a specific product and brand and their performance will impact directly on Bandvulc as a company, hence the support package which comes with country allocations.

Although the weakness of sterling has proven favourable for eurozone businesses, current raw material costs continue to put pressure on all transport activities leading Bandvulc to predict that 2011 will be a "much more difficult and volatile year than 2010."

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