

AM

AUTOMOTIVE MANAGEMENT

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KIA

THE FINALISTS / P8

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Getting the most from your used car sales

ASPIRATIONAL

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EDITOR'S LETTER

I saw a LinkedIn post recently from Suzuki GB boss Dale Wyatt where he pointed out that 'a rising tide lifts all ships'.

The record profits many dealer groups are reporting from 2021 deserve celebrations. But, it was in an appreciating used car market where little could go wrong, while retained margins on new sales stayed strong due to demand exceeding supply. Many consumers and businesses, battered by coronavirus lockdowns, wanted to buy cars as a small reward.

"I fear that when the tide turns some others that have not adjusted the business model and strengthened the balance sheet may be in for a shock," Wyatt warned.

Now I'd be boasting to claim that 'great minds think alike' and put myself on the same level as the revered veteran Wyatt. Yet when we planned our Stocking For Success spotlight for this issue we knew it would be prudent to help prepare *AM* readers for that turning tide.

With the many headwinds emerging this year, motor retailers will need will need three 'R's – financial reserves, process reviews and firm resolve – to keep to keep the business ship-shape in the future.



OUR WRITING TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor



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12th May 2022, Park Plaza Westminster Bridge, London



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For bookings or enquiries contact Michaela Brock at michaela.brock@bauermedia.co.uk

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Vauxhall
Astra



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AFP has just launched a Dealer Standard, to encourage retailers to provide the service that corporate customers expect. We speak with its chair, Paul Hollick (right)



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Lockdowns have prompted dealerships to explore new avenues when seeking to replenish their used car stocks

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Be wary of setting your prices too low and be sure to keep abreast of up-to-date and readily available digital pricing tools

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Not a case of if, but when. Industry experts offer their thoughts on how dealers can cope when the downturn comes

AUTOMOTIVE WAY OUT OF STEP ON DIVERSITY ISSUES

Task force identifies notable imbalances in terms of gender and ethnicity

An Institute of the Motor Industry (IMI) report aiming to be the catalyst of a shift to greater diversity, inclusion and equity in automotive has revealed that gender remains the source of the sector's most significant representation imbalance.

The industry body's Diversity Task Force assembled experts in working groups focused on physical and non-visible disabilities, race and ethnicity and gender and sexual orientation to gather evidence and insight to create the report.

And, while the IMI was "surprised" to find that the automotive sector employs a larger than average proportion of individuals with disabilities, its findings also highlighted the significant work still needed to tip the balance of representation.

DISABILITY FIGURES

The Diversity Task Force's research, carried out between May and October last year, identified that 14% of the automotive retail workforce had a disability, with 16% of sales staff and 26% of those working in parts and accessories having some level of disability.

This compared with 15% in non-automotive industries.

Office for National Statistics (ONS) data related to the ethnicity of the sector, meanwhile, showed 81% of the

automotive retail sector's employees identified as white-British, compared with 56% in other industries, prompting the report to conclude: "Non-white-British are significantly under-represented in the automotive retail sector."

In gender terms, the same data set showed that male employees account for 81% of automotive retail employees, amounting to the sector's largest disparity in representation, and backing up perceptions that the sector is largely populated by white men.

The report said: "In the non-automotive industries, the gender split is 49% males and 51% females. The under-representation of females is the most significant of all variables tested."

The Diversity Task Force said it was possible to establish from the data that there are less than 5% of women in vehicle technician, mechanic and electrician occupations and in vehicle paint technician occupations.

Furthermore, the report identified that the issue of diverse representation became particularly critical the higher up the pay grade.

IMI analysis of ONS data for the sector found that the proportion of non-white-British in senior roles in automotive retail (5%) is significantly less than those in senior roles not in automotive (13%).

There are also just 19% of women in senior roles in automotive compared with 39% in non-automotive.

However, there are proportionally more disabled individuals in senior roles in automotive retail (15%) compared with those in senior roles outside of automotive (12%) when taking into account hidden disabilities such as dyslexia, ADHD and other areas of neurodiversity.

FOCUS ON GENDER

Automotive 30% Club founder Julia Muir, who served as the gender and sexual orientation working group's industry expert, said: "One of the aims of the Diversity Task Force was to broaden the discussion beyond gender. I hope that the findings bring the focus back on to gender."

"The report gives some really simple, easy-to-implement recommendations which aim to cut bias and discrimination which, if implemented, should see a greater female representation in the sector introduced in tandem with greater diversity from a broader perspective."

IMI president professor Jim Saker, who was inspired to launch the Diversity Task Force in response to feedback to one of his monthly columns in AM, said: "The task force set out to understand how the sector can be more attractive to work in for all individuals."

"We wanted to understand what groups are under-represented and what the experience is like if you are

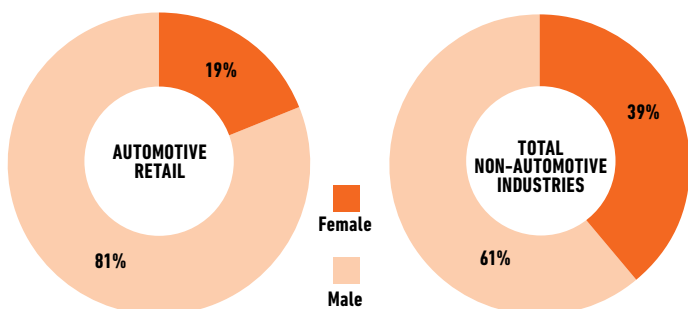
not part of the majority so we can bring the issue of diversity and inclusion to the top of the agenda for automotive businesses. What has been particularly striking is that the lack of diversity – which, unfortunately, is already poor in our sector – becomes even more pronounced the higher up the pay grade.

"Without diverse role models the sector will struggle to attract the talent we urgently need as we face the biggest skills shortage for more than 20 years."

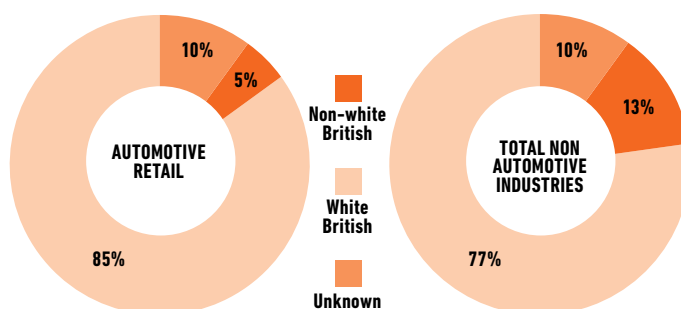
According to the IMI, automotive vacancies are at their highest level for 20 years – at more than 23,000 – accounting for approximately 4% of the workforce.

It said that a more diverse workforce

≧ PROPORTION OF MALES AND FEMALES IN SENIOR ROLES IN AUTOMOTIVE RETAIL MAY-OCT 2021



≧ PROPORTION OF WHITE BRITISH AND NON-WHITE BRITISH IN SENIOR ROLES IN AUTOMOTIVE RETAIL MAY-OCT 2021





THE IMI'S FIVE -STAGE ACTION PLAN

- **Strategic importance:** signal your commitment to the whole business by putting diversity and inclusion on every board and senior leadership team agenda.
- **Know your workforce:** many people choose not to share information about disability, gender, sexual orientation, religion, ethnicity etc., with their employer. Make a commitment to understand your staff through better data collection and communication.
- **Small changes, big difference:** many workplace changes or adaptations require little investment but can significantly improve someone's ability to perform their job. Commit to asking staff what changes would make a big difference to them.
- **New perspective:** commit to reviewing everything through a new 'lens' of diversity, equity and inclusion. Look at your policies, procedures, website, customer journey and ways of working and collaborating with colleagues to create an inclusive environment.
- **Change perceptions:** to attract and retain talent into the automotive sector we need to clearly demonstrate that great career opportunities are open to all. Commit to proudly showcase a diverse senior leadership team or use diverse role models in outreach programmes for schools, for example. If you are proud to work in automotive, shout about it.

is critical to turn the tide and the lack of role models is a fundamental barrier to achieving that goal.

Ensuring the sector is made to appeal to a more diverse talent pool is also vital.

In its comments on diversity, submitted to the report, Jardine Motor Group said: "Based on our external research in 2015, just 2% of women identified automotive as an industry where they could progress a career with 31% of those surveyed referencing automotive as a 'macho' environment.

"While the research was in 2015, we believe these perceptions remain."

IMI chief operations officer Lesley Woolley said: "All the task force working groups said culture needs to

change, behaviours need to change.

"That change needs buy-in from senior leadership. Each of the working groups also calls for the industry to openly share more data on the make-up of the workforce to provide the benchmark to reflect on and measure against."

IN-DEPTH RECOMMENDATIONS

As part of its report, the Diversity Task Force has published a five-stage call to action for automotive employers (top right) to engage with the task of diversifying their workforce alongside a series of more in-depth recommendations from each of its working groups.

Among the recommendations working groups urged automotive sector employers to: make sure their



Members of the task force at the launch of their report

jobs boards reached a more diverse audience; promote their diverse workforce via social media; remove gender and ethnicity indicators from CVs to ensure unbiased recruitment.

The physical and non-visible disabilities working group recommended membership of the Business Disability Forum to access advice, self-assessment, business audit, toolkits and frameworks to help remove barriers for disabled people in the business structure.

A reverse mentoring scheme – as pioneered by accountancy firm KPMG – was recommended by the race and ethnicity working group, meanwhile.

This would see employees with black heritage paired with those working at more senior levels to help them understand the workplace challenges faced by people from diverse backgrounds.

As well as publishing its new report, the IMI indicated it would be

partnering with organisations and businesses to help further their diversity, inclusion and equity ambitions.

It may also host *Dragons Den*-style annual competitions to come up with new industry initiatives to promote diversity in the sector.

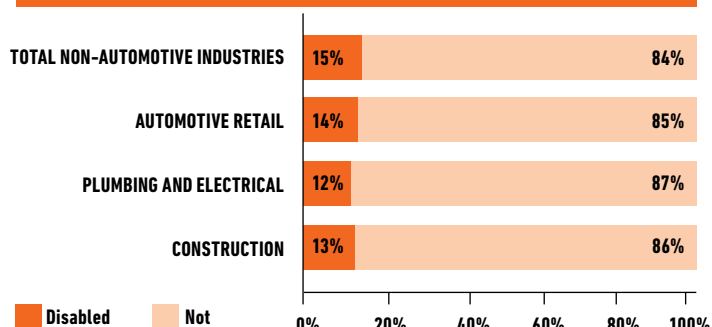
IMI chief operating officer Lesley Woolley also advised that automotive employers start to "openly share more data on the make-up of the workforce to provide the benchmark to reflect on and measure against".

IMI chief executive Steve Nash said: "The work of the task force has clearly identified changes that need to be made by the sector, but it has also challenged our own perceptions and work practices.

"At times it has been uncomfortable, but diversity and inclusion are of strategic importance to us, and so we have already made changes to the way we work and will continue to make more."

TOM SHARPE

PROPORTION OF THOSE WITH AND WITHOUT DISABILITIES BY INDUSTRY CODE MAY-OCT 2021



AM AWARDS: 2022

FINALISTS REVEALED

We're delighted to announce the finalists for the 2022 AM Awards. Our panel of judges (see right), supported by dealer awards auditor UHY Hacker Young, has spent days poring over a record number of entries for each category and a full day debating the merits of each submission before logging their votes under the scrutiny of independent chairman Christopher Macgowan OBE.

The finalists (alongside) will learn which is the winner of each category at the AM Awards gala dinner on May 12 at London's Park Plaza Westminster Bridge Hotel. In some closely contested categories the judges decided to also give highly commended awards.

Joining us on the night will be ITV's Nina Hossain, our guest host, and after-dinner entertainment will be provided by award-winning comedian Milton Jones.

Congratulations to all entrants which have been selected as finalists. Good luck!

AUDITOR

In 2022 we've been delighted to partner with the Manchester-based automotive team of UHY Hacker Young, who have audited the entries to our flagship dealer group awards.

UHY national head of automotive David Kendrick said: "Having worked in the automotive industry for nearly 20 years, we have always valued the AM Awards and evening of celebrations.

"To now be appointed as the awards auditor is a great honour for UHY and we look forward to meeting lots of new dealer contacts, recognising industry excellence and working with the AM team."

SPONSORS



THURSDAY MAY 12, 2022 PARK PLAZA WESTMINSTER

THE 2022 FINALISTS

Marketing Strategy of the Year

Sponsor: CarGurus PistonHeads
Arnold Clark Automobiles
CarShop
eStar Truck & Van
Lexus Cardiff
Peter Vardy CARZ
TrustFord
Wessex Garages

Community Hero Award

Sponsor: AutoProtect Group
Angus MacKinnon
Arnold Clark Automobiles
CarShop
Hendy Group
Sytner Group
TrustFord

Online Consumer Experience of the Year (Franchised)

Sponsor: Shell Lubricants
Holdcroft Motor Group
Lookers
Pentagon Motor Group
RRG Group
TrustFord
Waylands Automotive

Online Consumer Experience of the Year (Independent)

Sponsor: Oodle Car Finance
Angus MacKinnon
ASK Motors
FQW
Frosts Cars
MCS Performance
Vanaways UK

Leader in Diversity & Inclusion

Sponsor: Assurant
LSH Auto
Sytner Group
TrustFord

Leasing Operation of the Year

CarLease UK
Lookers Vehicle Solutions – Fleet Financial

Franchised Workshop of the Year

Sponsor: Bumper
Marshall Peugeot Cambridge
Mercedes-Benz South Lakes
Milcars Mazda
Ryders of Warrington
Steven Eagell Toyota Birmingham

Independent Workshop of the Year

CCM
Meadowfield Auto Centre
Redgate Lodge Service Centre
S & R Miller

Best in Customer Service

Sponsor: LTK Consultants
Holdcroft Motor Group
Jim Reid Vehicle Sales & Service
Lexus Cardiff
Livery Dole
Lookers Northallerton Volkswagen
Marshall Hyundai Gloucester
Marshall Toyota Newport
Motonet.com
Roadside (Garages)

EV Dealership of the Year

Sponsor: carwow
Downeys Cars NI
Marshall Volkswagen Kidlington
Marshall Volkswagen St Albans
Vindis Volkswagen Cambridge

Best New Product or Service

Automotive Compliance
eDynamix
Journey Energy Solutions
Loop BI
Original ADS and RAC
Phyron
RWA Automotive
Tootle

EV of the Year

Sponsor: Diamondbrite Automotive
Audi e-tron GT
BMW iX
Hyundai Ioniq 5
Kia EV6
Vauxhall Mokka-e
Volkswagen ID.4

Used Car of the Year

Sponsor: Car Care Plan
Ford Fiesta
Hyundai Tucson
Kia Sportage
Porsche 911
Vauxhall Corsa
Volkswagen Golf

New Car of the Year

Sponsor: Supagard
Audi Q4
BMW 2 Series Coupé
Kia Sportage
Nissan Qashqai
Suzuki S-Cross
Toyota Yaris Cross

Franchised Dealership of the Year

Sponsor: Auto Trader
Blackshaws
Hatfields Jaguar Shrewsbury
Hatfields Land Rover Pickering
Marshall BMW Mini Motorrad Grimsby
Porsche Centre Aberdeen
Steven Eagell Lexus Cambridge

Independent Dealer of the Year

Sponsor: Startline Motor Finance
Angus MacKinnon
Big Motoring World
Hilton Garage
MB Motors
Redgate Lodge

Used Car Dealer of the Year

Sponsor: Santander Consumer Finance
Arbury Peugeot Nuneaton
Arnold Clark Automobiles
Baytree Cars
Marshall Motor Group Grantham Volvo
MCS Performance
Peter Vardy
TrustFord

*Best Dealer Group (up to 10 sites)

Sponsor: PIB Insurance Brokers
Hatfields
L&L Automotive
Porsche Retail Group
Stephen James (Automotive)
Waylands Automotive

*Best Dealer Group (more than 10 sites)

Sponsor: heycar
Arnold Clark Automobiles
Marshall Motor Holdings
Perrys Motor Sales

Peter Vardy
Steven Eagell Group
TrustFord

Supplier of the Year

ALD Carmarket
ALPHERA Financial Services
carwow
CitNOW
Cox Automotive
Dealerweb
EMac
Keyloop
Motorway
Warranty Administration Services

Manufacturer of the Year

Sponsor: Keyloop
Kia UK
Lexus GB
MG Motor UK
Toyota GB
Vauxhall

Dealer Principal/General Manager of the Year

Sponsor: EMaC
Steve Bridge, managing director,
eStar Truck & Van
Hayden Williams, managing director,
Livery Dole
Andrew Iveson, general manager,
Livingstone Motor Group
Graham Etherington, head of business,
Marshall BMW Mini Motorrad Grimsby
& BMW Scunthorpe
Omar Khan, general manager,
Marshall Mercedes-Benz of Bolton
Alex Gayton, general manager,
Perrys Peugeot and Citroën

AM AWARDS JUDGING PANEL



Sally Fyffe head of wholesale, Micheldever Group



Steve Young, managing director, International Car Distribution Programme



Sue Robinson, chief executive, National Franchised Dealers Association



Professor Jim Saker, director of Loughborough University's Centre for Automotive Management



Julia Muir, founder, Automotive 30% Club and chief executive, Gaia Innovation



Tim Rose, editor, AM



Stephen Briers, group editor, AM, Fleet News and Smart Transport



Tom Sharpe, news and features editor, AM



Steve Nash, chief executive, Institute of the Motor Industry



Christopher Macgowan OBE, independent chairman



BRIDGE, LONDON VISIT **AM-AWARDS.CO.UK** TO BOOK

ADVERTISING FEATURE

As retail footfall returns, MotoNovo delivers record activity

By Karl Werner, managing director, MotoNovo Finance



Despite storms battering the country in February, it was evident that consumers were determined to embrace the call to learn to live with Covid-19 as retail footfall saw the highest number of shoppers since pre-pandemic levels in the last week of that month, according to the British Retail Consortium.

While the retail data is primarily focused on high streets, shopping centres and retail parks, the final week trends reported were mirrored precisely in our activity. MotoNovo finished the month with a record performance.

Over recent months at MotoNovo, we have completed a tremendous amount of work that, I've no doubt, contributed to our record performance.

We concluded a project to improve acceptance levels, launched our business strategy focusing on an all-new target operating model designed to create better ways of working and saw some impressive business successes, welcoming several new dealers and brokers.

Looking ahead, there is more positive news.

However, looking beyond the activities we control, my instinct is that the increase in footfall is about something more human.

I sense we have seen a genuine desire for togetherness. People are pleased to be out and about and working to create the so-called new normal. This can only be good news for dealers.

There are challenges economically and on a global level, politically. However, against this backdrop, face-to-face, personal contact, after such a long period of on/off restrictions, is, it appears, proving very popular.

Respecting that personal contact will still feel strange or fraught for some people, I'm sure dealers will revel in the opportunity and react appropriately to those needing reassurance.

Digital contact has been an enormous help and will continue to feature prominently.

Still, the opportunity to talk and listen presents dealers with the chance of authentic empathy and to forge those all-important, long-lasting relationships that, for me, online cannot match.

Visit: dealer.motonovofinance.com

Tel: 0330 128 1730



MAR

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FORD UNVEILS ELECTRIC VEHICLE PLANS

Ford revealed a plan to launch seven new electric vehicles in Europe by 2024. First will be a medium-sized crossover based on Volkswagen's MEB platform. A second VW-based 'sports crossover' along with an electric Puma will arrive the following year. Ford's other four EVs will be commercial vehicles.



16

JOBS THOUGHT TO BE AT RISK AT BUYACAR

Car sales platform BuyaCar is facing an uncertain future after sources informed AM that its owners had been considering closing the business. Dennis Publishing confirmed it is changing BuyaCar's business model of advertising dealer stock then buying it once a customer had been found – putting roles at risk.

FURTHER EXPANSION AT PARK'S

Park's Motor Group extended its representation of Renault, Dacia, MG and Nissan with the acquisition of Mackie Motors' Arbroath and Brechin dealerships. It comes weeks after the Hamilton-based group joined the Lexus franchise and added to its Hyundai, Škoda and Toyota portfolio through the acquisition of Borders Motor Group.



21

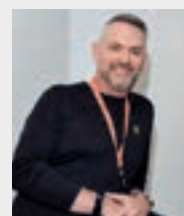
HEDIN BACK IN THE HUNT FOR PENDRAGON

Swedish car retailer Hedin Group could be lining up another takeover bid for Pendragon after having an initial £400m offer rejected. Sky News reported that the group, whose owner Anders Hedin became the AM100 PLC's biggest shareholder back in October, initially tabled an offer worth 28p-per-share "several weeks ago".

22

AUTO TRADER IN VANARAMA DEAL

Auto Trader is set to assume ownership of the Vanarama leasing business after agreeing a deal to acquire the entire share capital of its parent company Autorama. The business, founded by chief executive Andy Alderson (left), has successfully sold more than 120,000 vehicles to date.





HMRC SETS UP CLAIMS REVIEW TASKFORCE

Car dealers could face increased scrutiny from HMRC after a £100m investment was made to set up a dedicated taskforce to review CJRS claims. Accountancy firm BDO warned that retailers may come under review as part of a business profile that contains "known risk areas".



SYTNER GROUP ADDS THREE BMW/MINI DEALERSHIPS

Sytner Group has added a trio of BMW and Mini dealerships with the acquisition of Stevenage-based Specialist Cars. The move takes the AM100's top car retail group by turnover to 18 BMW and Mini franchised locations, with sites added in Stevenage, Luton and Tring.

LOOKERS AND SWANSWAY POST RECORD PROFITS

Lookers and Swansway reported record annual financial results for 2021. Lookers showed it had overcome the most challenging period in its history with a £90.1m pre-tax profit from a turnover of £4.05bn. Swansway's PBT rose 147% on a record 2020, meanwhile, reaching £25.2m.

CAZOO REITERATES LONG-TERM REVENUE TARGET

Cazoo reported revenues of £668m and a gross profit up 28% in its 2021 financial results. But it revealed an overall loss of £180m in profit figures adjusted for EBITDA (2020: £81m loss). Cazoo's results statement also reiterated a long-term target of delivering £15bn in revenues.



FRESHSTREAM ADDS IMPETUS TO BIG MOTORING WORLD

Big Motoring World aims to expand rapidly its car supermarket operation across the UK after private equity firm Freshstream acquired an undisclosed stake from Peter Waddell and John Bailey. Bailey will step away from the business following the move, which comes six months after Big Motoring World grew to five outlets with the acquisition of Peterborough-based SW Car Supermarket and began a group-wide rebrand.

25

APR

01

05

07

13

ADVERTISING FEATURE

Threat from cyber crime is growing as more sophisticated attacks threaten automotive industry

Ross Barnitt, sales and marketing director at PIB Insurance Brokers



With retailers relying on customer data, they can place themselves at risk of a cyber attack. Cyber criminals know the high value of this data and are becoming more and more sophisticated in their efforts to steal this information.

A cyber attack can be costly to your business both financially and to your reputation.

If your dealership was to suffer a ransomware attack, or any other form of cyber attack, are you confident you would be able to do the following:

- Immediately access specialist legal advice to ensure your regulatory, reporting and notification obligations are fulfilled?
- Access independent IT specialists to undertake forensic analysis, halt the attack and help you to get back up and running again?
- Recover any losses of income and/or additional costs incurred as a result of the attack, including reputational damage?
- Access legal and monetary resources to deal with any third party liability action relating to the attack?

If the answer to any of the above is "no", then now may be the time for you to consider the risk transfer solutions which are available to you, such as a thorough assessment of the attacks you may face, training your employees to, for example, recognise phishing emails, and ensuring you have the right cyber insurance policy in place.

For more information, please contact:
Ross Barnitt, sales and marketing director,
PIB Insurance Brokers
e: ross.barnitt@pib-insurance.com
t: 07522 230 384



Q1 REGISTRATIONS

THE NEW WILL NOT BE NORMAL

Days of manufacturers discounting in effort to promote sales volume may be behind us

One of the buzz phrases of recent times has been “the new normal” – the idea that, after a period of turmoil, a situation settles down in a completely different form to how it was before the upheaval. In automotive, most people assume the “new normal” will refer to electric cars, rather than petrol or diesel ones.

However, the current crisis is suggesting that the real difference may be the fundamental goals of the industry itself.

For as long as any of us can remember, the car industry has been mostly motivated by sales volume. Every manufacturer obsessed about sales and market share far more than about profits.

That does not only apply to “volume” manufacturers – premium brands have been just as conscious of sales targets.

After all, in the 15 years before the pandemic, BMW did not double global sales by chance.

Meanwhile, car companies have paid large sums to management consultants who have earnestly told them they ought to focus on margins rather than sales. The only effect the consultants had was to further depress profit margins thanks to their outlandish fees.

What 50 years of management theory has failed to achieve has, inadvertently, come about as a result of the coronavirus.

In 2020, manufacturers could not make enough cars due to factory closures and, in 2021/2022, they could not make enough cars due to the semiconductor shortage which is a by-product of the pandemic (car companies cancelled semiconductor orders, and then found the semiconductors had all been bought by consumer electronics companies meeting

➤ BEST PERFORMING MAJOR BRANDS* (YTD MARCH)

MG	124.6%
Tesla	114.2%
Fiat	68.5%
Dacia	63.2%
Kia	57.7%

➤ WORST PERFORMING MAJOR BRANDS* (YTD MARCH)

Land Rover	-48.2%
Seat	-40.4%
VW	-27.1%
Škoda	-25.9%
Nissan	-23.9%

* Brands with at least 1.0% market share YTD 2022

demand from workers trapped in their homes).

Given that a large car factory is said to cost £1 million per day when it stands idle, this situation should have led to a financial bloodbath. In fact, the opposite happened. Companies such as Mercedes-

Benz reported record profits for 2021, even as sales reduced. With reduced capacity, they concentrated on higher-value models, while the biggest profit-destroyer in the industry disappeared – “variable marketing costs”.

That is industry-speak for discounts: a car company that can sell everything it makes at full price is almost guaranteed to be profitable – often hugely so. Ford and GM both made more than \$10 billion (£7.7bn) profit last year and are enjoying some of their best-ever profit margins.

Hence, car manufacturers are now promising never to return to the bad old days of high production and high discounts.

Even Volkswagen, until recently the most sales-focused OEM of them all, now says “the key target is not growth”.

If that is true, those juicy new car discounts we were all used to could never return.

However, that might not be such a problem for buyers – with almost everybody now buying on personal contract purchase (PCP), the figure that really matters is the gap between the new car price and its value after three years. Fewer discounted new car sales will lead to residual values (RVs) remaining higher than the pre-pandemic norm.

Pondering those long-term questions is probably more attractive to car manufacturers than considering the current UK market. March was a horror show: registrations in the plate-change month were actually lower than in 2000, when there was no March plate-change to boost demand. As with the previous two months, market shares jumped around like leaves in the wake of a 44-tonne truck.

Probably the most unlikely statistic is that Tesla took the first two places in the model charts for March, and sixth and seventh positions for the quarter. Of course, Elon Musk recently predicted



SPONSOR'S COMMENT



**By Richard Jones,
managing director,
Black Horse**

These are tumultuous times for the world as the tragic events in Ukraine continue to unfold.

As our minds get stretched between the challenges of achieving today's results against an even more uncertain economic back drop, while still trying to focus on important future goals, it would be easy to lose a clear view of priorities.

However, the motor industry continues to show incredible agility in reacting and adjusting to events.

We are seeing strong financial results from dealers across the market with widened, more resilient business models helping to drive performance.

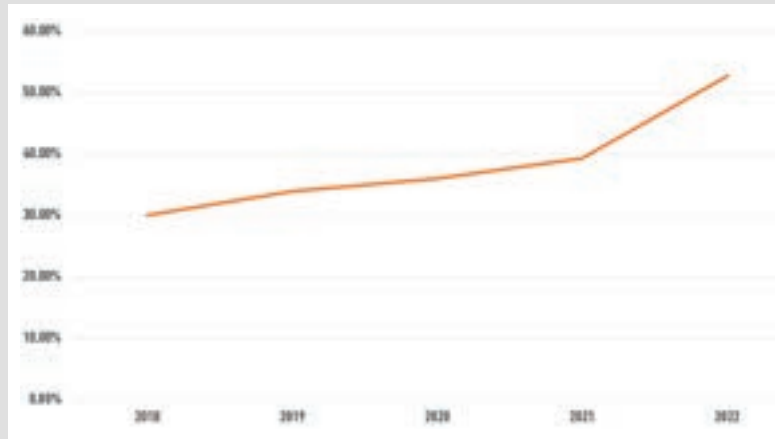
Dealers and manufacturers are showing that they have the ability to focus on long-term goals such as electrification and omnichannel development, while juggling the exceptional supply and demand pressures we are seeing.

There is a unified sense of direction in a market dealing with a number of competing priorities. At this time of volatility we are seeing OEM and retailer relations at a seven-year high.

There will be lots of challenges ahead, but it is clear that total focus on the customer, helping them acquire the car they need, within budget and in the way they want to buy, is the centre of gravity that is leading the industry through these difficult times.

Above everything else, times like these put things into perspective.

↗ CROSSOVER SHARE OF B SEGMENT (YTD MARCH)



B-segment crossovers now account for 53% of all supermini sales. Margins for crossovers are better than for hatchbacks, so OEMs are switching scarce microchips to taller superminis.

that Tesla would become the largest car maker in the world (ironic that the newest major manufacturer seems to be following a growth strategy now abandoned by the established ones), but his Tweet-tastic musings are generally taken with a pinch of salt.

Among the other manufacturers, Kia stayed in top spot. That is a bit like watching Lando Norris lead the early stages of a Grand Prix – you don't believe that he can hold off Ferrari and Red Bull to the end, but you think he could still score a hatful of points.

MIGHTY ARE FALLEN

The biggest fall of any major manufacturer came, surprisingly, from Land Rover (-48%). Only the Defender (which has effectively replaced the Discovery) managed to increase registrations, while other models were down by between 20% (Evoque) and 75% (Discovery Sport).

Even Jaguar, whose models are in various stages of run-out, performed slightly better, with a drop of 35%. However, sales of Jaguar

saloons have, effectively, stopped: total registrations of the XE and XF were just 122 units in the quarter. For the company that made the original, market-leading XJ, that is tragic.

In the context of manufacturers who are enjoying rising market share, we should mention Fiat (for the first time in many, many years), who saw registrations rise by 68%.

The 500E has got off to a strong start, and the 500/500E now accounts for 78% of Fiat sales. If 500 sales go up, Fiat sales go up. The other major brand to see a big sales rise was Dacia (up 63%). This was widely anticipated, as the new Sandero is having an impact, with the new Jogger also coming on stream.

At a segment level, the changing priorities of the manufacturers can be seen most starkly in the supermini sector.

Registrations of hatchbacks fell by 14%, but crossovers jumped by 49% and now account for 53% of all supermini sales. Margins for crossovers are better than for hatchbacks, so OEMs are switching scarce microchips to their taller superminis. Hence, year-to-date (YTD) registrations of the Ford Puma are 77% higher than those of the Fiesta.

For the rest of the year, the current trends are likely to continue. There will be a lot of turbulence in market shares, dependent on which manufacturer can source which parts.

The consumer will have to accept that they are no longer sovereign.

To rework Henry Ford's famous phrase: "You can choose any car you like, so long as it is the one we want to sell you." **DAVID FRANCIS**

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NEW CAR REGISTRATIONS

Worst March since two plates began

The UK automotive sector has suffered its worst March new car registrations result since 1998.

Society of Motor Manufacturers and Traders (SMMT) chief executive Mike Hawes says the result "lays bare the challenges ahead".

Registrations declined by 14.3% year-on-year to 243,479 units.

The SMMT highlighted that it was the worst March performance since the introduction of the two-plate system and expressed concerns about the outlook for the year, given that around 20% of total annual registrations are usually recorded in March.

"While demand remains robust, this decline illustrates the severity of the global semiconductor shortage, as manufacturers strive to deliver the latest, lowest emission vehicles to eagerly awaiting customers.

"Placing orders now will be beneficial for those looking to take advantage of incentives and lower running costs for electric vehicles, especially as the Ukraine crisis could affect supply still further," says Hawes.

1 FORD

Only 14 registrations kept the UK's market leader by volume ahead of upstart rival Kia in March. Fiesta supply problems meant the Puma (4,755 units) and Kuga (4,223 units) SUVs are Ford's top performers.



2 NISSAN

New Qashqai arrived late last summer, but it has taken until March to reach solid volumes – doing 5,401 of its YTD 7,531 total in the plate-change month.

3 FIAT

March's growth of 70.4% year-on-year shows how tough Fiat had it in Q1 2021. Some 1,167 electric 500e registrations have really helped.

	March					% change	Year-to-date				% change
	Marque	2022	% market share	2021	% market share		2022	% market share	2021	% market share	
1	Ford	17,834	7.32	22,237	7.83	-19.80	29,738	7.12	36,072	8.48	-17.56
	Kia	17,820	7.32	11,221	3.95	58.81	32,119	7.69	20,365	4.79	57.72
	Toyota	16,112	6.62	16,911	5.96	-4.72	27,817	6.66	23,783	5.59	16.96
	Audi	15,322	6.29	19,105	6.73	-19.80	27,199	6.51	29,403	6.91	-7.50
	Mercedes-Benz	15,062	6.19	21,313	7.51	-29.33	24,893	5.96	31,700	7.45	-21.47
	BMW	14,950	6.14	21,003	7.40	-28.82	27,913	6.68	31,944	7.51	-12.62
	Volkswagen	14,620	6.00	23,698	8.35	-38.31	26,417	6.33	36,219	8.51	-27.06
	Vauxhall	12,869	5.29	15,868	5.59	-18.90	23,898	5.72	24,826	5.83	-3.74
	Hyundai	10,999	4.52	9,065	3.19	21.33	19,739	4.73	13,422	3.15	47.06
2	Nissan	10,194	4.19	14,178	4.99	-28.10	16,041	3.84	21,086	4.96	-23.93
	Peugeot	9,799	4.02	10,824	3.81	-9.47	16,535	3.96	15,705	3.69	5.28
	MG	9,367	3.85	3,956	1.39	136.78	13,838	3.31	6,161	1.45	124.61
	Land Rover	6,872	2.82	15,086	5.31	-54.45	10,601	2.54	20,551	4.83	-48.42
	Volvo	6,322	2.60	8,996	3.17	-29.72	11,159	2.67	13,964	3.28	-20.09
	Škoda	5,447	2.24	8,911	3.14	-38.87	10,552	2.53	14,242	3.35	-25.91
	Renault	5,270	2.16	5,787	2.04	-8.93	8,602	2.06	8,066	1.90	6.65
	Mini	5,110	2.10	7,567	2.66	-32.47	11,099	2.66	10,794	2.54	2.83
	Citroën	4,151	1.70	6,027	2.12	-31.13	7,527	1.80	8,605	2.02	-12.53
3	Fiat	4,049	1.66	2,376	0.84	70.41	6,044	1.45	3,213	0.76	88.11
	Seat	3,778	1.55	7,482	2.63	-49.51	6,827	1.63	11,460	2.69	-40.43
	Suzuki	3,638	1.49	2,932	1.03	24.08	5,378	1.29	3,903	0.92	37.79
	Mazda	3,455	1.42	4,058	1.43	-14.86	6,714	1.61	5,302	1.25	26.63
	Dacia	3,115	1.28	2,149	0.76	44.95	5,347	1.28	3,276	0.77	63.22
	Honda	2,802	1.15	3,055	1.08	-8.28	6,965	1.67	4,520	1.06	54.09
	Porsche	2,590	1.06	1,819	0.64	42.39	4,280	1.03	2,931	0.69	46.03
	Jaguar	2,301	0.95	3,880	1.37	-40.70	3,311	0.79	5,128	1.21	-35.43
	Lexus	1,983	0.81	2,575	0.91	-22.99	3,141	0.75	3,393	0.80	-7.43
	Cupra	1,015	0.42	633	0.22	60.35	1,895	0.45	924	0.22	105.09
	Polestar	789	0.32	335	0.12	135.52	1,438	0.34	922	0.22	55.97
	Jeep	319	0.13	567	0.20	-43.74	593	0.14	852	0.20	-30.40
	DS	305	0.13	233	0.08	30.90	704	0.17	415	0.10	69.64
	smart	296	0.12	264	0.09	12.12	445	0.11	407	0.10	9.34
	Bentley	247	0.10	189	0.07	30.69	438	0.10	306	0.07	43.14
	Alfa Romeo	246	0.10	202	0.07	21.78	395	0.09	316	0.07	25.00
	SsangYong	238	0.10	175	0.06	36.00	395	0.09	239	0.06	65.27
	Abarth	207	0.09	415	0.15	-50.12	281	0.07	541	0.13	-48.06
	Subaru	193	0.08	258	0.09	-25.19	313	0.07	310	0.07	0.97
	Maserati	105	0.04	95	0.03	10.53	194	0.05	157	0.04	23.57
	Genesis	70	0.03	0	0.00	0.00	90	0.02	0	0.00	0.00
	Alpine	46	0.02	37	0.01	24.32	78	0.02	42	0.01	85.71
	Other British	385	0.16	384	0.14	0.26	639	0.15	608	0.14	5.10
	Other Imports	13,187	5.42	6,842	2.41	92.74	15,968	3.82	7,624	1.79	109.44
	Total	243,479		283,964		-14.26	417,560		425,525		-1.87



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FINANCE OFFERS

Strong offers on grant-eligible vehicles in Q2

Average monthly prices for plug-in car grant-eligible vehicles on personal contract purchase (PCP) finance have gone up by £30 year-on-year (YOY), according to the latest retail offers analysis by AM.

The automotive industry has seen the Government's plug-in car grant incentives reduced from £3,000 to £2,500 in March 2021 and again, less than a year later, to £1,500.

While the YOY figures show that finance costs are going up, including an increase in average deposit levels and final balloon payments (up by £773 and £2,128 respectively), there are still strong offers available to customers in Q2.

Half of the offers listed alongside show EVs priced below £300 a month and some manufacturers are offering additional discounting on top of the plug-in grant.

Recent research from drivvn shows that owners of hybrid cars account for almost half of all searches across 119,000 visits for electric vehicles (EVs).

It's perhaps obvious that hybrid owners would be most ready to convert to EV, but there could be a built-in audience for manufacturers and dealers to target over the next three months.

Retailers will also likely be experiencing a further surge in interest in EVs as the cost of petrol and diesel continues to rocket and the Government announced £1.6 billion to deliver 300,000 charge-points by 2030.

Nissan retailers can currently claim that the Leaf represents one of the most affordable EVs on the market in Q2.

The Leaf costs £219 a month over four years after a £7,000 deposit. The latest Leaf has a potential range of 239 miles on a single charge and can be charged to 80% in around 35 minutes.

Vauxhall's Corsa-e also represents good value at £259 a month and this includes a generous £1,750 deposit contribution. Likewise the Peugeot e-208, which shares many of its underpinnings with the Corsa, follows closely behind at £295.55 a month.

There's then a bevy of models at the £299 price point including the more family-friendly MG5 estate and ZS SUV.

Vauxhall actually features three models within the top 10 lowest priced PCP offers in Q2 with the Mokka-e and Vivaro-e Life Combi both included.

The Vivaro-e stands out in particular because the majority of EVs in this list are on the smaller side, but customers can access a fully electric people

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Nissan Leaf 39kWh 150PS Acenta	PCP	£7,033.39	48	£219	£14,377.78	5.49%	30/06/2022
Vauxhall Corsa-e SE Premium 11kW Electric 100kW/136PS Auto	PCP	£4,658.90	48	£259	£11,472	5.90%	30/06/2022
Peugeot E-208 Allure Premium Electric 50kWh 136	PCP	£7,610.28	48	£295.55	£12,725	5.90%	30/06/2022
Fiat 500 87kW Icon 42KWH	PCP	£4,995	36	£299	£14,420	4.90%	30/06/2022
MG5 EV Excite Long Range 115kW 61.1kWh Auto	PCP	£4,966.32	48	£299	£11,623.20	3.90%	30/06/2022
MG ZS EV SE 130kW 51.1kWh Auto	PCP	£5,585.15	48	£299	£11,835	5.90%	30/06/2022
Vauxhall Vivaro-e Life Combi Long 100kW/136PS Auto	PCP	£5,345.51	48	£299	£16,596	5.90%	30/06/2022
Vauxhall Mokka-e SRi Premium 100kW (136PS) Auto	PCP	£4,638.24	48	£319	£14,970	5.90%	30/06/2022
Hyundai Kona Electric Hatchback 100kW Se Connect 39kWh 5-dr Auto	PCP	£4,567.50	48	£347.10	£12,288.03	6.20%	30/06/2022
Citroën e-C4 Sense 100kW Electric	PCP	£2,000	48	£379.13	£14,179	6.90%	30/06/2022
Hyundai Ioniq Electric Hatchback 100kW Premium 38kWh 5-dr Auto	PCP	£4,807.50	48	£380.12	£12,229.92	6.20%	30/06/2022
Mini Electric Level 1	PCP	£2,000	48	£380.61	£12,146.64	6.90%	30/06/2022
Citroën e SpaceTourer Business Edition 50kWh Automatic	PCP	£2,000	48	£393.23	£15,770	6.90%	30/06/2022
Citroën e Berlingo Feel 100kW Electric	PCP	£2,000	48	£456.96	£10,640	6.90%	30/06/2022



carrier with space for up to nine and an WLTP range of 143 miles.

Interestingly, the Renault Zoe, which would normally be high up the list for affordability for EVs, is absent in the French brand's Q2 retail offers.

Deals are instead reserved for business customers on contract hire, which offers the latest Zoe GT Line+ R135 EV 50 RC for £363 a month plus VAT. Renault

is also targeting driving instructors looking to switch to EV with a £503 a month contract hire offer on its Zoe GT Line+ R135 EV 50 Rapid Charge.

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

For a searchable list of manufacturers' finance offers, go to am-online.com/offers

AVERAGES Q2 2022

Average monthly payment: £330

Average deposit: £4,443

Average final payment: £13,234

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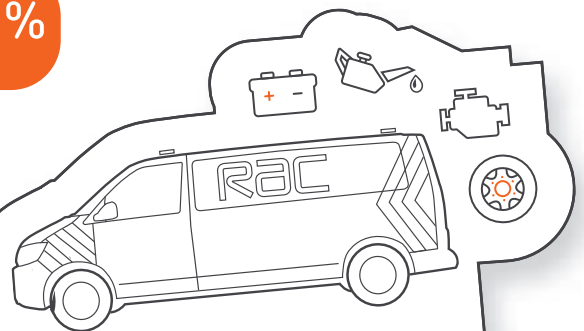
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VIEWPOINT



NEW IMPETUS NEEDED FOR THE TRAINING OF EV TECHNICIANS

SARAH SILLARS OBE, is IMI vice-president, chairperson of the IMI's Disability & Non-Visible Disability Task Force and a Citygate Automotive non-executive director



HOME WORKING DOESN'T HAVE TO COMPROMISE SPIRIT OF INNOVATION

MIKE TODD Volkswagen Financial Services UK chief executive

→ Hardly a day goes by without the media reflecting on the growth of the electric vehicle (EV) market. As equally important, if less eye-catching, is the question of who is going to fix these vehicles when they break down or require maintenance.

In the UK, according to the Institute of the Motor Industry (IMI), only 6% of the current 250,000 automotive technicians are EV-qualified. The country needs 90,000 by 2030 when no more new internal combustion engine (ICE) vehicles will be sold.

The need to act quickly is already here. February's *Which? Car Guide* survey of 48,000 owners, including more than 2,000 EV owners, said EV cars spend the longest time off the road to get repaired – just over five days compared with an average of 3.5 days.

There are several ways to tackle this acute skills shortage.

The first is commercial training, where vehicle manufacturers, dealers and garages can either train EV technicians in-house or outsource it to training providers and colleges. An alternative is to run apprenticeship programmes to official standards with Government funding.

UNREGULATED SERVICING

But both options face major challenges. The motor industry remains largely unregulated; anyone can set up in business to repair and service motor vehicles.

Since 2018, the IMI has been warning Government that untrained, 'have-a-go' individuals have been putting their lives at risk attempting repairs to EVs.

In the absence of a Government-mandated standard for compe-

tence in EV maintenance, the industry is lacking commercially-trained technicians with the appropriate level of qualifications and accreditation.

Because Government funding supports the training and assessment of apprentice technicians, one would hope that the quest for assuring EV competence would be more advanced.

But we see a lack of urgency on the part of the regulators in the introduction of apprenticeship standards which are much more tailored for EV technicians. Are they aware of the full implications of the 2030 ICE ban?

Vehicle manufacturers certainly are, which means they are forced to look at commercial training options when often they would prefer their young recruits to gain the necessary knowledge, skills and behaviours within a 'gold standard' apprenticeship programme.

Another way of addressing the shortage is increased diversity. We are slowly seeing more women and young people from ethnic minority backgrounds in automotive academies.

A skills white paper last year said Government wants employers to know it is on top of anticipating demand for specialist skills, with the setting up of a 'future skills' forecasting unit and the introduction of employer-led Local Skills Improvement Plans around the country. In fairness, it anticipates increased demand for green apprenticeships.

The problem is that the slowness of the process and the lack of official action in response results in too much industry reliance on unregulated commercial EV technician training.

Ministers should act now.

→ As we emerge from the COVID pandemic, adapting to an age that's more digital than ever, we must continue to innovate.

But the innovation I'm referring to is all about new ways of working; creating work environments that are fit for the future and reflect the changing landscape.

In March, Volkswagen Financial Services UK restarted our hybrid working pilot, with colleagues splitting time between home and the office.

It is the next step on our journey to creating a culture of flexibility, which will help us to retain existing talent as well as attract the best to new roles.

I'm excited to see more faces at our Milton Keynes HQ soon. It can feel a bit odd when you're the chief executive of a company and you're sat at home day after day.

THE RIGHT BALANCE

As a business leader, I have to be aware of the precedents I set, but I also trust my colleagues to find the right balance between being in the office often enough without being there all the time.

I believe teams will flourish and colleagues will thrive if pillars of trust and flexibility are in place.

It's important that we keep asking ourselves 'where am I likely to be most effective?' and I'm confident that our teams will carry on being at their best as part of our hybrid working plan.

For me, I think the key is to establish what works for you operationally, and work out the technicalities of how and where you are going to get certain jobs done.

There are practical elements to consider, such as what kind of

work is best done from home and what's best done from the office. Some of that is down to mindset.

But hybrid working is not without its challenges and, while the resumption of this pilot will be an easy transition for many, there may be concern and uncertainty for others.

That's why we will be harnessing colleague feedback to refine our ways of working. Creating an inclusive culture is a priority for us.

The bottom line is that previously your working pattern was determined for you, and now we are in a world where you may have more control, as your physical working location might be largely determined by you.

That's a real positive of hybrid working and is a good thing for colleagues and our business.

Hybrid working doesn't mean we have to compromise on the five Cs: communication, coordination, connection, creativity and culture. In fact, I think the reverse is true.

My observation is that, over the past two years, in some cases our collective work/life balance has been on a more even keel and many businesses have had the opportunity to reshape their culture for the better.

Research from McKinsey & Company found that companies with healthy cultures have three times greater total returns to shareholders.

I think businesses that build inclusive cultures in the future will be those that place trust in employees to get their work done where they feel they are most productive and most comfortable.

Leaders who focus on flexibility without compromising innovation, I believe, will find organisational success in the coming years.



HR FUNCTION IS NOT ABOUT PROTECTING SENIOR MANAGEMENT

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He is also president of the Institute of the Motor Industry (IMI)



Sometimes, when you are working on a project, sub-themes emerge that are unexpected. While undertaking research for the Institute of the Motor Industry (IMI) Diversity and Inclusion (D&I) report issues started to emerge around the role of HR in our sector (see News Insight on p6).

From a diversity perspective, the HR function is usually mixed, especially with respect to gender, and would normally be a group fully engaged with diversity issues.

Some of the IMI findings started to suggest that this was not the case and that some HR practitioners appeared to be a barrier to diversity activities being supported.

For me, the issue was crystallised while sat on the Milton Keynes Red Bull Campus at the Autotech – Talent Recharge 2022 conference.

I had been asked to say a few words about the D&I project and had been put on a table with a group of interesting people from different parts of the industry.

We were asked to discuss our ability to gain, train and retain talent.

HR DEPARTMENT DITCHED

The person to my right said they had got rid of their HR department because 'all it does is to protect the company from its employees'.

Although, when written down, that sounds a bit harsh, I fully understood what was being said.

Several times during the project we came across incidents when it appeared that the objective of the HR function was to try to suppress

issues and stop them from being escalated to top management.

HR success seemed to be measured by creating a quiet life for the most highly paid in the organisation. Issues such as potential racial discrimination or misogynistic behaviour appeared to be reported at HR level, but went no further.

KEPT IN THE DARK

The interesting thing is that, when one talks to senior managers of organisations, due to them being kept in the dark about incidents, it comes as a surprise when issues emerge.

Senior management members in most companies want a diverse and motivated workforce. But, if that same group of workers is frustrated that their issues are not taken seriously, then it is unlikely that a high-performance environment will be produced.

The problem is that, as opposed to the toxic behaviours going away, they will only get worse.

If a complaint has been made, of course it should be examined within HR. However, if it falls into the area of race, gender, or disability there is a need for senior management to be involved.

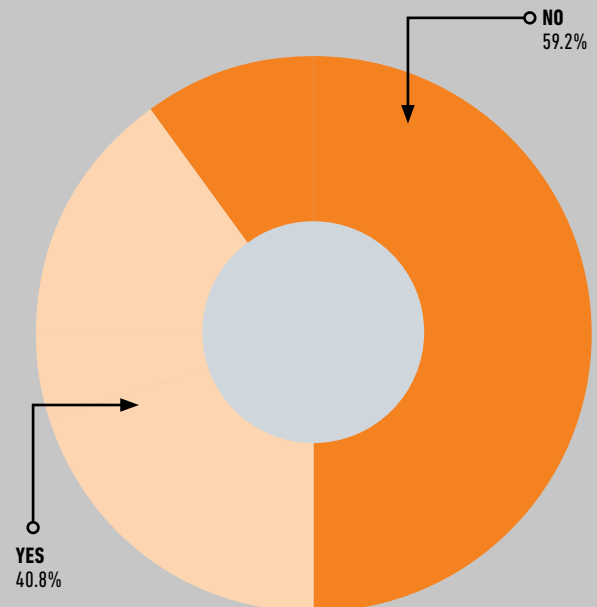
Having diversity and inclusion policies at the top of the organisation without having effective feedback can breed disillusionment when cases are not addressed.

It is important that HR is a conduit and not a blocker, the focus of the HR function has to be proactive and not protective when it comes to D&I.

"THE PROBLEM IS THAT, AS OPPOSED TO THE TOXIC BEHAVIOURS GOING AWAY, THEY WILL ONLY GET WORSE"

AM POLL

SHOULD DEALERS FULLY CHARGE CUSTOMERS' ELECTRIC VEHICLES FOR FREE AS PART OF A SERVICE?



There is a divide between UK motor retailers who feel that charging a customer's electric vehicle (EV) while it is on site for maintenance is part of delivering a good customer experience and those who see it as unnecessary and expensive.

The majority argue the latter. Dozens of voters in our poll pointed out that cars with internal combustion engines don't have their fuel tanks topped up as part of their annual service, so why should EVs get charged?

"The costs now outweigh the 'free' element. Customers never expected their petrol or diesel vehicle to get filled for free. We would be setting up problems for the future," said one.

Another pointed out likely limitations: "Using more grid capacity during the day would put further strain on supply. Overnight home charging is the most economic and efficient way to charge vehicles."

But among the proponents for handing back the car fully charged, one said such acts can only help build customer loyalty and recommendations. "A small price to pay for a good CSI," added another.

A few more voted 'yes', but added some caveats: one felt car brands should contribute to fast charge costs if franchise standards require it; another said charge when it is practical to do so.

NEXT MONTH: HOW QUICKLY SHOULD DEALERSHIPS ADOPT MORE ECO/SUSTAINABILITY MEASURES?

VOTE NOW AT [AM-ONLINE.COM/POLLS](https://am-online.com/polls)

KIA UK

At the start of the year Kia emerged as the best-selling car brand in the UK. Now it is setting its sights on annual six-figure registrations, reports **Tom Sharpe**

Kia's 32,199 new car registrations in the first three months of 2022 made it the UK's best-selling car brand year-to-date – almost 8% ahead of Ford in second place.

While AM's David Francis observed that "Kia is not going to hold that spot for long" it's certainly served as a strong opening salvo in a year when the Korean brand intends to make up for lost time and finally crack 100,000 annual registrations in its largest European market.

With new-look showrooms opening in 2022, record order books, a new version of the Sportage SUV now reaching showrooms and a new Niro range of hybrid, plug-in hybrid (PHEV) and fully electric models also arriving in July, it is unlikely consumer demand will be adversely impacted – even with the current headwinds.

Kia UK president and chief executive Paul Philpott tells AM he is "very confident" his retailer network will help it achieve a six-figure landmark in 2022.

Speaking in the week that marked his 15th year heading the brand, he said: "It's been the most challenging two years of my 15 with Kia, but I'm tremendously proud of everything this company and our dealer partners have achieved: trebling volume versus 2007 and having great potential to keep growing this business."

Philpott was able to celebrate his Kia anniversary in the knowledge that his franchised retail network had benefitted



from record profitability in 2021. The average Kia retailer achieved a 2.7% return on sales.

He admits that puts the OEM in a good position when asking its 191 retailers to invest in a bold new corporate identity (CI). Also, he claims, that now familiar profitability would be maintained as the brand continued to deliver volume and would eschew an agency model shift happening elsewhere in the sector.

GROWING VOLUMES

Commenting on Kia's ongoing volume growth after outpacing a market up 1% with a 28.8% rise in volumes to 90,817 – taking market share to 5.5%-plus – Philpott says: "We have had access to better supply than many of our competitors, but I think we've also got better demand than many of our competitors. And you need both."

"We learned a lot from what happened with demand when lockdown ended in 2020 so, when we went into lockdown again at the beginning of 2021, we just kept asking for more production from Korea and from our Slovakian car plant."

"When we came out of that lockdown on

April 12 we'd taken a very bullish approach to stock on the ground, but also pipeline coming through."

Emphasising the importance of the UK to Kia in Europe, Philpott adds: "We were the biggest selling market in Europe for Kia by some margin last year. Germany sold 65,000, we sold 91,000, and they were the second biggest. If we (in the UK) don't succeed, Europe has a really tough time."

"Thankfully, the pound was strong against both the euro and the won (South Korea's currency) and that helped us show we could turn scarce production into profitability."

Like many car brands, Kia found itself with its biggest order bank ever heading into 2022 by virtue of a combination of high demand and supply challenges.

Philpott is aiming to exceed his plan for 2022 of 95,000 new car registrations after seeing Kia's January sales alone beat his budget by 2,500 units.

Speaking to AM before the outbreak of war in Ukraine, Philpott says: "We've now set a stretch plan internally that this is the year when we can get to 100,000."

"It will require us to continue to work with

KEY PRODUCTS



Ceed

Updated for 2022, Kia's Golf rival ditched PHEV and now offers just petrol and diesel but can be bought in hatchback, Sportswagon or ProCeed five-door shooting brake guise. Prices start at £20,105.



Niro

Kia's Swiss Army knife of electrification offers hybrid, plug-in hybrid (PHEV) and EV drivetrain options. A new version will be launched this summer with a Sportage-styled exterior, EV6-inspired cabin and more cabin space.



Senior members of the Kia UK team with the new corporate identity (from left): commercial director Simon Hetherington; marketing director Sanka De Silva; president and chief executive Paul Philpott; aftersales director Chris Lear; and sales director Steve Hicks

the dealers on rapid stock turn and not having pockets of stock sitting anywhere that are going nowhere.

"We've got to make sure that every unit that we bring into the country is turned into a delivery, to sell a customer order as quickly as possible."

He adds: "I'm very confident but, of course, we don't know what external shocks might come along."

OUT OF THE RED, INTO THE BLACK

On the back of the most profitable year ever for its UK retailers, Kia UK is now rolling out its new CI.

In contrast to many brands embracing multi-brand showroom facilities, it's a move that comes hand-in-hand with a shift towards stand-alone showrooms, with Philpott stating that the ratio is set to grow from its current 70%.

There is to be no trimming of the network's current scale and, while Philpott told *AM* "everything's on the radar", he says that the brand has "no plans to enter into agency agreements".

"While other networks are restructuring



“THE POUND WAS STRONG AGAINST BOTH THE EURO AND THE WON AND THAT HELPED US SHOW WE COULD TURN SCARCE PRODUCTION INTO PROFITABILITY
PAUL PHILPOTT, KIA UK PRESIDENT AND CHIEF EXECUTIVE

and perhaps cutting the number of dealers, we see this as a bit of an opportunity for us," says Philpott, whose brand's biggest franchise partner is Arnold Clark, with nine locations.

"We're an ambitious brand, a growing brand, and we think this is a great opportunity for us to work with our partners to improve the quality of our dealerships, the positioning of some of our dealerships.

"I do not believe the franchised dealer model is broken in any way.

THREE MEASURES OF SUCCESS

"If you've got a great brand that people want to buy into, fantastic products and then the local dealer provides an outstanding level of customer service, the three things together are the optimum way by which people can buy a new car.

"Look at Tesla, it now has 18 stores. If it could do everything online as effectively, it wouldn't need physical stores, but it has invested huge amounts of money in physical locations."

The new look for the brand's dealerships ditches a red and white colour scheme in

favour of black and white, with the new Kia logo at its heart, and introduces the extensive use of wood for interior walls and furnishings.

Already showcased in Korea, the new style will reach the UK at the brand's own retail site in Bolton and Vertu Motors' Macklin Motors site in Edinburgh first, with work expected to be finished imminently.

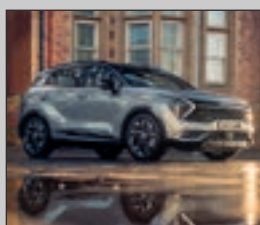
Phase one of the CI roll-out will see the new look introduced at 40-to-50 UK retail sites this year ahead of a targeted 2024 completion date, Philpott says.

As well as aligning with the brand's electrification plans, it also introduces elements that help facilitate an omnichannel customer journey.

One area of the showroom will be defined as the display zone, while another – demarcated by wooden flooring, wooden walls and in some cases wooden wraparound ceilings – is a customer experience area featuring a number of screens which give access to the GForces-powered Showcase system.

Showcase is a GForces product capable of displaying Kia's entire product range.

"If the average showroom has got



◀ Sportage

In showrooms since February, the new Sportage has a tough act to follow. The previous incarnation delivered 197,626 registrations between 2016 and 2021. It will have hybrid and PHEV variants.



◀ EV6

Kia's flagship EV serves up sci-fi styling and a zero-emissions range of up to 328 miles. This summer it will also be capable of accelerating to 62mph in 3.5 seconds thanks to the launch of a range-topping, £58,295, 577PS EV6 GT variant.

Eight cars in it, well, we've got 10 different models in our line-up, so it's just not possible to show everything in any of our showrooms," says Philpott.

"This enables the customer to really engage with the whole product range. And, if they've built a car online through kia.com, they can then save that and call it up in the showroom environment as well."

NEW GLOBAL STRATEGY

At Kia's global investor day virtual event at the start of March, Ho Sung Song, the president and CEO of Kia Corporation, revealed that the brand was targeting a 27% rise in global vehicle sales – to four million units – by 2030.

Starting with 160,000 electric vehicle (EV) sales this year, it aims to sell 807,000 zero-emission vehicles in 2026 and 1.2 million in 2030 – a 36% increase from the 2030 EV target announced during the investor day staged in 2021.

By 2027, Kia has said it will offer 14 EV models globally, with the new EV9 large SUV set to feature 'over the air' and 'on demand' services that will allow customers to selectively purchase software functions.

Its launch will herald the arrival of 'AutoMode', Kia's new autonomous driving technology.

For now, the new Sportage and Niro – set to arrive in the UK in July – are at the forefront of Kia retailers' minds.

Kia UK's full 2022 quota of 4,500 EV6 models is already sold.

New Kia UK marketing director Sanka De Silva highlighted the importance of the Volkswagen Tiguan and Nissan Qashqai-rivalling Sportage SUV at its UK launch.

"At 30% of the sales mix, it's part of our success now and part of our growth aspirations in the future," says De Silva, who took



A CUSTOMER WALKING IN SAYING 'I'M UNDECIDED' CAN BE ASSURED THAT THERE IS A DRIVETRAIN OPTION THAT WILL SUIT THEIR NEEDS
SANKA DE SILVA, KIA UK MARKETING DIRECTOR

over from David Hilbert when the latter became marketing director for Europe.

The fourth generation of Kia's popular SUV delivered 197,626 registrations between 2016 and 2021, well in excess of double the 95,326 achieved by the third-generation model on sale from 2010 to 2016.

The latest generation has a tough act to follow, but Kia is spreading its net as wide as possible with an (almost) full array of drivetrain options.

New Sportage is available in petrol, turbodiesel, 48-volt mild hybrid, hybrid and – from Q2 – PHEV guise.

De Silva says: "We wanted to give customers choice.

"It's a great position for our dealers to be in. A customer walking in saying 'I'm undecided' can be assured that there is a drivetrain option that will suit their needs."

Kia's new Sportage is another model which has increased the price of the brand's average model offering.

Prices start at £26,745 in a UK line-up featuring '2', GT-Line, 3, 4 and the flagship GT-Line S edition trim levels, eventually topping out with the flagship £43,795 PHEV derivative.

Philpott tells *AM* the longest lead time the brand currently has is on the new Sorento, with a 12-month order bank for the most-popular top spec version.

"The average selling price of a top spec Sorento is £45,000," he says. "When I joined Kia, the top spec Sorento was £15,000.

"That's a quite interesting perspective as to how far our brand has moved in 15 years, but also how desirable our products are.

"The important thing is that Kia is still seen through its products to deliver great value. That's important to us as our brand strengthens and becomes more, if you like, premium mainstream."

Kia's shift towards EVs with its model launches has resulted in the launch of a new version of its popular aftersales service plans.

Philpott acknowledged that EVs present less frequent servicing requirements – every other year – meaning fewer contact points with its retailers.

The result is a new Kia eCare package for EV customers which brings them back into dealerships in years two, four, and six.

Philpott says: "It's an ownership care package that provides annual, vehicle health checks (in years one, three and five), including a battery health report.

"Any software updates are completed, rotation of the tyres – which is important in maintaining vehicle operation – brake cleaning, and that's added as an annual customer offer.

"It's something we think is really important to keep EV customers coming back to dealerships, but also keeping that EV in tip-top working condition."

POSITIVE ATTITUDES

Kia's ambitious EV-led product strategy, its continued drive for growth and a determination to stick with a familiar franchised model that is delivering profitability for its retailers continues to curry favour.

The brand finished second only to Lexus in the National Franchised Dealers Association (NFDA) latest bi-annual Dealer Attitude Survey, covering winter 2021/22, scoring 9.2-out-of-10 (summer 2021: 9.6).

It topped the rankings when dealers were asked how satisfied they were with the brand's alternative fuel vehicle (AFV) offering, scoring 9.6 (summer 2021: 9.7), however.

For current profitability, Kia ranked behind only Lexus and its sister brand Toyota,



Macklin Motors Kia, part of Vertu Motors, is among the first dealerships to adopt the new CI



Extensive use of wood is hoped to give Kia dealerships a more upmarket appearance in future

scoring 9.2 (summer 2021: 9.2), while it was pipped to the top by Lexus in terms of projected future profit return with a score of 9.2 (summer 2021: 9.2).

Dealers scored Kia lowest for its continued volume growth aspirations, scoring it 8.5 (summer 2021: 8.9), to rank below Lexus (9.4), Audi (8.9) and Mercedes-Benz (8.7).

Philpott says the spirit of partnership and dealers' faith that their views are listened to are central to the strong results year-after-year.

But "profitability or perceived future profitability" are also central, he admits.

Supply issues appear to be the main potential hurdle to overcome as consumer demand for Kia products remains strong.

STRONGEST YEAR

For Philpott, it is clear he is buoyed by the fact that his 15th year with Kia has been its strongest ever – in terms of registrations and profitability – despite coming on the back of 2020's significant COVID-19 headwinds.

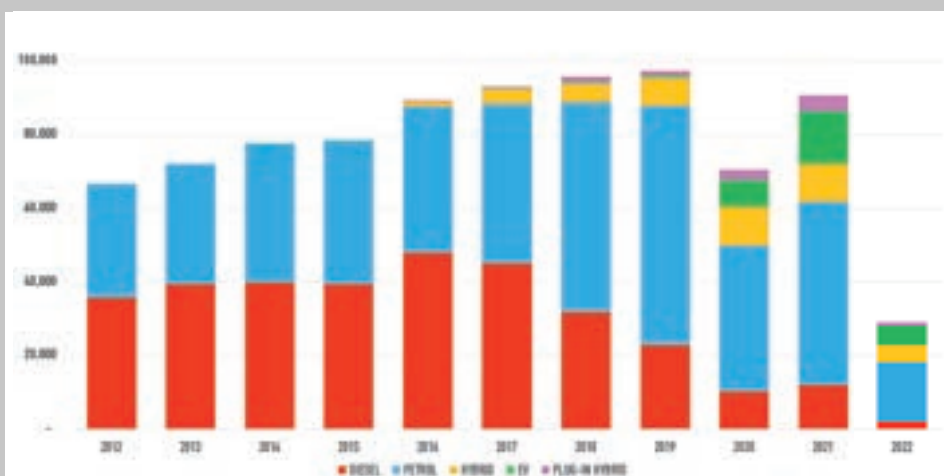
He says: "It was February 2007 when I joined something of a broken business in the UK that was losing money and losing dealers and losing employees.

"We were pretty low down in NFDA rankings at the time and one of the things that I said back then is that we have to have a true partnership with our dealers, where they make money, and we make money and that hasn't changed.

"Since then, we've taken a very consistent, very fair approach, constantly communicating with the dealers, having a level playing field, always listening to their issues and responding, not necessarily rolling over – pushing back where we need to – but listening and responding and having a real focus on long-term profitability for the network. I still believe that is fundamental to our success."



✧ KIA UK'S GROWING AFV MIX



A growing electrified model range is helping Kia UK transition away from petrol and diesel. Globally, it aims to sell 807,000 EVs in 2026 and 1.2 million in 2030 as this chart shows

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MINUTES WITH...

Paul Hollick, chair, Association of Fleet Professionals (AFP)



The AFP has recently launched a new voluntary industry initiative for dealers who supply vehicles to fleet customers called the Dealer Standard. What has prompted the need for this?

The Dealer Standard has been created in response to requests from association members. The main impetus comes from that fact that vehicles have become so much more complicated. You can't sit someone in a car and expect them to work out the essential controls in a couple of minutes in a way that was accepted just a few years ago. This is especially the case where drivers are taking on their first electric vehicle (EV). A familiarisation process has become a must. It's also the case that delivery standards vary widely, according to the experiences of AFP members. For example, it is not uncommon for vehicles to arrive dirty, without the correct documentation or for EVs to be handed over with little charge remaining. The Dealer Standard is an attempt to stop these problems occurring.

What does the standard consist of?

There are 28 points covering pre-delivery, the condition of the vehicle on handover and familiarisation with its key functions. These were written during a consultation process that involved fleets and dealers over quite a long period. For dealers who want to know more, we are running a mini webinar on April 20, which anyone is welcome to attend. Both the Dealer Standard document and details about the webinar can be found on our web site.

What is the risk to the dealer who isn't willing to adopt the standard?

It is possible that, as the initiative grows, fleets will choose to trade only with dealers who have adopted it as a means of ensuring their delivery experiences are hassle-free. In fact, a number of leasing companies have already told us they will only work with those who hold the accreditation. Ultimately, the choice is up to the retailer, of course, but it has always been our intention that this

IT IS POSSIBLE THAT, AS THE INITIATIVE GROWS, FLEETS WILL CHOOSE TO TRADE ONLY WITH DEALERS WHO HAVE ADOPTED THE DEALER STANDARD

should become an industry standard. There is nothing contained in the standard that we believe to be an unreasonable burden on dealers.

Dealers pay a fee to sign up for the standard. What do they get in return?

They become AFP members, which enables them to take part in all of our activities and network with a large number of fleet professionals – something that is fundamentally of value to their business – and are able to use the standard in their marketing material and tender documents. We believe it represents very good value.

What uptake do you expect for the standard? And would you expect any manufacturers to encourage their dealer network to adopt it?

The standard was created with the input of dealers, especially Marshalls, with whom we worked closely. They became the first to adopt it alongside Inchcape and Sytner. Some manufacturers have expressed an initial interest – for them, it is a way of ensuring an important point of customer contact is handled professionally.

Some dealership staff may not view the company car driver as their customer, as it's the corporate or leasing company they've the contract with. So what should they be doing to make the driver feel valued and engaged?

The company car driver is the end user and should be treated, essentially, the same as a retail customer, which doesn't always

happen. Receiving a new car should be a moment of joy. They need to feel they are a valued client, given the information and materials they need, and shown respect. Also, of course, the vehicle needs to arrive in excellent condition.

How have fleet customers' expectations changed in recent years?

As mentioned, the single biggest factor is the escalation in vehicle technology and the need to ensure drivers are provided with what amounts to basic training to enable them to understand their vehicle. If you are driving your first EV or your first vehicle fitted with an advanced driver-assistance system (ADAS), which sometimes takes control away from the driver, you shouldn't simply be left to read a 200-page manual or told to access a website.

What impact have the ongoing extended lead times for new car delivery had?

We're seeing a range of strategies. For example, some have opened up their choice lists to a wider range of vehicles, others have extended their supply chains into new dealers and OEMs, while many have lengthened replacement cycles. Fleets are also getting closer to their preferred dealer network to try to beat the queues. Delays have, arguably, sped up EV adoption. Some fleets and their drivers have decided that, if they are going to have to wait for a vehicle, they might as well 'leapfrog' a replacement cycle and go straight into a battery vehicle rather than another petrol car or a hybrid (PHEV).

In summary, what can dealers do to make a real success of serving fleets?

It's about price to a degree, of course, but it is also very much about the service provided to the leasing company, the fleet and their driver. There is not just one customer, but several, and they all need to be satisfied. Our advice would be to employ the services of a fleet specialist who has an understanding of the market to ensure that these needs are met. **TIM ROSE**

FACT FILE

COMPANY:
ASSOCIATION
OF FLEET
PROFESSIONALS

FOUNDED:
2020, BY THE
AMALGAMATION OF
ACFO AND THE ICFM

TYPE:
NOT-FOR-PROFIT
PROFESSIONAL
MEMBERSHIP
ORGANISATION

THE AM NEWS SHOW PODCAST

Now available on YouTube, The AM News Show is our new, insightful, upbeat podcast which will constantly tackle some of the current themes in motor retail.

Recorded professionally in the custom-built studio at Armchair Marketing in Northamptonshire, The AM News Show podcast will also bring you fascinating monthly insights into the activities of franchised and independent retailers, their major suppliers and vehicle manufacturers.

The initial one has already been viewed by more than 3,000 people in its first week since Armchair Marketing published it. It features discussions with Julia Greenhough, marketing director of TrustFord, which recently won the AM Award for Best Marketing Strategy, and Callum Wood, head of sales at CitNOW which was selected by AM readers to win the Supplier of the Year award for the second consecutive year.

The **AM**

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SPOTLIGHT:

STOCKING FOR SUCCESS

The skills and controls you need to get the most from your used car sales

NEW AND USED

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AGILE APPROACH IS WAY FORWARD
LOCKDOWNS HAVE PROMPTED
DEALERS TO EXPLORE NEW AVENUES
WHEN REPLACING CAR STOCKS

PAGES 28-29

PICK YOUR PRICING STRATEGY
BEWARE SETTING TOO LOW A PRICE
AND KEEP ABREAST OF UP-TO-DATE
DIGITAL PRICING TOOLS

PAGES 31-32

SURGE WON'T LAST FOREVER
INDUSTRY EXPERTS OFFER THEIR
THOUGHTS ON HOW DEALERS CAN
COPE WHEN DOWNTURN COMES

PAGE 35

Agile approach to stock buying is way forward

Lockdowns have prompted dealers to explore new avenues

Adapting to change quickly and keeping an open mind have been prerequisites for business survival over the past two years. Such competencies apply especially to the area of stock acquisition.

COVID-19 lockdowns forced a lot of physical auctions to close, which accelerated many dealers down the route of bidding for stock remotely.

In addition, used car market madness has seen prices inflating by 30% as a result of new car supply shortages. This, too, has caused big shifts in the way retailers fill their forecourts.

Hendy Group, the AM Award-winning Used Car Dealer Group of the Year, had, luckily, timed a total overhaul of its approach to stock acquisition just before the first lockdown.

The group has 45 used car departments, three of which are independent, non-franchised Car Store locations that each hold up to 300 vehicles.

Hendy Group used car sales director Simon Palmer told AM: "We totally reassessed what we sold and how we acquired vehicles.

"You have to be open to new ideas on stock. These ideas might come from an experienced buyer or from a 21-year-old sales advisor. You have to embrace change and what is thrown at you."

The business made the move to digital and now nearly 100% of auction stock is bought online.

Palmer has already increased the number of part-exchanges that are retailed directly through its Car Store centres and uses services such as online stocking portal Motorway to source additional stock.

The group has worked hard to make sure it was never understocked in 2021 and, while it has seen its

annual stock turn reduced from nine times to seven-and-a-half, it has retained margins on stock and is on budget for its used car business.

Editors at Cap HPI say one of the biggest challenges regarding stock right now is its overall management.

Over-age vehicles, previous high prices paid to acquire stock, coupled with increasing holding and operating costs, all present big challenges.

Cox Automotive International insight and strategy director Philip Nothard says the profile of stock within the dealer market has changed.

A shortage of stock has meant retailers are keeping vehicles for longer, they're looking at higher mileage, older vehicles and expanding outside of franchise.

Nothard says: "This is going to remain the case going forward.

"Whereas before you might have operators working in silos for the nearly new, up to three years, three-to-five and then five-plus, these market areas are becoming more blurred. Everyone is entering into everyone else's marketplace."

EMBRACING ONLINE

In Palmer's opinion there is no longer any need to physically go to an auction centre.

He says: "There is so much data available on stock that you can use that to determine what stock is going to sell well in a specific location. We can use that to be really targeted with the stock we want."

Hendy's used car buyers only acquire stock that scores a rating of 65% or higher on Auto Trader's Retail Check service. This uses Auto Trader's market data, consumer demand and historical sales data analysis to appraise how well a car will sell.



Palmer says: "Our used car buyers have all become data experts and have expanded that skillset over the past couple of years.

"Whereas before they were attending auctions physically, they're now working remotely and using all the data at their disposal."

Whether buying online or attending in person, the big benefits for auctions include choice, access and additional connected services. Dealers can buy from auction, fund their purchases with stocking plans and move vehicles with logistics services, all through the same provider.

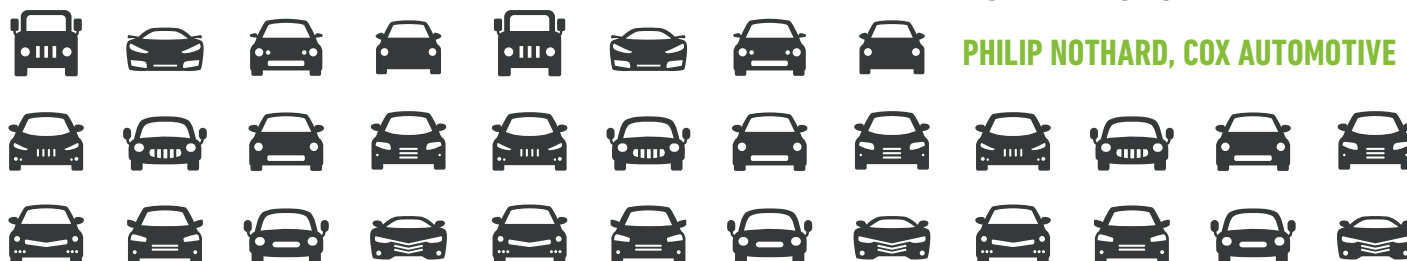
Chief operating officer at BCA UK Stuart Pearson says: "All BCA sales are staged online so buyers get access to a nationwide basket of stock every day from wherever they happen to be.

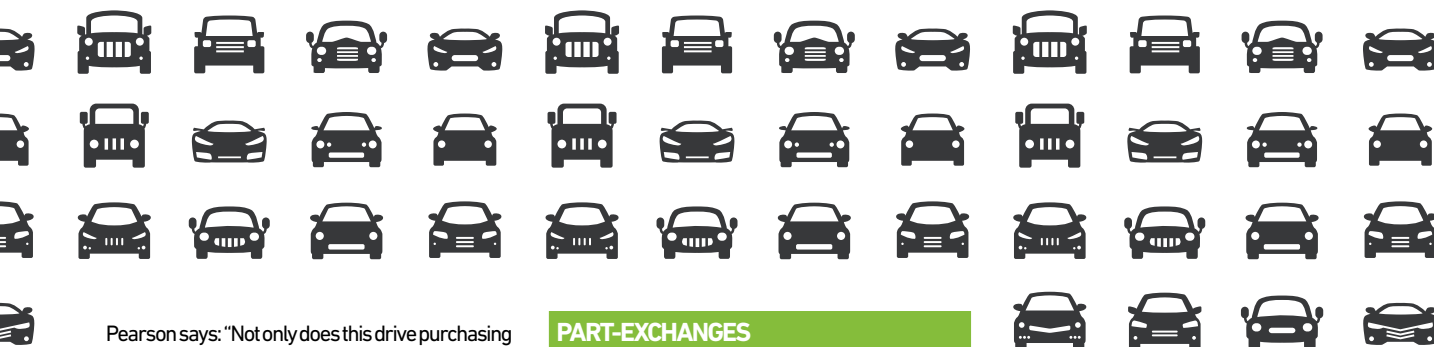
"Vehicles are available from the widest number of vendors including fleet, lease and dealer stock, at every price point and condition standard, at a variety of ages and mileages, with every possible make and model represented, including newer, retail-ready stock."

With the vast majority of auction sales now taking place online, this also levels the playing field for buying stock.

RENTAL WOULD HAVE BEEN A SOURCE OF STOCK IN THE PAST, BUT NOW IT'S A CASE OF GAMEKEEPER TURNED POACHER

PHILIP NOTHARD, COX AUTOMOTIVE





Pearson says: "Not only does this drive purchasing efficiencies for buyers, but it vastly enhances the opportunity to look across a broader range of stock than would be visible in any physical sale, no matter how big the site.

"Availability of the right stock in volume and access to increased levels of funding continues to be key to our customers."

Pearson adds that there has been a "noticeable increase" in requests for stock-funding facilities from both new and existing dealers as they look to respond to an increasingly competitive used car marketplace.

OTHER SOURCES

That competition has been exacerbated by new car supply shortages which have had a knock-on effect in many different ways, including rental and ex-fleet stock which would have been going back into the used car market and through auctions.

According to data from the Society of Motor Manufacturers and Traders (SMMT) new car short-cycle registrations were down 65% in 2021.

Fleets are running vehicles for longer while they wait for new cars to come through.

Nothard says: "The rental industry has no product from a supply perspective.

"Rental is last on the priority list from the OEM viewpoint because it's the least profitable supply channel.

"So, actually, rental has become a competitor for dealerships for stock in the used market.

"Rental would have been a source of stock in the past, but now it's a case of gamekeeper turned poacher."

Manufacturer-focused sales of used car stock has been one of the remarketing channels that has been, and continues to be, heavily impacted by the challenges of limited new car supply.

Cap HPI says franchised retailers who, in normal times would rely on the remarketing operations from OEMs, have had to utilise all the buying channels available to them, be it from traditional auctions to retailing more of the part-exchanges they have taken in.

Cap says: "Retailers who stock late-plated products have also had to diversify the age and mileage of vehicles they would normally stock and look at slightly older cars with more miles on the clock.

"As OEMs prioritise retail, along with fleet and leasing new car registrations, it may be some time before we see OEM used cars volumes return to normal."

PART-EXCHANGES

Part-exchanges have always been a potential source of stock for retailers to sell from their own expanding used car operations.

A recent Parkers poll of 311 UK car owners looking to dispose of their vehicle in the next four months shows that more than two-thirds (68%) are looking to part-exchange.

Just more than a quarter will prefer to try to maximise the price for their vehicle by selling privately and the remainder would use a service like We Buy Any Car (WBAC), Motorway or Carwow to sell their car.

There are some pressures on part-exchanges as a source of stock due to new car supply, too.

Hendy made the decision to switch the bonus structure for sales executives across the group to orders taken, rather than sales, because there has been limited new car supply.

Palmer says: "What we have found is that the majority of customers have been happy to wait for the delivery of the new car, so they're staying in their old one and we're not getting that part-exchange through."

He says Hendy has grown better at buying directly from consumers with its We Want Your Car or Van campaigns, which, among its promotional offers, has delivered up to £500 extra for customers' part-exchange vehicles, free Diamondbrite paint protection, 10 years' MOT tests and two valets per year for three years.

Palmer says: "With certain brands when we knew we were going to be short of stock we put a renewal process in place where we would go through the customer database and ask, where appropriate, to buy customers' vehicles directly."

Cap HPI advises dealers to look to retail as many part-exchanges as possible.

It says: "Even though some part-exchanges you buy in are out of franchise, older and have higher miles, there could still be a profit in them."

Nothard echoes Palmer's earlier statement about embracing change. He advises used car dealers to understand and utilise the efficiency of the digital marketplace.

He says: "If dealers and buyers don't start to think differently about their location, stock profile, customer base and access to product, they will start to lose out.

"I would be watching every market place I possibly could, both in retail and trade.

"You can't broad-brush it now. You can't rely on a fixed margin or one marketplace. You have to think very differently." **TOM SEYMOUR**

» BIDDING FOR STOCK

Increasing digitisation in the automotive industry has helped the growth of online used car marketplaces such as Motorway.

The online stocking portal launched in 2018. It links approximately 4,000 used car retailers to bid on vehicles for sale by private used cars sellers from across the UK.

The business is helping facilitate up to 800 sales each day and has ambitions to increase this to 5,000 vehicles a day "in the not-too-distant future".

The company completed around \$1.2 billion (£910m)-worth of transactions in 2021, a threefold increase on 2020. It is on track to double growth in 2022. Its team has gone from 60 before the pandemic to a staff of 300 today.

Motorway founder and chief executive Tom Leathes says: "We felt there was an opportunity to create a better marketplace which was more efficient, involved fewer middlemen and delivered better value to dealers and consumers.

"There were some dealers who were reluctant to buy online before the pandemic, but COVID has accelerated a shift that was happening anyway. We were very well positioned to support dealers online.

"Since then, it's been about doubling down on the growth and building for scale."

Leathes believes privately-owned, privately-sourced, low mileage and well looked-after vehicles offer the strongest quality used car stock.

Motorway's current focus is on increasing the percentage share of dealers' used car stock that is bought through the platform.

Leathes adds: "We're still doing a relatively small percentage of used car transactions in the UK. We think there's a lot of growth available. We want to share more data with dealerships to help them make better informed decisions about what stock to buy."



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INSIGHTS

USED MARKET REPORT

Q1 2022

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2022



Innovation in Remarketing
Aston Barclay

DEALER MARKET PROFILE - YOUNG PART EXCHANGES (55-75 months)

Both average age and mileage rose in Q1 2022 to contribute to a 5% price fall in the quarter. This is the first price fall since Q1 2020 and mirrors CAP's reduction in prices during 2020.

It's worth remembering that in just one year that average prices in this sector have risen by 32.4%.

Average Price



C
 MOT
 JRA
 S
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Ways to ensure that you get your pricing spot on

Dealers warned off from retailing stock too cheaply and encouraged to keep abreast of digital pricing tools which are updated in real time

With retailers operating in an increasingly challenging used car environment where stock is in short supply and prices are continually adjusting, it has become even more imperative to price used vehicles correctly to both maximise margins and maintain stock turn.

The solution is rooted firmly in the digital sphere with most retailers now relying on an array of both retail and trade pricing tools with traditional 'trade plus' or even 'pricing back' far too simplistic to be relied upon on their own.

Even so, in a fast-moving market, many dealers have found themselves retailing stock too cheaply as demand continues to outstrip supply.

The difficulty of sourcing good quality, price-point stock has resulted in around 25% fewer trade sales compared with pre-pandemic times, according to Cap HPI. Derren Martin, its director of valuations, cites high demand for used cars in 2020 and again in 2021 when dealers were proactively seeking out stock as the semiconductor shortage led to reduced availability of new

cars and with that, fewer part-exchanges and fleet returns.

"As a result, this drove up trade prices, followed by retail prices – there can be a lag of weeks or even months for retail prices to reflect what is happening in the trade market," says Martin.

He also warned that pricing back from retail on its own is fraught with risk since, together with the time lag between trade and retailing, retail advertised prices can vary wildly.

He adds: "During 2020 and 2021, trade values moved upwards far earlier than retail, which meant retailers basing their wholesale buying off retail values were soon realising that they could not replace cars for the same prices they had paid previously, and even for what they were advertising them for at retail. Trade values show the real price to buy cars for, particularly if using daily, live, real-time values rather than monthly ones."

Aston Barclay managing director, customer, Martin Potter also urges dealers to increase used car prices on the forecourt if determined by the market. He says: "In recent months, it's all about being brave enough to increase retail prices to keep up with the 'hot market' rather than reducing prices even on ageing stock. However, dealers need to be careful not to get drowned in data and risk compromising their view on retail values."

Hence, the importance of utilising all used car pricing tools in the box, young and old. For example, Martin reports some of the largest, most successful dealers in the UK are pricing cars using trade values and comparing them with other retail sites.

Martin says: "Trade prices are also essential for pricing part-exchanges from consumers. Of course, large remarketers of vehicles also use trade values to price what they are



SPOTLIGHT:

STOCKING FOR SUCCESS

selling for, so it is essential that buyers are privy to this information so as to compete, but not overpay.

"Many dealers have confirmed that in the recent rising market, they would not have bought a single car if they had purely based decisions off retail comparator tools."

Only smaller franchised dealers and independents are now not making data-led decisions when it comes to used car pricing, says Indicata group sales director Jon Mitchell.

He says: "Unless you are using data to support your part-exchange, you risk not paying enough to your part-exchange customer and perhaps losing out on securing the deal. We have seen dealers advertise their used cars too cheaply and lose out on a sale with retail buyers identifying the cars as too cheap. A cheap car arouses suspicion that there is something wrong with it."

Likewise, Potter acknowledged the challenge of working out retail prices in a fast-moving market: "Dealers need to use the multiple data sources, including Cap, and their wholesale purchase price as well as determining how many of that model of car is available in their vicinity which then enables dealers to fine-tune prices."

Insight and strategy director at Cox Automotive International Philip Nothard points out there isn't necessarily a 'retail down' or 'trade up' solution, and with the market landscape 'changing day by day', echoes the need for retailers to understand their local and online markets and their individual stocking profiles.

He says: "This is about the internal investment opportunity for dealers to retail with a margin that aligns with their budgetary requirements. They also need to understand the wholesale market down to a single derivative level to know what they need to pay on the vehicle to retain the margin requirements in the retail space."

"The headline market movement does not give dealers the details they require. A retail benchmark must be granular and relevant to their market, customers and vehicles."

Similarly, Mitchell says: "Identifying the fast-moving stock in your area supports your whole-

sale buying strategy as it means stocking more cars in high demand and being able to price the cars at a premium."

Wales's largest car supermarket Ron Skinner & Sons rolled out Indicata's used car pricing platform in December 2021 and Mitchell points out such real-time data can give dealers the confidence to make the right pricing decisions, especially when putting prices up.

“UNLESS YOU ARE USING DATA TO SUPPORT YOUR PART-EXCHANGE, YOU RISK NOT PAYING ENOUGH TO YOUR PART-EXCHANGE CUSTOMER AND PERHAPS LOSING OUT ON SECURING THE DEAL

JOHN MITCHELL, INDICATA

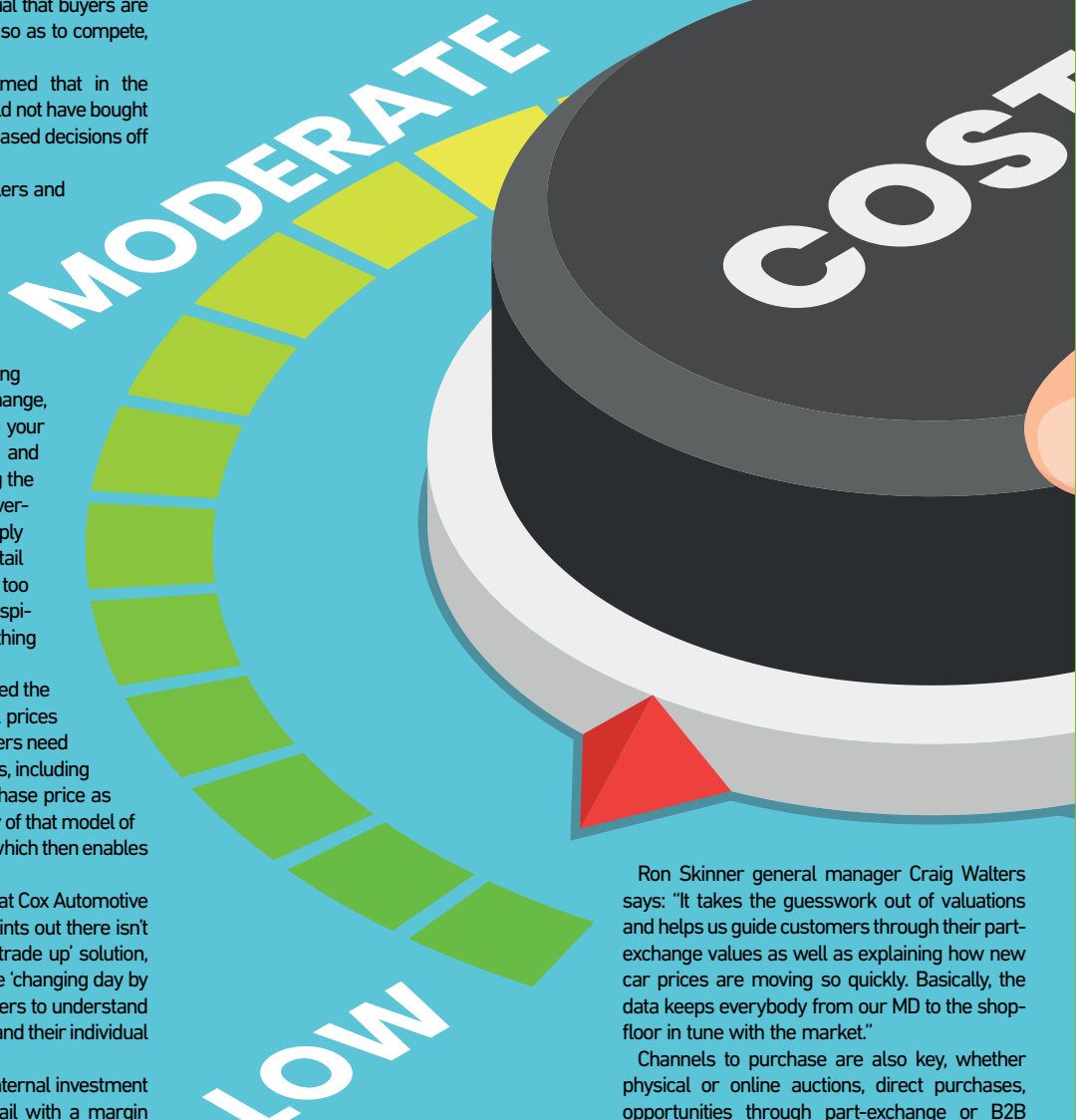
Ron Skinner general manager Craig Walters says: "It takes the guesswork out of valuations and helps us guide customers through their part-exchange values as well as explaining how new car prices are moving so quickly. Basically, the data keeps everybody from our MD to the shop-floor in tune with the market."

Channels to purchase are also key, whether physical or online auctions, direct purchases, opportunities through part-exchange or B2B platforms, Nothard says: "A single source of stock is not adequate in today's market."

However, Nothard does not believe the days of determining potential stock and pricing as 'trade-plus-margin' are behind us since operators have always understood price dynamics and have run at a low margin to offer a certain product in the retail space.

He says: "Operators should now realise that digital retail and physical assets are at the heart of everything we do. Online auctions have made it even easier for dealers to source vehicles. However, dealers and customers alike are buying vehicles they may not have otherwise bought due to ongoing vehicle supply issues in the marketplace. For the time being, with the headwinds the new vehicle market has faced and its impact on the used vehicle parc, previous stocking policies may be a distant memory."

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Optimum Stock Levels for Used Vehicles

Seldom has there been such a focus on Used Vehicles. The greater than 30% price inflation over the past 24 months is feeding into record profitability for dealers across the UK. Will this go on for ever? I think everyone knows that the party will end at some stage. It's a multi-million pound question for dealers, especially for groups where it becomes much more complicated. The perceived wisdom is that that the market will revert to equilibrium in about 12 months. So, how much stock should you be carrying now, in six months and in 12 months? Is it prudent to keep it tight? Here, we give you some answers based on the data of the industry leaders.

The traditional calculation is that optimum stock is annual sales divided by desired stock turn e.g. if the sales budget is 2,000 units and the desired turn is 8 times, then optimum stock units is 250 units.

The good news is that this still holds true, but the challenge is that this needs to be calculated at model/variant and at branch level to maximise sales and profits which is not easy even with a spreadsheet, and this needs to be recalculated continuously.

Fortunately, some algorithms can do the job here, if we look at the



view below, our optimum 104 units stockholding for Location 1 is broken down by model and can be further viewed by variant.

Not only that, but we can weigh up our success with these by looking at our recent Metal GPU's, market exit, days to sell, and Auto Trader's retail ratings as a guide to what stock we should buy.

The main point I would like to reiterate here is that the name of the game for the next 2 years is to be constantly monitoring and reacting to the market by tweaking your budgets or agreed run rates, plus your agreed turn in the context of changing market conditions. The money will be made or lost with this

constant tweaking by model/variant and at branch level as stock gains become stock losses at some stage over the next 2 years. In other words, don't be left at the party when everyone else has gone home.



John Hogan is CEO and Chief Data Scientist at RWA Automotive who helps dealer groups become more efficient with actionable drillable dashboards and reports.

Visit: realworldanalytics.com/automotive for more details about RWA and how we can help you.

Used Vehicle Stock vs Space Availability													
Store/Location	Available Display Spaces	Units Budget	Agreed Turn	Optimum Stock @ Agreed turn	Retail Stock Levels	Weeks Cover Retail	Variance (Retail less Optimum)	4 Week Pipeline Stock	Run Rate Required	Agreed Run Rate	14 Weeks Run Rate	YTD Run Rate	
Location 1	82	812	8	104.5	80	7.0		81	25.5	18	14	12	
Location 2	45	525	8	65.6	32	4.3		24	6.3	6	5	6	
Location 3	48	598	8	74.8	38	3.7		29	11.3	7	9	4	
Location 4	95	1044	8	130.5	85	6.9		34	17.9	11	9	8	
Grand Total	267	2,080	8	285.3	245	6.8		128	60.8	38	32	30	

Supply & Demand Report																
Store Location	Vehicle Model	Fuel	Body Type	Retail Stock Levels	Weeks Cover Retail	Optimum Stock @ Agreed turn	Stock Required @ Agreed turn	4 Week Pipeline Stock	Agreed Run Rate	14 Weeks Run Rate	YTD Run Rate	Market Uptime	Current Stock AT Price %	Current Stock AT Days to Sell	AT Local Rating	
Grand Total				40	32.2	104.0	104.0	54	18	18	11	100	102.8%	70	95	
Total				40	32.2	104.0	104.0	54	18	18	11	100	102.8%	70	95	
Variation 1	Model A	Petrol	Hatchback	18	3.9	39.0	39.0	10	5	5	5	100	103.0%	68	40	
	Model B	Petrol	Hatchback	20	18.1	23.1	23.1	1	4	5	5	100	103.8%	68	50	
	Sedan			2	17.2	5	5	1	1	1	1	99	103.8%	70	20	
	Hatchback			2	11.8	14	14	1	1	1	1	100	103.8%	62	30	
	Sedan			2	10.5	14	14	1	1	1	1	100	99.4%	68	30	
Model 2	Petrol	Sedan	Hatchback	14	14.4	9.1	18.5	4	1	1	1	457	105.8%	68	20	
	Sedan	14		14.4	18.1	6.9	0	1	1	1	100	101.3%	70	20		
	Petrol	2		3.1	3.1	3.1	1	1	1	1	490	107.4%	68	20		
	Petrol	5		11.9	3.8	12.2	1	1	1	1	100	102.4%	68	30		
	Petrol	5		7.4	3.8	10.6	0	1	1	1	100	105.4%	68	30		
Model 3	Petrol	Sedan	Sedan	1	1.1	1.1	1.1	0	0	0	0	1	100	101.4%	68	20
	Sedan			1	1.1	1.1	1.1	0	0	0	0	1	100	101.4%	68	20
	Sedan			1	1.1	1.1	1.1	0	0	0	0	1	100	101.4%	68	20
	Sedan			1	1.1	1.1	1.1	0	0	0	0	1	100	101.4%	68	20
	Sedan			1	1.1	1.1	1.1	0	0	0	0	1	100	101.4%	68	20
Model 4	Sedan	Sedan	3	13.3	0.4	13.3	0	0	0	0	471	103.3%	64	10		
Model 5	Sedan	Sedan	3	17.3	0.4	17.3	0	0	0	0	450	108.8%	67	10		



Get ready for values to peak then go into decline

It's been a great couple of years, but growth surge won't last forever, say industry experts

The used car market has been enjoying stellar growth over the past two years as demand has outstripped supply; there has been a lack of new vehicle availability and more buyers are willing to pay a premium.

At the time of writing, used car values had climbed for the 98th consecutive week, with sales hitting their fastest rate in five months, according to Auto Trader. Dealership profits have soared.

However, there is common agreement that these price increases can't be sustained in the long run and will decline eventually as the cost of living and energy crises take hold.

When the market turns, CarShop chief executive officer Nigel Hurley says dealers will need to react quickly and reduce retail prices to keep stock moving. Holding prices in a falling market or being slow to respond will adversely affect sales and, ultimately, be more difficult to recover from.

"Dealers will need to stimulate faster stock turn, which means reviewing acquisition, preparation, pricing and disposal strategies," says Hurley. "They should buy a better mix of cars which turn more quickly. The speed at which those cars arrive on site, are prepared and marketed is vital.

"Barriers to swift activity in all these areas will need to be reviewed. Also, when and how often to take pricing action, all activities need to accelerate. Speed to dispose of non-retail stock also can be painful in a falling market."

As values start to drop, motor industry expert Mike Jones says dealers need to get ahead of the curve and monitor their stock profile and demand

“

DEALERS ARE MUCH BETTER INFORMED NOW AND KNOW EXACTLY THE RIGHT VEHICLES TO STOCK
JONATHAN GRAVELL, GRAVELLS



“

DEALERS WILL NEED TO STIMULATE FASTER STOCK TURN, WHICH MEANS REVIEWING ACQUISITION, PREPARATION, PRICING AND DISPOSAL
NIGEL HURLEY, CARSHOP



“

HOLDING ON TO STOCK FOR LONGER THAN NECESSARY IS NEVER A WISE STRATEGY
PHILIP NOTHARD, COX AUTOMOTIVE



“

DEALERS NEED TO TAKE A STEP BACK AND LOOK AT THE BIGGER PICTURE OF WHAT'S HAPPENING IN THE MARKET
MIKE JONES, MOTOR INDUSTRY EXPERT



to ensure they have a supply of used vehicles their customers want, particularly in terms of fuel type, given the rise of electric vehicles (EVs). Speed of stock turn will also become key, he says.

"Dealers need to take a step back and look at the bigger picture of what's happening in the market in order to make sure they can continue to service their customers," says Jones. "At some point, used cars will resume their normal depreciation, so they need to continue to regularly monitor supply and demand, particularly as the cost of living and interest rates have an effect."

At the same time, it's vital for dealers to keep a close eye on vehicle enquiries and activity, says Cox Automotive International insight and strategy director Philip Nothard. If necessary, they must also be prepared to take a lower margin to move a vehicle on, he adds.

"Holding on to stock for longer than necessary is never a wise strategy," says Nothard. "In the past 12 months, dealers have proven they can move vehicles quickly and hold margin, but they need to continue keeping a close eye on prices as the market unfolds."

Dealers have certainly learned from their mistakes in the 2008 economic crash when many were caught out.

Some were having to write down expensive stock such as Range Rovers and BMW X5s by as much as £3,000 to £4,000 per month because they couldn't find the buyers.

"There has been a dramatic shift in terms of the quality of metrics since then," says Gravell's owner and managing director Jonathan Gravell. "Dealers are much better informed now and know exactly the right vehicles to stock and what the market pricing is, rather than going on gut feelings."

Dealers are also more financially secure than before. However, they still need to be ready to adapt when the market changes.

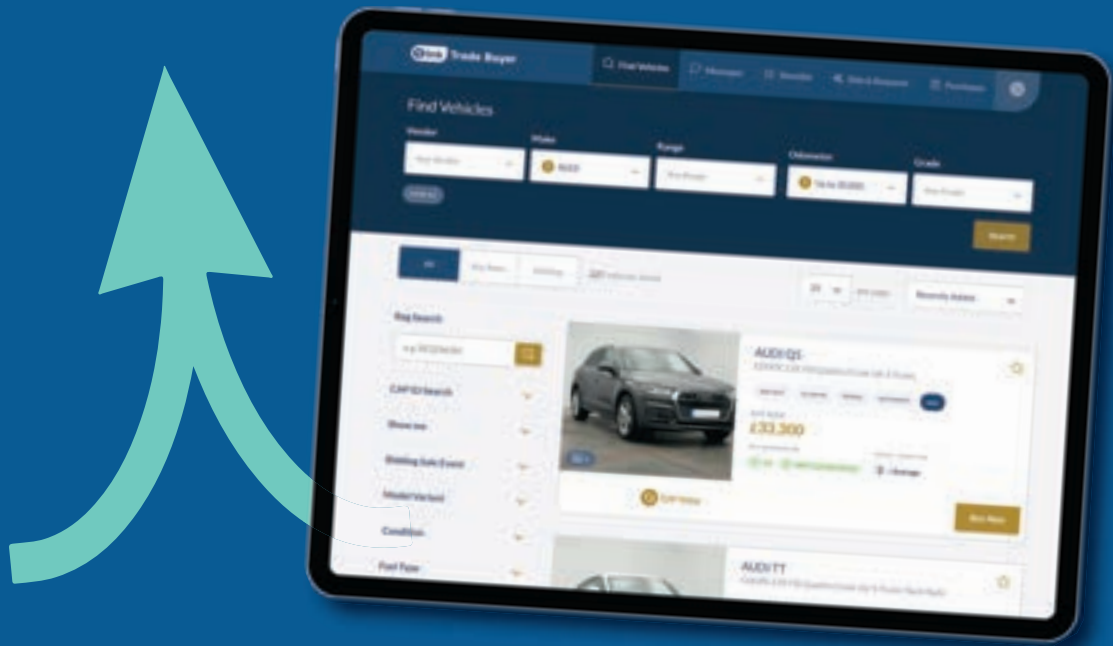
"There's no going back to the pre-pandemic days; the market's going to change fundamentally moving forward," says Nothard. "We have just come out of a period of uncertainty and major headwinds, and are entering another one in which dealers need to keep a close eye on costs and resources in order to maximise their used car potential."

ALEX WRIGHT



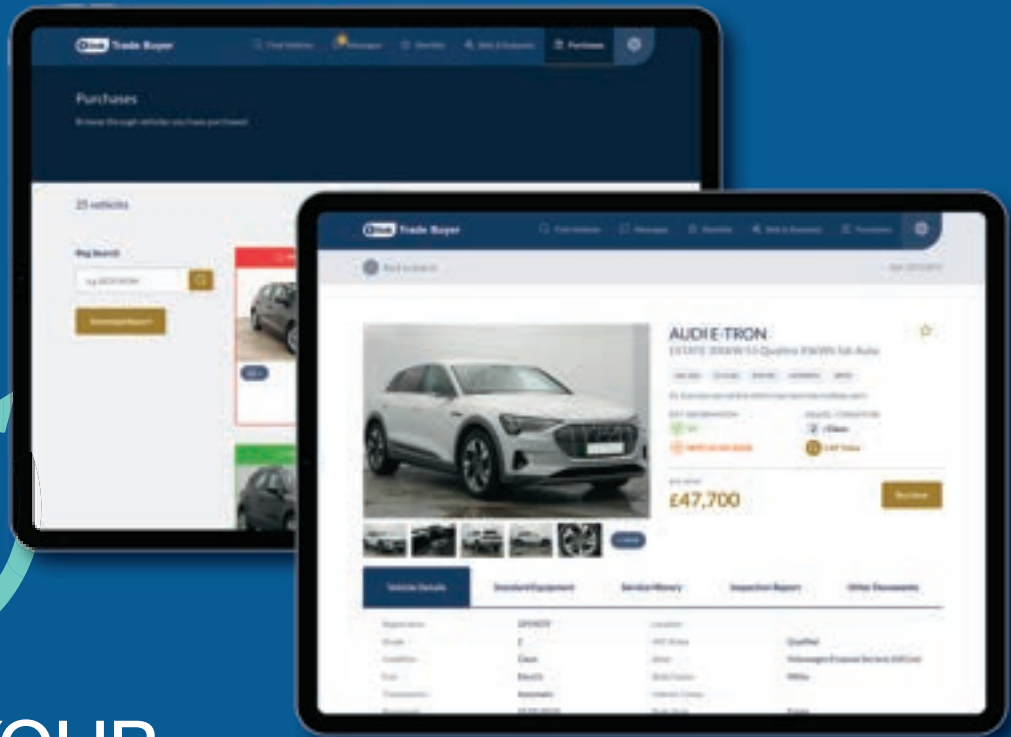
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VAUXHALL ASTRA

Vauxhall has given its humble Astra a major overhaul, utilising fresh underpinnings from Stellantis, with the hope of growing its market share against dominant models like the Ford Focus and Volkswagen Golf.

The eighth-generation car aims to be aspirational. It's a looker, thanks to the Vauxhall 'visor' front end, sharp body lines and new proportions afforded by its new platform.

This might just be the first Astra that will be chosen by the heart, rather than the head.

There's a high level of standard spec too, although that's probably to counterbalance the fact that prices are up by almost £4,000. The entry-level Astra is now priced at £23,805, just a tad beneath the VW Golf and slightly ahead of the Ford Focus.

The plug-in hybrid (PHEV) is the most compelling. Vauxhall says it was developed with cost parity in mind, meaning it shouldn't cost buyers any more to run than a normal petrol derivative – provided they plug it in.

Obvious similarities exist between the Astra and the Peugeot 308, as both cars share a platform. However, those who dislike the Peugeot's i-Cockpit layout will be pleased to find a conventional set-up is used in the Astra.

We'd say the Astra has more in common with the Golf, on the inside.

ERGONOMICALLY SUPERIOR

The twin 10-inch screen set-up, providing infotainment and digital instruments, is similar to that of the Golf. While the build quality doesn't quite live up to VW's level, ergonomically, the Astra is superior.

There's a useful row of switches beneath the screen that wouldn't look out of place in a Lexus, offering control of key functions like the interior temperature, demister and heated seats. A proper radio volume knob is a highlight.

The infotainment system is big step up for Vauxhall. It's lifted from the 308 and is straightforward to use. There's even a handy rubber strip beneath the display to steady your hand when using the touchscreen.

Elsewhere in the cabin, quality is a mixed bag. The key touchpoints are positive, but it's apparent where cost savings were made lower down.

SPORTIER FEEL

Vauxhall has lowered the seating position in the new Astra, giving a sportier feel. The only downside is the position of the pedals, which are closer to the driver than we'd like. It's relatively easy to overcome, by pushing the seat back and extending the steering wheel, but that means there's no room for a rear passenger.

The Astra is not quite as sharp as a 308 on the road – Vauxhall fettled the chassis to meet its own requirements and, while the result is a little benign in comparison, the new Astra is still the most fluid and best-driving to date.

At motorway speeds it's quiet and smooth, while the less-eager steering makes it more composed for cruising than the Peugeot. We found the ride on our test car's 18-inch wheels a little firm around town.

There's only three trim levels and four engines to pick from, in line with Vauxhall's new strategy to streamline its entire model range. A 1.2-litre three-cylinder petrol engine is offered with 110PS or 130PS, alongside a 1.5-litre 130PS diesel. The plug-in 'Hybrid-e' uses a 1.6-litre petrol engine, paired with an electric motor, providing 180PS. A 12.4kWh battery gives a 43-mile range.

A more potent 225PS hybrid will launch later in the year, as a standalone performance model. A full electric will arrive in 2023.

We tested the 130PS petrol first, as it's expected to be the best-seller, and

The newest Astra has looks that might make it a heart, rather than a head, choice

Infotainment and digital equipment are controlled by two 10-inch touchscreens



£23,805
-£35,515



PETROL, DIESEL,
PLUG-IN HYBRID



0-62MPH
7.7 - 11.0
SECONDS;
TOP SPEED
124-140MPH



SIX-SPEED
MANUAL/EIGHT-
SPEED AUTOMATIC



49.5-256 MPG



24-132
G/KM CO2

≡ KEY RIVALS

Ford Focus	Seat Leon	Volkswagen Golf
DRIVEABILITY	STYLING	DESIRABLE PERFORMANCE VERSIONS
NO PHEV OR BEV	INFOTAINMENT	BLAND LOOKS

≡ REVIEW RATINGS

AUTO EXPRESS



PARKERS



TOP GEAR



THERE'S A USEFUL ROW OF SWITCHES BENEATH THE SCREEN THAT WOULDN'T LOOK OUT OF PLACE IN A LEXUS



found it fairly swift and capable of returning around 48mpg. It can be paired with a notchy six-speed manual or a smoother eight-speed automatic. The diesel is only expected to account for a small proportion of sales, but does promise around 60mpg. It's a little less eager than the petrol, but still sound for high-mileage motorists.

The PHEV is more impressive, albeit £9,000 more expensive than the cheapest new Astra. It will cover 35 miles on a charge and could easily match the diesel's efficiency on longer trips. It's a refined unit that manages an almost imperceptible transition from electric to petrol. It doesn't feel much quicker than the 130PS petrol in real-world driving, but is noticeably smoother.

All three grades are well-equipped, with the entry-level Design grade getting the twin screen set-up, LED headlights and a suite of driver aids.

GS Line is the predicted best seller, with a sportier look, parking camera, keyless entry and heated seats.

Ultimate comes packed with features including a sunroof, adaptive cruise control and a head-up display.

The newest Astra provides sensible no-nonsense transport, like its predecessors, but now has the all-important desirability-factor too.

MATT DE PREZ

“THE PHEV WILL COVER 35 MILES ON A CHARGE AND COULD MATCH THE DIESEL'S EFFICIENCY ON LONGER TRIPS

Q&A



PHIL DOUGLASS,
HEAD OF PRODUCT AND
PRICING AT VAUXHALL
MOTORS UK

The new Astra model line is much smaller than before, which will be the most popular?

GS Line has all the tech, it's got the panoramic reversing camera, it's got heated seats and it's got all the connectivity buyers need, so that's where we expect the volume to go. We're planning on 65% being GS Line, 20% Design and 15% Ultimate.

When we went for this rationalised range we ensured from a retail point of view there's a consistent £30-£35 step in monthly payments between each trim. For a dealer it's easy to walk the customer up the range.

Previous generations of Astra have been popular in fleet, what are your expectations for the new one?

Broadly, we're planning about 60/40 in favour of retail. Volumes won't be restricted for fleet buyers, but the company has walked away from a lot of the short-cycle business so that will be more true fleet customers.

Do you expect to conquest a lot of customers with the new Astra?

There's a lot of focus on SUVs, but the C-segment in the UK was worth 130,000 units last year. There's still a big market there. By 2020, our share had fallen to sub-5%. If we're going to grow that

back to a more sustainable level we have to focus on conquering from the likes of Focus and Golf. There's still a lot of customers who want to feel they're driving a car, not an SUV.

The seats in the Astra are lower by 12mm than the old model because we really want to push that driveability aspect.

How do you expect the diesel model to perform?

We expect the diesel will account for around 10% of sales initially, which is in line with the market.

Why is the electric model not coming until 2024?

From a market point of view it's purely just a timing issue. It would be better to launch with a fully electric option on day one. Astra is the last new car we'll launch without a BEV on day one.

Are there any challenges around lead times?

We expect the chip shortage to go on for about six months and from there it will take another six to clear the backlog. We expect normal supply to resume next year. At this point, it's fair to say, if you order an Astra today, you shouldn't expect it to arrive before mid-summer.

Are there limitations on PHEV model supplies?

There's no supply constraints written into the plan. We'll keep ramping up the mix of low-emission models up to 2028, that will grow over time.

There's still a bit of an education piece to do with customers. We wrote this plan on that basis we think that, on the 85% of journeys that customers do below the electric range, they'll break even.

While that is quite a complicated message, there is a story there. If we can get the dealers selling it properly, we can really speed up PHEV adoption.



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VW ARTEON SHOOTING BRAKE R-LINE 2.0-LITRE TSI 190PS

REPORT
PROGRESS



£38,790
(AS TESTED, WITH
OPTIONS: £47,350)



2.0-LITRE TURBO-
CHARGED, 190PS
TRANSMISSION
7-SP DSG AUTO S



0-62MPH 7.8
SECS, TOP
SPEED 145MPH



38MPG



168G/KM (WLTP)

TRIP COMPUTER READINGS PROVIDE FUEL FOR THOUGHT

With fuel prices where they are, I've been trying to drive a bit more efficiently on school runs and the relatively brief trips into the Bauer office in Peterborough for meetings.

The alternative is to cycle through the clever, customisable, digital dashboard options to obscure the trip computer and ignore the fact that this 190PS petrol-powered executive car isn't at its most efficient doing three-to-four mile journeys.



Seeing a week's average of 27mpg come up is quite sobering.

In some ways I'm thankful the Arteon has a large fuel tank – at 66 litres/14 gallons it doesn't require too frequent a trip to the pump. Yet, on the other hand, a recent fill-up after the reserve light came on came to £98 thanks to those ever-increasing fuel prices.

Putting its drive mode programme into 'eco' has helped tackle this, and demonstrates the value of such programmes when the mood changes. This mode allows the driver to optimise the Arteon's energy consumption. With 'eco' engaged, instead of getting a burst of power like 'sport' mode provides, the vehicle will streamline the acceleration through dampened throttle response and early gear changes by the DSG automatic gearbox to reduce the energy that is expended.

It makes for a more sedate and efficient drive. Helped also by two longer journeys, our Arteon's fuel consumption improved to almost 36mpg last week. The average for the whole time we've had the car on test to date is 34mpg, not far from this car's 38mpg official WLTP test figure.

Unfortunately, knowing there's all that power available doesn't make it too easy to keep a light right foot. **TIM ROSE**

CURRENT
MILEAGE

1 2 8 7 3

START
MILEAGE

1 0 9 9 3



EFFORTLESS CRUISING



COSTLY TO FILL UP

» GUESS THE CAR COMPETITION

PREVIOUS
WINNER



Colin Campbell,
managing director
of JC Campbell
Honda at Rostrevor,
correctly named
the Škoda
Roomster in our
previous issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, May 6.



TALENT ON THE MOVE



GUY TWISELTON AND SIMON TAYLOR, OPERATIONS DIRECTORS AT MOTORVOGUE

Motorvogue has established two regional divisions each led by newly-appointed operations directors.

Guy Twiselton re-joins the group from Endeavour Automotive, where he was Volvo and Polestar franchise director. He will lead the new Midlands and Cambridgeshire division.

Twiselton first worked for Motorvogue in 2002, as a sales executive, and over eight years worked his way up to sales manager before leaving in 2010. He's also held senior roles within Rockar, Marshall and Ridgeway.

Simon Taylor will lead the Norfolk

and Suffolk division. He joined as group sales director in September 2021, after being recruited from Cheshire-based Mangoletsi where he was head of business for more than 10 years.

The duo will report to Motorvogue managing director Jon Pochin.

The group is restructuring its sales operations and expanding its senior management team to deliver a new growth plan that is targeting a 70% increase in turnover, aiming to reach £200 million by June 2025.

Motorvogue currently represents 10 brands from its 27 retail showrooms. By May 2023, it plans to expand to 35 retail points.

Pochin says: "To meet some very ambitious growth targets, while at the same time safeguarding quality of service for customers, it became clear that we needed to de-centralise some of our key management functions.

"Our strategic focus will remain on delivering improved returns from a multi-franchise retail model. That's already a differentiator for us in key areas and, with fresh investment and a renewed momentum behind our recruitment efforts, we are now better able to scale that approach into new territories and with new brands."



MICHAEL AULIAR, SALES DIRECTOR AT NISSAN MOTOR GB

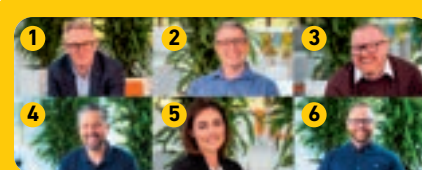
Nissan Motor GB has named Michael Auliar as its new sales director, replacing Nicolas Verneuil.

Auliar returned to Nissan Motor GB after seven years working for the brand in Europe. He joined Nissan straight from university, spending 12 years working across aftersales, vehicle distribution, product, marketing, dealer, customer quality and training.

After two years in international strategy and business transformation, and as a European product manager, he re-joined Nissan GB for three years, working as used car business manager and fleet sales director.

From 2015, he worked in both France and Finland, before becoming Nissan Nordic Europe sales director in 2019.

The announcement comes just months after Csaba Vincze was appointed fleet director for Nissan GB.



IVENDI NAMES FIVE VICE-PRESIDENTS

iVendi has promoted five staff members to newly-created vice-president positions as part of its growth strategy.

Rob Severs (1), Daniel Glenn (2), Ian Jones (3), Hector Riva-Palacio (4) and Jana Jones (5) will

play a part in helping iVendi realise its growth ambition of doubling revenue within the next three years. In addition, Ryan Corner (6) has been made head of sales operations, another newly-created post.

Richard Tavernor, iVendi COO, said the appointments had been made to "strengthen the company's leadership team" and "enhance service across all areas of the business".



JAMES COURT, CHIEF EXECUTIVE OF THE ELECTRIC VEHICLE ASSOCIATION

James Court has been named as the first chief executive of the Electric Vehicle Association (EVA). He previously worked in the Cabinet Office on the UK's COP26 transport policy and helped build the Climate Group's UK Electric Fleets Coalition (UKEFC), representing the UK's biggest fleet owners.

Court also held a position at the Renewable Energy Association, where he worked with EV charging companies and manufacturers as director of policy and communications.



SARAH PALFREYMAN, UK SALES DIRECTOR AT MERCEDES-BENZ VANS

Sarah Palfreyman has been promoted to UK sales director for Mercedes-Benz Vans.

Previously head of network operations, Palfreyman will now lead the UK van sales division to "help shape the future of electric mobility" with digital solutions that provide "best-in-class customer experiences" for new and existing customers.

Palfreyman replaces Andrew Lawson, who left the manufacturer to join EO Charging. She will continue to report to managing director Robert Veit.



PAUL WOODHEAD, HEAD OF GROUP AFTERCARE AT OODLE CAR FINANCE

Oodle Car Finance has welcomed Paul Woodhead as head of group aftercare.

As part of his new role, Woodhead will focus on the continued development of the company's aftercare offering across dealers and car buyers.

Woodhead joins Oodle with more than 20 years of experience in the automotive industry, having worked within the Volkswagen Group and, more recently, as franchise director at the Swansway Group.



LISA WATSON, SALES DIRECTOR AT CLOSE BROTHERS MOTOR FINANCE

Lisa Watson has joined Close Brothers Motor Finance as sales director.

She was most recently business development director at Assurant and has almost 20 years' experience in the motor finance industry and retail banking, including time at Sandilcliffe Motor Group, Capital Bank Motor Finance, the Peter Vardy Group and HSBC.

Watson says she is excited to start after seeing the speed of "rapid transformational changes" at the business.



IAN SMITH, OPERATIONS DIRECTOR AT ENGINEIUS

Engineius has appointed Ian Smith as its new operations director, with overall responsibility for service delivery, supplier engagement and strategic objectives.

Smith joins the automotive sector logistics specialist directly from motor finance company Oodle, where he worked for more than two years as commercial director.

He has experience in the vehicle movement sector, having previously set up his own movement business, Motor Delivery.

EIGHT QUESTIONS TO AN...

OPERATIONS DIRECTOR

Tracy Ellam at LSH Auto



What are the main responsibilities of your role?

I'm mainly responsible for finance, sales administration, CXC (customer experience centre) and group marketing at LSH Auto, which has Mercedes-Benz dealerships across the north-west and the Midlands.

Fundamentally, my role is about using data from within the business to benchmark success, drive profitability and ensure the finance team provides reliable financial information.

I also look at our systems to find ways to use them more efficiently and make the data from them easily accessible to our managers so they can focus on delivering an excellent customer experience.

Working closely with the managing director and our dealer principals, I look at each area of the business to make sure we're tracking performance and seizing every opportunity available while maintaining a consistent message and focus.

What are the most significant challenges ahead in your field of work?

A key challenge for the industry is around recruitment. There's currently a shortage of technicians, so becoming an employer of choice is more important than ever.

We need to attract a wider talent pool and to continue to invest in ongoing training and development for our existing colleagues.

I'm passionate about championing diversity and that's something the whole LSH Auto team supports. The automotive industry has traditionally seen a much higher percentage of male colleagues than female. We have a desire and appetite to change this.

We're also working towards our transition to the agency model that will be introduced from January 1, 2023. This is more of an opportunity than a challenge, as we introduce a fresh approach to become even more customer-centric.

How might these challenges be overcome?

If we want to attract more people to careers in automotive, we need to reach young people who might not have considered it as an option. With that in mind, we're partnering with a number of local schools and colleges to run a series of careers events this year.

We hope to educate young people about the variety of careers available in the automotive industry and to introduce more diverse role models to them.

We have also significantly increased our apprentice intake this year in partnership with the Mercedes-Benz Apprenticeship Scheme.

Ahead of the transition to the agency model, we're working closely with Mercedes-Benz UK to prepare our

systems and processes, while also looking at ways to deliver the best possible customer experience by tailoring it to individual preferences.

What attracted you to this area of expertise?

I have a very process-driven mentality, so I started my career as an auditor.

I then worked with the Mercedes-Benz divisions of three different dealership groups as a regional financial controller, which gave me an excellent understanding of automotive retail and the Mercedes-Benz brand.

After that, I moved into business intelligence and technology, first as a director with ASE, and later with Mazepoint, working with a variety of automotive brands and retail groups.

The combined experience I gained from working in automotive retail, with the Mercedes-Benz brand, and then providing business intelligence to automotive clients, gave me a unique skillset. I've been putting everything I've learned over the years to good use with LSH Auto, since I joined the business in November 2021.

What's the most important thing you've learned in your career, and how have you made use of it?

I've had the opportunity to move outside of retail and 'look in' to gain a slightly different perspective. With that experience, I now recognise just how challenging the job of our operational managers is on a day-to-day basis.

When I was first in a financial role in retail, I didn't really appreciate how many plates our management teams have to spin.

With that understanding and insight, I know how important it is to provide them with the tools they need to be able to easily see the areas of their business that need focus.

QUICK-FIRE QUESTIONS

What drives you?

Making a difference to the people and the businesses I work with. I also have a real passion for the industry and want to instil that in other people, especially in women.

What's your favourite app?

It has to be the Mercedes me app, of course.

How do you relax?

I enjoy running and going for walks with Harley, our cockapoo.



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THIS MONTH'S QUESTION TO THE AM TEAM:

Is there a song that always gets you out on the dance floor?

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► Ready Steady Go by Paul Oakenfold

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► No. Just a drink...or several

PRODUCTION

Head of publishing Luke Neal

► Out of office

Production editor David Buckley

► Time Warp (from Rocky Horror). I used to know all the moves – sad, huh? Or Van McCoy's The Hustle. Or, more up-to-date, Uptown Funk featuring Bruno Mars

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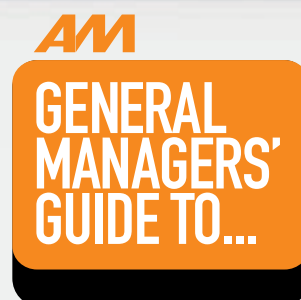
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GMs' Guide To... enhancing workshop efficiency | *GMs' Guide To...* improving stock turn

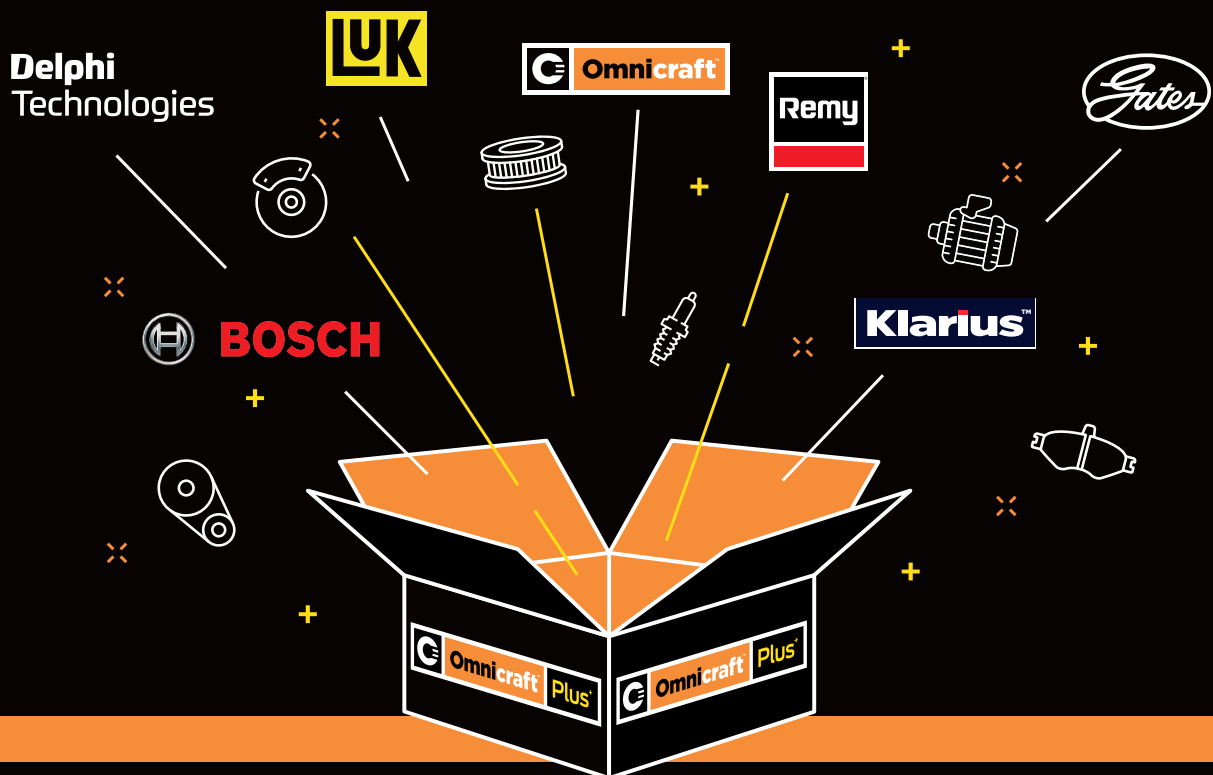
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