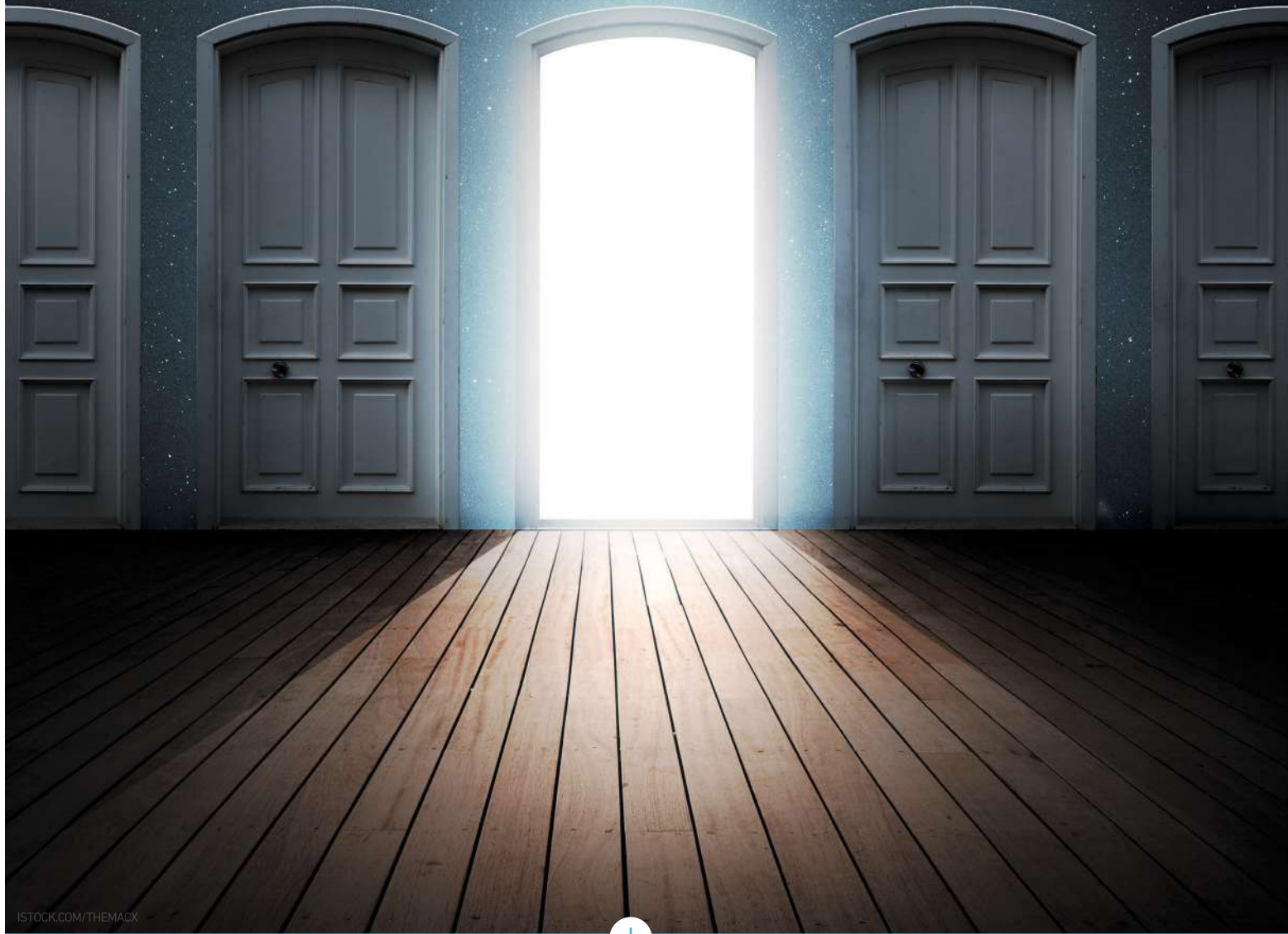


# CHOOSE **YOUR** SUPPLIER

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Opening the door on the latest developments  
from key suppliers to automotive retailers



ISTOCK.COM/THEMACX



AUCTIONS & REMARKETING **BUSINESS INTELLIGENCE** DIGITAL MARKETING  
**ONLINE REPUTATION** PAINT PROTECTION **SERVICE PLANS** WARRANTY



CHOOSE YOUR SUPPLIER: AUCTIONS/REMARKETING

# ONLINE NOW PLAYING BIGGER ROLE IN USED CAR MARKETPLACE

Are car auctions really going... going... gone, or has remarketing's accelerated digital revolution not yet achieved total victory? We take the market's temperature, as used car sales become a lifeline for dealers

**T**he shortage of semiconductors for new car production and ongoing global supply chain issues, coming off the back of two years of pandemic-related disruption, have presented challenges to the remarketing and auction sector.

That said, the disruption has also presented opportunities. Companies have re-evaluated operational practices and found digital solutions to help them continue functioning – all at a time when demand is exceeding supply.

Aston Barclay managing director Martin Potter summed up the situation, saying: “The speed of change over the past 18 months has perhaps been faster than ever. With everything around COVID, people have been finding new ways to work and businesses have had to innovate through that period. Throughout the whole period, we’ve had a lot of change in practices, with the new car supply not being there. We’ve had to do a lot to help franchised dealers to source cars.”

Autorola group sales director Jon Mitchell adds: “Everyone had a little bit of downtime during the early part of the pandemic to start looking around and think ‘are we doing things the best way?’. A lot of businesses have changed in the past two years.”

Auction house BCA, for example, responded to the changing conditions by launching a new suite of digital tools, offering a range of self-serve solutions that give customers access 24 hours a day, 365 days a year, across all platforms.

And with lockdowns a daily reality, epyx-owned remarketer 1link Disposal Network was replaced by 1link Trade Buyer. Debbie Fox, commercial director at epyx, says: “1link Trade Buyer represents a complete redesign, based on the availability of new technology and extensive research into the needs of users.”

Enhancements include advanced vehicle filtering with multi-pick selections and dynamic counts, updated vehicle summary and vehicle cards with more detailed service history and clearer data presentation.

Data became a part of all our daily lives during the pandemic, but the importance of solid data has also become more evident to the remarketing sector in the past two years.

Mitchell says: “Customers are becoming better informed and better dialled into data, because they’ve had to. The absence of physical auctions for so long, and the need to move stuff online, made the customers realise that they need to start looking at data, its effect on pricing strategies, how to check prices and what tools are out there. It forced their hand a little bit.”

**“EVEN WHEN NEW CARS COME BACK, THE SIZE OF THE USED CAR MOUTH THAT WE’RE HAVING TO FEED WILL GROW OVER THAT SAME PERIOD**

**MARTIN POTTER, ASTON BARCLAY**



BCA also had cause to invest in a broader portfolio of digital products. The BCA Buyer app was enhanced to include access to MyBCA account management functionality, improved sale catalogue views and the introduction of Buy Now capability, all geared towards making it easier for customers to buy online.

BCA chief operating officer Stuart Pearson says: “We simplified the online payment process, including the introduction of Open Banking. This gives customers greater control and enhanced transparency over their financial transactions, enabling seamless payment for vehicle purchases, directly from their online bank or building society.”

Another initiative is the use of robotic process automation (RPA) to streamline back-office activity and improve customer service, while the continued development of its decision intelligence processes reflect changes in the wholesale sector and provide sellers with real-time data to inform remarketing decisions.

Aston Barclay has also developed its digital products. For client Vauxhall Finance, for example, it has digitised the personal contract purchase (PCP) return





process through the dealership, appraising PCP returns with an app-based tool. A closed group platform then markets all the vehicles to Vauxhall dealers. Any unsold vehicle could then go the open market.

But what does the increasing digitisation of the sector mean for auctions, as physical interaction resumes in society?

Mitchell, from the purely online Autorola, is an interested observer of the auction's fate.

He says: "If we fast-forward five years, will there still be auctions? There's bound to be, but I think it'll be the stuff that doesn't sell 10 times online: someone's really got to touch and feel a car before they actually put their hand up to buy it."

Aston Barclay decided that a physical presence was an important element of its operations. Potter says: "We've come up with a real omnichannel approach to the way that we want to sell vehicles. We've allowed dealers to come to view the product. We still spend the money in preparing them, lining them up for sale. That certainly helped in the fleet sector, because a lot of the large car supermarkets and franchise dealers have been able to come and physically see the cars. We don't drive the cars past their feet anymore: it's all online. After viewing them, buyers can stay in the halls and bid as the auction's going on, or leave us proxy bids."

Cox Automotive, BCA's closest rival, continues to diversify away from a reliance on auctions, and has just launched a mobility division in response to the growing popularity of short-term rental and vehicle subscription business models, plus electric vehicle lifecycle management.

Its Manheim Auctions division, nevertheless, continued to reopen sites to visitors, with Bristol,

Manchester and Washington sales halls taking bids on-site as well as online.

Cox recently hired Lee Fox from GEFCO as managing director of its Cox Automotive Vehicle Solutions division, which includes Manheim Vehicle Services, Manheim Inspection Services and the logistics business Movex.

Manheim Vehicle Services won a five-year extension to its defleet contract with Volkswagen Group UK, covering around 46,000 units per year across rental buybacks, ex-demonstrators and captive fleet. That came after it had already secured around 90,000 units annually with a similar extension from leasing firm Volkswagen Financial Services.

Meanwhile its Dealer Auction online platform, a joint venture with Auto Trader, opened to independent used car dealers in August, to enable them to sell unwanted stock to fellow traders as demand remains high.

Irrespective of how vehicles are remarketed, the current reality is that they are being remarketed – and profitably, thanks to the shortage of new cars. The executives we spoke to don't see this reduced supply ending any time soon.

Potter doesn't see a change in supply anytime soon. His view is that, as most manufacturers are talking about Q3 2022 being the time when production returns to full capacity, retailers will be first in the queue for new product, with a huge leasing order bank to be tackled next, followed by the rental market, some way behind.

All this means that Potter forecasts sustained strength in the used car market.

Despite uncertainty and turbulence, however, remarketing companies and auction houses are busy, with Autorola, for example, reporting 70% growth.

Since its relaunch, 1link Trade Buyer has signed up more than 3,100 dealers and traders, resulting in an 8% year-on-year increase in sales volumes in 2021, compared with its previous 1link Disposal Network incarnation.

BCA has also been busy, renewing deals with, among others, Lex Autolease, Volkswagen Group UK brands, LeasePlan UK, Listers, Vertu Motors, Trust Ford and Group 1.

It's fair to say that the challenges to the sector have been well and truly met, with companies making the most of the circumstances they find themselves in. Innovation and adaptation will be the watchwords for much of the automotive industry over the next decade – and the remarketing sector has already shown that it can lead to success. [CRAIG THOMAS](#)



# BCA – POWERING THE USED VEHICLE SECTOR IN 2022

**BCA understands that now more than ever before, to be successful, retail operations have to be flexible and be able to respond quickly to shifting consumer demand.**

BCA is energising the end-to-end wholesale supply chain to match that flexibility and help dealers sell more vehicles. A focus on accelerating the time to retail and supporting dealers throughout the entire process makes BCA the leader in its field.

The BCA business model is unique in its quality and breadth of services across the supply chain and therefore creates efficiencies through synergies across all the divisions.

BCA's online sales programme continues to be improved and refined with sales staged seven days a week and Buy It Now sales available 24/7. New sales continue to be added to help buyers navigate the huge choice of thousands of vehicles BCA offers daily.

Improvements to the online bidding process now allow proxy bidding, making it easier for dealer customers to bid on vehicles being offered in BCA's nationwide sales programme.

BCA continues to enhance the Buyer app, making it even easier for our professional buyer customers to acquire stock safely, efficiently and profitably.

### Take Control with BCA

BCA have launched a suite of digital tools, offering a range of self-serve solutions that customers can access 24/7, 365 days a year across all platforms, making it even easier to do business with BCA.

Giving buyers better clarity and control over their day to day buying, the MyBCA dashboard gives customers immediate visibility of tasks that require action to manage their search, bidding, buying and post-purchase needs.

Via the MyBCA dashboard, customers can quickly view their saved searches and tracked vehicles, manage their active bids and clearly see the status of their purchases, including checking invoices, making online payments.

These new enhancements to the MyBCA dashboard make it even easier for customers to do business with BCA.

BCA is committed to improving and enhancing the digital experience for our customers by delivering a consistent and user-friendly service on both mobile and desktop platforms.



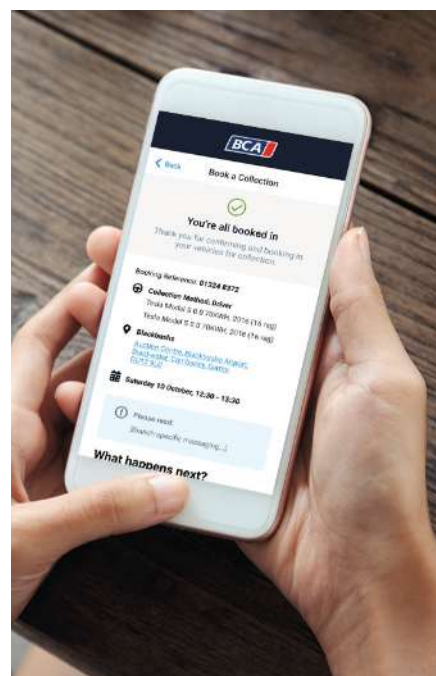
### BCA Buyer app

BCA continues to enhance the Buyer app, which is the most widely used transactional mobile app serving the wholesale used vehicle sector, delivering a range of benefits for buyers and generating significant additional demand for sellers.

The BCA Buyer app is an established and highly successful part of BCA's suite of remarketing tools creating an incredibly easy-to-use digital platform to support buyers.

BCA regularly updates the app to meet the changing needs of customers who are increasingly acquiring stock through digital channels.

The app generates insight that helps BCA meet the needs of its buyer customers, creating additional buying power by ensuring that buyers never miss the vehicles that they are interested in and helping buyers bid on any vehicle being sold, whatever their location.





## COMING SOON

- An all-new Vehicle Search user experience is currently in beta testing with customers with a full roll out in March. Feature improvements include improved filtering, faster search results and enriched data showing the number of previous owners.
- MyBCA Selling platform provides used vehicle disposal managers with a dashboard of all their stock with BCA. Providing digital tools that make vehicle disposal management easier and provide vendors with more transparency as to where their vehicles are in the remarketing process.
- Partner Finance Online gives customers, with approved funding lines, the ability to manage Partner Finance transfer requests easily and efficiently, saving time and providing visibility of vehicle payment statuses.

## BCA Valuations

BCA Valuations predicts the final hammer price on vehicles sold at BCA and uses fully automated machine learning algorithms to calculate fair and unbiased valuations, based on over 200 distinct data points across 5 million real transactions. It is the most accurate automated way to predict final sale prices at BCA auctions.

The pricing model is updated daily using the latest auction results for BCA customers using the BCA Dealer Pro system and underpins a range of pricing services BCA provides for the used vehicle sector. Uniquely, BCA Valuations also provides future auction values, allowing dealers to make informed decisions on retail customers' part-exchange vehicles today that might not come back into their network for sale for several weeks.

## BCA Dealer Pro drives sales for dealers

BCA Dealer Pro has revolutionised the part-exchange process and is used by leading franchised and independent dealers across the UK and is integral to many manufacturers' used car and online retailing programmes. Working in close partnership with its customers, BCA continues to introduce a series of innovative enhancements to Dealer Pro, adding to the efficiency and ease of use of the platform.

Using a simple guided process to appraise and then accurately value part-exchange vehicles, using daily updated data from BCA Valuations, the Dealer Pro app ensures dealer sales teams consistently capture all the information needed to enable deals to be done with confidence.

Dealers can then decide to fund and retail a part exchange, retain within the group or remarket through digital auction. Thanks to a series of data integrations, all vehicle data is seamlessly shared with the UK's largest lead management and DMS providers.

Using Dealer Pro, dealers can improve the efficiency of their vehicle sales and improve cash flow back to reinvest in their business. The selling process begins immediately and vehicles gain exposure to the largest audience of trade buyers at BCA, helping dealers get the maximum returns whatever the market conditions may be.

Around 2 million appraisals are carried out using the BCA Dealer Pro app annually and the service has proved invaluable as increasing numbers of part-exchange appraisals are carried out remotely.

Dealer Pro directly integrates with BCA Consumer Pro, which delivers daily updated, accurate P/X valuations to retail customers through the dealers' websites – underwritten by BCA if required. BCA Consumer Pro enables a transaction to be completed by a customer online, remote from the dealership, providing retail customers a transparent part-exchange process as part of their car buying journey and driving sales directly into the dealers' business.

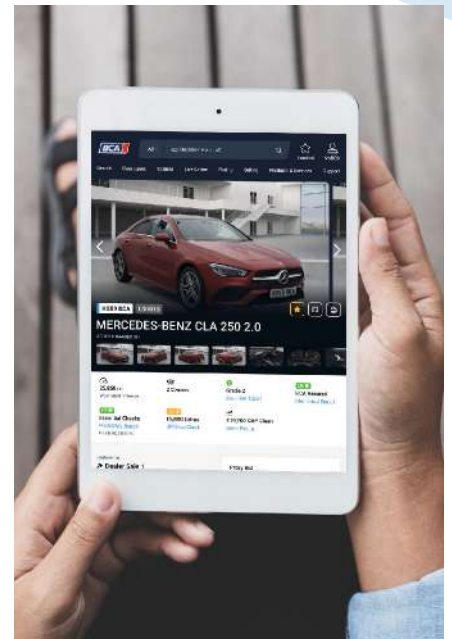
## BCA Partner Finance supports dealers as demand increases

BCA Partner Finance helps customers acquire used stock in these exceptionally competitive times, allowing them to compete on a level playing field whatever the market conditions are.

Dealers that are looking to increase their market share and profitability will undoubtedly be constantly reviewing the levels and profile of their stock as they look to meet customer demand. While some will rely on cash generated by the business to support growth, others are looking to stock funding as a more effective way of accelerating and optimising these growth opportunities.

Customers benefit further, as unlike many competitors, BCA Partner Finance funds the full auction invoice price without restricting funding to CAP values, providing liquidity that helps dealers to secure the vehicles they need to meet the demand from their retail customers.

Availability of the right stock in volume and access to increased levels of funding continues to be key to our customers and BCA is well placed to meet these needs.



Go to [www.bca.co.uk](http://www.bca.co.uk) for full details of the BCA sales programme, services and products.





# WHY BUSINESS INTELLIGENCE IS ON AN UPWARD CURVE

BI providers thrive as they strive to slake the thirst among dealerships for better and more easily understood data

**A**s data has become increasingly more valuable to car dealerships, so the business intelligence (BI) industry has grown exponentially to meet their needs over the past 12 months.

This growth has been accelerated by the COVID-19 pandemic and the continued rise of the smartphone, with more people than ever ordering and making bookings and/or payments online.

With demand for more analytical insight of data growing by the day, so new and existing BI providers are moving to capitalise on these opportunities.

One such beneficiary is Keyloop. The company has grown at a rapid rate over the past year, acquiring enquiryMAX, RAPID RTC, MotorDocs, FISC, Silver Bullet and Canadian dealer management system provider Serti.

In terms of new contracts, it has rolled out its Voice Connect telephony product to Steven Eagell, as well as providing Keyloop Documents to Park's Motor Group and Snows Motor Group to help digitally transform their document management.

Škoda has also endorsed its Rapid RTC Lead Manager and is using it to improve its lead management process and customer interaction.

In addition, Keyloop has made significant new hires including Stuart Mills as chief customer officer, Amit Monovich as chief technology officer, Elena Rodriguez as chief product officer and Charlotte deMetz as chief people officer. Megan Harvey and Puneet Soni have also joined as vice-president alliances and vice-president M&A respectively.

"Our focus on the consumer and a clear understanding of their needs when it comes to car purchasing and servicing means we can lead the way in removing the frictions that exist along the journey," said Keyloop chief executive Tom Kilroy.

"We believe that when we support retailers with the right technology to make incremental improvements across the many steps that cause consumers frustration during the car buying and ownership

experience, then we can help them and the industry overall achieve a significant increase in customer satisfaction and, in turn, business performance and profitability."

Another provider at the forefront of BI is Reynolds & Reynolds. Among its biggest achievements has been the completion of upgrades to two major OEM (original equipment manufacturer) hubs and associated reporting tools.

The company has also developed a suite of upgraded APIs (application programming interfaces) to ensure it absorbs richer data sets for the OEM and provides better insight into the sales process, marketing efficiencies, lead volumes and model splits.

In addition, it has created a UK version of the Reynolds Integration Hub to enable quicker integrations with third parties and the presentation of key data from within the dealer management system (DMS).

A number of dealers that use Reynolds & Reynolds' Power DMS have already adopted Claro, its cloud-based customer relationship management (CRM) lead and enquiry management solution. It has also revamped its Claro e-commerce API, allowing the import of everything from a basic lead to a full digital transaction from a third party application and, thus, enriching the data sets available for analysis.

Meanwhile, a significant hire was the appointment



of Rob Lewis as Reynolds & Reynolds' managing director, succeeding Adele Feeney after 23 years in the role.

AutoBI, which only launched in 2019, has gone from strength to strength over the past year. It was formed to bring all the information together that the dealer needs and present it clearly to enable them to make an informed decision about their business.

Set up by Jonathan Sharman and his four-strong team of automotive experts, the initial focus has been on providing aftersales BI to a range of dealers including: Acorn Motors Group in Cheshire and Staffordshire; Halliwell Jones in the North West; Sandal BMW in Harrogate and Wakefield; and Soper of

**“WE CAN LEAD THE WAY IN REMOVING THE FRICTIONS THAT EXIST ALONG THE (PURCHASING AND SERVICING) JOURNEY TODAY**

**TOM KILROY, KEYLOOP**





ISTOCK/OM/ORENTOOTAGE

Lincoln. It has since branched out to Jaguar Land Rover and Barretts Group's Honda and Citroën franchises in Kent.

Globally, the company has built a BI platform for an OEM in the Middle East. It has also developed a second version of its initial BI product, which covers everything including sales, aftersales, stock and CRM, which it has rolled out to Arthurs Motor Group in Oswestry, Newtown and Wrexham, and Prentice Group in Northern Ireland.

Now AutoBI is actively looking to recruit developers to build new solutions for its customers. As of February 2021, it also engaged Drive Agency to manage its branding, website, case studies, advertising and social media.

Working on a subscription model, the company has established a direct phone line to management, enabling customers to register any problems, and it works to provide solutions based on their insight and feedback.

Another provider that has prospered is River. In the past 18 months, it has secured a three-year contract to provide its Loop BI platform to Volkswagen Group and Volkswagen Financial Services in the UK for eight of their brands, as well as global contracts with Lotus and Aston Martin Lagonda.

Over the past year, the company has focused on proving the return on investment that its system provides, including evidencing that actions set against key performance indicators in Loop make performance three times faster. It has also improved its dashboarding capacity, added more self-serve features to its models and invested in adapting and speeding up its onboarding process.

Significantly, River has brought in Ben Miller, formerly of Autovista Group, as a dedicated marketing expert. With more than 15 years' B2B marketing experience, the aim is for him to raise the company's profile in the automotive space and win new customers by focusing on updating its website and improving brand awareness.

"One of Loop's most powerful benefits is the insight it provides into the activity going on at every level of the hierarchy," said River managing director Simon Porri. "We're planning to do more with this information and look more closely at whether the activity at a local level is strategically aligned with that of the manufacturer, for example, whether dealers and OEMs are aligned in their focus on EV readiness."

Real World Analytics is also going places fast. After launching the automotive part of its business in 2018, this has been a key driver.

Since the start of 2021, the company has doubled its customers to 17, taking on a range of different sized dealers from those with six or seven outlets, such as TMS, to others with more than 40 sites, and it expects to double that number again this year. It has also branched into Canada, building out a BI system called PBS for Bruce Automotive Group.

In addition, Real World Analytics has forged partnerships with Auto Trader and Pinnacle. With Auto Trader, the main focus has been on its enabling dealers to maximise data provided by its Accelerator product to achieve a better price for their vehicles dependent on the region and demand.

Over the past 12 months, new product launches have also doubled. The company has introduced a product called PriceSmart, which uses Auto Trader data to enable dealers to better price used cars and manage their inventory. It has also launched Management Accounts, which automates retailers' management accounts and presents them all in the same place in an easy-to-understand visual format.

Real World Analytics has increased its team from 10 to 20. It will also invest €200 million (£165m) in artificial intelligence and machine learning this year to determine its potential use in automotive retail.

ALEX WRIGHT

## CHOOSE YOUR SUPPLIER SPOTLIGHT

# Single source of data will aid your decision-making

**D**ata is the lifeblood of the automotive sector. That's why it's critical to be able to capture and analyse it effectively.

Only by doing so can you truly understand how your business is performing and make the necessary improvements. The challenge is that it can take hours to find and look at the data properly in order to gain this business intelligence.

Given their deep industry expertise, the team at AutoBI understands this problem and has developed an effective solution.

The Hub is a state-of-the-art business intelligence dashboard that provides motor retailers with a comprehensive analytics suite that delivers instant efficiencies and long-term improvement in business performance.

"One of the biggest challenges retailers face is reporting and knowing where the business is at any given time," said AutoBI director Jonathan Sharman.

"Because it's a very time-consuming process, we wanted to automate everything and have one single source of truth that makes the information more easily accessible."

Powered by Microsoft PowerBI, The Hub seamlessly provides near real-time updates on the key information dealers need to know about all aspects of the business from sales, service and parts to finance and customer relationship management. It's also secure, scalable and affordable.

The Hub provides four main commercial advantages. It saves the retailer time, enables them to make better decisions, helps to motivate team members and to be more proactive.

By using The Hub, teams have all the information and KPIs they need at their fingertips presented in an easy-to-understand and visually engaging way, with the option to drill down further into the data.

This does away with the need to



run reports every morning or being overwhelmed with endless spreadsheets.

It also enables retailers to review important data and see how different areas of their business are performing in real time. Because there is one single source of truth the information can be easily shared with the key stakeholders and it minimises the potential for human error in report writing and data collation. It also frees up team members to focus on more value-added parts of the business such as customer service.

By looking at this key information, teams can see how they are performing, creating healthy competition between branches, brands and employees. For example, when technicians can see their productivity and efficiency they know how close they are to triggering bonus payments or achieving their longer-term goals.

With near real-time updates,



**OUR USP IS OUR WEALTH OF EXPERIENCE BOTH FROM AN OPERATIONAL AND SYSTEMS STANDPOINT. WE UNDERSTAND HOW THE INDUSTRY WORKS, WHAT TO LOOK FOR AND WHAT WE NEED TO DO TO HELP RETAILERS IMPROVE**

**JONATHAN SHARMAN**

problems are also spotted more quickly, enabling management to swiftly and proactively take steps to avoid or mitigate any upcoming problems, such as dealing with a lack of service bookings or deciding what to do with obsolete parts stock.

The consistent feedback from users is that it saves at least a couple of hours on each job.

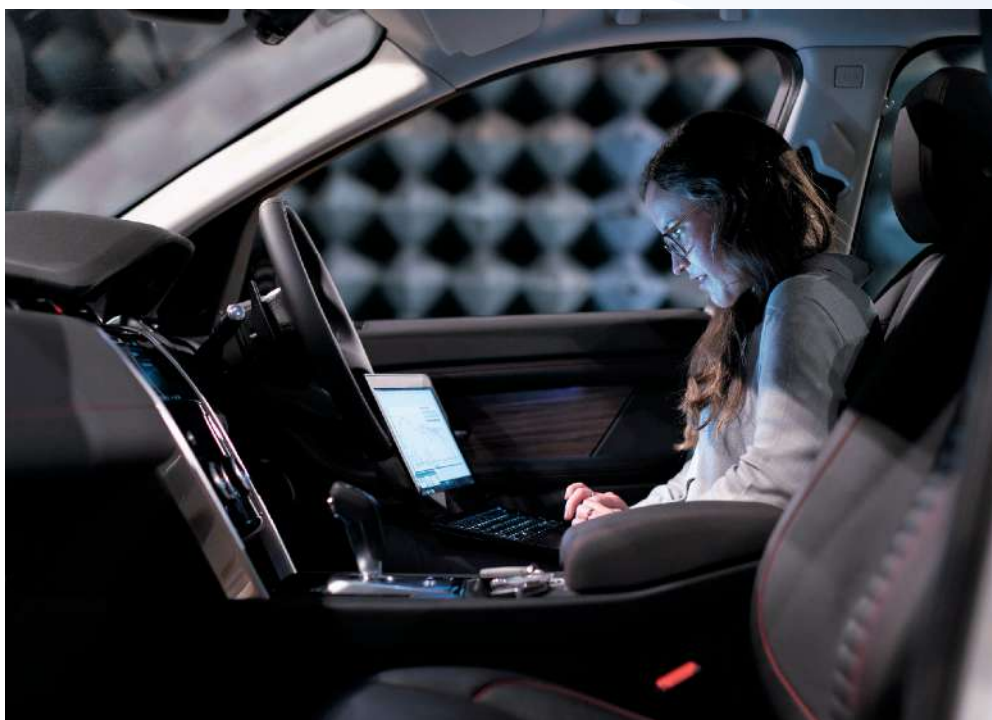
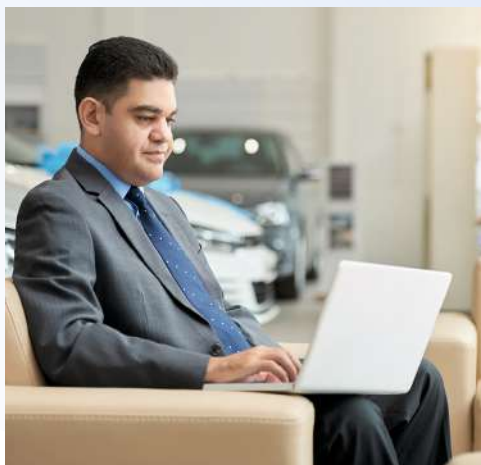
"By having something that tells you in real time where you need to improve, you can make small tweaks and changes in a matter of hours to ensure that you maximise revenue opportunities for those departments," said Sharman.

"In retailers, there are many people whose job it is to look after customers, help sell vehicles, service or parts and a large amount of their time is taken up trying to get that information. But, by using our dashboard, they can gain that time back."

The Hub also enables you to quickly spot key trends specific to



## Advertising feature



your operation. For instance, there may be a particular vehicle type that's selling well across your sites or a specific repair that's being requested more than others.

By quickly identifying such trends, you can invest in the appropriate stock, parts, support and customer communications. This will ensure you're prepared when enquiries come in as well as help you boost customer satisfaction and retention.

One client that has reaped the benefits of using an AutoBI

dashboard is Soper of Lincoln.

The family-owned business, with more than 100 employees, that represents BMW and Mini, wanted to tie together all of its data sources into one single reference point, making it easier for teams to drive real-time decision-making.

Working with the retailer, AutoBI quickly developed and implemented a dynamic aftersales dashboard. It has dramatically reduced the time taken by teams to access the information needed

to make key business decisions or tackle problems such as missed sales opportunities or potential cashflow challenges.

The dashboard also displays updated key information for the service and parts departments, enabling technicians to see how much they are completing versus their internal targets and last year's performance. The business can also view invoicing targets and work, costings and videos done for vehicle health checks, providing a powerful visual reminder of the tasks at hand. It can help with people development, highlighting successes and areas for improvement.

"The AutoBI automotive experts understand the data, where it comes from and what you can do with it," said managing director Andrew Tullie. "What's more, they present it dynamically with simple ways to drill down into the detail – it's like delivering the most engaging and important content we need on demand."

In addition to its dashboard, AutoBI provides a tailored consultancy service to retailers, groups and OEMs looking to maximise their data and business intelligence. Currently, it supports major brands including BMW, Citroën, Ford, Kia, Jaguar Land Rover, Peugeot and Vauxhall.

Because members of the AutoBI team are all automotive experts who have worked in the industry, they understand the pressures retailers and manufacturers are under and the common challenges they face. This enables AutoBI to quickly customise its service to meet your needs.

"Our USP is our wealth of experience both from an operational and systems standpoint," said Sharman. "We understand how the industry works, what to look for and what we need to do to help retailers improve."

It has never been more important to have clear and accurate picture of how your business is performing. By using AutoBI's innovative business intelligence dashboard or consultancy services, you can transform your business' performance and efficiency overnight.

**For more information about how AutoBI can help you, call 01522 711111, email [hello@autobi.co.uk](mailto:hello@autobi.co.uk) or visit its website at [www.autobi.co.uk](http://www.autobi.co.uk)**





CHOOSE YOUR SUPPLIER: DIGITAL MARKETING

# DIGITAL MARKETING TAKES GIANT STEPS AS MORE AND MORE TURN TO THE WEB

Online research now the norm before buyers even think of heading to the showroom

**T**he already vast automotive digital marketing sector continues to grow at a rapid rate with suppliers responding to evolving dealer demands over the past 12-18 months. Consumers are increasingly utilising online tools as well as returning to the showroom. Here, we look at just some of the key digital players...

## AUTO TRADER

Auto Trader is working with more retailers than ever and, in 2021, partnered with 670 more businesses than in 2020 with around 13,000 retailer partnerships now in place. Auto Trader's marketplace attracted an average of 64 million cross-platform visits in 2021, 15% up on the previous year.

Auto Trader says it influenced 8% more of its retailer partners' sales last year than in 2020, resulting in two-out-of-every-three of their used car sales being generated from its platform.

Two new products were launched in 2021, stock management solution Auto Trader Connect and Guaranteed Part-Exchange (GPX) gives consumers an impartial, haggle-free price.

Utilising the parent company's data capabilities, Auto Trader Connect enables retailers to update multiple back-end and consumer-facing systems with advanced vehicle data in real-time.

Ensuring consistency and accuracy, it maximises vehicle margin and improves the consumer online experience.

The first phase of the solution, Retail Essentials, will be available to all Auto Trader's retailer partners as part of all advertising packages as standard. However, after being offered early access in December, more than 2,500 retailers have already signed up.

Meanwhile, 70 third party system providers, such as stock management and retailer website providers, are currently integrating the service into their platforms.

Guaranteed Part-Exchange (GPX) enables retailers to convert simpler and faster, and to source stock more effectively. Retailers can dispose of unwanted

vehicles through the Manheim underwritten disposal service for free. To help with current sourcing challenges, vehicles acquired from GPX part-exchanges, private sales made through its consumer-facing Instant Cash Offer service and private stock advertised on Auto Trader, are listed on the Dealer Auction platform offering retailers access to a stock of 30,000-live vehicles sourced directly from consumers.

## CARWOW

In June 2021, carwow accelerated the launch of its new platform 'Sell Your Car' (made possible by the acquisition that month of Wizzle), which allows dealers to buy used vehicles directly from carwow customers nationwide. Typically, around 7,000 used vehicles are live on the platform at any one time.

Sell Your Car had 600% revenue growth in just six months from launch and carwow plans to open up the platform to trade sellers, including fleet owners and rental companies.

Last year, carwow moved to a cost-per-enquiry commercial model instead of the previous cost-per-sale. Partners are charged when they engage with a live, engaged and qualified lead which has helped level out pricing on the platform.

Dealer partners are now using carwow proactively rather than reactively, with the extremes of pricing and discounting dropping as a result while stronger and more collaborative relationships with dealer partners have been developed.

Each lead generated by its platform is analysed for that retailer, assessing dealer responses, enabling improvements to be made, boosting trust and transparency as well as improving margins and decreasing cost per sale.

As the most popular automotive channel on YouTube for UK consumers, carwow's content is helping drive relevant enquiries, including in response to its electric vehicle (EV)-focused content which includes range calculators and charging maps. In November 2021 there were more combined enquiries for EV and hybrid vehicles (52%) than for petrol (45%).

Last year carwow worked with manufacturers on

direct-to-consumer sales including the launch of Volvo's subscription offering, Care by Volvo. In addition, carwow has partnered with more OEMs to better support their retail networks, including one major mass-market brand whereby a co-funding model was created with fees split between the OEM and retailers.

## GFORCES

Part of the Automotive Transformation Group, GForces delivers automotive e-commerce solutions through its multi-award-winning NetDirector software platform which included it being named best new product in 2021 by AM's readers.

It works with global vehicle manufacturers, the world's largest dealer groups, and independent retailers throughout the UK and internationally.

In 2021, new clients running NetDirector increased by a quarter, while there was a 124% increase in transactions last year compared with 2020 and a 44% increase in organic traffic visits compared with 2020.

Key launches include Fords of Winsford in December 2021; the UK's largest Toyota dealer Steven Eagell in January 2022; Scottish dealer group Eastern Western in September 2021; and national approved used vehicle locators for Renault and Dacia Renault UK in August 2021.

Currently, the company is rolling out its front-end vehicle search solution following a major overhaul and the launch of a new feature for 'My Account' as part of NetDirector Retain.

## HEYCAR

In November 2020, heycar launched the Free Delivery scheme to support the sector during lockdown and it ran until the end of February 2021. During that period heycar worked with 85 of the AM100 biggest dealer groups including Lookers, Vertu Motors and Marshall Motor Group and fulfilled enough free deliveries to circle the earth more than three times with an average delivery distance of 225 miles.

Its Trade Up scheme was introduced in Q3 2021 to help franchised dealers restock their showrooms by



giving a £250 bonus for every part-exchange they bought from a heycar lead and relisted to its site. The bonus helped to close a deal and protect margins when sourcing stock while creating a part-exchange increase.

The UK team has expanded from 30 people at the start of 2020 to 91 in 2022. The expansion is reflected in the performance of its website with a total of 760,000 cars listed during 2021.

The company has also branched out into other countries in Europe with heycar Spain and heycar France performing well last year and a pilot live in the Netherlands. Its expansion has also now been backed by shareholder investments from Allianz and Renault Group and its subsidiary RCI Bank and Services in 2021. During 2021, significant marketing investment included TV, sponsorships, radio, social and PPC, increasing brand awareness by 11% between Q1 and Q2 2021.

## MARKETING DELIVERY

Marketing Delivery's 14th year, 2021, was its largest annual turnover to date, largely attributable to the rise in digital interaction as a result of the pandemic and changing buyer behaviour.

In 2021 Marketing Delivery developed and launched VoiceBox Sales and Aftersales, a multi-platform marketing solution. It links with dealers' existing DMS data to automatically deliver personal, hyper-targeted communications by SMS or email, dependent on the customer's chosen preferences, to comply with GDPR regulations. VoiceBox has been further enhanced by Keyloop integration, which allows a two-way flow of information between systems.

With its data revealing the time between enquiry and sale had fallen dramatically during the pandemic, from 16 days to just six, dealers need to act quickly to keep customers engaged. VoiceBox Sales includes a 'Lost Sales' function which can help to re-engage those leads that may be deemed as 'lost'. Its research has shown that 46% of 'lost' leads are still in the market for a car. In January 2022, 70% of Marketing Delivery clients were active on VoiceBox Sales, with the goal to have migrated 100% by the end of this month. All new clients are automatically onboarded onto VoiceBox for sales, aftersales and social media.

VoiceBox Aftersales automatically sends out MOT and service reminders while its MOTBox module scans the DVSA database and cross-checks it with the dealer's CRM, identifying MOT due dates and building a contact pot. Dealers have been alerted to £30,000 in potential workshop bookings once MOTBox identifies incorrect data.

Also introduced last year as a complementary product to VoiceBox Sales and Aftersales, LeadBox provides a platform for sales and aftersales telephone follow-ups. Generating 'call pots' for service and MOT bookings, it aggregates sales leads for initial response and then into VoiceBox Sales for manipulation and management.

The following have joined Marketing Delivery's customer base in 2021: Heritage Automotive, Sandown, Vindis Group, Trenton, Rybrook Group, HWM Aston Martin, Citygate, Foray Motor Group, Caffyns Group, L&L Automotive and Lipscomb.

DEBBIE KIRLEW

## CHOOSE YOUR SUPPLIER SPOTLIGHT

# VoiceBox Sales is delivering for Rybrook

Integration and improved customer communications were key for Rybrook, one of the largest privately-owned car dealer groups in the UK, when it selected Marketing Delivery as its digital marketing partner.

Integrations with DMS providers Keyloop, Rybrook's 'source of truth', manufacturer prospecting systems and a host of CRM databases means deploying Marketing Delivery's VoiceBox Sales provides a single view of the customer from enquiry through the sales process and once the car has been driven off the forecourt.

Sophie Heptonstall, Rybrook group marketing manager, said: "We wanted to improve our communications with customers and prospects at different points in their journeys and give sales managers better visibility of where each individual customer was on that journey.

"We were looking for a slick system. While integration has come a long way, integration throughout all our systems had not been achieved. With Marketing Delivery, we could have a seamless customer journey."

Following a trial of VoiceBox Sales, the solution was rolled out across all Rybrook's Volvo sites last spring before it was extended to 18 of the group's showrooms, including Jaguar Land Rover, Mini and BMW, with its specialist Birmingham and Bristol sites to follow shortly.

Since implementing Marketing Delivery's automated and intuitive communications solution, Rybrook Group has increased its sale conversions by 3.6% and email campaigns have seen an average open rate of 68%, 17% of recipients click-through and just 2% bounce rate.

VoiceBox Sales triggers an extensively tested and highly productive communications process

as soon as an enquiry is received. Crucially, VoiceBox Sales is two-way, enabling customers to respond and, even more importantly, that communication is received by the team, including the sales manager, ensuring a prompt response.

Heptonstall said: "We have two-day and five-day sale alerts so it captures different types of people such as if they're a warm rather than a hot prospect."

The five-day 'lost sale' email provides valuable feedback such as if an individual's circumstances have changed, they are still in-market or if a car was bought elsewhere.

She added: "We get that feedback in our system so we can evaluate how we handle enquiries, how we compare with competitors and where those sales are going to.

"The customers are very honest with their feedback, it could be the finance deal, the car itself or the part-exchange evaluation. It gives our sales managers the opportunity to make a decision. It's giving us more opportunities."

Rybrook has also incorporated used car alerts which automatically emails a person who has previously enquired when similar vehicles arrive in stock often resulting in additional conversations for those still looking to purchase.

"It allows us to see which prospects are still looking on our website and what cars they are clicking on so it gives us an idea if they are still warm. We can prioritise them to the sales team," Heptonstall said.

"We have noticed over the past few years that we are receiving more enquiries, but consumers are shopping around more. The level of enquiries is really high but we are then having to filter those enquiries and dealing with them is a bigger job for the sales teams."



2 DAY  
ENQUIRY



**CUSTOMERS  
ARE VERY  
HONEST WITH  
THEIR  
FEEDBACK,  
IT COULD BE  
THE FINANCE  
DEAL, THE  
CAR ITSELF  
OR THE PART-  
EXCHANGE  
EVALUATION**

**SOPHIE  
HEPTONSTALL**

An automated communications system with detailed feedback contained in a simple dashboard screen enables the sales team to focus on those who are further along the purchase journey.

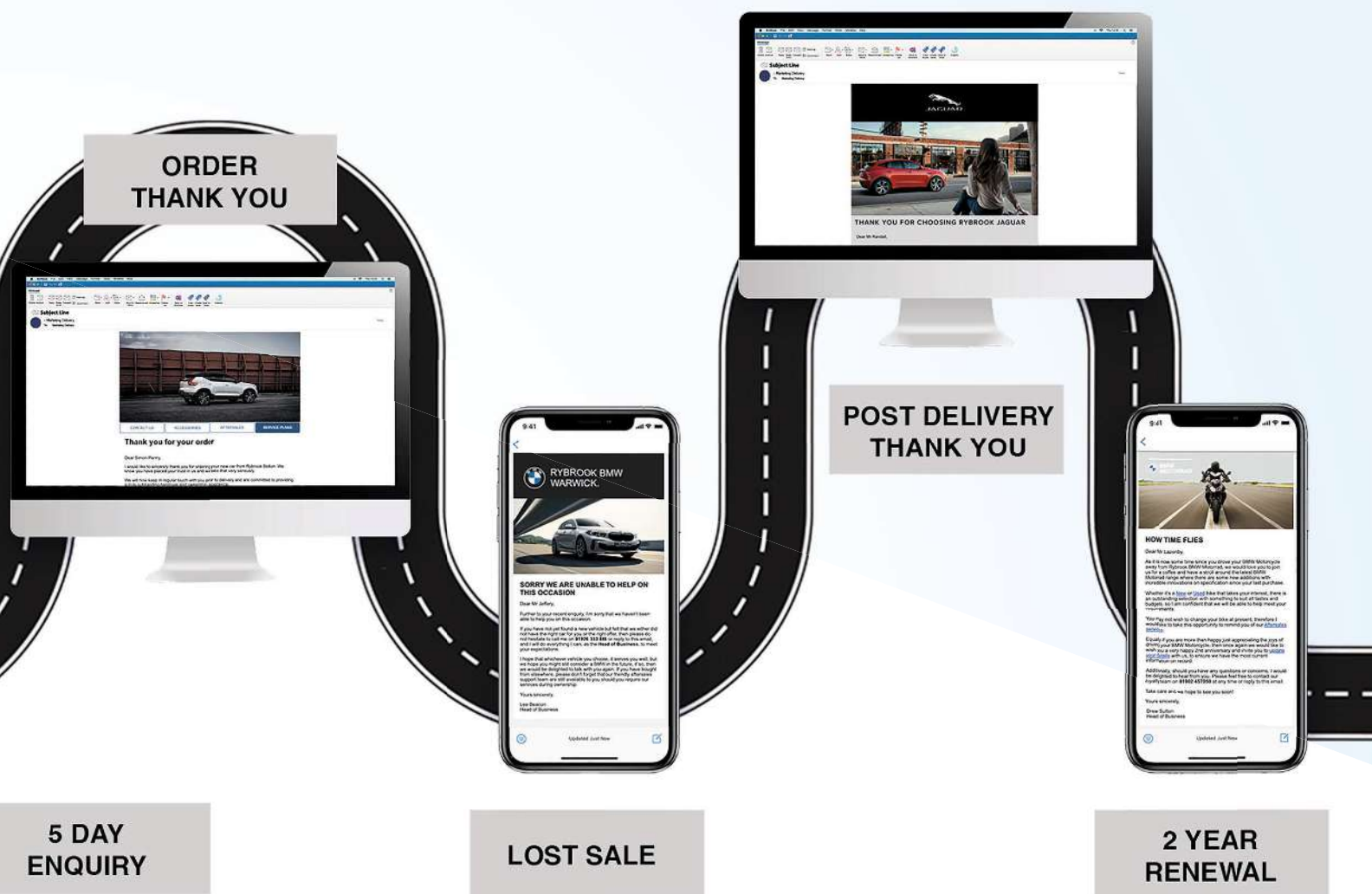
In addition, the system is enabling data to be cleansed as an email is captured. So, if there is a typo, for example, or there is another reason an email bounces, the CRM team is able to respond immediately, contact the customer to update the system.

Heptonstall said: "Our sales managers love the system and the information it provides. They have all said they definitely get incremental sales off the back of it because it's either been missed or it is something they can address.

"The sales teams like the fact that it drills down into more details so we know if someone is still looking and is still warm, it gives them a bit of a prompt."

VoiceBox Sales has evolved from Marketing Delivery's 'Smartmail' email and SMS scheduling platform.





As contact plans became more comprehensive and social media became an integral part of digital marketing in automotive, Smartmail proved to be too restricting which led to the development of the more flexible VoiceBox solution.

Having been developed during the pandemic to respond in part to closed showrooms and an increased demand for digital tools, first clients went live in mid-2021. Currently, 70% of Marketing Delivery clients are active on VoiceBox Sales and it is hoped by the end of Q1, all users will be live on the system while all new clients are automatically onboarded onto VoiceBox for sales, aftersales and social media.

VoiceBox Sales links with existing DMS data to deliver personal and mobile optimised communications via SMS or email in line with the customer's

chosen preferences, ensuring GDPR compliance. As well as nurturing warm leads, VoiceBox can help to re-engage those leads that may be deemed as 'lost' by sales staff as well as incorporating Stock Alerts.

The VoiceBox Sales eCRM messages have an average open rate of 60% and a response rate of up to 15%.

By working closely with dealers before implementation to ensure data accuracy, Marketing Delivery delivers a very low average bounce rate of just 2%.

Marketing Delivery managing director Jeremy Evans said: "Our in-house development team has worked in partnership with dealerships to create a product that has the core functionality they are looking for, as well as the flexibility to suit businesses large and small. VoiceBox enables dealerships to communicate with

customers, on relevant topics via SMS, email and social media, all in a highly targeted and timely way.

"The unique selling point of VoiceBox is that the messaging is not restricted, we can customise it to meet any marketing campaign or stage of the buyer's journey."

With customers demanding 'joined-up' communications that reflect their contact preferences and their stage in the purchase or ownership journey, VoiceBox Sales performs particularly well when working in parallel with other Marketing Delivery services such as its Lead Management System LeadBox and VoiceBox Aftersales.



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CHOOSE YOUR SUPPLIER: REPUTATION MANAGEMENT

# WHAT CUSTOMERS SAY ABOUT YOU IS WHAT REALLY COUNTS

If a dealer's online reviews are up to scratch, the likelihood of attracting savvy buyers is much enhanced

**W**ith consumers more comfortable than ever in researching and transacting their next vehicle digitally, automotive retailers' online reputation has never been so important with suppliers in this space experiencing increasing demand and delivering new solutions over the past 12-18 months.

## JUDGESERVICE

As a result of doubling its team of developers, JudgeService has designed a series of new products, with one launched last year and two undergoing pilots.

The development team now numbers seven, of which four were recruited in the past year, while the company offers a hybrid of office and homeworking. JudgeService has also appointed its own in-house writer who is responsible for all its editorial content and blogs.

Review Booster was launched in January 2021 to encourage the vast majority of happy customers to leave a review. Sitting alongside React, its core review survey programme, customers are asked by email to respond to one simple question rating their overall experience rather than click into a full survey. This is helping to increase the number of positive reviews.

Managing director Neil Addley explains: "If you don't ask for reviews, you will only get two types of people – the ones who absolutely love you and the ones who hate you. This way you end up with scores of ones and fives giving you a mean score of around 2.5. The majority of customers are happy, but not ecstatic enough to leave a review without being prompted. If you ask them a simple question, many will respond and your review scores go up."

JudgeService's expanded team of developers has brought its new product, Resolution, to pilot stage with Carsupermarket.com (formerly Motor Depot) far more quickly, with its roll-out planned throughout 2022.

Resolution collates information from multiple sources across the internet but also offers instant feedback such as a customer who speaks to a dealership receptionist with the information recorded direct in the system, enabling retailer managers to access all manner of feedback via one platform. The system encourages proactivity from dealer staff by recording the response if a customer has made a complaint or recognised superstar service, and subsequent action, such as retraining, to avoid a repeat problem.

JudgeService is also piloting its Referral Manager programme, which captures customer referral information, providing clarity when there is an award system in place at dealerships. With the information provided online, it avoids any future disputes or disappointment.

The company has spent the past year focusing on its account management to ensure its established clients were not only well looked after, but were fully utilising its system. Its portal training has put 500 dealership managers and general managers through training to allow them to identify and action areas of improvement.

Addley says: "Our reporting has detailed information and allows you to see where you are dropping the ball. It allows you to focus on the small things, but they're really important for customer service. For example, we trained a major group on all aspects of the portal and it has made a huge difference. It's increased the usage of our systems which, in turn, helps retailers to improve their service."

JudgeService continues to sign up new dealer groups with latest contracts including Perrys, Stephen Eagell and Westway. Business proposals this year are already suggesting a promising pipeline of new clients.

JudgeService is about to publish its third annual industry report, delving into its mass of data to identify insights and trends. Among its findings are the increased volume of car buyers who are happier to travel further afield to purchase their vehicle and the ongoing impact of digital tools as part of the buying process. While use of digital remains high, it has waned somewhat since the last of the lockdowns and people are returning to the showroom.

Addley says: "There's an absolute link between how well you look after your customers and how quickly you turn your stock. Focusing on customer service is now more important than ever as people have got used to really good service and doing things their way."

## REPUTATION

The past 12 months have brought many positive changes for Reputation. Last February, Reputation dropped the '.com' from its name as part of a larger brand refresh. It also re-launched its platform, bringing together Reputation Score X, Experience Insights and Feedback Anywhere, along with other capabilities, into a single, comprehensive platform.

Shortly after – in April 2021 – the organisation deep-





ened its social listening capabilities with its acquisition of Nuvi, a robust social customer experience (CX) software company based in Lehi, Utah. With this acquisition, Reputation created a platform that combines traditional experience management with digital experience and social customer experience management to give brands a true 360-degree view of sentiment.

Reputation also rolled out several platform and product updates. First was Messaging, the central inbox that takes in customer messages from a range of popular messaging applications and services.

It also debuted the Reputation Score Portal, the first tool of its kind to provide at-a-glance rankings of businesses, using vast amounts of consumer feedback data from online channels. Lastly, Reputation became one of the first CX vendors to integrate Messenger's new Messenger API support for Instagram into its platform.

The platform has also gained significant third-party

validation over the past year and was recognised in several analyst reports such as Gartner's Magic Quadrant on Voice of the Customer (VoC), Q4 2021; Forrester's Wave on Customer Feedback Management (CFM), Q2 2021; and Forrester's Wave on Social Suites, Q3 2021.

Most recently, Reputation announced a \$150 million (£110m) growth investment from Marlin Equity Partners to drive further product innovation, expand upon its ever-growing customer and partnership ecosystem, and fuel the company's international expansion – which is already seeing greater than 80% year-over-year growth. In addition to the new funding, Reputation announced that it has surpassed \$100m (£73.5m) in annual recurring revenue (ARR), a key SaaS milestone.

#### TRUSTPILOT

Neil Bayton, head of partnerships at Trustpilot, says: "With increasingly more franchised dealers now

operating in e-commerce, giving consumers the option to make full purchases or pay deposits online, Trustpilot has seen a growing appetite from businesses to display customers' reviews on their company websites as a signal of consumer trust."

Trustpilot recently renewed agreements with Auto Trader and Motors.co.uk to push reviews to in-market consumers. We are now seeing significant growth in visibility of these reviews on the franchised dealer websites; which help to cement credibility and build consumer confidence when making a high-ticket purchase solely online.

"Research has shown that 89% of consumers in the UK, US and France now check reviews before making purchases online – the reality is these days. A business is no longer who they say they are, but what consumers say they are. Displaying reviews gathered on an independent, open platform like Trustpilot is a really powerful tool in building consumer trust."

DEBBIE KIRLEW



# Value of online reputation cannot be overestimated

**A**n unprecedented upsurge in online consumer engagement has sparked an accelerated development of digital sales processes among car retailers over the past two years.

But, although the internet is now the acknowledged first port of call for car buyers, most dealers are falling short in their efforts to grow their brand's profile and appeal in this vast marketplace, according to Reputation EMEA automotive director Andy Wand.

The global business – said to hold the third highest volume of consumer feedback data, after Google and Facebook – has now grown its UK presence and is actively helping automotive businesses grow their online visibility and reputation to secure increased sales and profitability.

"Peer reviews, social media transactions and even complaints: responding to these things, using them to build an online reputation, is the strongest marketing tool any business has right now," says Wand.

Vast volumes of website visits, online search data, social media posts and reviews from platforms including Google, Feefo, Auto Trader and JudgeService are analysed by Reputation in real-time.

Now a single-view customer experience and marketing dashboard developed by Reputation brings together its full spectrum of insight into one place.

According to Wand, a study by Forrester Consulting found that most businesses have to log-in to five separate systems to gain a similar overview of their social media, reviews, online business listings and marketing activity into one place by the system, alongside OEM customer satisfaction scores.

"Everyone is awash with data, pretty much whatever your role in a retail business," Wand says. "The difficult part is finding the right data that you can generate actionable



insight from.

"We've now realised an ambition to bring all aspects of the online consumer journey together in one portal that harnesses all that data and makes that job of managing online marketing and reputation possible in real-time, from a single log-in."

Reputation's single log-in platform builds a thorough, real-time view of all aspects of a business' reputation KPIs to deliver an easily digested overview and to ensure positive responses can be rapidly delivered.

It also draws in online CX data from rival businesses, giving valuable data that could shape decisions to give a competitive advantage.

"Online reputation – a customers' view of your business online – has never been more important," says Wand.

"Visibility, accuracy and trust are the key things to developing customer appeal online and will absolutely grow vehicle sales and profitability."

“

**IF CUSTOMERS SEE POSITIVE REVIEWS OR HEAR GOOD THINGS FROM A FRIEND, THEIR DESTINATION WILL BE THAT RECOMMENDED OR TRUSTED CAR DEALER**

**ANDY WAND, REPUTATION**

More than 90% of car buyers read online reviews before deciding which car to buy and where.

In its 2021 Automotive Report audit of car retail groups and manufacturer brands' online presence, Reputation found 41% of car retail customers read at least five reviews before visiting a dealership, with 64% stating they would travel more than 20 miles to a top-rated dealership.

Wand believes both positive and negative reviews should be embraced by car retail businesses to "create a narrative of good customer service".

"Responses to online reviews and social media posts are essential," he says. "In the past we have been asked if we can remove the negative customer feedback online. That is entirely missing the point. Negative reviews give the opportunity to demonstrate great customer service, something that people will read and see exactly how well you respond when things don't go quite right. That's a hugely powerful tool."



Reputation's annual Automotive Report includes analysis of online review ratings, search impressions, social engagement and review responses to assign a 'Reputation Score' for automotive retailers and brands out of 1,000.

The score is fast becoming the "industry standard" across the numerous sectors Reputation operates in, Wand says.

And responding to consumers' online activity is a core element of the success of top-rated OEMs Hyundai, Toyota, Kia and Renault, he asserts.

Snows Motor Group topped this year's dealer group results with a score of 751, finishing ahead of Vantage (746), RRG (722), JCT600 (711) and Listers (699).

Reputation counts 30 of the AM100 among its clients, but the potential of its new single log-in software package is yet to be fully realised, Wand says.

"The system has been rolled-out over the past 12 months, and it will be the catalyst to bring so much insight to the car retail sector. The potential is huge.

"Right now, we're at the very, very edge of this new way of thinking about the value of reputation across all sectors."

A global business, Reputation includes Costco, Ford, Kia, Inchcape, Halfords and Hertz and Parkdean Resorts among its clients. "Even Amazon uses us," says Wand.

US-based Reputation has almost doubled its European workforce since he joined the business a year ago, with the same proportion of growth



seen at its Liverpool offices.

Part of the service being offered to car retailers is a Business Value Assessment – offering an initial view of how a business' online visibility and reputation influences financial impact – and interested car retailers are encouraged to get in touch for a consultation.

Wand says that, in an age of sophisticated online customer journeys, online reputation cannot be ignored.

"The customer journey used to be very binary, you'd choose a brand

because you liked it, you'd research the model you liked and you'd eventually go and buy one," he says.

"Now there is a vast amount of research done online and, once you are seen online as a potential customer, brands will target you with communications.

"You might be in the BMW dealership when you get an alert on your smartphone from Audi telling you about a new feature, model or safety rating and you head out of the door to explore the Audi showroom.

"The deciding factor in most consumers' minds, however, is reputation. If they see positive reviews or hear good things from a friend, their destination will be that recommended or trusted car dealer."

Reputation is offering car retailers the chance to learn more about online reputation and the future of CX at its forthcoming Transform 2022 conference **here**.

Taking place at London's County Hall, on May 11, it will include presentations on 'The Future of Innovation in Reputation Experience Management' and 'Predictions for the Future of Customer Feedback'.

Wand says: "It will offer some real in-depth insight and will be a great showcase of the power of CX."



**Call: 0800 066 4781**

**Email: [emea-info@reputation.com](mailto:emea-info@reputation.com)**



CHOOSE YOUR SUPPLIER: PAINT PROTECTION

# PAINT PROTECTION FIRMS DON'T TRY TO GLOSS OVER HOW TOUGH IT HAS BEEN

We discover that the devil is in the detailing of post-pandemic paint protection, as the sector reflects on business over the past two years

**W**ith the prospect of the country (if not the world) learning to live with COVID-19 on the horizon, business is getting back to, well, business. The past two years have had a profound impact on the operations of most industries, with companies adapting as best they could to the prevailing conditions.

Those involved in the paint protection market are a case in point. A limit on visiting dealership customers to win business or train staff has forced a rethink of their operations, as has the cascading effects of the pandemic-influenced semiconductor supply shortage.

Despite the challenges, though, the outlook does look healthy for the sector.

Many executives for leading brands even expressed something approaching optimism – albeit with one eye on the reappearance of uncertainty – when reflecting on the recent past and future prospects.

One promising avenue for the future is the increasing demand for premium protection products, such as ceramic coatings.

Chris Benham, joint managing director at Zirconite UK, put his finger on the trend, telling us: “Years ago, customers weren’t really savvy about what paint protection really was. They weren’t aware of the difference between a polymer sealant and a ceramic coating. That’s certainly changed in the past year or so. Consumers are now far, far more aware of what

a true ceramic coating is.”

Part of the impetus behind this shift is the rise in vehicle detailing at the premium and luxury ends of the market. The expansion of this market in recent years has driven increased sales of ceramic coatings, as dealerships look to increase their revenues from aftermarket products and services.

Indeed, Zirconite is a new entrant to this part of the market – in a sense. As Benham (who has previously worked for some of the sector’s leading brands) explains, the product has been on sale for around eight-to-10 years, but was just one among more than 300 produced by Manchester-based Concept Chemicals. An exclusive UK distribution deal was struck in January 2020 – in hindsight, not great timing, but even COVID couldn’t prevent Zirconite from impressing detailers and car care professionals. The company now has a network of 120-plus that it works with, as well as nearly 40 franchised dealerships.

It’s a pattern repeated at Gtechniq. Despite the lack of stock affecting all clients, company founder Chris MacDonald tells us that growth of 40% in each of the past two years has been achieved.

He says: “The split between new and used has shifted, so every client we work with has started to sell a lot more used cars.

“But we’re finding that penetration rates are up,

quality is up, we’ve won some new clients. Although the market’s been a challenge for our clients, a lot of them have said they’ve had record years.”

Part of Gtechniq’s increase in business has come from the launch of a new product last year, Platinum Plus, which MacDonald describes as “platinum on steroids” and has a longer guarantee period.

Another of Gtechniq’s initiatives also highlights the influence of the detailing market. The company’s detail pods are being leased to dealerships to help them add aftermarket value.

As MacDonald explains: “They’re designed for dealerships that don’t have specialised detailing capability: we can create that for them. We’re finding more dealers now are really competing against traditional local detailers that customers will go to instead.

“The pods have direct light shining on top of the car as well as waist-high lights. So, if you’re opening a car you can see inside and more at a lower level. There are also power sockets, places to put your polishing machines, product, etc.”

MacDonald thinks that a dealer’s income from a pod could equal that of a servicing ramp – especially as

**“WHEN YOU LAUNCH A NEW PRODUCT, YOU NEED TO BE IN FRONT OF PEOPLE TO SHOW THEM HOW IT WORKS**

**CRAIG HEPWORTH, SUPAGARD**





we consider the growth of electric vehicles (EVs), with their lower service and maintenance costs. And, while MacDonald forecasts that pods would probably only work for 10-15% of dealers within the dealer groups that Gtechniq has relationships with, it has been acquiring clients that include Jaguar Land Rover, Porsche and BMW franchises.

Companies in the sector are continuing the diversification of products and services that has been so important to revenue growth in recent years.

Supagard, for example, has seen sales of its paint and fabric protector products hold up, pretty much, during the height of the pandemic, but it is still adding new products to its portfolio. Last year, a new hand cleaner and barrier cream were launched, but an inability to get out to dealers to demonstrate its features has hampered uptake.

"When you launch a new product, you need to be in front of people to show them how it works, or give them a sample to say, 'try that in a workshop.' And that was difficult last year, with all the restrictions on our entry into dealerships," Craig Hepworth, national sales manager for Supagard, tells us.

That hasn't dissuaded the brand from launching new ancillary products, though. Hepworth says: "You want more than just paint and fabric protection as your tools to try and get in front of dealers."

The latest addition to the Supagard range is a new tyre inflator kit that sounds very promising, compared with existing products that, essentially, finish off the tyre's useful life.

Hepworth adds: "You put it into the puncture and, if it isn't that big, it seals the hole and you don't need the tyre to be repaired as a result. Obviously, a bigger puncture still needs to be repaired. But in some cases, when people have gone along to have that done, you can't see where the puncture is. It sealed it that well."

Zirconite also has plans to launch new products in 2022. There are plans for a consumer product, to complement its existing aftercare range, as well as a spray-on, wipe-off, graphene-based coating, ZG365.

As befits a company based in the same city as the recent COP26 summit, Supagard is also focusing on sustainability, reappraising its packaging needs and reducing the amount of cardboard and plastic on its products.

"This is just us recognising that we produce a lot of materials. We recycle cardboard boxes in our premises, but we don't know what happens when they get into the dealership premises, so we're trying to work out how we reduce that level of waste. We just need to realise that what we send out probably isn't getting recycled, so we just need to send less of it out,"

Hepworth says.

Considering the social and economic turmoil and instability of the past two years, there is a genuine feeling that a bounceback effect is on its way. Getting back to 'normal' – travelling to dealers to demonstrate products, for example – will be possible, but brands will continue many business practices online, having learned from experience how they can make efficiency gains through digitisation.

The continuing supply shortage does cast a potential cloud over a return to business as usual, but a booming used market does offer some respite. Dealers preparing used cars for sale will want them to look as good as possible, so a coating could help maximise value in the vehicle.

Despite the uncertainty of the recent years, paint protection companies have survived – thrived, even – and are looking towards a more stable future. A period of reflection has arguably done them a lot of good, focusing minds on what's required to succeed in the post-pandemic economic climate.

CRAIG THOMAS



## CHOOSE YOUR SUPPLIER SPOTLIGHT

# Supagard is determined to keep reputation untarnished

**A**fter 34 years serving the automotive sector with its vehicle protection products Supagard is conducting its business on the motto that "reputation is everything" as it asserts its presence in the car retail sector.

With its paint and upholstery protection products having been applied to more than five million vehicles and approved status secured in long-standing partnerships with no fewer than 15 OEMs, the Glasgow-based supplier continues to raise standards to exceed the expectations of car buyers and dealers alike.

UK national sales manager Craig Hepworth said that Supagard products' speed and simplicity of application makes them the ideal product for the modern car retailer.

And a "class-leading, no-quibble lifetime guarantee" ensures the business will never stand by to see customers disappointed.

"It's a real point of differentiation for us," said Hepworth.

"Our guarantee not only covers the price paid for application at the retailer – as many of our rivals do – but up to £5,000-worth of remedial work to set right any issues a customer might have.

"It really is a no-quibble guarantee. We are determined that customers who use our products are wholly satisfied. Because we're such an established and well-known name in the sector, we'd never want that reputation to be tarnished."

Hepworth added: "We're able to do this largely because of the quality and the simplicity of application of the product.

"Supagard isn't the cheapest paint and upholstery protection in the market – nor would we want it to be – but we believe it is of a higher quality and we stand by that. If we ever need to respray a bonnet or roof to guarantee customer satisfaction, we'll do it."

Among Supagard's OEM customers are Kia, Ford, the full line-up of Stellantis brands, Mercedes-Benz,



Nissan, Toyota & Lexus and Volvo, some of which feature sell its products under their own vehicle protection branding.

After launching overseas in 2015, the car detailing specialist now operates in China, Italy, Malaysia, the Middle East, Philippines, Vietnam, India and the Czech Republic.

Hepworth said that the positive response of car buyers to Supagard products over the decades has helped to deliver its success, alongside car dealers' appreciation of the products' ease of use.

Supagard's paint sealant creates a high gloss barrier that bonds to the paintwork, seals the surface against harmful UV rays, acid rain and atmospheric pollution in a simple one-stage process that takes 20-to-25 minutes and requires next to "no skill", he said.

Its upholstery protection, meanwhile, is delivered by a resin-based formula



**SUPAGARD ISN'T THE CHEAPEST PAINT AND UPHOLSTERY PROTECTION IN THE MARKET – NOR WOULD WE WANT IT TO BE – BUT WE BELIEVE IT IS OF A HIGHER QUALITY AND WE STAND BY THAT**  
**CRAIG HEPWORTH**

that can be applied in minutes and dries – ready to be driven away – in just 90 seconds.

"We understand the issues that many car retailers have with paint and upholstery protection are associated with the team charged with the application process," said Hepworth.

"Often a valeting team might be made up of people who regularly move between sites and brands using different cleaning and protection products. Using Supagard makes life easier. It takes virtually no skill to apply, and the process is completed very quickly, delivering added efficiency and flexibility."

He added: "Ultimately, members of the sales team need to have absolute faith in the paint protection products they are selling to customers and having that quick, easy application process helps to ensure consistent quality is easy to achieve."



Although Hepworth stands by his assertion that it takes “no skill” to apply Supagard products, the business does offer training and support to both vehicle preparation and sales teams.

Posters are provided to adorn valet bay walls, featuring QR codes which link to short, six-minute videos offering best-practice advice.

A new 45-minute virtual training session – delivered via a training room at its headquarters – has been developed to advise on the best sales methods and application techniques, meanwhile.

This is designed to back up the efforts of a 14-strong field team who visit retail sites to help sales teams boost the sales penetration of the Supagard products they offer, and valeting staff deliver the best results.

Hepworth said that Supagard sale penetration levels vary from franchise to franchise.

Mercedes-Benz dealerships average around 60% penetration, he said, with 45% to 50% of new Toyota sales generating a paint protection sale. Other mainstream brands are delivering closer to 40%.

Hepworth said that Supagard does all it can to help those dealers that are “languishing at 20% penetration” to improve towards 40% or 50%.

Key to this is demonstration of the product at the point of sale.

“That really is the thing that makes



the difference: having a half-treated car in the showroom and the dip cards we provide to demonstrate the upholstery protection,” he said.

“Showing how water runs off – or a cup slides off – a treated bonnet can be enough to convince the customer that they want to protect their car and it’s the same with the fabric. They need to see how a treated surface will repel water and

“

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SUPAGARD  
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EASIER. IT  
TAKES  
VIRTUALLY  
NO SKILL TO  
APPLY, AND  
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VERY  
QUICKLY,  
DELIVERING  
ADDED  
EFFICIENCY  
AND  
FLEXIBILITY**

**CRAIG HEPWORTH**

protect their seats against stains.

“All too often we hear that manufacturer standards mean a half-treated car bonnet isn’t allowed in a showroom, but it can be done discreetly and the difference to sales will be huge.”

Hepworth conceded that the Covid-19 trading restrictions had seen a “slight dip” in the sales of protection products in the past two years as sales executives working with remote customers struggled to demonstrate the value of Supagard.

But he said that the most successful retailers had continued to ensure the products were offered using video links or CitNOW demonstrations to demonstrate their effectiveness.

He suggested that ensuring add-ons were included in any online or remote sales process was vital to maximising sales at a time when the volumes of new cars passing through dealerships was at a low level due to the current supply constraints.

“There’s no substitute for showing what Supagard products do, in person,” he said. “But online sales can ensure that point protection is consistently put in front of a car-buying customer, albeit with the offer of a video demonstration.

“Consistency is what we want to be known for. Consistent sales opportunity for retailers, and consistent satisfaction from customers. It’s what makes us the best in the sector.”



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# DEALERS REGAIN THEIR APPETITE FOR SELLING SERVICE PLANS

Volumes were negatively impacted by lockdowns, but dealers adapted quickly and now the future looks brighter

**T**he past 12 months have been a story of recovery for the automotive industry and this has been reflected in the refocusing of interest in service plan sales.

Like other areas of the automotive industry, service plan volumes were negatively impacted by the lockdowns in 2020, falling new car sales and new car supply issues.

John O'Donnell, EMaC managing director, tells *AM*: "Like anyone else, we were severely impacted by the lockdowns and dealerships shutting their doors.

"Our model is directly aligned to vehicle sales and I think that's a healthy dynamic because we only get paid when dealers sell cars and a plan."

O'Donnell says EMaC did not burden its dealers during this time of forced showroom closures and fees naturally reduced as sales slowed.

He says: "It felt as though the world had spun off its axis for a while, but things came back very strongly. The motor trade is a very resilient sector.

"Dealers adapted quickly. They were jolted into responding to digitalisation and it was impressive to see how the market established remote working practice and remote delivery of vehicles.

"We also didn't see customers looking to pause or cancel plans as a result of the pandemic either, which I think has shown how service plans remained a household essential when many were reviewing their monthly budgets."

O'Donnell says there is now a "real appetite" from dealer customers to develop their book of service plan business as a model for retaining customers within the network and providing dealers with the ability to lock in revenue for the future.

Steve Ure, eDynamix strategic account director, agrees that service plan volumes are back on the road to recovery.

A major development for his business has been introducing its AutoRenewal product to help customers and dealers with lapsing plans.

Unlike the insurance industry, where automatic renewals are baked into contracts, this had not been the case for service plans. It meant the process of

renewing for both the customer and dealer had been quite manual.

Ure says: "Introducing automatic renewals is more complex than you would think as there are a lot of legalities around the contract."

The AutoRenewal system works by writing to customers by letter, which is necessary to guarantee they have received the renewal. The information in the letter explains their service plan will be automatically renewed, but they can easily opt out online with details provided should they wish.

The process has now been refined and now 68% of eDynamix plans are renewing automatically.

Ure says: "We're making sure customers don't drop off when they actually do want to continue, but they just didn't have an easy option to do so previously."

EMaC manages renewal programmes for its dealer customers through its contact centre in Crewe, alongside branded emails and SMS plans.

O'Donnell says: "The vast majority of feedback is welcomed from consumers to keep them in the service plan.



"We have a 35% retention rate on policies that are due to expire using that programme and it's been part and parcel of our offering for years now."

What has changed, though, is the method of communication for contacting customers about renewals.

O'Donnell says branded emails, two-way SMS and video calls have all seen growth in the past 12 months.

He says: "The advent of video meetings has almost meant the death of the impromptu phone call. Introducing more digital methods of communication is key."





# “THE ADVENT OF VIDEO MEETINGS HAS ALMOST MEANT THE DEATH OF THE IMPROMPTU PHONE CALL. INTRODUCING MORE DIGITAL METHODS OF COMMUNICATION IS KEY

JOHN O'DONNELL, EMaC

asset. Being able to cover all three without too much aggravation is essential. We're trying to make it as easy as possible.

"Customers don't want multiple policies and multiple documents."

Likewise, eDynamix has launched its own rival product allowing customers to bundle service plans, warranty and breakdown cover.

The company is already working with one major car manufacturer client to change the way service plans are structured.

The traditional method has been to add up the

cost of all the services, divide it by 36 months and that gives the customer their monthly payment.

However, Ure says there is now demand for a fixed price menu, a lot like Netflix where there is a set monthly fee and that is the same for all customers (within a set mileage limit).

Ure says: "It's a rolling monthly contract and you're not locked in for three years, so you can switch off the subscription any time."

"We're on the verge of launching it across Europe, including the UK and it's already on trial in Germany."

Ure says eDynamix is working more closely with vehicle manufacturers to go directly to customers with subscription offerings.

He says the industry is moving away from brands allowing dealers to hold the money themselves for service plans.

Ure says: "OEMs very much want to deal directly with the customer and the change to an agency model plays a part in this as well."

"The dealer becomes an agent of the brand to supply and maintain. It then makes sense for a service subscription as a package to be offered to customers as part of that. Pretty much every OEM I know is working on something like this."

eDynamix has also developed its Glovebox offering which acts as an online account area for customers within a dealers' website to manage all aspects of their vehicle ownership, including their service plan, service bookings, as well as things like service history, MOT and service reminders.

Dealers can use Glovebox to communicate directly with customers to target relevant offers like service plans or subscriptions.

TOM SEYMOUR

quite yet and there is a lot of servicing work going through workshops, which is great, but it also means there's not as much time for front of house service teams to spend focussing on service plan sales."

Ure says some service staff volumes might not necessarily build back up as more self-serve options are introduced digitally for customers.

eDynamix has introduced 'calls to action' for customers to get a quote on a service plan when they book or check-in for a service online.

Ure says: "There are new ways of putting service plans in front of customers digitally, but dealers need to make sure they have the right provision for that."

## THE EVOLUTION OF THE SERVICE PLAN

There is increasing demand from customers, dealers and original equipment manufacturer (OEM) partners for service plans to be available as part of a bundled monthly subscription package.

EMaC has built its own subscription service, which bundles a service plan, warranty and breakdown cover into one monthly payment.

O'Donnell says: "With those three products, for most consumers, they can in one direct debit achieve significant peace of mind for managing a vehicle

## PRESSURE POINTS

Ure says that, while dealers may have increased staff numbers for car sales departments, anecdotally, it seems this has not been the case with aftersales teams that saw headcounts reduce during the pandemic.

The two biggest ways plans are sold are at the point of sale or point of service. When looking at one particular eDynamix customer that has 40,000 service plan customers on its books, just less than 9% were sold online.

Ure says: "It's really important for the industry to recognise that customers don't go out looking for a service plan. You have to put it in front of them and be actively selling."

"We lost a lot of aftersales staff as part of COVID staff reductions. I don't think they've been replenished

## CHOOSE YOUR SUPPLIER SPOTLIGHT

# Innovative service plans point to a brighter road ahead

**H**aving built its name as a supplier of innovative service plans to franchised dealers, EMaC is on the fast track to becoming the motor retailer's crucial companion for aftersales.

With warranty and aftersales finance products now in its portfolio the Crewe-based company is hoping 2022 and onwards will bring a solid period of growth after the COVID-related disruption that marred the industry in 2020 and 2021.

EMaC revealed its Lifetime Warranty offering, which wraps servicing, warranty and breakdown cover together into one product payable by a single, monthly direct debit instalment, in 2019. That was just months before the words 'coronavirus lockdown' became a permanent part of everyone's vocabulary and dealers became preoccupied with fighting the unprecedented fires that threatened their business and workforce.

"We've developed our product portfolio over the past three years,

and we've been focused on taking it to market through difficult times. The key thing for us now is to really demonstrate excellence in these new fields," said EMaC managing director John O'Donnell.

"I think we've demonstrated a high level of capability to the market in our service plan offering, and that's borne out in the feedback and objective assessments from businesses that review us. So we want to continue to achieve those high levels in these new fields we're developing into; that's my main focus for the next three years."

O'Donnell said one of the attractive things for dealer partners about EMaC is that it doesn't charge licensing fees, and its fees are entirely dependent on the amount of products dealers sell.

It meant that, during the heights of the pandemic, its clients were not incurring unnecessary costs, but, for EMaC, it meant jointly experiencing some of the pain its customers were going through.

"So it's been a choppy couple of

**“**

**WE WANT TO CONTINUE TO ACHIEVE THOSE HIGH LEVELS IN THESE NEW FIELDS WE'RE DEVELOPING INTO**

**JOHN O'DONNELL**

years as we've tracked the peaks and troughs – dramatic troughs at times," said O'Donnell.

As coronavirus lockdowns are slowly being consigned to memory, he feels heartened that he can see dealers' operational disciplines around service plan sales have persisted. Enabling the car buyer to access affordable, convenient, expert-level vehicle servicing remains high on the agenda for so many.

"We work with 75%-80% of the AM100 and that equates to around 2,500 dealerships across the UK, so, in some ways, it's been reassuring," O'Donnell added.

Dealers had seen their MOT and consequent service work reduce in Q2 2021 due to the prior year's MOT deferrals, and many were therefore keen to build upon a solid base of service plan customers to secure a predictable amount of revenue coming in.

"What do you get when you sell a service plan? Well you get a relationship with that customer for



## Advertising feature

the next three or four years. Invariably service plans will follow the length of the finance arrangement. So, if you're a dealer, you want to keep engaged with that customer. You want them to have a good experience with the car you've just sold them, and you want to hear if there's anything wrong with it so you can keep that repair revenue in your business.

And, at the end, you want that relationship so you can help them keep the car longer or put them into a new vehicle.

"So it's a very logical solution for the dealer and for the consumer it's a relatively small investment for the rewards they get, the convenience they get."

Dealers and OEMs also like their ability to develop and customise products for particular campaigns to their customer base with consultative support from EMaC's

team and its systems. Whether they wish to price aggressively to drive up the volume of business for a year or two, or take a conservative position to optimise profitability, EMaC will advise them accordingly.

"The message is, there's not one EMaC service plan, they'll come in all different shapes and sizes and our job really is to deliver what are the business goals for the dealer or OEM."

The company takes pride in its Trustpilot score of 4.7 out of 5, which has been generated by more than 1,400 reviews, as a demonstration of how seriously it takes the customer experience.

EMaC recently received the AM Dealer Recommended programme's 'Service Plan' accolade for the 11th consecutive year, and its Drive Now, Pay Later product was also recognised in

the 'Aftersales Finance' category.

O'Donnell said: "To be recognised for the 11th year running as the Dealer Recommended Service Plan supplier is very satisfying.

"It evidences that EMaC continues to deliver tailored solutions to our dealer and OEM partners which drive consumer loyalty and increase consumer retention. Everybody in the EMaC business works very hard to support our dealer customers and we are humbled to be recognised for that."

Having built that trusted brand, it was "a natural progression" to expand into the warranty field, and O'Donnell said the Lifetime Warranty has become a huge opportunity for dealers to bring their customers even closer. "Delivering a service plan, a warranty and breakdown cover at roughly £35-to-£45 a month represents good value for the customer and a very effective retention tool for dealers and OEMs," he said.

"Last year was our first of really engaging the market on it, and we did win the award from Motor Trader for warranty provider of the year in recognition of that innovative approach and the customers we've taken on. And, because of our service plan book, it was quite easy for dealers to move onto it. It's been a welcomed development. Dealers had a better 2021 than they had imagined, and it's put them into a position where they've been able to consider new solutions and opportunities to differentiate."

EMaC's Drive Now, Pay Later aftersales finance product also ensures its clients have solutions for when a customer is faced with an urgent, expensive repair. Spreading the cost over interest-free monthly payments means the customer's need can be met and the work done professionally to OEM-specified standards.

"It's a useful solution for dealers to have. Whether they want to use it proactively or reactively, that's their discretion, but it's helping at that point of need," concluded O'Donnell.



# EMaC.

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# USED CAR SALES SURGE IS GOOD NEWS FOR WARRANTIES

Extended warranties will help dealerships form a bridge to customers and retain them

**A** buoyant used car market has helped warranty business bounce back over the past 12 months, as suppliers and automotive retailers continue to rebuild volumes.

Retaining customers with products like extended used car warranties will be vital in what Real Time Communications (RTC) is estimating to be a £1.3 billion shortfall in new car servicing revenue over the next four years.

John Law, RTC insights and data director, says: "As dealers focus increasingly on used car sales, there is a crucial need to focus on ways to retain these older vehicles, extended used car warranties will play a part in that and help to bridge an inevitable aftersales gap and enhance retention."

WMS Group has brought more than 100 new dealers to the business since it relaunched its Safe & Sound warranty offering last August.

It brings together a family of aftersales products under one programme and includes a range of F&I (finance and insurance) products and, over time, GAP (guaranteed asset protection) and service plans. It provides three options and covers any used vehicle whatever age or mileage that is on the clock.

Neil Monks, who was appointed to the WMS board as retail sales and customer services director, says: "We have plans to significantly grow the Safe & Sound brand with new sector-specific products and associated insurance offerings set to be launched in the coming months."

"We'll also have a focus on developing products that support the move to vehicle electrification."

A big development in the automotive warranty world last year was Autoguard Group forming through the acquisition of Warranty Administration Services and consultancy business Sentience Automotive Solutions. The group also includes the business-to-consumer (B2C) offering Best4Warranty.

Ali May-Khalil, Autoguard Group commercial director, says: "With the formation of the group we're able to provide warranty services, administration services, a B2C offering and sales, training and consultancy services."

The group has around 1,800 franchised and independent dealer customers. The largest is a franchised dealer with more than 60 showrooms, but the business also works with single site operations.

May-Khalil says its USP of having everything under one roof has already won them "significant business"

over the past six months, adding: "Whatever it is a dealer wants, we can either sell on their behalf, train them to sell more, or provide the product for them to sell, as well as measure and manage it for them."

Auto Protect recovered from the challenges of 2020 with a record year in 2021, beating all pre-pandemic sales performances.

Adam Head, Auto Protect northern zone sales director, says: "Warranty products have become very important from a distance selling position."

"Customers are demanding it as part of the transaction. That comes with its own challenges. How do you sell effectively remotely? The real focus has been how do we support our clients and develop our systems to ensure we can do that."

## DRIVERS FOR GROWTH

May-Khalil says the business has had a successful year, but that needs to be balanced by the fact that so have many others due to the fact the used car market has been so buoyant.

Autoguard has seen growth as the result of a recruitment surge due to the formation of the group, with the sales team growing by 30% and the telesales team doubling.

May-Khalil says: "We've been aggressive on talent acquisition and they've been helping to onboard more clients. We have also invested in making sure our products can integrate with dealer management systems (DMS). Integration is critical to business growth now."

Another big growth opportunity is for bundled products in the form of monthly subscriptions.

Autoguard has already launched its own white-label subscription offering through Warranty Administration Services after running a successful pilot.

May-Khalil says: "From a consumer perspective, subscriptions offer peace of mind and budgeting. You don't want any unexpected bills and you know everything is covered."

"For dealers, subscriptions are a great retention tool. That's the order of the day, dealers need to keep what they've got from going somewhere else."

Monks says areas of focus for WMS will be developing new products for a range of vehicle types, especially alternatively-fuelled vehicles (AFVs) and motorcycles.

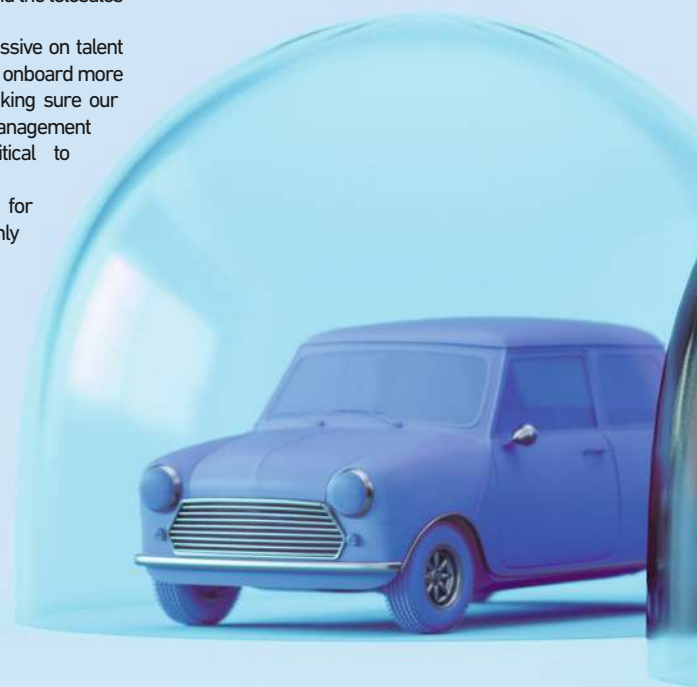
Allianz, which is active in the warranty and extended warranty market in the UK, works directly with 20 motor manufacturers in the UK and Liz Grindell, Allianz Partners UK head of warranty and F&I, automotive division, tells AM the biggest driver for growth has been from the light commercial vehicle (LCV) market.

This has been driven by the surge in demand for the home delivery of goods and the supply chain impact on new vehicles.

Auto Protect has recently launched its Navigate system, which has been designed to enable customers to conclude sales remotely with e-signatures.

Head says: "COVID accelerated the requirements customers expect digitally. You have to work hard to keep up with the pace of change."

Dealers that have used Navigate in pilot have seen around 30% are signing up for warranties remotely.





## PRESSURE POINTS

Recent insight from WMS Group's dealer panel found that, before the pandemic, just 2% of car dealers offered 'click & collect' and delivery services.

This boomed to a staggering 88% in 2021, with the same number of dealers having increased their social media presence as a result of the pandemic, and an increase of 55% of dealers who advertise more on online websites.

There has also been an increased pressure on used car stock and pricing as a result of the global shortage of semiconductors.

Monks says: "Our report also found that 85% of dealers are concerned over availability of used car stock in 2022 and 71% over high pricing – showing that this continues to be a sticking point for dealers; especially smaller, independent dealers that rely on that used car stock."

May-Khalil says further consolidation in the market isn't going to help with used car stock pressure.

He says Constellation's acquisition of Marshall and taking 20% of Lookers, in addition to owning Cinch, We Buy Any Car and BCA means the used car stock situation isn't going to get any easier.

May-Khalil says: "Dealers have to be more savvy as a result. So they need to make more out of what they sell, rather than sell more."

"Profitability will be the key for the traditional bricks and mortar dealerships. Are they maximising margins? Replacing that chassis is going to be harder than it has been for some time. I don't see that changing for a while."

Grindell says used and extended warranty products have been critical in supporting dealers and their end customers during these highly unusual times.

She says: "For example, dealers' used vehicle stock profile has increased in age, so we have ensured our product line-up reflects their trading needs."



## FROM A CUSTOMER PERSPECTIVE, SUBSCRIPTIONS OFFER PEACE OF MIND AND BUDGETING

ALI MAY-KHALIL, AUTOGUARD GROUP

Another pressure point has been parts price increases and the increasing number of non-serviceable items on cars with the latest advanced systems.

Head says: "This, ultimately, affects the customers because they want their car fixed immediately. The average claim is increasing significantly as a result of COVID, Brexit and parts inflation, which has almost tripled. More components are non-serviceable items so, when they fail, they're complete replacements. We're seeing more of these more expensive component failures. We've adjusted our products to cover for that."

More and more mild hybrids, electric vehicles (EV) and plug-in hybrids are coming to the end of their manufacturer warranties so customers may have exposure to battery failure that might not be covered under their current warranty.

In response, Auto Protect has launched its bespoke EV warranty, which has been designed "from the ground up".

## MARKETING AND CUSTOMER INITIATIVES

WMS has been working to develop a new website which seeks to improve user experience for both its dealers and their customers.

The new website, which is expected to launch in Q1 this year, will have a dedicated dealer zone, where clients can manage their warranty portfolio, as well as a new online claims facility.

The group has also developed a new digital service that allows customers to complete their renewal journey fully online.

Allianz has introduced an online training platform for dealership staff who have been working remotely as a result of COVID.

Grindell says: "We are delivering simple to use training modules to enable dealership teams to learn about the importance of warranty products and process these learnings, in a flexible way."

Allianz also introduced greater flexibility around service requirement timings, which are part of the warranty terms and conditions.

Grindell adds: "This was to ensure both customers – and dealerships who have had staff impacted by COVID – have longer to meet the terms and conditions."

"In addition, recognising that consumers are inundated with emails, we have invested in an SMS platform to deliver quick and simple extended warranty messages to improve customer engagement."

TOM SEYMOUR



ISTOCK.COM/AKINBOSTANCI

# Warranty for EV buyers should be 'crystal' clear

**W**ith the exponential growth of electric vehicles (EVs) on our roads, more and more drivers need a warranty that covers the components unique to their plug-in vehicles. Leading the way with award-winning vehicle aftercare products, Car Care Plan's pioneering used car warranty now includes standard wording to give its clients a programme that covers the wide range of vehicles on offer.

Mike Cowling, head of products at Car Care Plan, explains...

**AM: What prompted this innovation with Car Care Plan's used car warranty – clarifying your position on EV and hybrid cover?**

**MC:** While we've been covering electric and hybrid vehicles on some of our manufacturer programmes for some time, we felt the need to incorporate EV and hybrid cover into all our dealer and dealer group warranty models as well. These changes came after extensive market research and collaboration with OEMs, dealer clients and consumers. We wanted to future-proof our range of products to protect the value of customers' vehicles, no matter the engine type.

**AM: It's important there is clarity for consumers on what their warranty covers. How will achieving a Plain English Society Crystal Mark help retailers?**

**MC:** Clear and concise wording allows the end customer to fully understand what is covered by their vehicle warranty. With our new EV warranty, nothing is hidden behind complicated legal jargon. Our warranty does what it says in the wording. Period.

The Plain English Society's Crystal Mark is an internationally-recognised accreditation for clarity to consumers. We wanted our new EV warranty to meet these exacting standards to help avoid any confusion or lack of knowledge on EVs, helping build customer confidence in the product.

The new warranty wording even covers one of the biggest concerns customers have when buying an EV – range anxiety. Where a customer is unable to recharge their vehicle during a journey, roadside assistance and recovery can be provided.

**AM: Can you outline how the industry has recovered from the challenges of COVID-19 and what that looks like for Car Care Plan's growth in the past six-to-12 months?**

**MC:** We know the industry has faced significant challenges during the pandemic – and the recovery is likely to be ongoing for some time yet.

Despite lockdowns and subsequent economic impact, we've always been there for our customers. Our field development support team had zero redundancies, even recruiting additional staff to meet demand for refresher training when businesses started opening back up again.

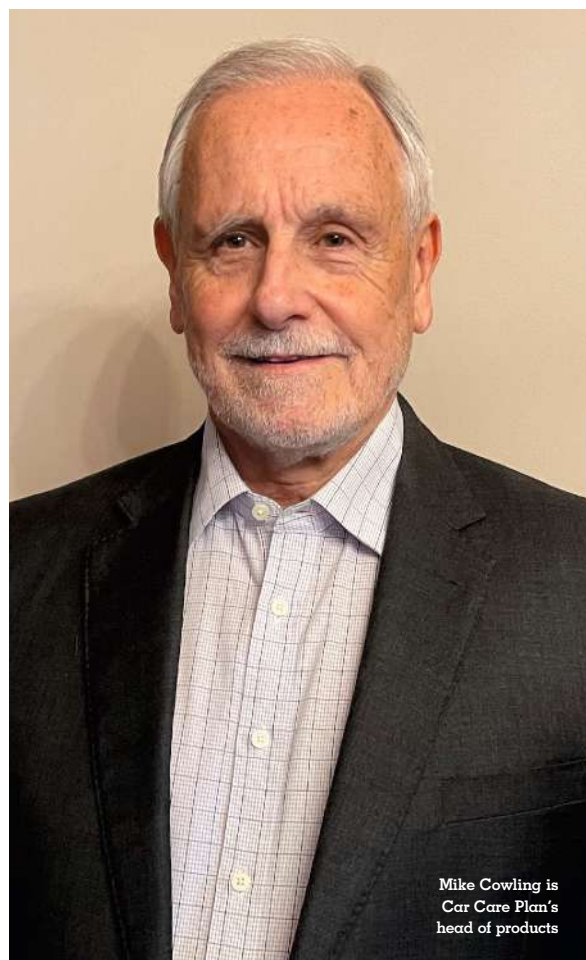
There has been huge appetite among dealer groups for refresher training for their staff after furlough, to bring them back up to peak performance in warranty sales. It's at times like these we need to be ready for the recovery, as sales start to recover and customers return to showrooms and forecourts.

**AM: How can Car Care Plan's risk field team of auditors also help support dealers?**

**MC:** Our auditors team comprises experienced engineers, who go into dealerships to investigate out of kilter loss ratios. This ensures high levels of product quality and customer satisfaction in dealers' used car programmes.

Given our experience, we pick up anomalies.

We have extensive experience of UK car stock across all franchises, meaning we have claims data on virtually every model in every franchise, so it allows us to provide that support to dealers. We're protecting them and seeking to ensure their CSI standards are not being compromised.

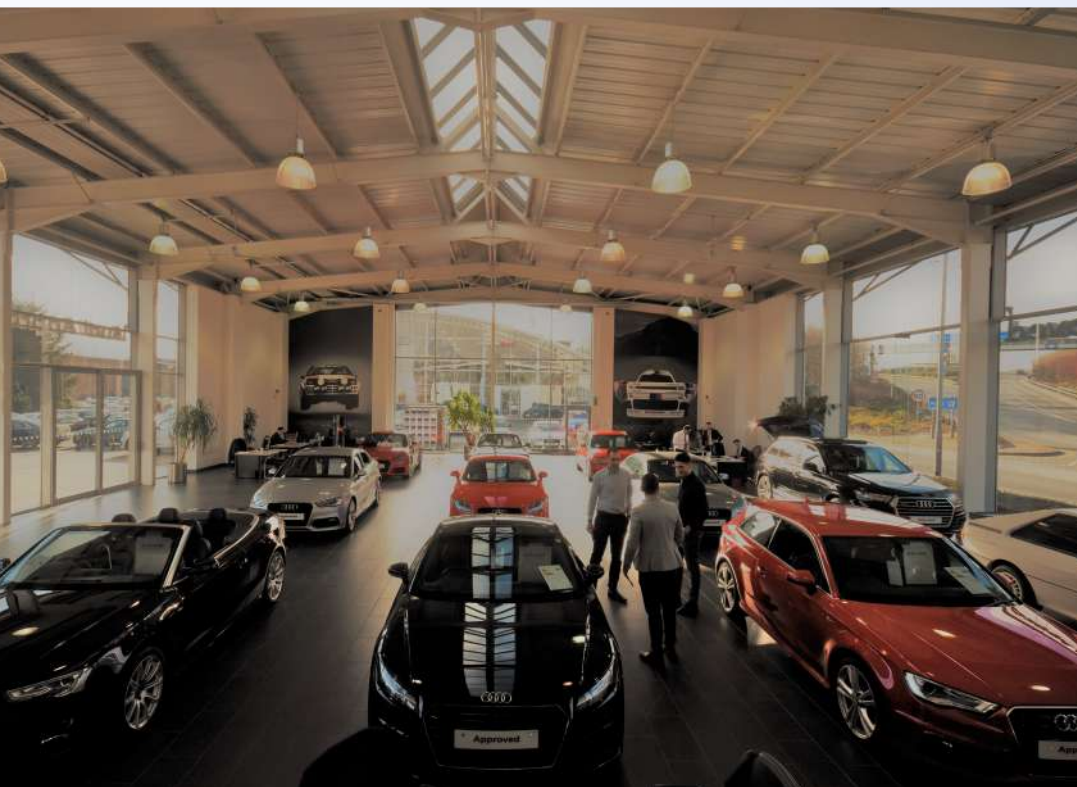


Mike Cowling is Car Care Plan's head of products





## Advertising feature



**AM:** How have renewals been affected by the pandemic and how is the company helping dealers retain as many customers as possible?

**MC:** If anything, warranty renewals have been stronger during the pandemic, as fewer people were buying new cars and, instead, protecting their current vehicles for longer.

It was a reliable source of income for our OEM and dealer clients.

Our contact centre in Manchester provides a proactive service to all our clients selling new and used cars, including support for OEM warranty extension sales, and approved used car warranty and roadside assistance renewals. The centre underpins all point-of-sale product activity, backing dealers with a GDPR-compliant contract spanning SMS, email and phone calls.

As expiry nears, the team contacts a client's customers to verify they still own the car and to offer an extension for an additional 12 months. The client (manufacturer, dealer or web-based provider) will be a beneficiary of commission from any sales we successfully perform on their behalf. And, unlike some outsourced call centres, this is our centre and it only sells our products. It's a service that, in our view, is unique

**AM:** What is the appetite for used car warranty cover for longer than 12 months?

**MC:** Many dealers see huge potential in the used car market now. Dealers

“

THERE HAS BEEN HUGE APPETITE AMONG DEALER GROUPS FOR REFRESHER TRAINING FOR THEIR STAFF AFTER FURLOUGH, TO BRING THEM BACK UP TO PEAK PERFORMANCE IN WARRANTY SALES

MIKE COWLING

typically provide 12 months' warranty in their approved used programmes, but there is consumer desire to buy longer cover, so opportunities are there.

**AM:** Why are insurance products an untapped market for younger used cars?

**MC:** There is significant untapped potential with insurance products for used car buyers. Buyers of younger used cars are prime customers for alloy wheel insurance and cosmetic repair cover. Since these are high claims frequency products, many dealerships have made these primary products in their sales portfolios, alongside extended warranty and MOT test cover.

**AM:** Can insurance products go hand-in-hand with used car PCP finance to help keep vehicles in good condition?

**MC:** A sign of the value these products provide is the high claims frequencies they generate, coupled to the peace of mind customers receive knowing the cosmetic or alloy wheel repair has helped protect the value of the vehicle. This is especially pertinent for PCP customers who are then able to return their vehicles in a good condition.

**AM:** Can you talk about developments with service plans, warranty and offering subscriptions? What will this look like and what are the benefits to dealer customers and drivers?

**MC:** The provision of service plans is a significant development for Car Care Plan.

Our service plan platform is second to none in the marketplace and provides a great opportunity for dealers to further strengthen their customer retention levels.

We are gearing up for growth in vehicle subscriptions, by offering monthly subscription to warranty and servicing.

In conjunction with prepayment terms, this would further ensure higher warranty sales penetration levels for our dealer partners.

My message on this to dealers is 'call me'.

**For more information, call: 0344 573 8000  
or visit: [www.carcareplan.com](http://www.carcareplan.com)**