

## **KOBELCO ready for Europe**

European market makes other demands on crawler cranes.

KOBELCO Construction Machinery (Europe) B.V. (KCME) knows what the European user wants. The manufacturer has made a considerable catch up and is ready to face the European competition, according to KOBELCO. KOBELCO Market share has grown to 20 %.

“Quality, customer satisfaction and globalisation”. These are the goals of KCME. As such they are explicitly announce to every visitor of the European head-offic in Almere, The Netherlands. “In the same way we will continue to incorporate these goals in our products in the future”, announces Mr Tsutomu Kimura, Managing Director of KCME in Almere.

To explain his objective with KOBELCO, Kimura goes back to the early seventies. From that time on the Japanese already have been active in Europe. P&H cranes were manufactured and sold under license. Only since halfway the eighties the cranes and excavators were exported to Europe with the KOBELCO brand name.

At first KOBELCO intended to exploit the European crane market through a network of dealers, with dealers in several countries. This also has been the case for some time. “However it became increasingly difficult to find dealers with the necessary knowledge of a product such as the crawler crane”, explains Kimura. “For this purpose the cranes are too specific”. KOBELCO decided to deliver direct to endusers. Only in Finland the company still works with a dealer.

Kimura is happy with the current approach to the market. It it would be up to him KCME will continue with this for many years. “The number of potential customers is limited what crawler cranes are concerned” explains the Managing Director. “With direct marketing we can reach up to 99 % of the prospects. If a client would like to receive more information, we elaborate of course.”

The way KOBELCO approaches the European market, certainly pays of with the crawler cranes, where the number of potential customers is limited.

Of the cranes, with lifting capacities of 55 up to 800 ton, KOBELCO has sold about 20-22 units in the European market. This number has an estimated total value of about 16 million Euro.

“I estimate that with this we have about 15 up to 20 % of the market”, according to Kimura. According to him Europe takes about 150 crawler cranes into service annually, of which 2/3 for lifting and 1/3 for digging.

KOBELCO has set a target of selling 20 units in Europe this year. Sales show this target is realistic even under current economic circumstances. According to Mr Kimura: “With a product as a crawler crane you are even more than usual dependant on the economic situation. The investment is high and the number of potential customers is limited.”

On top of that the European market is quite different compared to the USA or Japan. In Kimura’s opinion an important difference is found in the time the crawler crane stays on the same job.

In Europe moving the crane to another job site happens quite often, which means there automatically is a preference for mobile cranes on wheels. In Japan and the USA contractors sometimes move only 3 up to 4 times a year.

The current KOBELCO crawler cranes are easy and fast to assemble and to transport. Nowadays the investment in a KOBELCO crawler crane already pays off when the crane stays on the same job for 1,5 up to 2 weeks compared to the investment in a wheeled telescopic crane.

This also explains why KOBELCO launched 4 new KOBELCO crawler crane models this year with a self-erection system (needing no assistance crane) and other fast and easy assemble and transport features.

#### European demands

There is another difference between Europe and Asia. The crawler cranes sold in Europe are more modern, more ergonomic and comply with additional and more strict demands.

“The European user is aware of what is possible”, Kimura mentions. “He knows the products and standards made by laws and regulations. From this position the customer also makes other, stricter demands. By incorporating these demands in our products we have obtained a strong market position. The Managing Director mentions that by the end of the eighties this not always has been the case.

Kimura is aware that by good listening to the wishes and ideas of the European user the European market has opened more and more to KOBELCO. With elaborate and thorough studies, good listening to the client and by hard work KOBELCO managed to catch up. By now 80 up to 90 % of the cranes is developed and designed for the European user.

Hydraulics are used as much as possible. Not only in the control and operation of lifting functions, but also in the brake system of the new winch. Furthermore an assistance crane is no longer required for the assembly of the machine, also not for cranes of higher capacity. All cranes have self-assembly systems, which also make transport easier.

#### Objective goal

For years KOBELCO is market leader in Japan in the crawler crane business. In Europe the competition appears to be stronger. “Especially from some companies we experience heavy competition,” according to Kimura. “These European companies are well established in Europe, which often means that it takes more time to convince the European customer that we have the better product.”

With mentioned innovations, by incorporating the wishes of the European user in our products and by obtaining a larger market share, especially in Germany, the achieving manufacturer wants to increase the market share from 20 up to 25 % in 3 years time. “An objective and achievable goal,” according to Kimura, “because now we are really ready for Europe.”