

Trailers as a service

Not content with supplying refrigeration units plus aftersales support, Thermo King is now promoting an all-in deal for operators of temperature-controlled trailers under the 'premier+' banner.

As well as the fridge unit, it includes the trailer itself, the necessary funding and an all-embracing service and maintenance package. Everything can be covered by a single monthly payment.

Support is delivered with the help of the company's dealer network. "Our dealers are familiar with trailers and do a lot of work with our trailer partners," says Thermo King vertical integration programme leader, Brian O'Donoghue.

"In the UK, we have eight fixed service locations which are supplemented by approximately 200 mobile service vans with fully-trained technicians," adds a Thermo King spokesman.

The programme is being rolled out across the company's key European markets and should debut in Britain during the first half of 2021. "It's an all-in-one solution that enables customers to focus on their core activities," O'Donoghue says.

Adopting such a full-throttle approach runs the risk of upsetting the trailer builders that Thermo King supplies, not to mention hire fleets with trailers equipped with the company's products. They may fear that it is an attempt to take business from them.

It is a risk Thermo King is clearly willing to run. "What we're doing is all part of the

All-in-one supply packages roll up fridge and trailer rental, maintenance and finance in a single monthly payment. Is this the start of a new trend, asks Steve Banner

rough and tumble that's out there in the market," O'Donoghue remarks.

However, the impact premier+ is likely to have in the marketplace should not be exaggerated, he stresses. For a start, Thermo King is not trying to move into the spot rental sector. "We're offering longer-term agreements that would typically run for from 48 to 72 months," O'Donoghue says.

Nor is it chasing big-volume deals with major fleets, he adds. Instead, the firm is targeting small- to medium-size

operators who may not have the time or the desire to source each element of the package themselves.

Recognising that some types of funding are more popular in some countries than others, Thermo King is willing to be flexible so far as the finance package is concerned. "A large proportion of people want an operating lease, but we can offer other types of leasing arrangement or hire purchase depending on what the customer is looking for," O'Donoghue says. It is doing so through TK Financial Solutions.

Nor is the company wedded to any particular make of trailer. "We're working with a number of premium manufacturers across Europe," says O'Donoghue, without naming names. While stressing that premier+ is targeting trailers at present, he would not rule out offering a similar deal for refrigerated rigid.

REACTIONS

Trailer manufacturers and leasing and rental fleets have been muted in their response to Thermo King's premier+ initiative, with at least some of the former doubtless conscious that their products could be used as premier+ platforms. That could lead to incremental business.

The managing director of one well-known truck and trailer leasing company, who asked not to be named, offered his observations. He says: "To be honest, I think what Thermo King is doing may be a delayed reaction to the impact of trailer-maker Schmitz Cargobull's



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Scott Dargan



decision to produce its own fridge units. I'm surprised by it because if an operator needs a fridge trailer he's almost certain to go and talk to the trailer-builder first – or maybe to a trailer leasing specialist – rather than somebody who makes refrigeration systems.

It should perhaps be noted that Schmitz Cargobull announced plans to launch its own trailer fridge units some eight years ago in a bid to break the stranglehold enjoyed by Thermo King and Carrier Transicold. The first went into service in Europe just over seven years ago, so any such reaction would indeed be a delayed one.

Rival Carrier Transicold is not rushing to emulate Thermo King. Its managing director, UK and Northern Europe, Scott Dargan, says: “We provide a vital link in the cold chain, but we also understand that we are part of a wider ecosystem in the refrigerated transport sector. We operate with intermediaries and partners in the supply chain, and it's extremely important that we respect the relationships we have built with them.”

Carrier Transicold does of course offer aftersales support for its products. Dargan says: “We've created the everCOLD fixed-cost full-service maintenance package. Alongside

Amazon Web Services, we're also co-developing a new Lynx digital platform which will provide Carrier customers with increased connectivity.”

CONNECTIVITY OPTIONS

On that front, Thermo King's Connected Solutions with Trailer Assist telematics system comes as standard with premier+, which could undoubtedly benefit some operators.

Bear in mind however that any telematics system fitted to a trailer has to be capable of being integrated with whatever package the customer is already using. So says John Cadwallader, director of refrigerated trailer sales, service and rental specialist of the same name. That can be a challenge, he adds. “In our experience no two operators take the same approach,” he remarks.

It is a challenge that Schmitz Cargobull and rival German trailer builder Krone have recognised, and are attempting to overcome. Each manufacturer has now opened its interfaces to the other's telematics system.

This collaboration underlines the fact that all fridge, trailer and body suppliers are involved in the provision of ancillary services to a greater or lesser extent.

Their availability can vary from one country to another. For example, French trailer bodybuilder Chereau has a rental operation that hires out single- and multi-temperature trailers for periods ranging from a week to a year.

And Schmitz Cargobull can put together HP, contract hire and leasing deals as well as a variety of different service contracts (technician pictured, p26 bottom). Add in its ability to manufacture and maintain its own fridge units, and it is clear that it offers a package similar to Thermo King's, albeit coming from a different angle.

OEM OFFERINGS

Thermo King's new offer relative trailers is of course no more than van and truck manufacturers have been doing with their own products for many years, and without losing favour with the major leasing groups. They are now progressing beyond funding, aftersales support and telematics into hitherto largely-unfamiliar territory.

For example, IVECO is marketing a pay-on-use repair and maintenance package for Daily, with payments based on the mileage covered and the work the vehicle has been doing. The data is collected from an onboard connectivity box and the initiative forms part of the IVECO On portfolio of digital services. “Our new formula means that maintenance and repair costs will exactly reflect the use of the vehicle,” says Monica Bertolino, IVECO's head of total cost of ownership services and marketing, aftermarket solutions.

Elsewhere, Ford has taken aim at small fleets with FordPass Pro Marketplace, which uses the FordPass Pro smartphone app to allow them to browse details of partnerships and offers orchestrated by the Big Blue Oval. There are three partnerships available at launch, including fuel card supplier WEX Europe Services, which offers discounts to FordPass members. **TE**

