



Kärcher and Tokheim Service Group: The new European car wash powerhouse?

Earlier this month Kärcher and Tokheim Service Group formed a strategic partnership to join forces in the car wash industry. PetrolPlaza spoke to both companies to find out the reasons behind this union and their common goals for the future.

On May 4, German manufacturer of car wash equipment and machines, Kärcher, announced the signature of a strategic partnership with Tokheim Service Group (TSG) that will strengthen its position in the car wash market, while giving TSG the opportunity to offer the complete portfolio of services for petrol stations.

The partnership will see TSG, a leading European provider of equipment for gas stations, take over the complete service for Kärcher installations and manage all car wash sales to the fuel retailing market. Kärcher, on the other hand, will continue to distribute car wash systems to customers outside the gas station sector, as well as focusing on the expansion of its product portfolio and improving production and services. TSG and Kärcher will jointly take responsibility for the distribution to international oil companies.

A chance to increase market presence - Kärcher

“Our goal of this strategic partnership is to combine both partners' strengths: Kärcher's product innovations and TSG's unique service performance with the clear task to substantially increase our market presence,” says Markus Asch, Deputy CEO of Alfred Kärcher GmbH & Co.

With global service structures as a prerequisite to do business with many major fuel retailers, Kärcher believes that by partnering with TSG they will be able to access new parts of the market.

In 82 years of history, Kärcher has registered more than 1,700 patents and designs, significantly increasing the development of them since the year 2000. With € 2.33 billion in the year 2016, the Winnenden-based company boasted their highest ever sales.

“Kärcher will increase its focus on development, engineering and manufacturing in order to bring to market superior products and great innovation,” adds Asch.

Covering the whole service station spectrum - TSG

“After the sale of Tokheim's products and manufacturing activities to Dover in 2016, TSG decided to

focus on its core business: the distribution of equipment and provision of services to the retail and private fuel distribution industry,” explains Baudouin de la Tour, CEO of Tokheim Service Group.

For TSG, entering the car wash market was the next logical step forward. “No matter how the cars are powered, the need to have clean cars will remain,” says de la Tour.

Present across 28 countries in Europe and Africa, and with strong connections to international and national oil companies, TSG will use its existing sales and service structures to increase the access of Kärcher products to large gas station networks and promote the concept of ‘one stop shop’.

“Competition is fierce and margins tend to be squeezed more and more. As a result, a site owner can move in two different directions: on one end of the spectrum, automated fuelling stations with low operating costs; on the other, full service and one stop shop concept that includes convenience stores, restaurants, wash and other car related services,” adds de la Tour.

When asked what territories currently offer the best opportunities for the new partnership, de la Tour says that their goal is to become a major car wash player in all 28 countries where they are present.