



OVERDRIVING CUSTOMER INSIGHTS INTO BUSINESS

PROFILE

**LUKE TROUCHET
(CEO) AND KARL
TROUCHET (CFO).**

The brothers have expanded the family owned business significantly in the last 12 years.

*Brothers Luke and Karl
Trouchet (left to right)*

Like many Australian businesses, Apollo Motorhomes started from very humble beginnings, building its way up to be one of the most respected and premium brands in the campervan rental industry. While CEO Luke Trouchet feels there's a little bit of luck involved in the success of the business, much of its growth can be attributed to knowing and understanding what it is their customers want.

'My parents started with just one campervan in their backyard. Their idea was to use it as their "drive car" during the week, renting it out on weekends. However, it proved so popular that it was rented during the week too. As a result, they ended up buying another one and, once again, due to demand, they began renting it out. They started to realise that there was a market for this type of thing. More vehicles we're bought

and rented from the house where my brother and I made our pocket money from cleaning campervans at weekends. We essentially grew up in the business,' Luke explains.

After a few years, Luke's parents bought a property close to Brisbane airport from which to run the business. 'My parents then reached a point where it was nearly time to retire and step back from the business. They handed the business

over to my brother and me, and over the next few years we started to expand it. We went from one location in Brisbane to ten locations around the country. When we started there were probably about three or four staff and about 50 vehicles, now we have about 3500 vehicles, and approximately 300 direct staff.'

Luke was lucky that his parents had created a brand with a good reputation, and while the business ▶



BUSINESS PROFILE – APOLLO MOTORHOMES

Since its inception in 1985, Apollo Motorhome Holidays has revolutionised the recreational vehicle industry. By establishing customer friendly initiatives, and guaranteeing great rates, the business has grown to become the largest privately owned leisure vehicle operator in the Southern Hemisphere.

Apollo's fleet of over 3000 quality vehicles and more than 300 staff have helped tens of thousands of people enjoy the wonders of travel in Australia, New Zealand and now USA and Canada. Apollo is family owned and operated and, as such, management are both financially and personally invested in the business. Founded by Gus and Carolyn Trouchet in 1985, Apollo is now owned by sons Luke Trouchet (CEO) and Karl Trouchet (CFO).

was small, it was very solid and in a great financial position. From that base, he was able to go out and spread the word about the business and their expansion plans. 'We went and visited the travel agents overseas to explain what we were doing in Australia and the bookings started to fly in. European tourists in particular wanted more of a quality product because it was generally a once in a lifetime trip. We were able to offer that.'

THE ROAD TO KNOWING YOUR CUSTOMERS INTIMATELY

Luke puts a lot of the company's success down to knowing the customer personally and predicting their needs. In the early days, he and his brother served clients at the front counter. He'd ask questions such as, 'What do you like? Where are you travelling? What are you doing?' They were in effect getting firsthand feedback.

'Based on a lot of feedback we gathered, we actually started our own factory to build and modify the vehicles ourselves,' says Luke. 'We started doing this about four and a half years ago, and while we found that there are some very good manufacturers in Australia building motorhomes, the lead time to get any innovative design in a vehicle would take around six to twelve months. As far as I was concerned, that wasn't responding quickly enough to our customers' needs.'

Even very simple things like putting an exterior light over the door could take twelve months to actually come to fruition. Not wanting to miss out on what he thought would be an innovation in the motorhomes rental market, Luke and his brother started

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the factory in order to get their innovations to market quicker.

Luke continues, 'Although Talvor (the factory) was started to build vehicles just for our own rental fleet, we actually set it up under a different company name because the long term aim was to build vehicles for the public to purchase. Now that it's able to keep up with production for our rental needs, we're now setting up a dealer network around the country for people who want to buy a brand new vehicle rather than to rent one. I actually see this being possibly even bigger than our whole rental business in the next two or three years.'

Apollo has also developed its own reservations logistics program, a very sophisticated piece of software that enables the business to understand customer needs and trends even better. Luke adds, 'You would think that the price of hiring a campervan is pretty simple, but it's an extremely complicated thing. You've got lots of different add-ons, insurance packages and one-way fee matrixes to consider, for example. To help with this, we use a yield management system as there is a different price based on pick-up every week of the year, per location, per vehicle type.'

According to Luke, the scheduling of the vehicles is not just a logistical problem; it's a mathematical one too. With ten locations and thousands of vehicles in Australia, the vehicle is never in the right place at the right time, so they relocate them to meet demand.

'The software we use is fantastic as it allows us to predict patterns and the flow of the vehicles backwards and forwards. We have a data warehouse where all the information and statistics that we gather reside. It enables us to slice and dice that information in any way to make the business decisions. We can tell the demographics of our clients, who's renting what vehicle type at what time of the year, the age, gender, all that sort of stuff is in there.'

While many of Apollo's customers are not necessarily repeat business customers (due to the nature of the product), having this information enables the business to predict trends in certain types of customer from certain countries, and by age, sex etc, as well as the migration patterns of vehicles. For example, many of Apollo's vehicles head to the Northern Territory for the good weather in the dry season. Then, come the wet season, all the vehicle bookings are on the east coast. Apollo then has to either pay to get those vehicles moved east, or use promotions and offers to encourage customers to drive them back for them.

WHAT'S THE SECRET?

Luke acknowledges the strong relationships he has with his networks and travel partners as part of the success of the business. 'Travel agents know that we're reliable and that we're strong financially. Additionally, our brand and people have really carried us through, I think, during those slightly less than favourable times like the GFC.'

While Luke doesn't believe there's any great science to Apollo's success, he believes that the growth experienced over the last 20 years can be attributed to a business strategy built on understanding, and delivering on customer needs. 