

[15 July 2008]

## Rectron to beat TomTom drum



After being unceremoniously dumped by Core earlier this year, Dutch-based portable navigation system organisation TomTom has bounced back in the local market with the appointment of Rectron as an exclusive distributor.

After weeks of negotiations, Joost Jetten, TomTom regional manager, confirmed Rectron's appointment and says that, for the time being, Rectron will be its sole distributor in the region.

"Going forward - and looking at our workload - we feel we have the right partner at the right moment," Jetten says "We are very comfortable for now that Rectron can do the job for us in the region."

Jetten also confirmed that a fully-fledged branch has now been established in South Africa to tackle the African and Middle East regions for TomTom.

"The SA branch is part of TomTom's sales group internationally," he says. "The branch has been registered, we have established an office, and we're now looking to hire people."

He says that the initial headcount for the branch will be five - including himself - along with trade marketing, account management and support personnel.

"South Africa is a very important market for us - that's the reason we now have an office," Jetten says. "We believe there is a lot of room to grow in this market and that from here we can drive further and further into Africa and the rest of the region."

"As we grow into other territories we will look to open more offices," he says.

Mark Lu, chairman and CEO of Rectron, says TomTom will compliment other brands within the distributor's stable.

"Since Rectron focuses on best-of-breed products, TomTom is clearly a quality brand we want to be identified with," he says.

"But TomTom is not just about helping you not get lost; its value proposition extends far beyond that. TomTom studies in Holland indicate that if you use GPS, you save 12% of your time, 8% of your petrol costs, and reduce your chances of having an accident by up to 30%."

Mobile research group Canalys reports that TomTom enjoys the lion's share of the EMEA segment of the global portable navigation market - which is also the world's biggest segment. According to Lu, the South African portion of the EMEA market is still largely untapped and can only grow in leaps and bounds in the years ahead.

Lu also believes the South African channel is reacting very positively to Rectron's relationship with TomTom, since it provides local dealers with a wider array of portable navigation products to choose from than before. Rectron will be working very closely with the local TomTom offices to drive sales and marketing jointly, he adds.

"In addition, to succeed in this highly-competitive market, you have to have the right map," he says. "And its recent acquisition of TeleAtlas, one of the largest map companies in the world, has catapulted TomTom to an even more prominent position and will allow it to be far more interactive and provide a greater range of value-added services to its growing consumer base."