

Used vehicle purchasing and selling

Initiatives to improve customer satisfaction strengthen Rabbit brand power.

Haruyoshi Kimura

Director and General Manager of Business Division, Rabbit Car Network Co., Ltd.

PROFILE :

Haruyoshi Kimura handled sales, marketing, and the launch of new business for major enterprises the likes of Sogo Co., Ltd. (current Sogo & Seibu Co., Ltd.) and the Shiseido Company, Limited. He joined the Rabbit Car Network in 2022 and was appointed Director in 2023. Haruyoshi Kimura will work to cultivate customers and develop human resources.



Fiscal review and future strategies

As a network of stores specializing in used car purchases, the financial performance of the Rabbit Car Network largely fluctuated with market prices during the fiscal year ended March 31, 2023. In the first half of the fiscal year, consumers purchased a fewer number of new vehicles due to an ongoing shortage of semiconductors from the previous fiscal year. As a result, the distribution of used vehicles also fell, which increased vehicle prices and led to greater earnings. In the second half of the fiscal year though, used vehicle prices declined and created a consistently harsh market environment. However, Rabbit Car Network succeeded in generating higher income and profit for the entire fiscal year due to an increase in the vehicle sales at higher prices overall. As a chain buying and selling accident-damaged vehicles, Repro World also saw an increase in the price per vehicle and sales volume. However, the Company saw a decline in profit in spite of an increase in income due to dwindling gross profit as auction prices fell from October.

As a result, the Used Vehicle Purchasing and Selling Segment generated ¥10,391 million in net sales from outside customers, up 11.7% year on year, and an operating profit of ¥130 million, down 4.6% year on year.

As a future strategy, USS will aim to not only increase the volume of used vehicle purchased in an effort to help ensure sustainable growth, but also focus on retail sales toward exponential growth. To do this, it is vital to establish ourselves as the retail outlet chosen by customers. The Rabbit Car Network must also aim to become the company selected by external assessment agency* as one with the highest level of customer satisfaction. As a means to achieve these goals in the fiscal year ended March 31, 2023, we fundamentally reformed our customer service and claim processing practices. Managers from stores will visit a branch with high customer satisfaction to learn their management techniques. As a result of this work, a greater number of customers are already visiting our stores.

Currently, the Rabbit Car Network has grown to directly operate 15 stores with another 132 franchises throughout Japan. Our goal is to increase this to 200 stores consisting of 30 under our direct control with 170 franchises. We will shift to a trajectory of growth by enhancing Rabbit brand power and expanding the number of stores.

These measures first aim to generate ¥300 million in operating profit.

* Source: Oricon CS Ranking

SWOT analysis

Strengths	<ul style="list-style-type: none"> • A business model closely linked to USS auctions • A widely recognized brand in the used car purchasing market
Weaknesses	<ul style="list-style-type: none"> • Delays in online systems and other digital transformation efforts • Human resource recruitment, development and retention
Opportunities	<ul style="list-style-type: none"> • Strong demand in other countries for used vehicles made in Japan • New ways to use preowned vehicle inventories for services generating a steady income, such as leases and subscriptions
Threat	<ul style="list-style-type: none"> • Reduction in new car ownership as drivers shift away from ownership to car sharing, leasing and rentals. • The result is a longer cycle for the replacement of automobiles.