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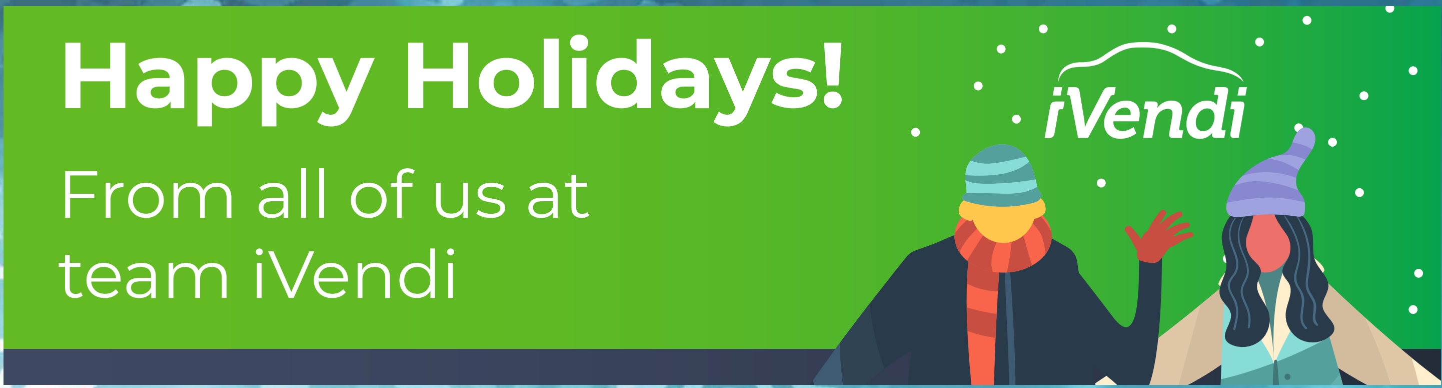
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UNCERTAIN 2022 / P6

AM polls dealerships on prospects for new year

FINANCE CHALLENGES / P25

Motor trade faces increased FCA regulation in 2022

TESLA MODEL Y / P56

New contender enters the family SUV space

HONDA NETWORK NOW 'ABOUT RIGHT'

UK APPROACHES END OF DEALERSHIP RATIONALISATION'S FIRST PHASE / p18

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AM AWARDS : 2022

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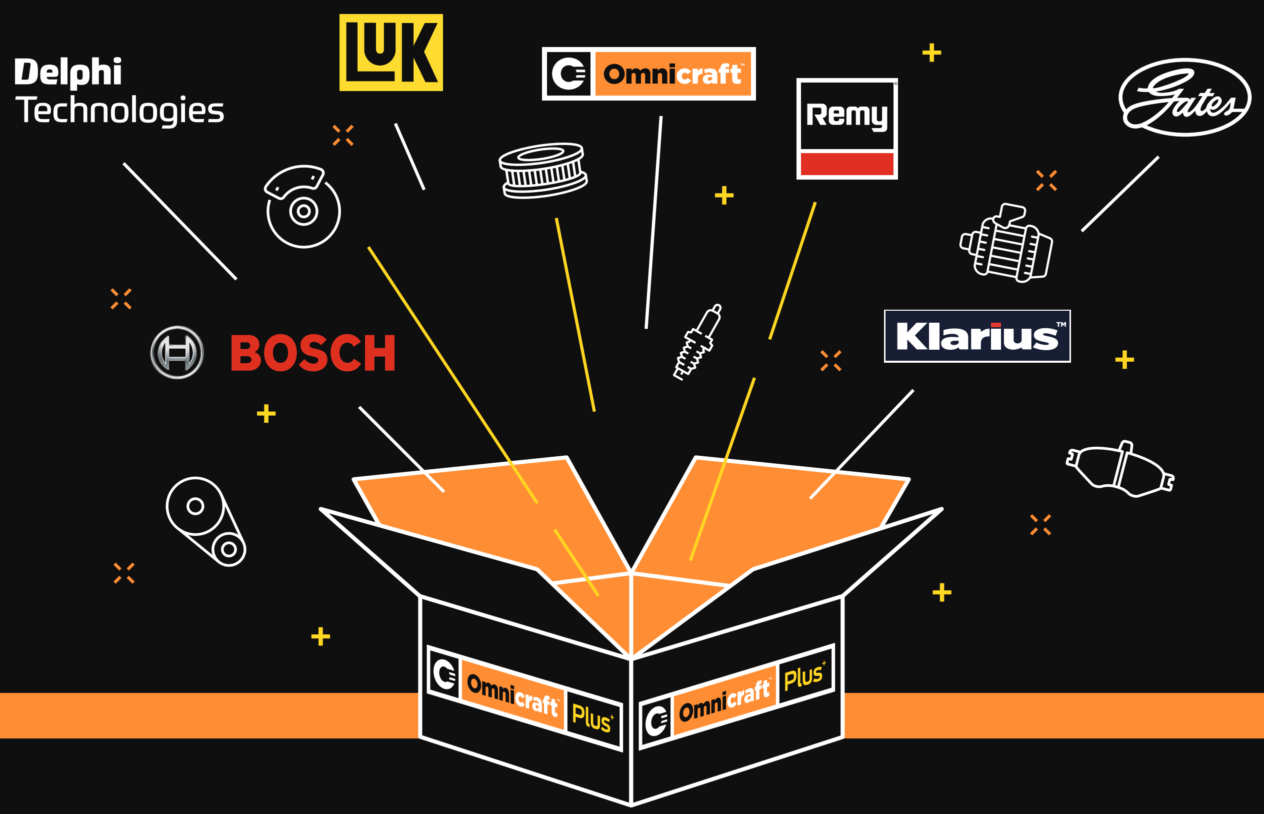

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EDITOR'S LETTER

Merry Christmas to you!

I think everyone in our industry deserves to give themselves a pat on the back. We've all reached the end of a second year of the 'new normal'. Everyone has pulled out all the stops to create whatever success they could in 2021, focused on what's in their power to control and adapt to, while carefully watching the continuing pandemic out of the corner of their eye.

This year has required resilience, perspective, pragmatism, plus the will to step back occasionally and take a breath. Now we're all going into a new year needing more of the same, but where the growth opportunities can only be better once winter is over. Be ready.

I'm immensely proud of what *AM*'s little team has achieved this year. I hope you're proud of your teams too. So proud, in fact, that you'll be putting them forward for the 2022 AM Awards, which are opening for entries right now (see page 22). We'll be celebrating the sector's high performers next May at a gala dinner in London.

I hope to see you there.

T. Rose

OUR WRITING TEAM

Tim Rose
Editor

Tom Sharpe
News and features editor

CONTENTS

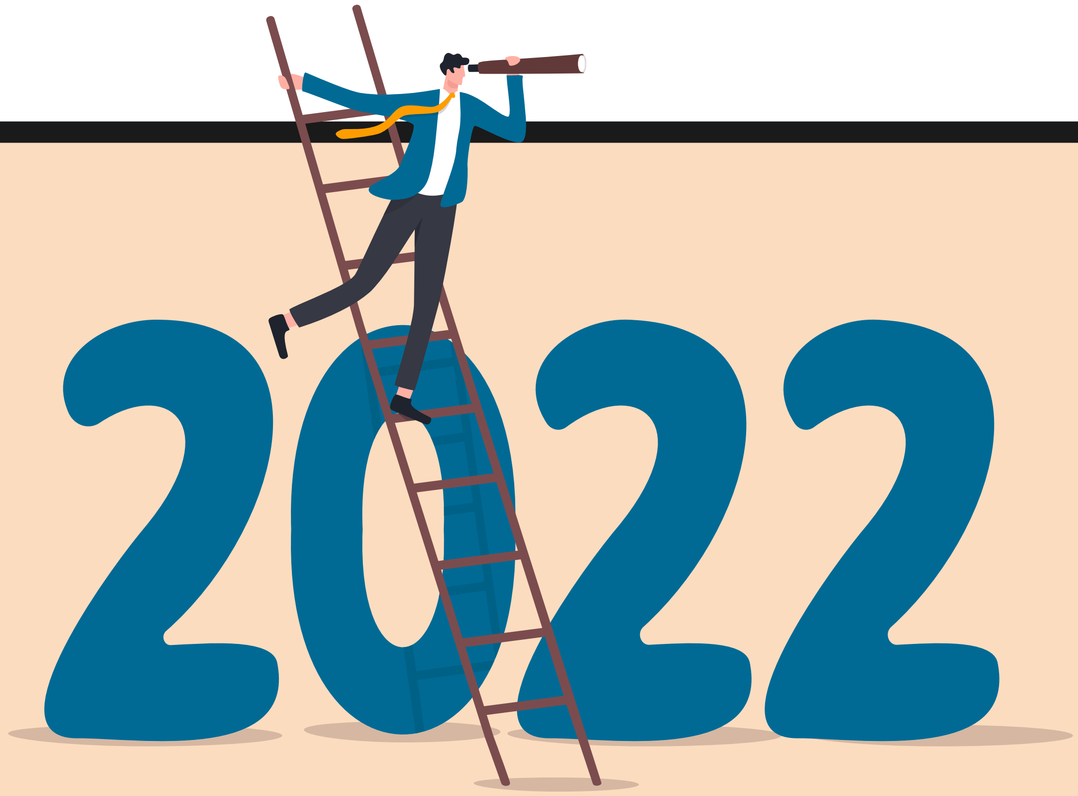
UP FRONT

TALENT

SHOWROOM

INSIGHT

SPOTLIGHT: FINANCE



DEALERS UNCERTAIN ABOUT PROSPECTS FOR NEW YEAR

Responses to AM's Outlook survey indicate an underlying degree of pragmatism, while industry experts are upbeat and predicting stability

Dealer attitudes suggest a level of uncertainty about a 2022 car retail market increasingly defined by vehicle availability, transition to electric vehicles and moves from manufacturers towards an agency franchise model.

Respondents to *AM*'s 2022 Outlook survey indicate that many retailers remain pragmatic about their fortunes in the year ahead, with many expecting to hold station after a year that under-delivered in volume terms, but saw the vast majority enjoying record profitability.

Among the results, more than 52% of business leaders surveyed said they expected profitability to be the same or better than in 2021, while 31.9% planned to increase headcount to grow their business, despite the staffing headaches explored on these pages last month.

The relationship between decreased volumes and stronger margins is laid bare in responses to suggestions that new car supply will negatively impact profits in 2022.

More than a third (38.3%) either disagreed or strongly disagreed, suggesting that many are not too downbeat about a continuation of the new car supply shortages.

A lesser proportion (31.9%) disagreed or strongly disagreed with a suggestion that used vehicle supply would negatively affect profitability, with 42.6% suggesting it would.

There is clearly a desire to gain a larger share of a used car sector offering peak profitability after value increases averaging close to 30% year-to-date.

MARGIN IN CONSTRAINED MARKET

Cap HPI head of valuations Derren Martin, Cox Automotive insight and strategy director Phillip Northard, and Auto Trader commercial director Ian Plummer said there is little prospect of any sizeable influx of new cars or used car stock any time soon.

As a result, should retailers fear a "seismic" slump in used car values in 2022?

Martin said November's end to eight months of rising wholesale values – with a decline of 1.2% at the three-year, 60k miles mark – was seasonal and that it was "highly unlikely" that next year would bring any significant decline in values.

Ongoing new car supply woes, resulting from shortages of semiconductors and other materials, are likely to continue the limited flow of cars into the UK until at least the second half of next year, he said.

"The first quarter of 2022 will be quite strong and in January and February you might see movements up," said Martin.

"I think it will stay strong until at least the summer when we might see some easing of the semiconductor issues."

Martin said his "biggest concern" was the end of next year, when supplies may come back on-line more widely and urged the sector to employ "cautious remarketing" to avoid a used car price drop if volumes do escalate quickly.

But he added: "The reality is that there have been 1.7 million registrations lost from the market. There will be vehicle shortages for quite a while to come and that will keep prices strong. When values do come down they are not going to come down by 30%. I don't think there's going to be a crash at any time. A loss of 30% would be like nothing we've ever soon before. It would be seismic."

Nothard stated there would be "no tsunami of product" in 2022.

He said: "I think retailers will need to keep a keen eye on valuations in order to maximise their margin, but the outlook for the year is likely to be one of increased stability with a few gentle peaks and troughs."

Plummer is relatively upbeat about 2022. He's optimistic that the consumer confidence seen in recent

> **THE FIRST QUARTER OF 2022 WILL BE QUITE STRONG, IN JANUARY AND FEBRUARY YOU WILL SEE MOVEMENTS UP**
>
> **DERREN MARTIN, CAP HPI**

> **SMALLER PLAYERS MAY WELL BE ABLE TO OFFER A MORE PERSONAL TOUCH, MORE AND MORE INTERACTIONS ARE IN THE DIGITAL SPACE**
>
> **STEVE YOUNG, ICDP**

months is set to continue, helping to maintain the kind of margins that will make up for any lost volume.

The average price of a used car advertised on Auto Trader has now increased by more than £3,400 – to £17,366 – since May, and it is forecasting a used car market of 7.75m to 7.9m in 2022.

Plummer said that will make for a good year for retailers.

"What we are seeing is very strong levels of consumer demand, with a 30% year-on-year increase in leads," he said.

"We don't believe the performance in the market is the result of a bubble. That would suggest there are trends that are unsustainable. That's not the case here. There is no bubble to burst. The high values and high demand will continue into 2022."

CONSUMER DEMAND

Respondents to *AM*'s Outlook 2022 survey were inclined to agree with Plummer, with 40.4% disagreeing or strongly disagreeing that a lack of consumer demand would negatively impact profitability next year.

While 29.8% were uncertain, 29.8% agreed or strongly agreed that it would, their reasoning perhaps influenced by customer reactions to ever longer lead times as vehicle supplies continue to be constrained.

Close to a third (36.2%) of the responding retailers expect new car orders to remain unchanged, with the next largest group (23.4%) expecting orders to increase a little.

Steve Young, managing director of ICDP, believes that stymied vehicle supplies will test customers' patience to the degree that brand loyalty goes out of the window in 2022, paving the way for some OEMs to make market share gains.

Young said: "The (2022 vehicle supply) recovery will be unequal, and some brands will be able to gain share at the expense of others who are still constrained as some customers lose patience with the long lead times being quoted.

"Why wait over a year for a car that you may only be planning to keep for three years anyway?"

Uncertainty surrounds the potential impact of COVID-19 on 2022 trading.

With the survey's timing coinciding with the emergence of the Omicron variant in the UK, just more than 34% said they did know whether the virus would impact their businesses.*

Less than a third (31.92%) felt it would not have a negative impact, while just more than 34% feared it would.

Taking all factors into account, 12.7% of responding business leaders said they expected a significant increase in profitability after the "tailwinds" that propelled many to record performance in 2021, with 21.3% expecting a "little" increase.

But 34% expect a "little" decrease in profitability, while 14.9% expected a significant decrease.

Neil Addley, founder and managing director of *AM*'s research partner JudgeService, suggested many of the survey answers could be dictated as much by attitude as hard evidence.

"The results reflect anecdotal evidence from the marketplace – some see a land of opportunity, others worry more about supply issues," he said. "I suspect it's as much about attitude as anything. It is good to see that the electric dream is accompanied by a commitment to using technology and an, albeit modest, increase in employment."

DIGITAL OFFERING

Despite a ramp-up in retailers' online engagement, prompted by COVID-19 trading restrictions in 2020 and early 2021, technology will continue to attract investment from 63.8% of respondents to the survey.

AM found 68% of businesses now offer an end-to-end online car retail solution, 80.9% use live video to sell cars and 78.7% provide home delivery.

Young said 2022's likelihood of delivering increased consolidation in the OEM and franchised retail space – along with the potential for the further formulation of agency model retail contracts after clarification of new Block Exemption Regulations in May – will increase the need for smaller retailers to increase their digital capabilities.

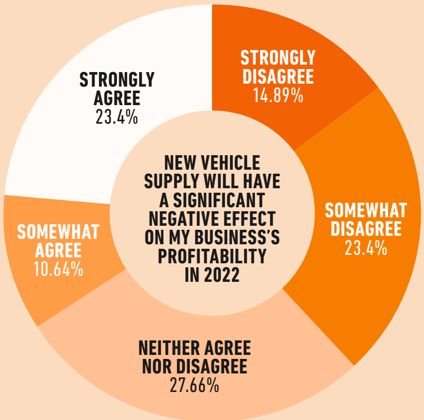
He said: "Smaller players may well be able to offer a more personal touch, but more and more interaction is in the digital space, or is dependent on tools that are more accessible at large scale. So, even the smaller players need to find ways to gain 'virtual scale' through collaboration or bought-in services."

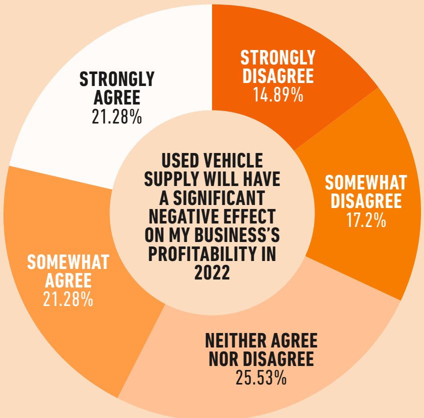
Young added: "We still see the physical dealership or used car outlet remaining a core part of the business.

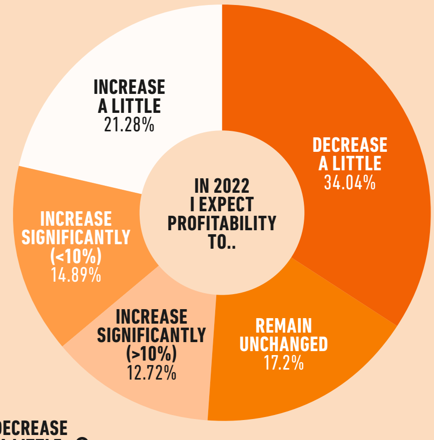
"However, all players will need to develop and enhance their digital offer on a continuous basis – this is not a job you can just put a tick in the box for and leave for a few years."

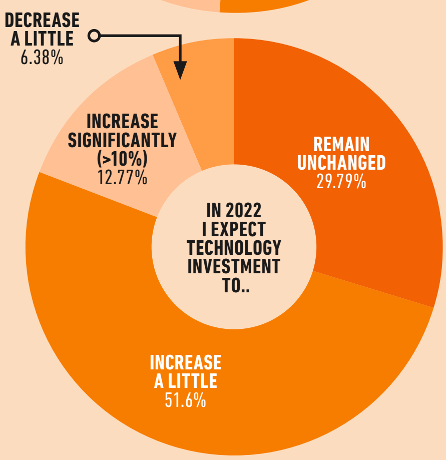
*Note: the survey also pre-dated the Government introduction of Plan B.

TOM SHARPE









ADVERTISING FEATURE

BCA Partner Finance supports dealers as demand increases

Malcolm Thompson, managing director, BCA Partner Finance, comments:

Many dealers have changed their business models in recent months and introduced new processes as demand for used stock has risen sharply in 2021. Ensuring these new practices are efficient in sourcing vehicles, getting them prepared and onto the forecourt as quickly as possible is essential to meet increasing demand from retail customers.

The current dynamics in the used vehicle sector are very much amplified by challenges around new car supply, and BCA continues to see high levels of buying activity from both franchised and independent dealer sectors. Bidder numbers continue to climb, with up to 10,000 unique buyers participating in BCA's sales programme every month as BCA's digital sales programme offers up to 7,000 vehicles daily.

BCA's rich mix of vehicles, along with an online sales programme built around clear segmentation for our customers, is reflected in rising average values, notably for newer, retail-ready stock. Our vendor portfolio contains the broadest and most diverse selection of vehicles in the marketplace and we continue to retain and win significant contracts to further strengthen the offering.

BCA Partner Finance helps customers acquire used stock in these exceptionally competitive times, allowing them to compete on a level playing field even in a market where values are rising. 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 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 and BCA is well placed to meet these needs. BCA Partner Finance has seen a noticeable step up in requests for extra stock funding facilities from both new and existing dealers as they look to respond to an increasingly competitive marketplace.

THIS MONTH'S NEWS HIGH

NOV

22

INCHCAPE REBRANDS ITS USED CAR OPERATION

Inchcape UK unveiled the new bravoauto brand name for its used car retail division ahead of its expansion to 20 locations in the next three years. The Inchcape Used Car Centre network – which has sites in Burton-on-Trent, Bolton, Chester, Cheltenham, Derby and Shrewsbury – has been officially rebranded.

SUZUKI PLANS TO IMPORT INCOMPLETE CARS

Suzuki GB director of automobile Dale Wyatt said the decision to import cars left incomplete due to the semiconductor shortage was set to give dealers access to 4,000 vehicles they would not otherwise have had. Wyatt spoke to *AM* after completing six regional car dealer meetings in five days to spell out his plan to mitigate against the impact of vehicle supply shortages.

24

REGULATOR OKAYS VOLKSWAGEN OFFER FOR EUROPCAR

Volkswagen confirmed that its takeover offer made for international vehicle rental giant Europcar has been approved by France's market regulator. The car manufacturer teamed up with asset manager Attestor and Dutch mobility group Pon Holdings BV to make the offer at a proposed price of €0.50 per share – valuing Europcar at €2.9 billion (£2.5bn) – back in July.

25

LARGEST SITE FOR TOYOTA & LEXUS OPENS

Marshall Motor Group's work on a new £12 million Toyota and Lexus dealership in Bristol – Europe's largest retail site for the brands – neared completion. The site, on First Field Way, Cribbs Causeway, which also incorporates an employee training academy, opened on December 6 (Lexus) and 9 (Toyota).

29

STALLANTIS BRANDS OUTSELL VW GROUP IN EUROPE

JATO Dynamics revealed that Stellantis brands had outsold those of the Volkswagen Group for the first time in Europe as the region suffered a 30% decline in new car registrations during October. Registrations fell to 790,652 across the 26 markets as shortages of semiconductor microchips and other components continued to impact car manufacturing.

IN DETAIL
To view the full story go to
am-online.co.uk/news

29

CARZAM RAISES £112M TO 'CEMENT' ITS CHALLENGE

Carzam raised £112 million in its first external fundraising round design to help propel the online car retail business into its "next chapter". Chief executive Kirk O'Callaghan said the new funding would "cement us as a true industry challenger" after first year revenues expected to total around £150m.

DEC

1

LAMBORGHINI IS BOUNCING BACK

Lamborghini director Francesco Cresci told *AM* that the brand is on course to bounce back from the COVID-related drop in sales, despite the sector's supply issues. "We are lucky at Lamborghini to be part of the VW Group and they are protecting our volume in terms of access to the supply chain," he said.

3

NATIONAL PURCHASE WILL INCREASE HALFORDS REACH

Halfords redoubled its focus on offering vehicle servicing and tyres with the £62m acquisition of the National service centre network, adding 239 garages and 60 mobile fitting vans from National Tyres and Autocare, Viking Wholesale Tyres, and Tyre Shopper-branded operations.

6

OFFER FOR MARSHALLS 'FAIR AND REASONABLE'

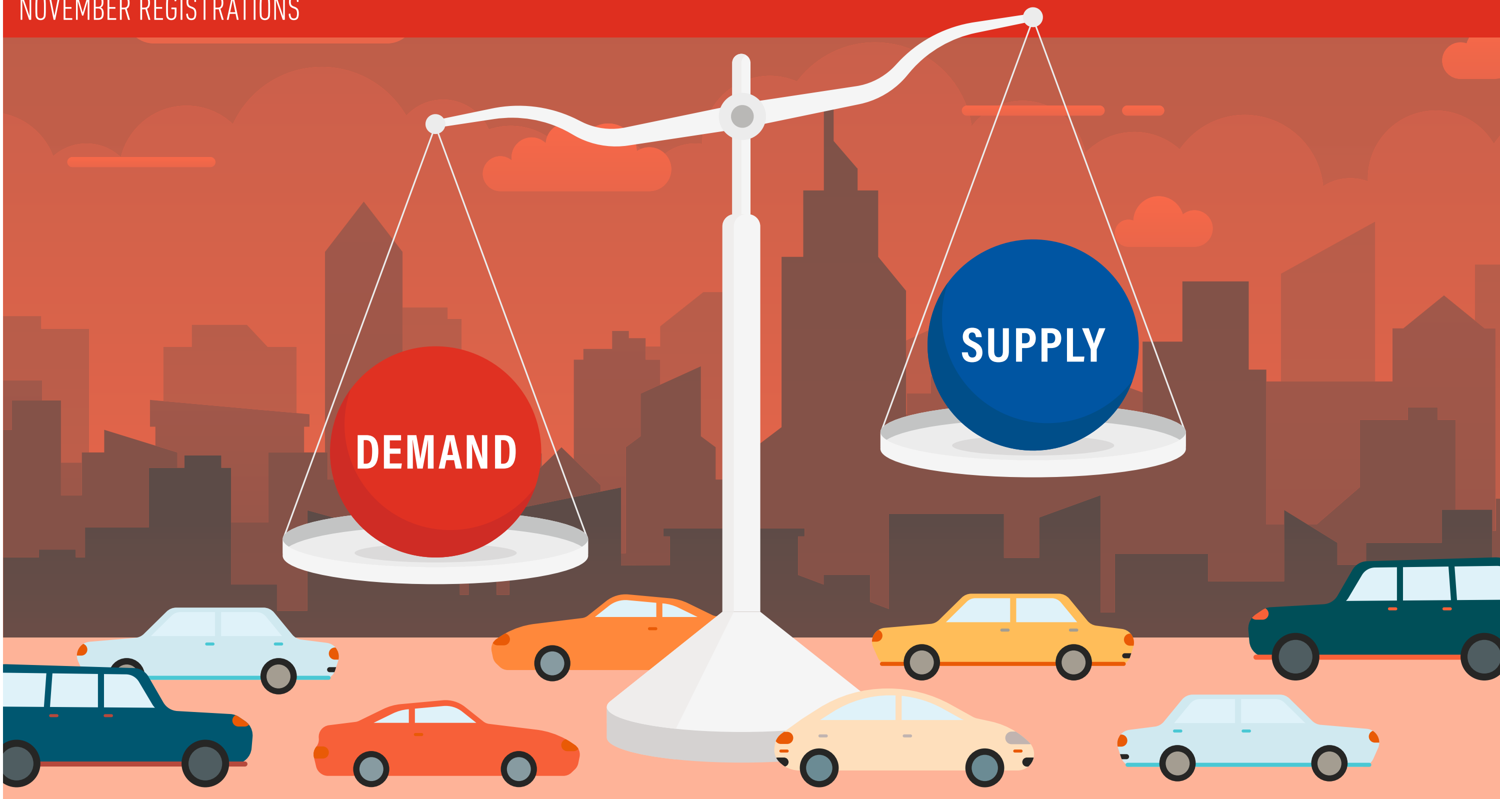
Marshall Motor Group's board highlighted the "responsibilities of ownership of MMH" as it recommended the acceptance of Constellation Automotive's £201.6m takeover offer. But the leadership at the AM100 dealer group described the 400p per share offer from the BCA, cinch and WeBuyAnyCar owner for a 64.4% controlling stake held by Marshall Motor Holdings as "fair and reasonable".

9

VERTU ANNOUNCES 'AHEAD OF PLAN' PROFITS

Vertu Motors increased its pre-tax profit forecast by another £5 million after revealing its October and November's profitability was "ahead of plan". "Customer demand has remained positive, with strong future order banks in all new vehicle channels," Vertu said, adding that adjusted PBT for the year ending February 28 will be no less than £70m.

NOVEMBER REGISTRATIONS



LIFE ON THE MARGINS: WHEN DEMAND OUTWEIGHS SUPPLY

Shortage of new stock leads to dwindling discounts, but it's not all doom and gloom for 2022

Registrations in November grew by an anaemic 1.7% compared with the same month in 2020, but that means little given that November 2020 was, itself, more than 30% below the five-year trend.

Of course, the big difference this November is that it is a shortage of supply, rather than a shortage of demand, that is causing the market to bump along the bottom.

In fact, there is a harsh lesson for the industry here. For decades, car manufacturers knew their profits were disappearing in what is euphemistically called "variable marketing costs" – discounts to you and me.

However, competitive pressures and the need to keep expensive factories running meant car manufacturers felt unable to reduce output.

Today, the manufacturers have had no choice but to cut production – yet their profits have generally held up, or even improved.

Dealers are not suffering too badly, either.

In a sense, it is unsurprising: selling fewer cars at higher margins does not harm profitability. Car industry bosses might be feeling a little embarrassed that they spent so many years pushing tin into a saturated market.

As the past year has shown, when the market pulls the tin, profits hold up fine. However, it is only fair to point out that there is a very uncomfortable layer of the industry that is being squeezed – the component suppliers.

They are selling fewer widgets to manufacturers, but don't have the option of increasing prices.

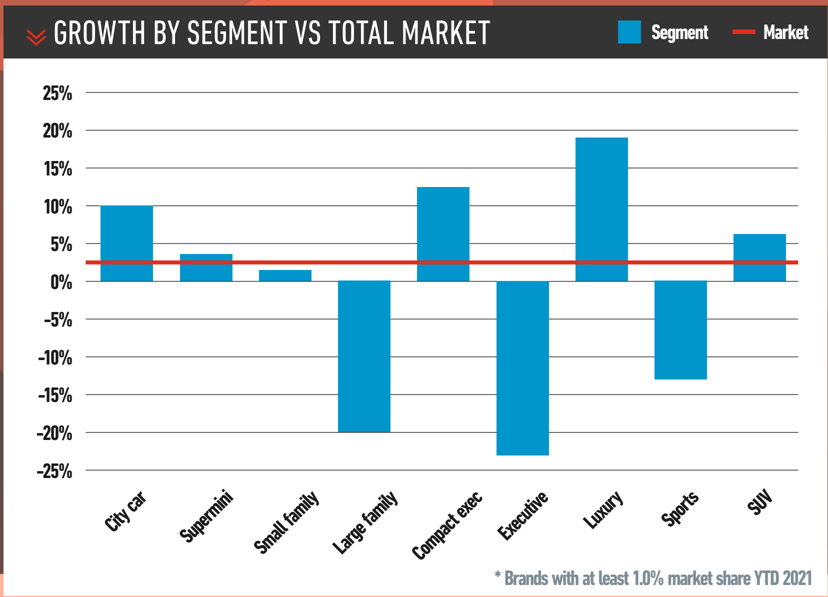
At a segment level, the market has continued its trend towards consolidation – a big proportion of total sales are either small-ish and crossover, or premium and crossover.

The crossover bodystyle is now dominant, taking 49.0% market share year-to-date (YTD), compared with 45.7% in the same period of 2020.

Given the number of alternative bodystyles (hatchback, saloon, estate, coupé, convertible, MPV), that is a remarkable figure. Another facet of consolidation is that the three main segments of supermini, small family and premium crossover now account for 85.2% of total sales – also a record.

With only 14.8% of the market to be shared by six other segments, there has not been much room for growth elsewhere.

One segment with an unexpected upturn is city cars, which has recovered slightly to 4.4%. This is thanks partly to the new Fiat 500e, which has a separate platform to what you could call the 500 Classic. Fiat is hoping (with good reason) that the appeal of the 500e will make it the only city car that can justify an expensive electric-only powertrain.



The only other significant segment to increase share is compact executive models. This is partly thanks to the success of the Tesla Model 3, and to the remarkable growth of Polestar.

The Polestar 2 is romping up the sales charts – it has sold three times as many YTD as the Jaguar XE (a brief pause for a show of sympathy for a car that is remarkable value and is good to drive, but could barely be more off-message for the market if it carried a Lada badge).

In November, the Polestar 2 was fourth in the segment, ahead of the Audi A4.

At a manufacturer level, the big story is no longer that VW has overtaken Ford. It is that Ford is only just clinging on to second place, just 1,000 units ahead of Audi and 1,200 ahead of BMW. No sensible bookie would have given odds against VW overtaking Ford this year, but what would have been their odds for Audi overtaking Ford a year ago? Ford might still make it to the end of the year in second place, but the fact that it is in doubt is remarkable.

Behind the battle for second place, Toyota, Mercedes-Benz, Kia, and Vauxhall are all within 0.6 percentage points of each other, so a last-minute surge in December could still lead to one of those manufacturers gaining a place.

Mercedes would certainly prefer to be immediately behind its German premium rivals, rather than being outsold by Toyota. One place below Vauxhall is Hyundai, whose recovery is gathering pace. It has the highest YTD growth rate of all the top 10 manufacturers. While it cannot improve its position for 2021, it will be hoping for another sharp increase in 2022. If Kia has a market share approaching 6%, Hyundai will be aiming for at least 5%.

Among the mid-sized brands, a special mention has to go to MG – not least for becoming a mid-sized brand in such a short time. It has had a phenomenal 73.4% growth in sales YTD, helped by the new Qashqai-sized HS crossover.

The fascinating question is what will happen to MG in 2022 - can it maintain its growth, as some brands that have grown rapidly in the past have struggled to consolidate their gains?

Finally, we should also acknowledge the success of two new brands in 2021, the wider market turbulence notwithstanding.

Cupra has grown from effectively zero (55 registrations to be exact) to more than 7,000 registrations YTD, for an impressive 0.5% market share.

Meanwhile, Polestar has achieved a 0.24% market share which, for upmarket brand with just one electric model, is impressive. To put that into context, Infiniti took eight years to reach its "peak" of 0.14%, while the three premium brands belonging to Stellantis (Alfa Romeo, DS, Maserati) have a combined market share of 0.28%. The UK car market is relatively conservative, but it is encouraging that a new brand with a compelling proposition can still break through.

And what of next year's car market?

To be honest, you might be better off asking Professor Chris Whitty, the chief medical officer: So much will depend on the progress of the pandemic rather than traditional market factors. The Society of Motor Manufacturers and Traders expects a "partial recovery" to 1.96 million (an increase of 15% on the likely full year figure for 2021), but the progress of the Omicron variant could interfere with that relatively benign scenario. DAVID FRANCIS

SPONSOR'S COMMENT

By Richard Jones, managing director, Black Horse

In my previous column I talked about some big achievements in 2021, undoubtedly accelerated by the need to respond to the pandemic and we arrived at the inevitable question…so, what comes next?

Looking forward, the year ahead is going to be as full of opportunity as it is of challenge. So, firstly, it's vital we maintain the pace.

Digital customer journeys are something that commentators have returned to time and again since COVID enforced more remote interactions away from the showroom. We have produced some excellent solutions, but there is always room for improvement.

Without restrictions, customers want to be able to float between the digital and the physical buying experience as it suits them. We need to continually improve the flexibility and security of our processes to ensure we surpass their expectations every time.

It's also very clear that customers are looking for transparency, simplicity and surety when shopping.

They want to know the price and agreement of finance early on, so they can easily compare offers and make an informed decision. Sophisticated Rate for Risk models with pre-eligibility capabilities are a key enabler in this space. And building even better options are a key part of our plans.

Great innovations will of course, only be successful if they can be easily integrated into dealer systems and work well for them.

We need to ensure we do the basics really well here, processing and fulfilling applications seamlessly and effortlessly. So you can spend your time delighting customers, every time.

So, 2022 is a year of ambitious plans for Black Horse, all aimed at delivering outstanding service and support.

We will do all we can to make it the happiest of New Years for all of our dealers and our customers.

NEW CAR REGISTRATIONS

Decline reversed as plug-ins accelerate

November's 115,706-unit new car market brought an end to four months of consecutive decline in new car sales, by recording a 1.7% uplift over November 2020 when stronger coronavirus restrictions had been in place.

And the Society of Motor Manufacturers and Traders' (SMMT) data shows that plug-in cars accounted for 28% of November's new car sales.

Battery electric vehicles accounted for 18.8% and plug-in hybrids 9.3%.

This was despite a 24.7% drop in sales to large fleets, which meant it was private buyers who drove the market, taking a 54.1% share of sales.

Compared with the pre-pandemic average for November the month-end total remained low. However, it's a slight bounce back after the lowest October market for 30 years.

Mike Hawes, SMMT chief executive, said: "What looks like a positive performance belies the underlying weakness of the market. Demand is there, with a slew of new, increasingly electrified models launched, but the global shortage of semiconductors continues to bedevil production and, therefore, new car registrations."

1 VAUXHALL

Its Corsa supermini has a clear run to claim the title of 2021's best-selling new car – with one month left it's almost 9,000 units ahead of its next threat. In November the Corsa accounted for 3,123 of Vauxhall's 7,015 total sales.

2 MG

An MG was the sixth biggest selling car in November. No, we've not travelled back two decades to the brief glory days of MG Rover, but, helped by demand for affordable electric mobility, the MG ZS SUV even outsold the Nissan Qashqai (2,458 units v 2,427 units).

	November					Year-to-date				
Marque	2021	% market share	2020	% market share	% change	2021	% market share	2020	% market share	% change
BMW	9,018	7.79	9,733	8.55	-7.35	110,157	7.16	105,171	7.02	4.74
Volkswagen	8,634	7.46	10,096	8.87	-14.48	138,972	9.03	132,703	8.86	4.72
Audi	7,358	6.36	8,519	7.49	-13.63	110,306	7.17	100,407	6.70	9.86
Mercedes-Benz	7,329	6.33	7,822	6.87	-6.30	92,437	6.01	103,403	6.90	-10.61
1 Vauxhall	7,015	6.06	7,832	6.88	-10.43	85,355	5.55	88,161	5.88	-3.18
Toyota	6,567	5.68	5,071	4.46	29.50	94,817	6.16	86,082	5.74	10.15
Hyundai	6,562	5.67	2,243	1.97	192.55	64,940	4.22	44,141	2.95	47.12
Kia	6,382	5.52	3,703	3.25	72.35	87,914	5.71	66,948	4.47	31.32
Ford	5,247	4.53	10,569	9.29	-50.35	111,332	7.24	141,298	9.43	-21.21
Peugeot	5,193	4.49	4,614	4.06	12.55	56,562	3.68	51,800	3.46	9.19
Nissan	4,977	4.30	5,598	4.92	-11.09	62,129	4.04	64,808	4.33	-4.13
Mini	4,691	4.05	3,972	3.49	18.10	39,832	2.59	42,008	2.80	-5.18
2 MG	4,184	3.62	866	0.76	383.14	29,474	1.92	16,994	1.13	73.44
Volvo	3,790	3.28	4,018	3.53	-5.67	44,817	2.91	41,867	2.79	7.05
Škoda	3,091	2.67	4,391	3.86	-29.61	51,896	3.37	53,812	3.59	-3.56
Land Rover	2,757	2.38	4,362	3.83	-36.80	50,442	3.28	53,957	3.60	-6.51
Renault	2,716	2.35	2,722	2.39	-0.22	27,817	1.81	40,941	2.73	-32.06
Citroën	2,216	1.92	1,905	1.67	16.33	28,768	1.87	26,342	1.76	9.21
Seat	1,999	1.73	2,701	2.37	-25.99	42,098	2.74	41,243	2.75	2.07
Porsche	1,795	1.55	2,216	1.95	-19.00	11,481	0.75	12,104	0.81	-5.15
Mazda	1,453	1.26	1,123	0.99	29.39	24,678	1.60	21,467	1.43	14.96
Fiat	1,350	1.17	990	0.87	36.36	18,727	1.22	18,351	1.22	2.05
Jaguar	1,340	1.16	1,964	1.73	-31.77	17,535	1.14	22,127	1.48	-20.75
Dacia	1,241	1.07	869	0.76	42.81	15,826	1.03	18,555	1.24	-14.71
Honda	1,163	1.01	1,341	1.18	-13.27	25,340	1.65	25,906	1.73	-2.18
Suzuki	945	0.82	804	0.71	17.54	20,134	1.31	18,559	1.24	8.49
Cupra	839	0.73	55	0.05	1,425.45	7,020	0.46	55	0.00	12,663.64
Polestar	580	0.50	149	0.13	289.26	3,663	0.24	608	0.04	502.47
Lexus	481	0.42	681	0.60	-29.37	13,177	0.86	12,978	0.87	1.53
DS	257	0.22	173	0.15	48.55	2,083	0.14	2,136	0.14	-2.48
smart	201	0.17	99	0.09	103.03	1,443	0.09	1,288	0.09	12.03
Bentley	168	0.15	69	0.06	143.48	1,232	0.08	1,193	0.08	3.27
Subaru	165	0.14	52	0.05	217.31	1,931	0.13	823	0.05	134.63
SsangYong	156	0.13	48	0.04	225.00	1,432	0.09	1,423	0.09	0.63
Jeep	155	0.13	299	0.26	-48.16	4,268	0.28	4,105	0.27	3.97
Alfa Romeo	150	0.13	147	0.13	2.04	1,450	0.09	1,822	0.12	-20.42
Abarth	95	0.08	109	0.10	-12.84	2,230	0.14	2,187	0.15	1.97
Maserati	77	0.07	44	0.04	75.00	696	0.05	526	0.04	32.32
Alpine	26	0.02	9	0.01	188.89	189	0.01	98	0.01	92.86
Genesis	23	0.02	0	0.00	0.00	116	0.01	0	0.00	0.00
Mitsubishi	0	0.00	556	0.49	0.00	5,125	0.33	8,545	0.57	-40.02
Other British	135	0.12	139	0.12	-2.88	2,077	0.13	1,754	0.12	18.42
Other Imports	3,185	2.75	1,108	0.97	187.45	26,667	1.73	19,686	1.31	35.46
Total	115,706	100	113,781	100	1.69	1,538,585	100	1,498,382	100	2.68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FINANCE OFFERS

Subscription offerings: how do they stack up?

This month's themed *AM* feature looks at the future of finance. In it, one of the interviewees predicts subscriptions will eventually take over as the most popular way to fund private vehicles (see page 38).

There is no real hard data available on how big the UK's vehicle subscriptions market has become, but it would have to take up more than 90% of retail car finance in order to become more popular than personal contract purchase (PCP).

That's a big ask, but Wagonex boss Toby Kernon, told *AM* that "stranger things have happened in other industries," clearly referencing the rise of services such as Spotify and Netflix.

There are clearly differences between streaming service subscription rates and hundreds/thousands of pounds to secure a shiny new, or nearly new car.

Here, *AM* has looks at some of the most recently advertised subscription options in the UK market and how they stack up against PCPs in Q4.

Care by Volvo, the Swedish brand's subscription offering, says it has represented 15% of all retail sales in its first year.

All subscription prices with Care by Volvo include servicing, roadside assistance, vehicle excise duty, wear and tear cover and the ability to switch vehicles after a minimum of three months.

The most popular subscription model has been the XC40 and it is priced from £589 a month if you commit to a long-term, three year contract, not dissimilar to a personal contract hire (PCH) offer.

The price shoots up to £719 a month if a customer chooses the more flexible option of three months. This compares with £399 for an XC40 plug-in hybrid on PCP over 48 months.

Most consumers are not looking at breaking down their motoring costs across the extras Care by Volvo is bundling in per month, but there's a £320 gap between the two. That's almost double the price for the flexibility of switching after three months, as well as gaining access to those added extras.

An AM100 dealer boss that preferred not to be named said there is no current subscription offer in the UK that can match PCP for value.

Jaguar Land Rover's Pivotal works on the idea that customers can switch their car every six months. Customers have to pay a one-time joining fee of £550 and there are four bands of subscription that grant access to a different set of JLR models.

The F-Pace and Discovery Sport are available at £850 a month for a minimum of three months. Customers have to pay a charge of £250 if they switch after three months and can't wait until month six.

Extras in the subscription package include maintenance, vehicle tax, roadside assistance and fully comprehensive insurance.

On PCP, JLR customers can get access to the F-Pace for £479 or the Discovery Sport for £499.

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
VOLVO							
XC90 B5 Momentum All-Wheel Drive Auto (met paint inc)	PCP	£8,914.56	48	£569	£20,548.13	4.90%	31/12/2021
XC60 B5 Momentum Front-Wheel Drive Auto (met paint inc)	PCP	£5,635.98	48	£439	£16,428.75	4.90%	31/12/2021
XC40 T3 Momentum Front-Wheel Drive Man (met paint inc)	PCP	£5,006.18	48	£349	£15,112.50	6.60%	31/12/2021
XC40 T4 Inscription Expression Plug-in hybrid Front-Wheel Drive Auto (met paint inc)	PCP	£6,993.17	48	£399	£18,281.25	6.60%	31/12/2021
S60 B5 R-Design Front-Wheel Drive Automatic (met paint inc)	PCP	£4,739.18	48	£389	£12,211.88	2%	31/12/2021
V60 B3 Momentum Front-Wheel Drive Auto (met paint inc)	PCP	£4,109.69	48	£359	£12,187.50	3.90%	31/12/2021
V90 B4 Momentum Front-Wheel Drive Auto (met paint inc)	PCP	£5,732.70	48	£399	£13,601.25	3.90%	31/12/2021
S90 T8 R-Design Plug-in hybrid All-Wheel Drive Auto (met paint inc)	PCP	£21,401.25	48	£579	£21,401.25	3.90%	31/12/2021
JAGUAR							
F-Pace 2.0 D200 R-Dynamic Black 5dr Auto AWD	PCP	£9,035	48	£479	£21,623	4%	31/12/2021
E-Pace 2.0 D200 R-Dynamic Black 5dr Auto	PCP	£8,830	48	£399	£17,665	3.90%	31/12/2021
I-Pace EV400 Black	PCP	£11,700	48	£599	£27,994	0.00%	31/12/2021
F-Type Coupe 2.0 P300 R-Dynamic Black Coupe RWD	PCP	£10,694	48	£629	£27,204	4.90%	31/12/2021
F-Type Convertible2.0 P300 R-Dynamic Black RWD	PCP	£12,897	48	£699	£27,204	5%	31/12/2021
LAND ROVER							
Range Rover D300 Vogue Auto	PCP	£11,592	48	£899	£35,971	6%	31/12/2021
Range Rover Sport D300 HSE Dynamic Auto	PCP	£12,242	48	£699	£33,991	5.90%	31/12/2021
Range Rover Velar D200 R-Dynamic SE Auto	PCP	£9,949	48	£529	£24,961	4.90%	31/12/2021
Range Rover Evoque D200 R-Dynamic S Auto	PCP	£6,151	48	£449	£19,996	4.90%	31/12/2021
Discovery D300 S Auto	PCP	£12,972	48	£549	£25,569	5%	31/12/2021
Discovery Sport P300e R-Dynamic SE Auto (5-Seat)	PCP	£9,276	48	£499	£22,252	4.90%	31/12/2021
Defender 110 D250 X-Dynamic SE Auto	PCP	£14,491	48	£599	£28,645	5.90%	31/12/2021
CARE BY VOLVO							
XC40 Recharge Core	SUBS	£0	36	£589	N/A	N/A	N/A
XC40 Recharge Core	SUBS	£0	3	£719	£719	N/A	N/A
C40 Recharge	SUBS	£0	36	£679	£679	N/A	N/A
C40 Recharge	SUBS	£0	3	£829	£829	N/A	N/A
JLR PIVOTAL							
F-Pace	SUBS	£550	6	£850	£850	N/A	N/A
Discovery Sport	SUBS	£550	6	£850	£850	N/A	N/A
Range Rover Evoque	SUBS	£550	6	£850	£850	N/A	N/A
I-Pace	SUBS	£550	6	£1,000	£1,000	N/A	N/A
ONTO							
Renault Zoe ZE50	SUBS	£0	1	£389	£389	N/A	N/A
Hyundai IONIQ	SUBS	£0	1	£419	£419	N/A	N/A
WAGONEX							
Nissan Leaf	SUBS	£750	12	£418.80	£418.80	N/A	N/A
Peugeot e-208	SUBS	£250	9	£621.60	£621.60	N/A	N/A

Looking outside the vehicle manufacturer options, there are platforms like Wagonex that help dealer groups or leasing companies enable subscriptions on their fleets of vehicles.

Prices are set by the vehicle owner and there are options available right now for a Nissan Leaf from £418.80 for customers that commit for 12 months. Extras include delivery, roadside assistance, road tax, maintenance. A Leaf on PCP costs £290 a month.

EV subscription specialist Onto has models like the Renault Zoe from £389 and customers only have to commit for one month at a time.

Charging is included in the price and there's a mileage limit of 1,000 a month. The business currently has 3,000 active subscribers in the UK.

A Zoe on PCP from Renault is priced at £249 a month, so there's only a £140 premium per month for the flexibility on offer.

Anecdotally, a relative who recently took the plunge with a Zoe subscription to test the waters of living with an EV described it as "expensive, but the service has been impressive so far".

The industry has a lot of room for innovation in the retail finance, leasing and subscription space and it will be interesting to see if other platforms look to muscle in and potentially leave the traditional manufacturers and retailers behind in 2022 and beyond.

TOM SEYMOUR

SEARCH FOR FINANCE OFFERS

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

GET NOMINATIONS IN NOW TO CELEBRATE THE LEADING WOMEN IN AUTOMOTIVE

Cox Automotive's Barbara Cox Woman of the Year Award is now in its fourth year

Nominations have just opened for Cox Automotive's 2022 Barbara Cox Woman of the Year award, run in partnership with Bauer Media's B2B titles *AM*, *Fleet News* and *Smart Transport*.

The prestigious award, now in its fourth year, honours inspirational women within the UK automotive industry who demonstrate a commitment to innovation and leadership.

There have been some exceptional winners of the award since it was launched in 2019 including inaugural winner Beryl Carney, JCT600 head of commercial vehicles; Alison Jones, senior vice- president & Stellantis country manager UK in 2020; and, most recently, Lorna McAtear, fleet manager at National Grid, who picked up the award earlier this year.

The award is named after Barbara Cox, who served as director of Cox Enterprises, Cox Automotive's parent company in the USA, and recognises an inspirational female leader and role model in the automotive industry.

The winner receives £5,000 to invest on her personal development.

Alison Fisher, HR director at Cox Automotive International, said: "It's fantastic to see the Barbara Cox Woman of the Year award reaching its fourth year in the UK.

"There are so many women doing great things within the automotive industry and it is important to recognise their achievements.

"The Barbara Cox Award is our chance to celebrate their impact within the industry and inspire other women to join the automotive sector too.

"As a company, Cox Automotive is firmly committed to promoting inclusion, diversity and equity. We are already supporting many strands of activity in this area which have an emphasis on gender balance. This includes our rapidly growing 'Women with Drive' network and becoming patrons of the Automotive 30% Club, which aims for 30% of leadership roles to be filled by diverse women by 2030."

Current holder Lorna McAtear added: "Winning the Barbara Cox Woman of the Year Award was a major personal accolade. There are so many skillsets needed in this industry now and women have so much to offer. It's great to see organisations such as Cox Automotive leading these initiatives and recognising the crucial role of women in automotive."

This year's judging panel for the Barbara Cox Woman of the Year Award will see Fisher joined by Liam Quegan, the board sponsor for 'Women with Drive' at Cox Automotive Europe, previous winners Alison Jones and Lorna McAtear, plus Lynda Ennis of automotive and mobility executive search firm Ennis & Co, and Lindsay Greatbatch, head of B2B Memberships at Bauer Media.

Stephen Briers, editor-in-chief of *Fleet News*, *AM* and *Smart Transport*, said: "We're delighted to once again be partnering with Cox Automotive to highlight and honour the important role women play across the automotive industry.

"We hope that, by raising the profile of inspiring women, we will help to encourage more to consider automotive as a career choice."

Nominations for the award are invited from across the automotive industry and should be entered via http://womenwithdrive.co.uk/barbara-cox-award/nominate-here by January 21, 2022. The winner will be announced on March 8, 2022 – International Women's Day.

THE JUDGING LINE-UP


Alison Fisher, HR director at Cox Automotive International


Lorna McAtear, fleet manager at National Grid and 2021 winner


Lindsay Greatbatch, head of B2B Memberships at Bauer Media


Alison Jones, Stellantis senior vice-president and UK country manager, and 2020 winner


Lynda Ennis, founder of Ennis & Co


Liam Quegan, the board sponsor for 'Women with Drive' at Cox Automotive Europe

Benefit from real-time data integration with Auto Trader Connect

Auto Trader chief executive Nathan Coe has likened the launch of the marketing platform's new stock management solution to "exposing the heart of Auto Trader so that any retailer can use that data to power their business".

Auto Trader Connect (ATC) taps into the full breadth of online Auto Trader's data capabilities, enabling retailers to sync multiple back-end and consumer-facing systems and update them automatically in real-time.

From OEM-connected vehicle data to Auto Trader's live pricing feed and retailers' own valuation algorithms, ATC connects the entire stock management and marketing ecosystem to enhance efficiency, eliminate inconsistency and improve margin at the same time as customer experience.

"Cars are moving quickly; prices are moving quickly. What you need is real-time stock management and the ability to change prices quickly", says Coe.

> "IF I WANT TO CHANGE A PRICE, CORRECT A MISTAKE OR ADD A NEW PHOTO, IT'S DONE IN AN INSTANT
>
> **PAUL RICHARDS, CROMPTON WAY MOTORS**

"What we are doing is almost like exposing the heart of Auto Trader so that any retailer can use that data to power their business.

"If you think about everything that retailers need to do to take full advantage of technology and automation in their business, the very basis of that is good stock management, which demands an ability to keep data updated on-the-fly and ensuring, more than anything, that each car is exactly as described.

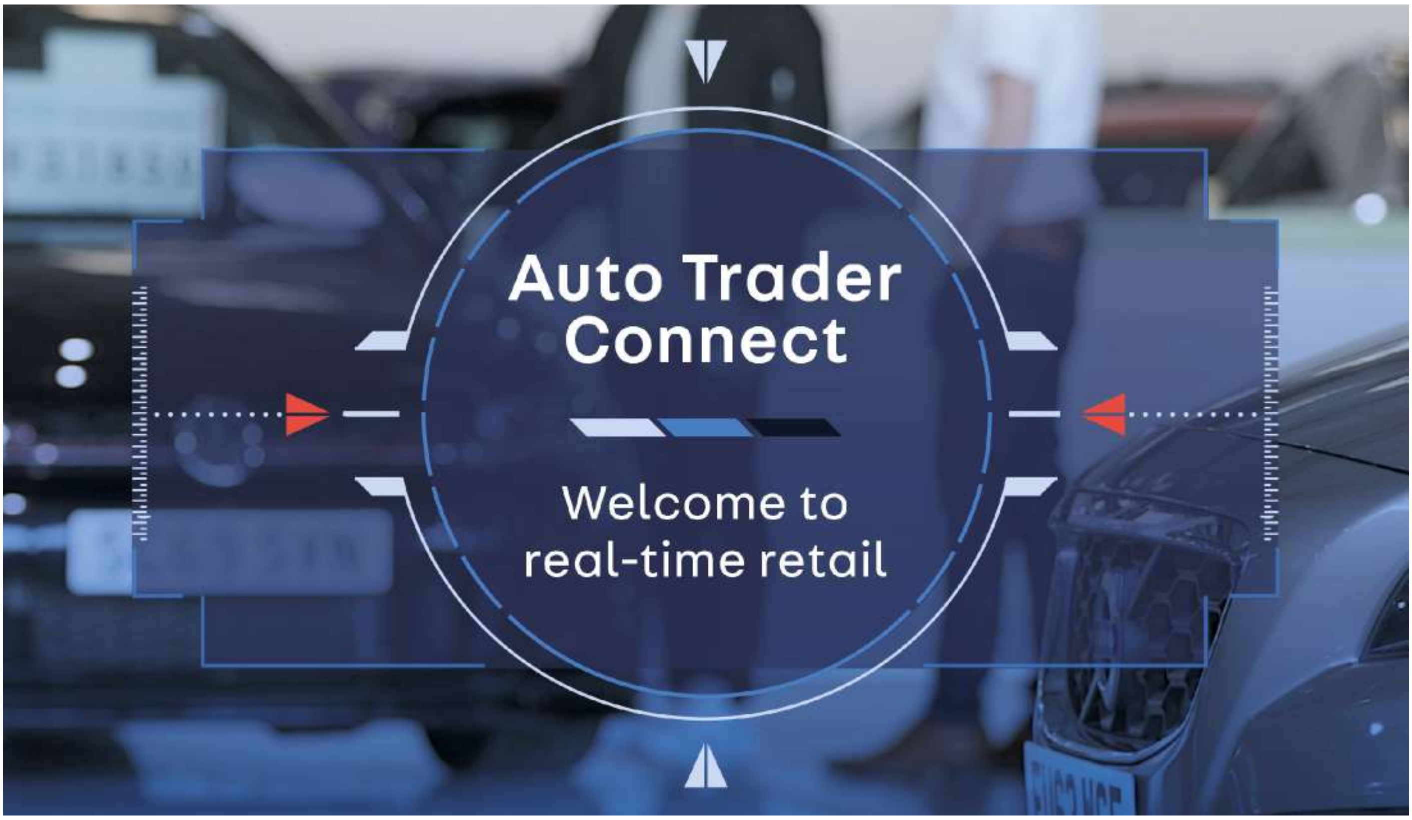
"This system gives access to the same data that we use, which is increasingly connected to the OEMs themselves."

ATC has already been live with 325 car retailers for 12 months while more than 1,200 have since requested access.

Retail Essentials, the first element of the Auto Trader Connect solution, will be included in all standard advertising packages from next year, with early access already available (from December 1).

To take full advantage of the new platform, all retailers have to do is ensure their third-party software providers can integrate their existing systems.

More than 60 have either already agreed to facilitate the process, or are committed to doing so early next year, including: Click Dealer; GForces; Dragon2000; eDynamix



Global; Nexus Point; The Whole Caboodle; Chief Mechanic; SalesMaster; Bluesky Interactive; and Dealer Kit.

Coe says Retail Essentials has already proven successful in eliminating re-keying, possible missed sales opportunities and pricing that is behind the fast-moving market.

Auto Trader found that almost half (45%) of retailers are adding the incorrect vehicle specifications into their DMS due to inaccurate data, an issue which risks misleading the consumer or impacting a vehicles' valuation.

Coe says: "If those descriptions aren't correct the customer is likely to go elsewhere or, equally, the retailer may be unaware of the true spec of the car and could be under-selling it. It's all lost revenue.

"Taking advantage of everything Auto Trader has to offer, to ensure these things don't happen, is just about integrating with Auto Trader Connect. Do that and the benefits will follow."

Paul Richards, the owner of Crompton Way Motors, which has been using Auto Trader Connect for the past six months, says the system allowed Crompton Way's high turnover forecourt to "reprice faster to drive higher margins" while saving staff two to three hours a day – the equivalent to a full day each week.

Richards adds: "We also no longer have the frustrating wait for a feed to run; if I want to change a price, correct a mistake or add a new photo, it's done in an instant, both on Auto Trader and my website."

Parkway Motor Group has also been using Auto Trader Connect. Managing director, Sean Booth, says: "Being connected in real-time to Auto Trader allows us to have all of the data at our fingertips to manage our inventory as accurately as possible.

"This enables us to advertise vehicles with rich vehicle data, price more accurately to optimise margin and manage them across our Parkway Group website and Auto Trader all from one system in real-time."

Coe says Auto Trader's strategy is to support its car retail customers to evolve and thrive in an increasingly digital retail environment populated by large-scale disruptors.

When the COVID-19 pandemic hit in Spring last year it moved quickly to offer free advertising, an offer it extended in December 2020 and February 2021.

But Coe says the "real support" offered to retailers was the advice, webinars, insight and the market visibility delivered by its data. This will help its customers continue to compete with new market disruptors with "big marketing budgets and big tech budgets", he says.

"A lot of our customers don't have the resources to invest in that to the same degree so we want to enable our customers to start that digital sales journey – which they might be able to complete online or on the forecourt – and help them to offer their customers that same choice," he says.

"We can already gather a guaranteed part-ex price that we can underwrite, but we also want to be able to offer the finance and also allow a customer to reserve the car.

"End-to-end sales are on the horizon. That's the road we're on. We are looking to offer our customers a complete package."

Auto Trader employs around 1,000 people, around a third of which are dedicated to supporting customers, a third to developing its technology and the remainder to marketing, finance and building the brand.

Coe adds: "We want retailers to feel the full benefit of all those people. Auto Trader Connect allows us to do that."

Coe suggests that the biggest threat to many car retail operations in the current trading climate could be complacency.

He says that the imbalance of supply and demand driving used car values up by around 30% year-on-year and weekly Auto Trader platform visits up 27% on 2019 – to more than 14 million – is unlikely to end any time soon.

But he adds: "The risk is that people aren't actively thinking how they can make change to their businesses and evolve because things are so good.

"Making change shouldn't necessarily be about the threat, it's about the prospect of the opportunity.

"The benefits that can be gained out of introducing technology into your business, reducing some of the mental tasks, reducing inefficiencies and discrepancies, they are things that can be felt over time right throughout the business."

HONDA

Honda UK's bold decision to rationalise its dealer network is reaching the end of 'phase one'. Now it is 'exploring' an agency model, reports Tom Sharpe

Honda UK managing director Jean-Marc Streng says the brand is exploring the possibilities of the agency franchised retail model as it draws to the end of "phase one" of its retail network restructure.

Speaking to *AM* more than two years after the Japanese brand took the bold decision to cut its network from 155 to "around about 100-to-125 with 200 retail sales, minimum, per dealer and an average return on sales of 2%" by 2022, Streng says the tally now stands at 130.

That is set to be reduced further – to 115 – within the next six months in what he described as the completion only of "phase one" of Honda's network restructure.

Further changes will see the network divided into geographic market areas in a process that will result in other dealership closures.

"What we are going to propose next is a larger market area to existing dealers, but that won't involve much more reduction of outlets," he says.

"We believe that with the volume we now have, the scale is about right."

Honda's bid to re-shape the way it does business in the UK could yet bring a switch to an agency-style franchise agreement, however.

Back in March a spokesperson for Honda UK told *AM* that it had "no specific plans" to introduce an agency model to its franchised car retail network in response to reports that the Japanese brand was about to embark on a global roll-out.

But Streng admits that it is "exploring" the concept in order to see "what was possible, or not".

"First of all, we're waiting for the new Block Exemption Regulations, because that has a massive impact," he says.

"The main thing right now is to define what people understand as 'agency'."

Honda's registrations slumped by 37.8% amid the COVID-19-enforced showroom closures of 2020, to 27,297 (2019: 43,913), following a 16.5% decline to 52,570 a year earlier.

The numbers are a far cry from the 106,018 record of 2007 when Honda's market share was 4.41%. The brand ended last year at 1.67%.

Year-to-date to the end of November 2021, registrations were down 2.18% to 25,340, taking market share to 1.73% in a market down 2.68% overall.

FROM PUSH TO PULL

Alongside its 2019 announcement regarding cuts to the scale of its franchise network the brand demonstrated a desire to move away from chasing volume by taking the radical step of removing dealer targets, instead asking dealers "what volumes do you need

Honda UK's virtual showroom – customers can book a live 30-minute one-on-one demonstration

KEY PRODUCTS

Honda E

Launched in summer 2020, Honda's first EV grabbed the attention with its retro styling and futuristic interior. A 137-mile range may limit its appeal.

Jazz

Still Honda's best-selling model – registrations were 32.1% up at 13,963 YTD in November – the new Jazz arrived in the UK in 2020.

to trade in to make your business work?"

Speaking to *AM* about the plans at the time, then head of network development, Rebecca Stead, said that bonus payments would be paid within 20% of the agreed volumes, asserting that the buffer would "remove any distress" and reinforce the fact that the brand is no longer pushing for volume.

Streng told *AM* that Honda UK had met with its franchised retailers days before our interview to inform them of the brand's volume aspirations for 2022 "based on what we have in terms of supply", however.

"This year we will achieve 26,000 to 27,000 registrations with a large order bank which, as of today, stands at more than 3,000," he says.

"Next year, we believe we can over-achieve, which will mean 30,000 to 32,000 registrations."

He adds: "We re-align volume on a quarterly basis so the dealers can align their targets. When the cars are loaded on the boat we know that they are arriving in two months' time, so we have certainty, unless there's another Suez Canal (blockage) crisis."

Streng says between 75% and 80% of Honda's sales go to retail customers, meaning it should be on course to significantly exceed is goal of 200 retail sales per franchised site with its smaller network of operators in 2022.

That will be positive news to franchisees, who were told at the recent dealer briefing that the network's average return on sales (RoS) stood at £364,000 – or 3.2% – for the 12 months to the end of November.

Streng is under no illusion how important profitability is to his franchisees.

In the National Franchised Dealers Association's (NFDA) Summer 2021 Dealer Attitude Survey, Honda was rated as 7.9-out-of-10 to rank eighth out of 32 brands, ranking seventh in relation to its "current profit return" with a score of 8.1.

When asked to rate their potential for future profit return from their franchise, dealers scored it 7.9-out-of-10, placing it fifth and indicating a positive response to its restructure plan.

"The NFDA survey results are important to us and we always score well in terms of profitability," Streng says.

"The overall score is down to that, but also down to the relationship we maintain with our franchisees. Many people use words like 'trust, transparency and partnership' when they talk about how they operate, but we mean it."

Jean-Marc Streng took up the role of managing director at Honda UK just before the pandemic struck

"MANY PEOPLE USE WORDS LIKE 'TRUST, TRANSPARENCY AND PARTNERSHIP' WHEN THEY TALK ABOUT HOW THEY OPERATE, BUT WE MEAN IT

JEAN-MARC STRENG, HONDA UK MD

STRONG RELATIONSHIPS

According to Streng, the majority of cuts to Honda's retail network to-date have been made possible through consolidation, with existing franchise partners asked to take on more sites while closing outlying locations.

Vertu Motors cemented its position as the biggest European retail partner with the acquisition of Hepworth Honda, in Huddersfield, in March – a year after it acquired the neighbouring Bradford franchise from Vantage Motor Group.

Marshall Motor Group is Honda UK's second-biggest partner with seven dealerships.

Asked if an increased representation from top AM100 groups had changed the experience of the average Honda customer, Streng says: "Those dealer groups have processes that ensure they can deliver the same service across the network. We see that the quality of service is not linked to the size of the operator.

"I think what matters is to have long relationships with our franchisees, because Honda is a quite unique proposition."

Streng succeeded David Hodgetts as MD of Honda UK from being general manager of Honda Motor Europe's Automobile Division, just ahead of the start of COVID-19 restrictions in February 2020.

He recalls: "My first registration month, in April, was just seven cars. As a new MD that's not the sort of record that you want to immediately set, but we put in place a series of strong measures to help us adapt to the situation."

Civic

The current C-segment hatchback is on its run-out in 2022. Arriving in Q4, the next-generation marks the end of non-electrified Honda sales.

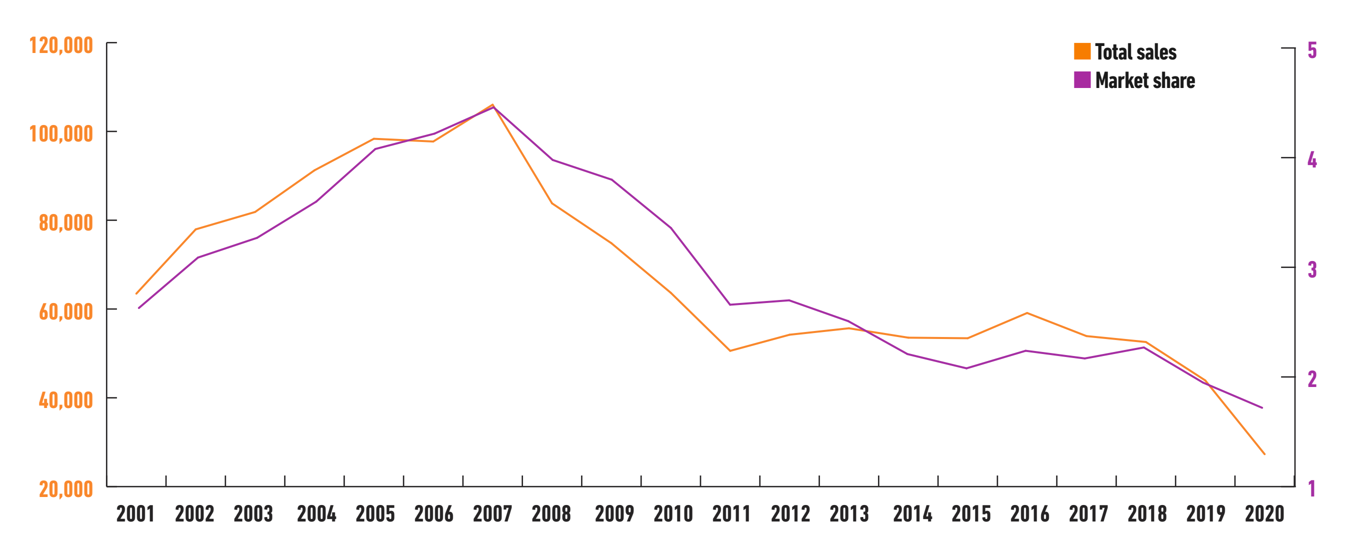
HR-V

Arriving in showrooms as *AM* went to press, the new all-hybrid HR-V represents a change of design direction for Honda.

CR-V

Launched in 2018 and revised in December to shift to an all-hybrid line-up, Honda's flagship SUV is priced from £30,180.

THE HONDA PICTURE OVER THE PAST 20 YEARS



Like many manufacturers, Honda has shifted towards incentivising order take, rather than sales.

ONLINE RELATIONSHIPS

And while its customers were cautious to visit dealerships in-person immediately after the lifting of various lockdowns, Streng says there was a shift online under COVID-19 restrictions.

"We developed a pre-reservation system with Honda e, that allowed customers to log-in online and create an account with us and that has been really positive.

"Our customers weren't keen to visit showrooms in March this year, but July-to-September we took 11,000 orders in three months. That tells us that the work has been done virtually."

Streng admits that Honda has watched as other OEMs developed an end-to-end retail solution, but added that it is now "around half-way through" developing its own.

There has been a move towards digitalisation of its customer relationships, though.

Streng admits the brand was "a little behind the trend with virtual showrooms", but acknowledged the role it had played in the launch of the new HR-V, alongside a new personalised 'Virtual Demonstration' allowing customers to book a live 30-minute, one-on-one consultation with a Honda product expert.

Real-world reviews are another initiative aimed to "hear customers talk about their cars" and spread the word about the brand.

Streng says: "We're confident about our line-up and what people will have to say. We think it's a good way to get some really positive and widespread exposure."

RANGE RENEWAL

The recently-updated CR-V, the arrival of new HR-V and a 2022 run-out for the current Civic ahead of its replacement in Q4 will be central to Honda retailers' growth prospects in 2022.

Sales of the brand's best seller, the Jazz, have risen 32.1% to 13,693 year-to-date to the end of November to achieve a volume more than twice that of its second-placed CR-V, which is up 6.7% to 5,677.

HR-V has fallen 93.9% YTD, to 226, with Civic down 11.9% to 5,020.

"We just ran out of the outgoing HR-V, so there's a gap, and we're also coming to the end of sales of the current Civic, which will have an impact on volumes," Streng says. "We only have five models, so when one of the big ones goes it has quite an impact."

On the arrival of the new HR-V, he says: "It's a clean, simple design which is very new and gives a clear ID to the brand and its future models. We believe it has the potential to account for 8,000-to-10,000 cars on an annual basis.

"We've already taken 2,000 orders and the first of those are now being delivered into the dealerships. A lot of those customers have bought the car without having test driven it."

One increasingly apparent gap in Honda's line-up is a big-selling electric vehicle (EV). Streng says the Honda e – introduced in summer 2020 – had generated strong publicity and attracted conquest customers, but would deliver only 600 to 700 annual sales.

A second EV model is scheduled to arrive in 2023.

New Honda chief executive Toshihiro Mibe recently revealed plans to launch 10 EVs in the next five years in a bid to fulfil his ambition for the brand to go fully-electric by 2040.

Streng points out that Honda will soon be fully electrified. He says: "We finished with diesel a year ago and, after the last registration of the current Civic, we'll be finished with petrol. We'll then be one of few suppliers to have only hybrid and battery electric (BEV)."

DRIVING RETENTION

Streng says he and his dealers are well aware of the importance of aftersales and used cars.

Honda's five-year service plan achieves 85% penetration and works hand-in-hand with PCP renewals to retain customers and their cars.

Retailers are encouraged to stock vehicles up to eight years old on their forecourts, Streng says.

He adds: "The third thing that helps this cycle is our cautious approach to residual values. There is no push sales model and we are very selective with our fleet channels. Those things ensure there is no distress in the residual values."

Streng says retailers have been exposed to significant change over the past two years and, after establishing contacts virtually early in his role as Honda MD, he now aims to deliver transparency through the network's dealer council.

Plans are discussed before being implemented, he says, while 10 sales and 10 aftersales area managers – operating in two regions operated by two regional heads – offer ongoing support 'on the ground'.

"I think that activity in the field has been really important. It backs up that transparency and openness we want in that franchise relationship, says Streng.

"Our aim is to be the franchise partner of choice for our retailers."

FACT FILE

HONDA UK MANAGING DIRECTOR JEAN-MARC STRENG

UK HQ: BRACKNELL

FRANCHISED RETAIL LOCATIONS: 130

MODELS: HONDA E, JAZZ, CIVIC, HR-V, CR-V

ANNUAL REGISTRATIONS: 27,297 (2020)

> **"WE FINISHED WITH DIESEL A YEAR AGO AND, AFTER THE LAST REGISTRATION OF THE CURRENT CIVIC, WE'LL BE FINISHED WITH PETROL**
>
> **JEAN-MARC STRENG, HONDA UK MD**

HAVE YOUR SAY
Do you agree with these opinions?
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VIEWPOINT

DO WE STILL NEED TO BE SUBSIDISED TO BE GREEN?

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

One of the big questions coming out of COP26 is how the event has affected customers' perception of vehicles and the environment. Questions revolve around not only the type of powertrain to be chosen, but are incentives still needed to encourage people to enter the electric vehicle (EV) market?

Undoubtedly, environmentalists and the conventional 'early adopters' are embracing the move towards EVs.

The introduction of new brands competing against legacy manufacturers has also provided a level of interest, if only on the stock markets.

Research in the mid-2000s by Sturgess Motor Group in Leicester asked customers whether they would be drawn towards a dealership if it were seen as being 'green'. Interestingly, the response was 'yes', provided it didn't cost more.

I am not sure if anyone has broken down the income profile of non-business users currently driving EVs, but I would expect the bulk will be middle-class homeowners with more than one car.

The challenge will come when the market develops and electric cars become an option for the general population.

Has COP26 altered the mindset so buying incentives are no longer needed?

In the case of Germany, the country achieved its target of having one million battery electric vehicles (BEVs) or plug-in hybrid vehicles on the road six months after its initial 2020 deadline.

Germany was the largest market for plug-in cars in Europe in 2020, but this has only been achieved with the Government offering a €9,000 (£7,650) subsidy for people to switch to electric and €6,750 (£5,735) to move to a hybrid vehicle.

Recent interviews with German dealers confirm that the split between plug-in hybrid and BEV is about 50/50, with these types of vehicle accounting for 1.2% of cars on German roads.

Others lag behind Germany, suggesting that, although there is an increased awareness of the need to cut CO_2 emissions, people still mentally counterbalance this against cost and are impacted by subsidies being offered.

In the UK, for many, the choice is still hampered by confusion. The question is why buy an EV now when the infrastructure is still being developed and when, in a few years, the battery technology will have improved?

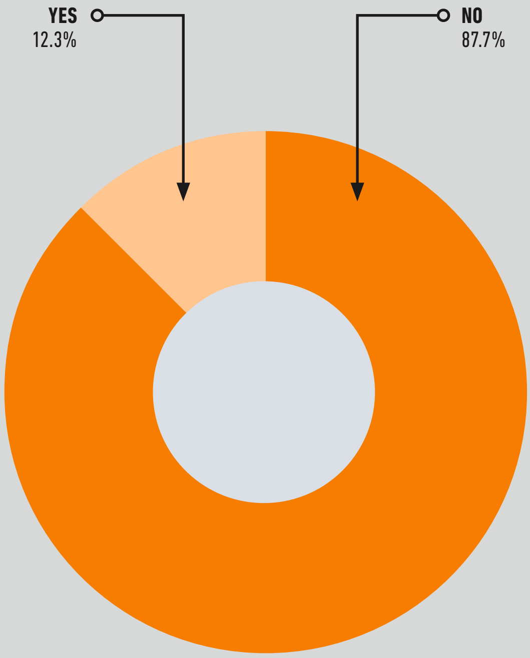
It may not be customer perception of COP26 that determines the uptake of EVs but the perception of the UK Government's commitment to hitting its own targets and the financial support they give to make this happen.

The evidence is that most people do want to be 'green', but, with the Brexit/COVID impact on the economy, many are wanting it to be a financially beneficial, as well as an ecologically positive decision.

"WHY BUY AN EV NOW WHEN THE INFRASTRUCTURE IS STILL BEING DEVELOPED AND WHEN, IN A FEW YEARS, THE BATTERY TECHNOLOGY WILL HAVE IMPROVED?"

AM POLL

WILL NEW CAR SUPPLY BE RESTORED TO NORMAL LEVELS IN 2022?



The theme of 2022 for dealers will be 'carry on as you were' selling what you can get, given very few in the UK automotive industry predict the ongoing new car production issues will be resolved any time soon.

A wish to get back to normal business has remained unfulfilled in 2021 due to reduced supplies from vehicle manufacturers, and almost nine-in-10 of our poll participants believe limits will continue.

Some dealers commented that they've already been informed their 2022 volume target will be lower, and some don't predict much improvement until 2023 at least.

Others suggested this is a "watershed moment" for the automotive sector.

One respondent said: "The global supply chain will not be able to adjust within the next 18 months to provide pre-pandemic levels of service, but, by then, the OEMs will be battling the relentless model changeovers to electric vehicles with new supply chain challenges to overcome."

Another felt OEMs were being misled by their own suppliers, as production keeps stopping and starting and the messages coming down the line are inconsistent. The industry is "being held to ransom" by chip makers, another suggested.

NEXT MONTH: WHAT IS YOUR TAKE ON THE CAR RETAIL SECTOR'S ONGOING VEHICLE SUPPLY SHORTAGES?

VOTE NOW AT AM-ONLINE.COM/POLLS

AM AWARDS : 2022

NOW HELD IN LONDON

WIN 'UNDERSCORES OUR REPUTATION' AND IS AN 'INCREDIBLE LIFT' FOR STAFF

That's just two views of what it means to win an AM Award: entries are now open for 2022

Entries are now open for those wishing to follow in the footsteps of business leader of the year Daksh Gupta, chief executive of dealer of the year Marshall Motor Holdings, who said: "Being an AM Award winner is an accolade we are very proud of. The awards help in underscoring our reputation of being a high performing partner of choice and, therefore, an employment destination."

Or Peter Vardy, chief executive of Peter Vardy Ltd, winner of best online customer experience and the community hero award, who said: "The impact on colleague morale and the encouragement that (winning an award) gives is second to none. To win among your peers is an incredible lift for the team."

Like them, you can boost your business credibility and performance and your staff motivation, recruitment and retention. All it takes is half an hour of your time!

Interested? Then enter the AM Awards 2022 – your opportunity for recognition and reputational enhancement.

Judges are looking for quality, innovation and evidence of improvements in each of the dealer, manufacturer, supplier and headline categories.

Numerous studies that have shown the positive impacts that winning industry awards can have on a business and its employees. Even being shortlisted can have big benefits.

Award winners say it has helped them to acquire new talent, raise brand profile with customers, boost business reputation and improve staff motivation.

Judged by sector veterans and chaired by Christopher Macgowan OBE, the AM Awards has the outstanding credentials and credibility to make entering worthwhile.

But don't just take our word for it, we've also included more testimonials (far right) from some previous winners.

STEPHEN BRIERS

CHAIR

Independent chairman, Christopher Macgowan OBE

AM AWARDS JUDGES

Stephen Briers, editor-in-chief, *AM*

Sally Fyffe, head of wholesale at Micheldever Group

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

Steve Nash, chief executive, Institute of the Motor Industry

Sue Robinson, chief executive, National Franchised Dealers Association

Tim Rose, editor, *AM*

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

Tom Sharpe, news and features editor, *AM*

Steve Young, managing director, International Car Distribution Programme

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AWARDS 2022 TIMELINE

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FEBRUARY 25, 2022
Entry deadline for all categories

APRIL 6, 2022
Judging day

APRIL 11, 2022
Shortlist revealed via am-online.com

MAY 12, 2022
Winners revealed at AM Awards black-tie ceremony, Park Plaza Westminster, London

TO ENTER THE AWARDS, GO TO:
AM-AWARDS.CO.UK

CATEGORIES

** Open to franchised and independent retailers*

- Online Consumer Experience of the Year - Independent dealer **(NEW)**
- Online Consumer Experience of the Year - Franchised dealer — *sponsored by Shell Lubricants*
- Marketing Strategy of the Year* — *sponsored by CarGurus*
- Best in Customer Service* — *sponsored by LTK Consultants*
- Leader in diversity and inclusion* **(NEW)**
- Community Hero Award*
- Best New Product or Service
- New Car of the Year
- Used Car of the Year — *sponsored by Car Care Plan*
- EV of the Year — *sponsored by* Diamondbrite Automotive
- EV Dealership of the Year
- Used Car Dealer of the Year* — *sponsored by Santander*
- Independent Workshop of the Year **(NEW)**
- Franchised Workshop of the Year **(NEW)**
- Leasing Operation of the Year **(NEW)**
- Franchised Dealership of the Year
- Independent Dealer of the Year
- Dealer Group (up to 10 sites)
- Dealer Group (more than 10 sites)
- Supplier of the Year
- Manufacturer of the Year — *sponsored by Keyloop*
- Retailer of the Year* — *sponsored by Keyloop*
- Dealer Principal/General Manager of the Year — *sponsored by EMaC*
- Business Leader of the Year
- AM Hall of Fame

TESTIMONIALS

"Being an AM Award winner is something that means a lot to us all at Marshall and an accolade we are very proud of. The awards ultimately recognise the outstanding work of our amazing teams. They also help in underscoring our reputation in the industry of being a high performing partner of choice and, therefore, an employment destination." Daksh Gupta, Marshall Motor Holdings, business leader and dealer group of the year

"Winning the AM Award is hugely rewarding. It's great for everybody involved and makes them feel those tougher times and the hard work that's gone in has paid off. It gives a warm feeling to everyone no matter what their role is within the business." Julia Greenhough, TrustFord, best marketing strategy

"We have always enjoyed the competition of the AM Awards. Some of the planning we do prior to the entry gives us a sense check of what we are doing and we always value that review time. The awards are always an enjoyable event in themselves and we have found it a good team-building event to get various leaders together each year. If we have managed to win, then the impact on colleague morale and the encouragement that gives is second to none. Everyone loves encouragement and to win an award among your peers is an incredible lift for the teams." Peter Vardy, Peter Vardy Ltd, best online customer experience and community hero

MINUTES WITH...

Sue Robinson, chief executive of the NFDA

How can the National Franchised Dealers Association (NFDA) help ensure showrooms are not locked down again in the event of restrictions due to Omicron?
Franchised dealers have repeatedly proved they can operate in a COVID-secure way. Following the first lockdown, dealers were allowed to reopen a fortnight earlier than other 'non-essential' retailers. Since then, some of the measures implemented through the pandemic have been retained as the safety of staff and customers remains a priority. NFDA speaks to the Government regularly to ensure that business can continue as smoothly as possible in a safe manner.

How is the NFDA working to make sure franchised dealers' concerns over the balance of power within the OEM relationship are heard?
The key issue NFDA has been highlighting with the possible advent of agency models is the potential threat to competition, subsequently affecting value for consumers. In particular, in our response to the Competition and Markets Authority (CMA), we have outlined that preserving healthy intra-brand competition and allowing OEMs to adapt, innovate and drive efficiencies are not mutually exclusive. Recently, I met with our Australian counterparts to discuss agency agreements and their strategy. We are also liaising with our European counterparts via the Alliance of European Car Dealers and Repairers (AECDR) to assess the implications across other countries and discuss trade associations' next steps. There is a lot of work going on behind the scenes.

What has been the feedback from members about changes to the retail model and agency?
Dealers are well aware that a strong relationship with their manufacturer partners in the current format is key, however the majority of franchised dealers appreciate the current model will continue to evolve.

> **"THERE IS A LOT OF WORK GOING ON BEHIND THE SCENES (REGARDING OEM AGENCY MODELS)**
> **SUE ROBINSON, NFDA**

There has been a lot of discussion surrounding 'agencies' and what constitutes the pure agency model. Future relationships can, and will, vary dependent on the agreement of each manufacturer; these will need to be evaluated on a case-by-case basis to understand the implications of the various types of contracts that may be proposed to dealers.

What are the latest developments with the Drive My Career (DMC) initiative and what is the priority focus in 2022?
Since its launch in February 2018, DMC has seen incredible growth with a peak before the outbreak of the pandemic when 3,000 young candidates used to be sent to members' career pages every month. During the pandemic the focus of DMC's activities had to change slightly to better reflect members' needs as most businesses stopped recruiting. With fewer vacancies available, DMC ramped up its efforts aimed at promoting the retail automotive sector as a great place to work long term. We have also held a number of events and an all-new 'Supercharge Me' webinar to support young people and their mental, physical and financial wellbeing. Going forward, the NFDA HR working group will meet in January and the feedback of NFDA members' HR professionals will prove extremely helpful in steering the direction of DMC in 2022.

What's the latest with the Electric Vehicle Approved (EVA) initiative and next steps for 2022?
Over the past three years, retailers have embraced our EVA accreditation scheme. There are currently more than 250 accredited dealers in the UK as the number of Government-funded slots was limited to 100 each year. There are an additional 100 retailers lined up to receive their accreditation. NFDA is encouraging approved dealers to promote their EVA status through communications with customers both digitally and on point-of-sale material. The goal is to inform more and more motorists about EVA and make sure they understand that visiting an EVA-accredited retailer means 'peace of mind'.

What do you see as the biggest barriers to EV adoption in the UK?
Public charging infrastructure is improving, but the Government must continue to invest in it to avoid a scenario where the uptake of EVs becomes heavily localised. Also, financial incentives remain vital to support consumers as the cost of EVs is often indicated by motorists as the main obstacle to EV adoption. We must ensure all motorists can access charging. To outline dealers' priorities and continue to call on the Government to support businesses and consumers, NFDA has been responding to consultations, communicating regularly with officials, and has held a number of constructive meetings with key Government departments.

Is the NFDA working to boost engagement with members and Government?
Engagement with the Government as well as our members is vital. We have reinstated our Parliamentary Engagement Programme where we invite local MPs to visit a dealership in their constituency to understand the investments of our members, their contribution to the economy and the importance of automotive retail as a key employer within the UK. We will continue to meet with relevant Government departments, manufacturers and develop ongoing relationships with other relevant stakeholders. TOM SEYMOUR

FACT FILE

OFFICES:
LONDON, BELFAST, BRUSSELS

REPRESENTS:
AROUND 4,500 FRANCHISED OUTLETS

CORE INITIATIVES:
DRIVE MY CAREER, ELECTRIC VEHICLE APPROVED (EVA), DEALER ATTITUDE SURVEY, CONSUMER ATTITUDE SURVEY

SPOTLIGHT:
FINANCE

Navigating finance challenges in 2022

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+

TRANSPARENCY AND CONSISTENCY
THESE AREAS WILL MATTER MOST AS THE FCA PREPARES TO LAUNCH ITS CONSUMER DUTY PROTOCOLS

PAGES 26-27

THE IMPACT ON INDEPENDENTS
FINANCE VOLUMES HAVE HELD UP WELL SINCE BLOCK WAS PUT ON DEALERSHIPS' DISCRETIONARY COMMISSION MODELS

PAGES 29 & 34

FUTURE FOR FRANCHISED RETAILERS
FEW DEALERS ARE REPORTING ANY NOTICEABLE VARIATION IN INCOME AS A RESULT OF THE COMMISSIONS RULING

PAGES 38-39

SPOTLIGHT:

FINANCE

Transparency/consistency will matter most in 2022

Financial Conduct Authority is working on the launch of new Consumer Duty protocols

With December's publication of the Financial Conduct Authority's (FCA) second consultation on its new all-encompassing Consumer Duty protocols and the automotive retail sector now subject to commission disclosure regulations, motor finance has once again been reassessing how it operates. Here, three finance providers and the National Franchised Dealers Association (NFDA) give their insights. *AM* spoke with Alphera director Preston Rogers (PR); managing director of Close Brothers Motor Finance Seán Kemple (SK); Oodle managing director Philip Williams (PW); and NFDA chief executive Sue Robinson (SR). A finance analyst, who asked to remain anonymous, also contributed.

1. How have the FCA's rules updated the way retailers do business over the past 18 months?

PR: There's more simplicity for customers and more transparency which is taking a lot of the haggling away and that's a positive. It has not taken away the negotiation, people still negotiate on price and the part-exchange. Online, the ability to transact has become quicker because what is seen is far more representative of what will be paid in the showroom.

SR: Franchised dealers have responded positively to the new rules and have been taking all necessary measures to ensure full compliance. Many dealers were moving towards the new rules before these came into effect.

PW: Many of the dealers and brokers we work with had already adopted best practice before the regulations came into force. However, there is more finance partners can do to help dealers create the right customer outcomes and the best buying experiences. These changes are going to force the motor finance industry to innovate and provide value to dealers in other ways, for example service levels, digital capability and customer experience.

SK: The FCA's rules have been received positively by the industry and retailers. Far from impacting profitability, retailers have adapted to the regulatory changes, resulting in enhanced opportunities to sell vehicles and POS finance for many retailers. While dealers haven't had to make fundamental changes to the way they do business, they have needed to adapt their processes to ensure adoption of the FCA's rules and of new lender financial models. Ultimately, the regulation facilitates greater adherence to the rules and principles of treating customers fairly (TCF).

2. Is there a growing interest or was there a spike in interest from customers in commission earned as part of a sale when the changes were introduced?

PR: We have not seen a change. We have not noticed a difference in the number of customers asking for the commission amount to be disclosed. What we are seeing is when a customer needs to speak to a dealer because there is only one APR (annual percentage rate) available, it ends up being a discussion at that point. I think that conversation is taking place much more than it used to, but customers are focused very much on the monthly payment. They can compare nationally, by brand, and see if the deal is a good deal for them.

SR: NFDA members' feedback suggests there has been no major increase in consumers

Preston Rogers – new measures have taken the haggling away

Seán Kemple – the FCA rules have been received positively requesting commission disclosure. So far, the proportion of consumers doing so is marginal. We are aware that few dealers have been contacted by the FCA about how they are complying with the rules for background information and have responded well.

PW: With increased online research, consumers are now more aware of rates and terms than ever before – but more can be done to promote the change among customers and encourage the right conversations. If you think of the mortgage industry, commission disclosure is totally normal. We need to transition to a similar model of commission disclosure in motor finance.

Industry analyst: On offering each consumer the same rate, customers with good credit ratings, who would likely have been rewarded with a lower APR, will now subsidise riskier borrowers who, with their pick of lenders, could take their businesses elsewhere. I think we should be concerned that the most prominent change has been a move to fixed rates and that the £165m of savings forecast publicly by the FCA may not be delivered.

3. How will the proposed Consumer Duty impact retailers further?

PR: TCF is already entrenched but there may be a greater emphasis on firms to document what they are doing and to evidence what they are doing. We have a very good and robust document provenance, but we may have to document more than we do today to evidence good customer outcomes. The bar is going up and we have to take a consistent approach. At the bottom of the market there may be some businesses that have to do some work and get this higher up on the agenda but, for the most part, I have seen a change in awareness on this topic over the past few months, it is starting to gather momentum. On a base level, the new Consumer Duty is not that different to TCF. If dealers are already doing that and you are well intentioned on those principles then the world will not change. We have let go around a dozen partners because we don't think they can make the grade long term. I would rather do that than have a customer have a poor outcome."

Industry analyst: The FCA's Consumer Duty consultation paper, which covers all retail finance, was quite explicit in noting that, while the regulator saw many good practices, 'too many firms that are not adequately considering the needs of their customers, or prioritising good consumer outcomes as an objective of their business activities'. I'm sure in early 2022, the sector will be working to establish what this means in practice. However, I suspect the outcome of FCA's supervisory work to assess the January 2021 changes will be something that may well start to reflect the proposed Consumer Duty.

4. What effect will non-regulated leasing and subscription solutions have on franchised car retailers?

PR: If the FCA saw something where it thought the industry was not leading itself in that space, they would take action and then force them to do so. From a principled perspective, if you present a customer with a product, they should be told all the salient points, they should be properly compared and they should know all their rights and obligations.

PW: The important thing here is making sure we create brilliant customer outcomes and genuine finance transparency, however people choose to pay for their car.

5. How has your network adapted to provide a more transparent, customer friendly finance proposition in recent months, particularly online?

PR: Because of COVID, dealers have been wanting to close the sale far more quickly so they have removed some of the moving parts in the online proposition. The price you see is the price you pay and they have seen more sales because of that and I'm sure the FCA would like the sound of that because we have taken the haggle away, made it more transparent and simplified the process.

SK: The pandemic has led to a fundamental shift in consumer habits and behaviour, in particular, inciting rapid acceleration of digital buying. This had a knock-on effect on the typical finance journey. As a lender, Close Brothers Motor Finance has worked to support our partners capitalise on this shift, and to help make the car-buying process and access to finance meet consumer needs.

PW: We know that 54% of customers want to arrange their finance before they buy their car – and we believe that trend will only increase. Our approach is to facilitate a digital finance-first journey. We make finance an easy, transparent process, helping customers get very comfortable with their budget before they buy. DEBBIE KIRLEW

Philip Williams – many dealers had already adopted best practice

Sue Robinson – no major increase in disclosure requests

The impact of FCA rule changes on independents

Finance volumes have held up well since regulator put the block on dealerships' discretionary commission models

Independent used car dealerships and supermarkets have been best positioned to adapt to the Financial Conduct Authority (FCA) rule banning discretionary commission models that was brought into force last January.

The FCA said the ban, which prevents brokers being rewarded for charging consumers higher interest rates, will save car buyers £165 million per year, eliminate conflicts of interest, increase competition and protect consumers.

Because independent retailers can adjust their interest rates more easily than franchised dealers who often prioritise captive finance houses with fixed rates, that has enabled them to remain profitable while complying with the new regulations.

Reflecting this, independent dealers and lenders both report that finance volumes have held up well since the changes came into effect on January 28, 2021.

Consumers have also benefited from the new model which is simpler and more transparent, as the cost of credit has reduced, finance penetrations have increased and customer satisfaction index scores have been maintained at consistently high levels.

"Particularly with the independent dealers, more so than some of the bigger franchises, we haven't been as reliant on finance commissions," says Umesh Samani, Independent Motor Dealers Association chairman and Specialist Cars owner. "We have always been more focused on getting a profit out of the metal than those on lower margins who target add-ons such as car finance, so the new rules haven't meant a big change for us."

Where dealers have embraced such a risk-based pricing approach, in the case of independents, both the retailer and the consumer have gained, says MotoNovo Finance MD Karl Werner. However, those that have adopted a flat-fee structure and can't tailor interest rates to a customer's specific circumstances have limited their finance offering to more creditworthy people, he says.

"For dealers, it is measurably enabling them to convert highly creditworthy car buyers to their finance, with the type of competitive interest rate they would be unlikely to offer with a single one-size-fits-all interest rate," adds Werner. "Additionally, it provides peace of mind that the interest rate provided is tailored to each customer's credit status."

From a lender's perspective, the move to the new rules has been relatively smooth, says Finance and Leasing Association head of motor finance Adrian Dally. This is because the new interest rate models are clearer, thus enabling greater trust to be built between the consumer and retailer, he says.

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Times change, our values remain.

Santander Consumer Finance (SCF) continues to invest in your future, by focussing on a sustainable growth strategy and cultivating long term prosperity.

Supporting our dealer partners and customers

Although the market recently has faced significant challenges, SCF has remained totally committed to delivering first-class support for its dealers, OEMs, and customers. This has been evidenced by offering extensions on wholesale appropriations, providing a suite of digital tools at no cost to its dealer partners, and offering customers affected by the pandemic payment deferrals, with no charges or interest applied.

Fostering Relationships

SCF's success is due to the strong relationships and investments with its dealer and OEM partners. SCF are very proud and totally committed to continue supporting its partners and helping them prosper for the foreseeable future. SCF continues to adapt and enhance their finance product proposition in line with its partners' business models to help them surpass their growth ambitions.

Future Investments and Sustainability

SCF is here to help you prosper, they are committing to a green future in line with the Santander Group. SCF have partnered with iOffset to help dealers and customers offset their emissions and provide valuable information about how we can protect our environment for the future. SCF is diversifying its portfolio by investigating greener methods of transport to make SCF a leader in this changing world as the industry prepares to transform.

Revolutionising our Digital Capabilities

As the UK continues to adapt to the challenges of the pandemic, SCF is well positioned to continue its digital transformation, by building on the success of its e-Sign Plus facility.

Simultaneously SCF launched our online application platform that delivers complete end-to-end transactional capability.

This has been instrumental in keeping SCF's dealer partners transacting during the pandemic.

SCF has furthered its digital capabilities with the launch of **Your Red Car**, an exclusive online marketplace for dealers. SCF's vision is to increase online car sales for dealers with a reduced marketing overhead and a customer reward for each completed purchase. The platform allows customers to browse and shop in confidence, with real peace of mind. This truly is an exciting time for SCF and **Your Red Car**.

Undoubted commitment to you

Stewart Grant, SCFs Commercial Director says "We continue to demonstrate our total commitment to dealers, OEM partners and our customers year after year, and this promise will continue. Through our ongoing investment and commitment from Santander UK we are well positioned to help dealers maximise on vehicle sales through our market leading business proposition".

To find out more, please visit:
dealer.santanderconsumer.co.uk

Santander Consumer Finance

CCP establishes ID team to oversee the product registrations process

Focus on compliance has never been more relevant in the field of warranty products

Q Why has compliance become such an important area for Car Care Plan (CCP) to focus on?

A Compliance has always been an integral part of CCP business. With ever-evolving legislative requirements, it is important we continue to provide the level of service our distributors have come to expect from us.

CCP has a board governance framework, which details our approach including governance structures, principles, policies and procedures, all designed with the customer at heart.

CCP is committed to ensuring products offer value and utility to customers throughout the entire product lifecycle, that is from the point the product is designed, all the way through to when it is utilised by the customer.

A key part of this is maintaining oversight of the distribution chain by having proactive processes designed to tackle any potential customer detriment. The distribution chain is monitored by our 'Distributor Performance Dashboard' which allows for early identification of any potential issues.

Q How many CCP-related transactions do the business's car retail clients complete annually which require a compliance focus?

A As a business, we currently manage more than a million product registrations per annum; the ID team has been resourced to manage this accordingly.

The team has a great understanding of both the motor retail and insurance product market and can provide support to meet the requirements of our mutual customers.

At CCP, there is a compliance focus on all products sold within our distribution network, thus ensuring that all customers are always treated fairly and without prejudice.

Our distribution network is currently split 50/50 between distributors that are Financial Conduct Authority (FCA)-authorised, and those that are an authorised representative (AR) of a principal firm. It is therefore vital to maintain a strong business relationship with all parties even though their requirements can be different.

Q What is the aim of the new team (ensuring the customer comes first)?

A While CCP reviews performance of each stage of the product lifecycle, the ID team is responsible for maintaining oversight of the distribution chain to ensure products are being distributed to customers in a compliant manner.

Not having adequate oversight of the distribution chain may lead to customers being sold unsuitable products or being overcharged and could lead to mis-selling.

Some ways we do this include:

- Onboarding and due diligence – CCP carries out due diligence to ensure the distributor is reputable, financially sound and has the adequate processes in place for offering general insurance products. The ID team will work closely with the distributor to obtain all the necessary information required for set up and activation.
- Distributor training and compliance reviews – the team will arrange in-depth product knowledge training and the appropriate sales process training to ensure sales executives have the necessary expertise to offer the product.

Q Why the introduction of a new division within CCP to manage this process?

A The FCA expects CCP to maintain a greater degree of oversight over the distribution chain to ensure customers are receiving the intended value and utility from the products.

The introduction of the dedicated ID team allows CCP to effectively monitor and review performance of the distribution chain and take any necessary action where required.

This team's primary focus is to ensure customers are receiving value and utility from CCP-administered products.

COMPANY PROFILE

Car Care Plan was founded in 1976 to provide warranty products to the automotive market. In the 45 years since, the company has gone from strength to strength to become one of Europe's leading providers of vehicle warranty and motor-related add-on products.

Today, the company registers more than 1.2 million products annually, with active policies in 70-plus countries worldwide managed through five strategically-based offices.

Our in-house insurer carries an A-rating from credit rating agency AM Best, with further backing from our fellow A-AM Best-rated parent company AmTrust.

Car Care Plan has built relationships with more than 20 major manufacturers and in excess of 2,000 group and independent retailers.

Alongside this, the company has significantly expanded its products, offering a core product range of warranty, asset protection, cosmetic insurance, alloy wheel insurance and tyre insurance, with complementary additions including MOT test cover, roadside assistance and service plans. Each of its insurance products carries a five-star defaqto rating.

“CCP IS COMMITTED TO ENSURING PRODUCTS OFFER VALUE AND UTILITY TO CUSTOMERS THROUGHOUT THE ENTIRE PRODUCT LIFECYCLE

BEN RUSSELL, CAR CARE PLAN CEO

Q What are the practical steps being implemented to ensure car retailers' compliance (new staff to support retailers, new training, etc.)?

A With the advent of the ID team, one of our main areas of focus was achieving greater oversight of our existing distribution network. This was achieved by placing due diligence checks into action.

This exercise has provided us with a complete breakdown of our current distributors' activities, which includes the development activities that are currently undertaken within those businesses.

While face-to-face training will always be a part of our development process, we also have our own E-learning platform, which provides product knowledge and process training and can be tailored for an individual distributor's requirements.

All training material is agreed and signed off by our Compliance Division.

Q Can good compliance practice potentially result in increased sales, as well as good customer outcomes?

A Looking at it from a customer's perspective, the better the customer understands the features and benefits of the product being offered to them, the more informed their decision. Ensuring the customer journey is compliant, all products offered are suitable and the customer is eligible, results in lower cancellations, refunds and complaints.

This, in turn, would result in increased sales and profitability.

Putting the customer first and understanding their unique requirements not only shows how much you value the customer, but, consequently, has a higher yield and an increased downstream opportunity for customer retention and increased sales and revenue.

To find out more about Car Care Plan, simply visit **carcareplan.com**

Car Care Plan
An AmTrust Financial Company

Ben Russell took up the role of chief executive officer at Car Care Plan in the summer of 2020

"This is particularly true of independents and supermarkets, who have benefited from being able to provide a more straightforward proposition to the customer," says Dally. "It's all about having models in place designed with the consumer in mind, with each provider competing on the basis of who can get them to engage with their product and deliver the best customer journey."

Dally adds that the new rules have also focused the dealer on establishing a panel of lenders it can develop a long-standing relationship with that will provide the required support and assurance it is selling the product compliantly. That gives the customer a better point of sale experience, he says.

"This is reflected in the fact that dealers are now selling a higher percentage of their cars on finance than before," said Dally.

"That's because the rules are clearer, the dealers have the confidence they have the backing of their lender partners and they are selling the product in a compliant manner."

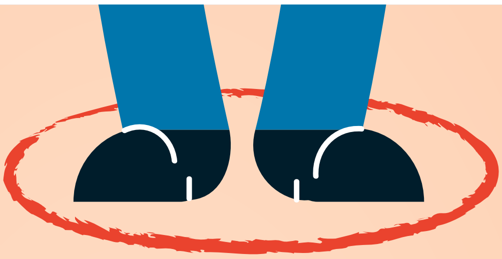
The new rules have also enabled the retailer to price more clearly, says Preston Rogers, head of Alphera Financial Services. The consumer also feels like they are getting a fairer deal, he adds.

"It does away with the need to haggle, which the customer actually likes because they know they're getting the same rate as everyone else," says Rogers.

"Especially online, it has made the process quicker because there is only one transaction price and there are no vagaries involved with different rates."

But car finance expert Graham Hill believes the consumer will lose out because of the changes. He says: "The consumer has been disadvantaged because they no longer have the opportunity to negotiate the APR down as the rate has been fixed by the new rules.

"The dealers further remove consumer choice by refusing to invoice lenders outside of their own panel, as a result, while the consumer could have access to a cheaper rate from a broker or a lender directly, the dealer forces the consumer to use their more expensive offering."



> "THE CONSUMER HAS BEEN DISADVANTAGED BECAUSE THEY NO LONGER HAVE THE OPPORTUNITY TO NEGOTIATE THE APR DOWN AS THE RATE HAS BEEN FIXED BY THE NEW RULES
>
> GRAHAM HILL

Samani says that most consumers weren't aware of the new FCA changes and their implications.

He adds that he has never been challenged over the rate of commission earned because it was always set competitively and he hasn't been since the rules came in either.

To the contrary, Rogers believes that consumers are actually becoming more informed because dealers have had to be more upfront about the product they are selling due to the changes.

That is being backed up with the information provided on their websites, he says.

"Dealers have driven customer awareness because they have had to disclose all the details they need to know about the deal," says Rogers. "They can also go online and check this information because it's now readily available."

Where consumers have changed their behaviour is the migration to online and retailers have had to keep pace, particularly during the COVID-19 pandemic with an increasing number of people now buying their vehicles remotely. They are also more cognisant of their credit status and interest rates.

David Bilsborough, owner of Cheshire Cars, who has been practising the same model years before the FCA changes came into effect, says: "As an industry, this gives us a great opportunity to be more transparent and open about our offerings moving forward, in order to build more trust and engage with the consumer in the sale of our product. It's a win-win for both the dealer and the consumer."

ALEX WRIGHT

NEW CONSUMER DUTY REGULATIONS WILL LAUNCH IN 2022

The FCA is set to enforce a new Consumer Duty in late 2022 focused on making finance agreements easier to understand.

The regulation, which will be finalised by July, will provide greater clarity of terms and conditions as well as making it easier for customers to complain.

It will require firms to:

- Ask themselves what outcomes consumers should be able to expect from their products and services.
- Act to enable, rather than hinder, these outcomes.
- Assess effectiveness of their actions.

MotoNovo Finance managing director Karl Werner says the FCA has given retailers and lenders ample warning it expects all customers to be treated fairly and the customer's needs are put first.

They must also benefit from an experience that ensures they are informed, and can act and make decisions in their interests, he says.

"The challenge thrown out by the regulator is to ensure a business' culture and behaviour are focused upon consumer outcomes consistently," says Werner. "There will be a higher expectation from the FCA about what a good outcome means: that we must all invest in our cultures, training, processes and controls, and, above all, in considering what a good outcome means."

Preston Rogers, head of Alphera Financial Services, adds: "It's all about treating the customer fairly and making sure we can provide them with products of value, and that we can clearly demonstrate that. Yet again, the FCA is raising the bar and, as an industry, the onus is on lenders and dealers to meet that while continuing to remain profitable."

Striving for a **better**-connected **finance** journey

Introducing Codeweavers Eligibility Checker

While it would seem that buying experiences are becoming more streamlined within the automotive industry, there's a critical factor that is yet to be incorporated - the finance journey.

Most buying journeys stem from either the need or want of a new vehicle, meaning the relationship between a customer and retailer is formed early on. Connecting the customer to a lender and finance solution can be a lot trickier, with multiple applications commonly sent off at once. This process can be worrisome and isn't always transparent enough to ensure that the customer's best interests are at heart.

Working in partnership with Experian, we have built a solution to streamline the finance application process for retailers, lenders, and customers. Offering a way to increase acceptance rates, improve customer satisfaction, and make lending more profitable. The Eligibility Checker, part of Codeweavers Commerce Platform, helps reduce the time spent in processing declined applications by providing customers with a likelihood of acceptance before they complete their finance application, in turn helping to reduce costs and improve efficiencies in the process.

"With the Eligibility Checker, efficiency ratings improved to 86% compared to 70% without the technology."*

www.codeweavers.net

Advertisement Feature

Wouldn't You Like To Know All The Information Up-Front Before You Build A Finance Deal?

Visitors to this year's AM Live event in Birmingham were the first to give the solution a try, with Codeweavers and Experian jointly sharing results from the pilot stage of the product. Their findings showed that while the typical rate of approval without the Eligibility Checker was 60%, this increased to an approval rate of 96% when the tool was used as part of the credit application process*. This demonstrates how well the Eligibility Checker helps increase overall customer acceptance rates, by indicating the lender that is more likely to accept a customer's finance application before submitting it.

Andrew Gill, Head of Lender Products at Codeweavers, said of the new tool: "While our mission for Codeweavers has always been to enhance and simplify the finance relationship between the customer, the retailer, and the lender, the Eligibility Checker goes one step further. It provides retailers with an eligibility score, which indicates how likely a customer is to be approved for finance with a specific lender, before submitting a full credit application.

"This not only saves time but actively improves acceptance rates, supports a retailer's sales target and has no impact on a customer's credit score. It also helps reduce the time that lenders spend processing declined applications, helping to reduce costs and improve efficiencies in the process."

The Eligibility Checker is one of the latest products to be rolled out within the Codeweavers Commerce Platform. The platform helps build lasting connections between automotive manufacturers, retailers and lenders to help customers buy vehicles more easily and to help clients sell more cars more efficiently.

At Codeweavers we review and adapt our products constantly to overcome any challenges the industry faces, building solutions with our clients and their customers in mind.

*Data from a pilot phase was conducted with a Lender in two locations over a period of 90 days.

info@codeweavers.net

Codeweavers
Cox Automotive

The future of franchised retailers' motor finance

FCA ruling on discretionary commissions has lead to greater transparency, but few dealers are reporting any noticeable variation to income as a result

The trend for vehicle manufacturer finance houses (captives) to offer a fixed rate of commission to automotive retail partners has accelerated since the Financial Conduct Authority (FCA) introduced new rules banning discretionary models at the start of 2021.

According to the Finance and Leasing Association (FLA) many captives had already moved to a fixed rate, one of the models suggested by the FCA, or had done so before the January 28 deadline, so the changes have not been onerous for the majority of franchised dealers.

Adrian Dally, FLA director of motor finance, tells *AM* the rules have had the intended impact, with the focus on increased levels of transparency and simplicity.

ROUTE TO BIGGER COMMISSION

Before the rules were changed, some car retailers and motor finance brokers were receiving commission linked to the interest rate that customers pay – creating an incentive to sell more expensive credit to some customers.

Dally says: "There has been a very clear move towards simpler and more transparent commission models. The FCA now requires disclosure of the nature of commission, not just the fact it exists."

Dally says that, while there have been other factors impacting new car finance volumes, such as the semiconductor shortage choking new car supply, it still represents 94% of the way new vehicles are funded in the UK.

While new car finance volumes may have dropped by as much as 20% in September 2021, its share of the market has not been decreasing, instead only gaining a greater share since the start of the year.

Dally says: "The FCA changes have had more of an impact on the used car finance side of things (see page 29). The move to either fixed rate commission or rate-for-risk models has increased trust levels with consumers, which, in turn, has seen used car finance penetration increase as a result."

LITTLE IMPACT ON INCOME

Phillip Kerry, BMW Financial Services sales and marketing director, said new car finance at BMW and Mini was already working on a fixed-rate model and so the only real impact had been bringing its used car finance in line with what it was already doing on the new car side.

He says: "Franchised dealers have been used to that fixed rate model on new car finance for a few years now.

"We put an enhanced disclosure in our quotations as well as within the T&Cs.

"Consumers have the right to ask about it and retailers have the processes in place to discuss commission should the customer want to. But there's been no real material impact to incomes or penetration pre- or post-FCA changes."

Jerry Page, HR Owen compliance and risk director, said the process of working with captive finance houses on a fixed rate commission has all been "very transparent and fair".

He says finance terms and conditions have been updated to make clear the nature of commission. So far, there haven't been any customers that have asked about commission since the changes took effect.

Dally agrees that, across the market, there has not been a material increase reported by members of customers asking about commission disclosure or discretionary commission models.

HR Owen also hasn't seen a huge variation on penetration or income as a result of moving to a fixed-rate model.

Page said: "The thing it's really done is make car finance more transparent, which can only be a good thing."

HAVE THE FCA RULES MADE AN IMPACT?

But if the changes are not having a huge impact on income or penetration, does that mean the rules on commission models are not having the desired effect?

The FCA has been gathering evidence on the impact of the rule changes with point-of-sale mystery shopping since September.

From that point onwards the regulator is looking to determine whether its measures are acting in the way it envisioned and it estimates this will save consumers around £165 million a year.

However, Dally says the £165m figure relates to a time in the market before the rules were in place and new car finance, in particular, moved to fixed rate years ago.

He says: "The FCA wasn't concerned about the amount of commission, but it was concerned about the incentives the old models created and that's what it wanted to ban.

"The amount of commission has never been an issue. Ultimately dealers do a job and reasonable customers expect them to be paid for that."

New car finance has not adopted a risk-based pricing model – where lenders can determine interest rates for car finance based on the applicant's creditworthiness and risk.

As captive finance houses are primarily serving prime customers (those with a good credit score), it hasn't made financial sense for them to invest in creating the systems to offer this model.

However, those captives that are funding used car finance may well offer risk-based pricing in the future in order to service a wider range of customers with different credit scores and financial backgrounds.

TOM SEYMOUR

PCH AND SUBSCRIPTIONS

Personal contract hire (PCH) is regulated by the FCA under the Consumer Credit Act (CCA), however the new rules around commission disclosure models do not extend to PCH.

Subscription services, which can be customised forms of personal leasing contracts, have already been launched by brands like Volvo, which has seen its Care By Volvo offering already account for more than 15% of UK retail sales in its first year.

FLA's Adrian Dally says: "Subscriptions, generally, have been unregulated so far as they tend to cover shorter periods of time. Contracts less than 90 days are unregulated. If you're getting a car subscription and you can't see on the website that they are regulated by the FCA, it's highly likely it's unregulated finance."

Whether subscriptions are under the scope of the CCA or not depends. If a subscription offering is not authorised by the FCA, what is presented as a rolling contract may be set-up to be a succession of separate contracts that are within the legal boundary of less than 90 days each time so as not to be FCA regulated.

Dally says: "The FCA will certainly look at PCH and subscriptions as part of its review within the next three years.

"The scope of the CCA is set by Parliament and the boundary is set by the Treasury, so it would be a matter for that department, rather than the FCA itself."

Wagonex facilitates subscriptions for dealer groups and manufacturers and has seen interest surge ten-fold over the past 18 months. With PCH, customers are usually locked into their agreement or risk facing costly early termination fees.

Subscriptions are set-up to be much more flexible, with customers able to swap and change vehicles from month to month.

Toby Kernon, Wagonex chief executive and founder, believes subscriptions will eventually take the lion's share of the market away from personal contract purchase (PCP). It's a bold statement as PCP currently accounts for more than 90% of the new car finance market.

He says: "Stranger things have happened in other industries. Flexibility is the big draw to subscriptions.

"The average contract length is increasing on a quarterly basis and it's currently north of 12 months. When we launched it was between one month and three months."

Offering greater flexibility on subscription means vehicles come back to the fleet owner, like dealer networks, for resale as a nearly new vehicle, much like PCP.

Kernon says the subscriptions market is still in its infancy because it has been easier for the industry not to innovate with personal leasing.

He says: "If you lock a customer into PCH for three or four years you don't have to worry about what that customer is doing. Subscriptions give you regular contact with customers and so it's much more of a service industry."

Kernon welcomed the FCA review on subscriptions and Wagonex has already volunteered to help engage with the regulator.

"THE AMOUNT OF COMMISSION HAS NEVER BEEN AN ISSUE. ULTIMATELY DEALERS DO A JOB AND REASONABLE CUSTOMERS EXPECT THEM TO BE PAID FOR THAT

ADRIAN DALLY, FLA

ISTOCK.COM/ALEXSL

NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION

EVA Electric Vehicle Approved

DRIVE MY CAREER

Dealer Attitude Survey (DAS)

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AM DEALER RECOMMENDED 2022

AM readers recommend their top suppliers

The greatest form of marketing is through word-of-mouth referrals – and recommendations are priceless.

A business may have excellent products, but referrals and recommendations are, ultimately, given as a result of outstanding customer service.

AM's annual Dealer Recommended programme allows our thousands of readers to have their say about the companies they believe offer the best service.

We have gathered opinions via a research programme conducted among *AM*'s audience.

The automotive business sectors highlighted for 2022 are GAP insurance, auctions and remarketing, warranties, service plans, finance and paint protection.

AM DEALER RECOMMENDED

Role of GAP insurance and added value expertise in a rapidly changing marketplace

The rising value of used cars

Martin Hill, Director of Strategic Partnerships at AutoProtect Group

GAP and RTI insurance is arguably more important to today's car buyers than ever before.

It is a point that the AutoProtect team has been highlighting as the value of used cars continues to soar.

The value of GAP/RTI for new cars has long been linked to the initial depreciation of a new vehicle once it leaves the forecourt. According to the AA, its value will fall by an average of 60% over three years.

In short, buyers are at risk of a financial shortfall if their car is written off in this period. If the vehicle is on finance, the risk is linked to depreciation and the finance early settlement that would follow such a write-off.

While customers rightly point to their comprehensive insurance and the 'new for old' replacement offer that is sometimes included, this does not cover the financial implications of any finance's enforced 'early settlement'.

In the case of the commonly used PCP finance option, this can be a particularly uncomfortable reality.

We have always ensured dealer personnel understand this in our on-site training sessions; now, a similar level of financial exposure is facing used car buyers.

According to research published by Indicata in mid-November, used car values were 28.3% higher in October than at the start of 2021. With new car supply continuing to be constrained, a situation expected to continue well into 2022, prices are forecast to remain high.

Martin Hill says GAP/RTI cover is more important than ever

The big question is whether, or to what extent, will a market value correction occur as new car supply picks up?

Nobody can know when, and to what level, a price correction may occur. What is evident, is that for used car buyers right now, the financial exposure in the event of a write-off could be particularly acute. Add to this, that when it comes to insurance for a used car, 'new for less' policies usually apply to cars less than a year old, where the cost of repair is more than the car's retail value.

It is a point we are ensuring all our dealers appreciate in the current market and highlight to their customers.

Consumer Duty – the importance of good customer outcomes

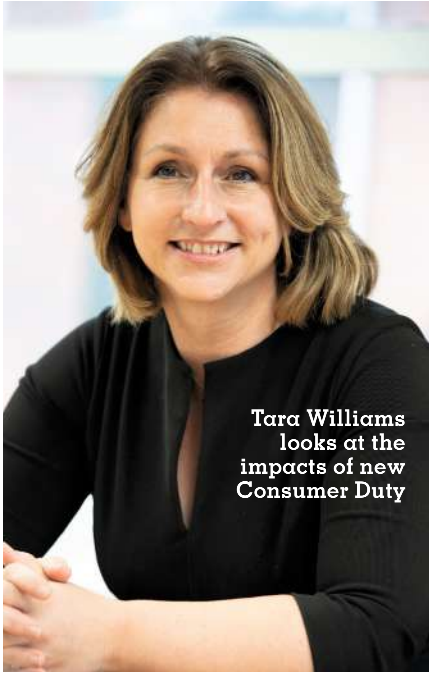
Tara Williams – Group Risk and Compliance Officer at AutoProtect Group and MD of iComply

In May 2021, the Financial Conduct Authority (FCA) announced plans for a new Consumer Duty. In announcing this new duty, the regulator noted that, while they saw many examples of good practice, they were also encountering "too many firms that are not adequately considering the needs of their customers and prioritising good consumer outcomes as an objective of their business activities".

The new Consumer Duty, scheduled for introduction in July 2022, will create a "clearer, higher expectation of firms", requiring all firms to focus on the actual outcomes experienced by consumers.

The Consumer Duty will be a significant area of focus in 2022 for AutoProtect as we consult with our dealers to embrace the regulation positively.

Pricing, product transparency and clarity of information will be more critical than ever. As a business, we see the proposed changes as a positive. We believe all customers should be given information on GAP/RTI and other added-value services that can enhance



Tara Williams looks at the impacts of new Consumer Duty

their ownership journey. However, we are also clear that such products must meet an identified need and add value to the customer.

Get things right and experience demonstrates that more people make a favourable decision to buy GAP/RTI, rather than it being sold. It is a subtle, but essential, difference. Such customers are happy with their decision and the decision helps dealer satisfaction and retention.

AutoProtect – a dealer-centric added value partner – more than just GAP & RTI

Matthew Briggs, CEO, AutoProtect Group

We are confident that 2022 will be another big year for AutoProtect Group. We already have several innovations and developments well underway that we expect to break cover in the months ahead.

As an organisation, our proposition is broader than GAP/RTI. The same attention and care we continue to demonstrate in these products are also true in our warranty, smart insurance and paint protection products. Still, uniquely for an added value service supplier, it does not end there.

Our dedicated compliance service, iComply, has a series of exciting plans lined up for the months ahead, and in an era of increasing digitisation, our F&I technology will see a significant reinvention in the months ahead.

The marketplace is changing, and so is AutoProtect Group.

What remains the same is our commitment to support dealers with products, guidance and digital tools to help them sell more vehicles, retain more customers and excel at providing services that add value to every customer in a way they recognise.

2022 will not be a year of 'more of the same' – it will be one of innovation and change and AutoProtect Group will embrace this side by side with the dealer community.

Matthew Briggs – several innovations well underway

Thank you – what it means to be the *AM* Dealer Recommended GAP Supplier

To be recognised for a fifth successive year as the Dealer Recommended GAP Supplier is, once again, a welcome endorsement of our products, service support and the way we think and act. We do not take this recognition for granted – thank you to the dealer community.

Nothing stands still. We always recognised this truism and the past two years have re-enforced this point. That said, while we invest in our products, people and technology, we do so appreciating the value of service.

There will be a growing role for self-serve; our apps tell us this. However, we also recognise the value of one-to-one contact.

As we refine our GAP and RTI product line-up, reimagine our dealer training and highlight changes in the market conditions we should embrace, we do so with the opportunity for personal service uppermost in our minds.

There's a saying: "If you stop doing what made you successful, don't be surprised if you stop being successful." At AutoProtect Group, we are a value-added service supplier. Our operating principles are right there; we must add value and recognise that our success relies upon superior service.

We will keep pushing forward, innovating to meet the evolving market needs and continue to be active in helping to deliver success for our dealers and their customers.

BCA – powering the used car 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

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.

This scope is highlighted by the newly-opened BCA Bristol 65-acre mega-centre, a fully on-line remarketing facility, with the capacity to handle more than 120,000 vehicles a year.

BCA continues to enhance and improve its suite of digital products to make it even easier for customers to do business with us.

A number of enhancements have been made to the BCA website aimed at developing functionality for the digital buyer audience. The new Vehicle Details page is more intuitive and user-friendly, with a simpler, more informative layout, more detailed digital images and improved functionality across both desktop and mobile devices.

BCA's online Recommendation Engine for buyers utilises an enhanced CRM (customer relationship management) capability and support from BCA's in-house Decision Intelligence Team.

BCA continues to improve its suite of digital products to make it even easier for customers to do business with us.

BCA is on a journey to give its customers a truly personalised digital experience that supports their business needs. Our vision is the delivery of accurate real-time intelligence that connects every aspect of buying and selling with BCA, the UK's largest used vehicle marketplace.

Take control with BCA

BCA has 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 and making online payments.

Post-sale processes have also been improved through the development of Click & Collect, which enables buyers to safely book and collect vehicles from all BCA locations. Buyers can also request a delivery booking for eligible vehicles.

These new self-serve tools introduce efficiencies and streamline service provision for buyers and can be conveniently accessed through BCA Online or the BCA Buyer app whenever they are needed.

BCA Buyer app

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

The BCA Buyer app 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 a highly successful addition to BCA's suite of remarketing tools, creating an incredibly easy digital platform to support buyers.

The app ensures buyers never miss the vehicles they are interested in, helping buyers bid on any vehicle being sold, whatever their location.

BCA regularly updates the app to meet the changing needs of customers who provide valuable feedback to help shape the continued development.

"BCA Buyer app is a highly successful addition to BCA's suite of remarketing tools"

AM DEALER RECOMMENDED 2022 AUCTIONS & REMARKETING

Recent enhancements include the digital Sale Day catalogue, proxy bidding capability and access to MyBCA via the Buyer app, new functionality that makes it easier for buyers to do business with BCA.

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 more than 200 distinct data points across five 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 allocates 1.5 millionth vehicle for sale

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. Around two 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.

Using Dealer Pro, dealers can determine which vehicles they do not wish to retain and allocate to trade automatically, improving their speed of vehicle sales and, therefore, receiving money 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.

Dealer Pro 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 has seen a growth in requests for greater stock-funding facilities from both new and existing dealers as they look to respond to increased retail sales and implement business expansion plans.

Dealers 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 increased 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.

BCA Partner Finance continues to see lending grow significantly, an endorsement of the BCA funding model from dealers who value its accessibility, value and contribution.

Warranty clarity for hybrids and EVs

Car dealers, manufacturers and their customers now have clarity that their Car Care Plan used car warranty covers hybrid and electrical vehicle (EV) components. The inclusion of a specific EV section in standard warranty wording ensures protection for the wide range of vehicles now available.

The changes come after extensive market research and collaboration with makers, dealer clients, and consumers.

Car Care Plan's aim: to future-proof its range of products to protect and maintain the asset value of the vehicle as greater numbers of hybrids and EVs leave forecourts, showrooms, and production lines across the UK.

The wording has been submitted to the Plain English Campaign (PEC), with the aim of obtaining a Crystal Mark accreditation for clarity to consumers.

Clear and concise wording allows the customer to fully understand what is covered by their warranty, mitigating any confusion or lack of knowledge on EVs and their components. This helps build their confidence in the product, increase sales, and boost satisfaction rates.

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

Mike Cowling, head of products at Car Care Plan, said: "Our clients now have a warranty that embraces all that needs to be covered in an EV. And, with the new EV warranty and recovery breakdown wording being reviewed by the PEC's accreditation process, dealer clients and customers can be sure nothing is hidden behind complicated language and legal jargon. Our warranty does what it says in the wording. Period."

"Dealer clients and customers can be sure nothing is hidden behind complicated language"

Dependable partner

This is the latest development in Car Care Plan's long heritage of supporting dealers with their used car programmes. Despite the coronavirus lockdowns and subsequent economic impact, Cowling's field development support team had zero redundancies, even recruiting additional staff to meet the demand for refresher training.

He said: "It's times like these that we need to be ready for recovery. There has been a huge appetite among dealer groups for refresher training for their staff after furlough, bringing them back up to peak warranty sales performance.

"The key message from Car Care Plan is that we won't let customers down. We're proud of the company's stability and financial robustness, which we feel we should emphasise during these uncertain times."

To find out more about Car Care Plan, simply visit **carcareplan.com** today

Motors Insurance Company Limited (MICL), the in-house insurance arm of the Car Care Plan Group, has recently been awarded an excellent A-rating by the credit rating agency AM Best, highlighting its financial strength.

The rating now matches that of the company's group insurer, Amtrust Europe Limited (AEL), which, as a UK-domiciled insurer, is authorised and regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

Cowling said: "A handful of non-UK domiciled insurers have collapsed in recent years, which meant initially their customers' claims couldn't be paid by administrators and they then suffered long delays while the process was transferred to the UK's Financial Services Compensation Scheme.

"That is why we pride ourselves that all our business is now underwritten in-house through our group insurer, AEL, and our own CCP insurer, MICL."

This level of financial stability means dealer clients, who are all subject to the FCA's Senior Managers and Certification Regime (SMCR), can be assured of an additional layer of protection. This is further enhanced by the support of Car Care Plan's dedicated field team. The company's team of auditors is another example of the support available, ensuring "out of kilter" loss ratios are investigated.

High quality

"Given our experience, we pick up anomalies," said Cowling. "We have extensive experience of UK car stock across all franchises. With all our historical data, we have access to claims information 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."

Further support is available for warranty renewals also. Car Care Plan's own contact centre in Manchester underpins all point-of-sale product activity, backing dealers with GDPR-compliant contact spanning SMS, email, and phone calls. Examples of its activity includes supporting OEM warranty extension sales – a proactive service available to all dealer clients selling new cars – and dealers' approved used car warranty and roadside assistance renewals. As expiry approaches, the team contacts a client's customer to verify they still own the car and to offer a 12-month extension.

"In both cases, the dealer will be a beneficiary of commission from any sales we successfully complete on their behalf," added Cowling. "And, unlike some outsourced call centres, this is our centre, and it only sells our products. In our view, it's a service that is unique."

Holistic protection

"There is huge potential in the used car market now," said Cowling. "Dealers typically provide 12 months' warranty in their approved used programmes, but there is consumer desire to buy longer cover, so opportunities are there. And those opportunities extend beyond warranty, with significant untapped potential in insurance products for used car buyers. Buyers of younger used cars are prime customers for alloy wheel insurance and cosmetic repair cover. Since these have high claims frequency, many dealerships have made these primary products in their sales portfolios, alongside extended warranty and MOT test cover.

Car Care Plan now also offers service plans, a strong accompaniment to warranty for strengthening customer retention levels. And the company is developing monthly subscription warranty and service products to meet growing demand for vehicle subscriptions.

Cowling added: "Like the addition of EV wording to our warranties, we always have an eye to the future, to ensure we are ready to provide dealers with the products and support to meet their customers' ever-changing requirements. And all our products can be made bespoke to our clients, so my message to dealers on this is call me."

Car Care Plan
An AmTrust Financial Company

Enhancing business revenue and increasing profitability for dealers in uncertain times

EMaC is proud to be the industry leader in bringing you long-term consumer loyalty and guaranteed future revenue.

Maintaining significant investment in technology-led products, we offer a suite of aftersales retention solutions, including 'Drive Now, Pay Later' a flexible, interest-free monthly offer to consumers.

It not only enhances revenue and profitability throughout the ownership cycle, but it also helps to build lasting relationships and increase consumer satisfaction.

With an increased consumer appetite to spread the cost of unexpected bills, Drive Now, Pay Later is the ideal solution; consumers will welcome the option of an alternative payment method for the cost of their vehicle repairs.

Friendly consumer experience

Drive Now, Pay Later provides a swift, unintrusive and simple consumer finance solution to facilitate unexpected or incremental expenditure. The credit application process is seamless and discreet with acceptance granted to 99% of applicants in real time. Consumers receive a web link via either SMS or email (their preference), enter their personal details and the interest-free loan is created.

The flexible, interest-free monthly instalment plan allows consumers to pay for vehicle repairs and/or accessories over an appropriate period and can be used to pay for any dealership purchase – this facility is an ideal way of softening the financial burden associated with paying for essential, yet unbudgeted, red/amber work.

Make Drive Now, Pay Later an integral part of your VHC conversion strategy

A consumer-friendly, interest-free loan arranged by the dealer provides the perfect means by which dealers can increase red/amber work conversion and optimise incremental revenue and profit.

Placing Drive Now, Pay Later at the heart of your vehicle health check

"Drive Now, Pay Later can help deliver an improved consumer experience and greater conversion opportunities for our dealers"

Call EMaC today on 0330 099 6826 and see how partnering with us can increase

(VHC) conversion strategy will deliver improved financial outcomes and enhance consumer satisfaction and loyalty.

Consumer appetite

Research carried out by EMaC revealed that the majority of consumers would welcome an interest-free solution to help them fund repairs and other essential purchases.

This allows dealers an opportunity to boost their consumer offering to enhance loyalty and maximise aftersales revenue throughout the ownership cycle.

Nearly two-thirds of respondents said they would welcome and take advantage of an interest-free credit option if their dealer offered such a service.

Respondents to the EMaC survey said that this kind of facility would not only help them reduce the financial toll of unexpected maintenance costs on their car, but make them feel more positive towards their dealer. This evidences how dealers can benefit from improved consumer loyalty and higher retention levels by offering a tailored finance solution.

John O'Donnell, managing director of EMaC says: "Helping dealers to help their consumers is what our business is all about. Servicing and repair costs can hit at the most inconvenient times. Drive Now, Pay Later can help deliver an improved consumer experience and greater conversion opportunities for our dealers.

"As a leader in our field, we will continue to develop bespoke consumer service solutions to improve both profitability for dealers and enhanced consumer service for motorists."

consumer loyalty and aftersales profitability!

EMaC.

EMaC – your aftersales partner

EMaC is proud to be the industry leader in bringing you long-term consumer loyalty and guaranteed future revenue.

EMaC has been trusted by major manufacturers to make a difference to their consumer aftersales offering for more than 16 years.

Today, we work with a broad client base that includes 16 OEM relationships and more than 80% of the AM100, helping them maximise consumer retention in unpredictable times.

As the leading aftersales partner to the UK automotive industry, we drive an aggregated £250m of aftersales revenue into the UK network, annually, through our range of solutions.

Working in partnership with dealerships and service providers allows EMaC to deliver tailored solutions that meet the needs of each individual business. We constantly invest in innovation, supporting the continued success of our service offering and driving wider aftersales opportunities in order to increase revenue for dealers.

Service plans – consumer demand

Just less than two million consumers in the UK benefit from an EMaC-supported service plan and they renew year after year. Every service plan sold means, on average, three years of service revenue committed to your business.

All our research tells us that an affordable, flexible and tailored approach to servicing costs is a big tick for your consumer's experience. Plus, consumers are more likely to take upsell opportunities when they are not faced with a cash outlay. Fixing service costs at today's prices ensures certainty, a key benefit while we are in an uncertain world right now.

Offer a service plan via EMaC's 'all-in-one' lifetime warranty bundle

EMaC's lifetime warranty combines

Call EMaC today on 0330 099 6826 and see how partnering with us can increase

AM DEALER RECOMMENDED 2022 SERVICE PLANS

"Manufacturers have been quick to see the benefit of their network being able to offer complete aftersales care as one package"

the benefits of a warranty, a service plan and breakdown assistance in one bundle payable by a single, monthly direct debit instalment.

Offering a lifetime warranty makes a major quality statement about your vehicle stock and provides consumers with convenience and peace of mind. It generates more revenue for your dealership, increases retention and builds a longer-term relationship with your consumers.

Lifetime warranty requires the plan-holder to have their vehicle annually inspected and serviced by the supplying dealer, thereby maximising the quality and value of a potential future part-exchange.

How does it work?

Dealers can offer a lifetime warranty because they are regularly inspecting and servicing the vehicle as part of the benefits of the consumer's service plan. Covering all major mechanical and electrical components, as well as incorporating a full roadside assistance package, consumers will have complete peace of mind. Through having a long-term relationship with your customer and their vehicle, the variables are reduced and you can stand by your stamp of quality.

The product plays to a demonstrable growth in demand for subscription-based services and enables dealers to provide a compelling consumer solution while simultaneously increasing revenue over the long term by enhancing retention.

By combining a lifetime warranty with a service plan and breakdown assistance, dealers can offer consumers three key 'peace-of-mind' products to keep their vehicles on the road and in the best condition for a single, affordable monthly instalment.

Our lifetime warranty product is the lead in a broad portfolio of innovative maintenance and repair plans now offered by EMaC. The range includes Tyre and Alloy and Cosmetic Repair plans which offer competitive advantage to dealers and a compelling solution to consumers.

John O'Donnell, managing director at EMaC says: "Service plans and warranties sit very closely together, so it was a logical step for us to develop a suite of products that complement each other, deliver added value to the consumer and provide dealers with an additional revenue stream while further boosting retention at the same time. Manufacturers have been quick to see the benefit of their network being able to offer complete aftersales care as one package and feedback from dealers already utilising the offering is very encouraging."

All taken care of

As well as handling everything from marketing to fulfilment, repair process to fund management, EMaC will also deliver its industry-renowned training to ensure that dealerships can truly maximise consumer retention and the corresponding revenue potential. All dealerships receive their choice of e-learning and on-site launch training, as well as on-going programme development covering everything from sales performance management to product knowledge coaching and objection handling.

Outstanding customer service

EMaC strengthens loyalty between car dealers and manufacturers with their consumers by delivering world class customer service and support for post-sales care, which is why we are incredibly proud to receive an overall rating of 'Excellent' on Trustpilot.

Rated by consumers, EMaC has received a 4.8 out of five-star rating, with nearly 80% marking us as 'excellent' on the leading review site.

The quality of our people is what sets us apart as the UK's leading aftersales partner, so we are delighted our employees have been recognised for the outstanding customer service they strive to deliver daily.

consumer loyalty and aftersales profitability!

EMaC.

Perfection in Protection!

Supagard has been the UK's market leader in professionally-applied automotive paint and interior protection products since our foundation in 1988 and our reputation for quality is second to none.

Many manufacturers, dozens of dealer groups and thousands of retailers think so too. We recognise the importance of supporting them to grow profitability and to meet the demands of new challenges in the constantly evolving marketplace – that's why we never rest on our laurels and are committed to a programme of continuous research and development to ensure we only offer market-leading technology that is proven to make a difference.

The need to consider our environmental impact has also played a major part in our product development in recent years. This has resulted in a significant reduction in unnecessary packaging with more than a million boxes a year removed from the supply chain.

Why Supagard?

There are a wide range of paint and interior protection suppliers in the UK, all of which supply products that deliver the results you would expect, with very little to differentiate between them.

This makes choosing your supplier on products alone a difficult one, so the bullet points below help you appreciate the factors that differentiate Supagard from the competition, which explains why thousands of dealers choose Supagard:

- The Supagard polymer product is a one-stage application versus most of the competitors who adopt a two-stage approach.
- Our fabric protection is a quick-drying solution, which is touch-dry within 90 seconds and the customer can drive the car away within 10 minutes of application.
- No need for any conservers or top up, all the customer needs to do is wash the car regularly.
- Up to 95% of Supagard products are manufactured in the UK, which ensures continuity of supply and reduces the environmental impact of our supply chain.
- A no-quibble, lifetime of ownership guarantee, whereby the customer can make multiple claims with a value limit on claims of £5,000 in total for paint, fabric and leather.
- No restrictions or limits on the number of birdlime claims, unlike the competition who limit to one claim, or eligible claims can only be made in the first 12 months of cover.
- A countrywide field force able to provide support across the whole of the UK and Ireland.
- A five-star Trustpilot business, which delivers customer satisfaction to both the dealer network and the retail customer.

Comprehensive training

In addition to innovative products, Supagard also provides a range of training programmes tailored to individual businesses, which ensure sales personnel can present the products correctly and clearly to the customer.

"The Supagard philosophy is simple – give our trade customers the best quality, value and service around"

For more information please contact – T: 0141 633 5933 • E: info@supagard.com

AM DEALER RECOMMENDED 2022 PAINT PROTECTION

In addition to on-site training, the Supagard team has recognised and adapted to the challenges presented by Covid-19 and the time-precious environment the industry operates in. To meet these requirements, we have developed a Virtual Training Module that is delivered using Microsoft Teams, which covers both product knowledge and sales techniques.

Quality, value and service

Supagard managing director David Paterson sums it up like this: "The Supagard philosophy is simple – give our trade customers the best quality, value and service around and make it easy for them to sell our products and maximise their profits at the same time."

It's not all about paint protection – give your customers peace of mind with Supagard's new sanitising technology!

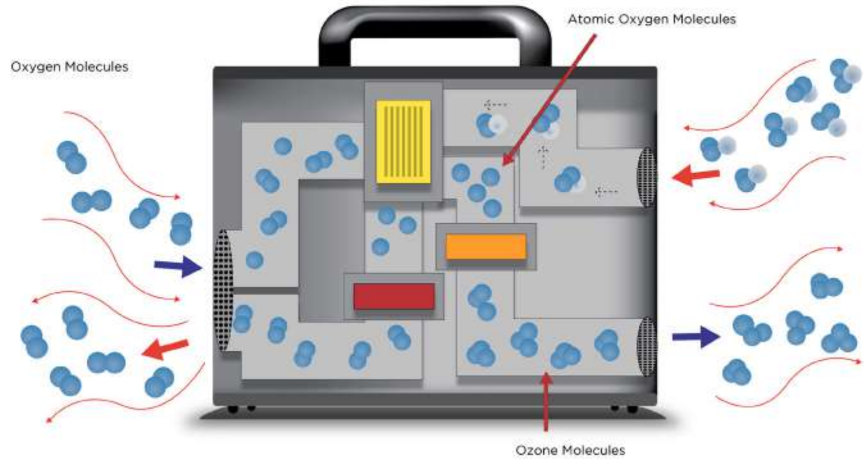
Supagard is the UK's No 1 for protecting your customer's cars, but we've recently developed a new kind of protection for your customers too!

The Covid-19 pandemic has made us all more concerned about maintaining maximum cleanliness in the home and workplace – but what about the car?

Did you know that vehicle interiors hold millions of particles and pathogen agents carried by the air, people and animals? When it comes to catching or spreading a virus, this is a major concern, but you can help protect your customers with the Supagard Sanitisation System – a device so powerful that it renders viruses inactive by killing more than 99% of germs and bacteria.

When activated in a vehicle, the Supagard Sanitisation System sterilises the interior to 'medical grade' levels by converting the oxygen in the cabin to ozone, generated by the device's advanced scientific technology. This ozone penetrates every part of the interior and renders viruses inactive by killing the germs and bacteria in the cabin and air-conditioning system, making the car a safer and healthier place for the driver and passengers. It also purifies the air by removing unpleasant smells, leaving a regenerated and deodorised environment.

An average car can be fully sanitised in 16 minutes and after treatment, any remaining ozone is converted back to oxygen by the device. It doesn't stain, leave residues or damage the materials used in the interior, so it's the ideal answer to sterilising and deodorising any vehicle to the highest possible standards.



Sanitisation treatment is a real benefit that can be offered to your customers as part of a service or as a standalone option, giving them protection and peace of mind, so ask about the Supagard Sanitisation System today and spread the word – not the virus!

Looking to the future

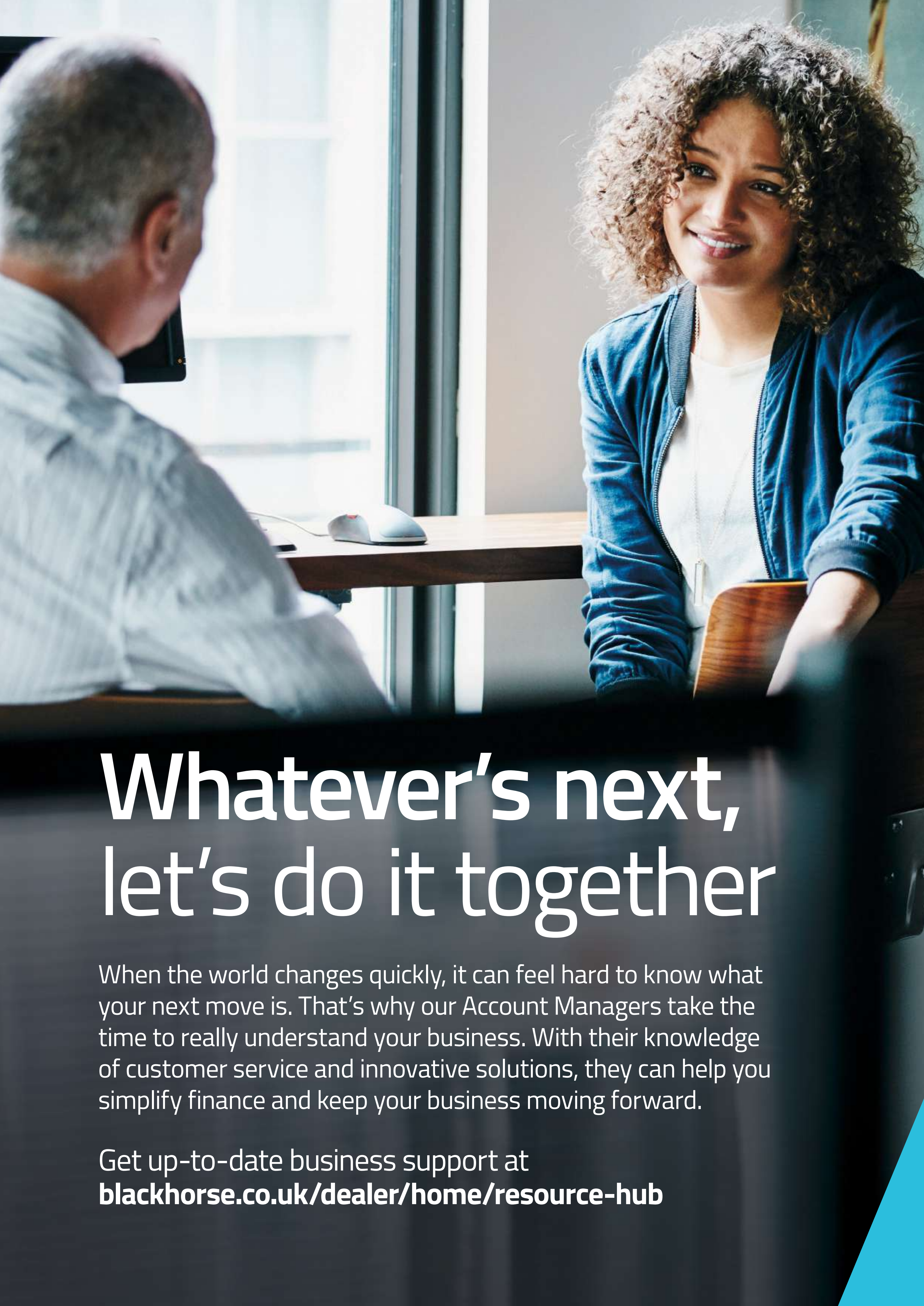
The times may have changed as we enter the age of the electric car, but 33 years after their first venture into the marketplace, Supagard continues to be the most respected UK company in automotive exterior and interior protection.

Our commitment to the research and development of new and innovative quality products has led to outstanding success for the company, with a range of competitively priced, hassle-free products, which can generate substantial earnings for your business, while keeping retail customers completely satisfied – Supagard delivers in every way.

Look to the future and make 2022 a memorable year for your business when you team up with Supagard, the UK's No 1 in automotive exterior and interior protection.

• W: www.supagard.com

Supagard®


Whatever's next,
let's do it together
When the world changes quickly, it can feel hard to know what your next move is. That's why our Account Managers take the time to really understand your business. With their knowledge of customer service and innovative solutions, they can help you simplify finance and keep your business moving forward.
Get up-to-date business support at
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We’re proud to be a Recommended Dealer for 2022

blackhorse

TESLA MODEL Y

Tesla might not have a conventional retail model, but it's luring customers from other brands at a rate that's difficult to ignore.

The most recent car it launched, the Model 3, has rapidly become Europe's best-selling electric car with more than 100,000 sold in the past 10 months. Year-to-date, the American EV has outpaced the second-placed VW ID3 by almost 40,000 units.

With the new Model Y, Tesla enters the family SUV space and is poised to take on recently launched models like the Audi Q4 e-tron and Kia EV6. It's based, largely, on the Model 3 – sharing a platform, powertrain and design language. It features a practical hatchback, rather than the Model 3's saloon boot, and a raised seating position for those on board.

Two versions will be available to UK buyers, both using a dual-motor setup with all-wheel drive. The £54,990 Long Range can cover up to 315 miles on a single charge, while the £64,990 Performance manages 298.

We've tested the Long Range variant, which should satisfy most buyers with 384PS and a 0-60mph time of 4.8 seconds.

It straddles the premium electric SUV segment, offering similar range and performance credentials to pricier models like the BMW iX3 and Mercedes-Benz EQC.

Based on an initial drive, we're confident the car can achieve close to 300 miles between charges. It also has 250kW rapid charging capability, meaning a 10-80% top up takes less than 40 minutes. Tesla owners also get access to its Supercharger network, which is cheap, reliable and often rapid.

> **TESLA OWNERS ALSO GET ACCESS TO ITS SUPERCHARGER NETWORK, WHICH IS CHEAP, RELIABLE AND OFTEN RAPID**

A central touchscreen houses all the car's controls, from sat-nav and climate to headlights and wipers. It even doubles up as the instrument cluster.

It's here that Tesla's technology focus is apparent. The system is slick, with immediate response, excellent graphics and an intuitive layout. The 15-inch high-resolution screen dominates the interior and provides access to features that other car makers do not offer, like a bioweapon defence filtration system for the air con, video games that utilise the car's steering wheel and pedals (when parked) and a special mode for if you take the car camping.

When it comes to charging, the Model Y's infotainment system is an excellent companion. It can show all the available chargers on a map and create routes than include required charging stops. When you enter a destination

Unlike the Model 3's saloon boot, the Model Y has a practical hatchback design

PRICE RANGE: £54,990 – £64,990

ENGINE: ELECTRIC

0-62MPH 3.5-4.8 SECONDS; TOP SPEED 135-155MPH

GEARBOX: N/A

RANGE: UP TO 315 MILES

CO_2 EMISSIONS: 0/KM

KEY RIVALS

Audi Q4 e tron

✓ PRACTICALITY

✗ NOT 'AUDI' ENOUGH

Polestar 2

✓ FEELS EXCLUSIVE

✗ COMPACT INTERIOR

Mercedes-Benz EQC

✓ BUILD QUALITY

✗ REAL-WORLD RANGE

REVIEW RATINGS

AUTO EXPRESS	TOP GEAR	WHAT CAR
★★★★½	★★★★☆	★★★★☆

The 15-inch hi-res central touchscreen dominates the interior

into the sat-nav, the car will also tell you if you'll need to charge up to be able to come back again. When paired with the Tesla smartphone app, which can be used to remotely move the car in or out of a parking space and functions as the key, the digital user experience is unparalleled.

As impressive as the digital experience is, it can also be frustrating. Simple functions like adjusting the door mirrors or turning on one of the heated seats requires a delve into the system. It's no wonder Tesla has to set up handover centres across the country to deliver vehicles, as many buyers will need guidance to get started.

We'd also prefer a speedometer that appears in the driver's line of sight, either as a head-up display or separate screen, rather than having to look at the central display.

With little else to take up space in the cabin, there's plenty of room for passengers. US-spec Model Ys get seven seats, but the UK will only receive five-seat version. The boot, however, is massive – providing up to 857 litres of luggage space. More storage space can be found in the front, under the bonnet and the rear seats fold flat to provide even greater practicality.

The Model Y's minimalist interior design may not be to all tastes, but we were pleased to notice an uplift in material and build quality compared with previous Tesla models we've experienced.

The only niggle was a rattle coming from a panel in the rear.

Drivability is another impressive attribute. The Model Y is agile, with sharp steering and responsive brakes. There's not much body roll, despite the raised ride height, although the firmer suspension, combined with 20-inch alloys, made the ride on our test car unsettled. We'd be cautious of specifying these over the standard-fit 19-inch wheels.

Specification levels are high, with all Model Y's getting heated front and rear seats, a heated steering wheel, LED headlights, adaptive cruise control, a glass roof and faux leather upholstery.

The Performance variant adds 21-inch wheels, lowered suspension and bigger brakes. With 426PS it can crack the 0-60mph sprint in 3.5 seconds and has a top speed of 155mph.

The initial batch of Model Ys is due to arrive in the first quarter of 2022, with the Performance version following in the summer.

MATT DE PREZ

CUPRA FORMENTOR E-HYBRID

REPORT PROGRESS

£38,155 (INCL £555 METALLIC PAINT OPTION)

1.4-LITRE TURBO-CHARGED PETROL/ ELECTRIC HYBRID, 204PS

0-62MPH 7.8 SECS, TOP SPEED 127MPH

201.8-217.3MPG

29G/KM (WLTP)

DYNAMISM TOPS THE LIST OF FORMENTOR'S ATTRIBUTES

Our time with the formidable Cupra Formentor has sadly come to an end. It gives us an opportunity to reflect on our use of the car and its combination of practicality for a medium-sized family and dynamism for the driver.

A family holiday in the Lake District proved just how nimble and engaging this car could be on winding roads, even with four people on board. Body roll was reassuringly well controlled and 'sport' mode ensured it turned its nose precisely where you pointed it.

The same holiday, and several trips to our local recycling centre, also proved the Formentor's practicality. Despite the hybrid system eating into the standard car's 420-litre boot, leaving us 345 litres to use in our E-Hybrid model, the car swallowed the suitcases and holdalls we required for a week away, and the Formentor's low ride height compared with most SUVs meant loading up wasn't too back-straining.

It's quick enough when you fancy flooring the accelerator – any car doing an eight second sprint to 62mph is adequate in my book – but not ludicrously so. Just as important for me has been its ability to cruise up to 35 miles in electric mode, which made it ideal for school runs and trips into the city from the suburbs. And, once plugged into a 7kwh charger for three or four hours, it was ready for 35 more miles at, effectively, half the cost of a gallon of diesel.

It's easy to see one reason why the Cupra brand has achieved rocketing growth in 2021, to more than 7,000 registrations in 2021 from 162 in 2020. Formentor is a huge asset to the brand.

> A FAMILY HOLIDAY IN THE LAKE DISTRICT PROVED JUST HOW NIMBLE AND ENGAGING THIS CAR COULD BE ON WINDING ROADS

CURRENT MILEAGE 0 5 3 2 7

START MILEAGE 0 0 0 5 6

GREAT DRIVE, GOOD PRACTICALITY

INFOTAINMENT COULD BE BETTER

GUESS THE CAR COMPETITION

THIS MONTH'S WINNER

David Kindred, sales manager at Hammond Nissan and MG in Halesworth, correctly identified the Nissan Patrol last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday January 14.

TALENT ON THE MOVE

ALISON JONES, SMMT PRESIDENT

The Society of Motor Manufacturers and Traders (SMMT) has named Stellantis senior vice-president and UK country manager Alison Jones as its 82nd president.

Jones, who is Stellantis' country manager for the Peugeot, Citroën, DS Automobiles, Fiat, Fiat Professional, Abarth, Jeep and Alfa Romeo, will officially take over from Dr George Gillespie OBE, the chairman of Horiba Mira, on January 1, 2022 – becoming SMMT's first female president.

The announcement was made at the SMMT's 104th annual dinner in London on November 23.

Commenting on her appointment, 12 months after she was named SMMT vice-president, Jones said: "I am proud to be appointed the Society of Motor Manufacturers and Traders' president in 2022.

"It continues to be pivotal and exciting times for our industry as we drive technological developments and customer experiences, respond to regulatory changes, and adapt to the effects of the coronavirus pandemic and post-Brexit world."

Gillespie steps down at the end of 2021 after completing a three-year tenure as SMMT president.

He said: "I'd like to welcome Alison as new SMMT president, I know she will do a fantastic job and her expertise and guidance will prove invaluable as we look to address our challenges."

Jones took up her current role with Stellantis in March 2021, having previously served as group managing director UK and senior vice-president Groupe PSA from February 2019.

The 2020 recipient of the Barbara Cox Woman of the Year Award had previously held a position as UK managing director of Volkswagen Passenger Cars.

PAT RYAN, MANAGING DIRECTOR, SUBARU UK

Former Citroën Ireland managing director Pat Ryan has been appointed as the new managing director of Subaru UK.

He had headed Citroën Ireland from 2017 to 2019, when he moved to run Subaru Ireland. He previously spent seven years with Volkswagen Group in Ireland, where he held numerous senior roles. Kevin Hilliard has also joined Subaru UK as brand director and Bryan Cliff as events and PR manager.

The changes come as Subaru UK prepares for the arrival of its first fully electric vehicle (EV) – the Solterra SUV – next summer. The IM Group-operated brand seeks to drive forward its recovery from a registrations slump in a COVID-hit 2020. Subaru recorded just 951 new car registrations in the UK last year.

DANNY BISHOP, HEAD OF L&D AT LOOKERS

Lookers has welcomed Danny Bishop to the new role of head of learning and development.

Reporting to chief people officer Chris Whitaker, Bishop will assist in ensuring all Lookers employees have a clear development pathway to support personal and corporate growth.

He will lead the AM100 dealer group's focus on people development and learning and in the creation of a new professional development academy to further promote and nurture talent, skills and capability at all levels.

Bishop has more than two decades of experience in senior corporate roles, including at Bupa and Cooperative Banking Group in the UK. He joins Lookers after a stint at Ascent Performance Group where he was outsourcing training and academy leader.

CSABA VINCZE, NISSAN GB FLEET DIRECTOR

Nissan GB has named Csaba Vincze as fleet director, following the September departure of Peter McDonald.

Vincze takes on the role having previously been head of the MD office in the UK and a member of the Japanese brand's management committee.

He has also held senior positions in Nissan's Central and Eastern European region, leading its sales department and being product and fleet manager for LCVs.

TONY MOORE, AUDI UK HEAD OF MARKETING

Audi UK has appointed Tony Moore as head of marketing.

The former head of product planning has held various senior roles across Volkswagen Financial Services, Volkswagen Group UK, and Audi UK, including financial controlling, planning, supply and product.

Moore will be tasked with will helping to accelerate Audi UK's direct and data-driven marketing focus, while ensuring strong Audi brand image building is maintained in the UK.

ANDREW DICKINSON, DONNELLY GROUP HEAD OF MARKETING

Andrew Dickinson has joined Donnelly Group as its new head of marketing.

He brings more than 15 years of experience working in automotive marketing to the role, having held worked with dealer group Wilsons of Rathkenny, Mercedes-Benz Truck and Van NI, and, most recently, Wilsons Auctions.

Dickinson will work with the Northern Ireland-based AM100 group's senior team and manufacturer partners to develop a new marketing strategy.

KATIE HAYES, EVOLUTION FUNDING COO

Lloyds Banking Group's Katie Hayes has joined Evolution Funding as its first chief operating officer.

She brings more than 22 years' experience in the sector from her role at Lloyds, where she was a member of the senior leadership team within the motor finance division.

Hayes has been head of Jaguar Land Rover (JLR) Financial Services for Black Horse and was also director of customer experience for Lex Autolease.

DARREN BINGE, HARROGATE VOLKSWAGEN HEAD OF BUSINESS

Vertu Motors has appointed Darren Binge as head of business at its Harrogate Volkswagen dealership.

He has worked in the motor trade in Yorkshire for 19 years and was previously the centre principal for Vantage Toyota York.

Binge is a graduate of the Automotive Management course at Loughborough University – where he achieved a distinction.

He is joined by Stuart Porter as service manager, from Bristol Street Motors.

'OUR JOB AS LEADERS IS TO MAKE SURE PEOPLE ARE INSPIRED'

Automotive Management Live was held at Birmingham's NEC in November. We look at some of the key messages to emerge

Entrepreneur Kevin Gaskell gave a keynote presentation at Automotive Management Live

Inclusive leadership which can motivate and inspire ambition emerged as the key ingredient for success in presentations at Automotive Management Live's Inspiration Theatre.

Whether attracting a diverse workforce to grow profitability through a broader spectrum of talent or setting ambitious targets and embarking on a "straight-line" strategy to achieve them, the importance of employee buy-in was the key takeaway for a packed audience of seminar attendees.

Automotive entrepreneur and adventurer Kevin Gaskell has climbed Everest, set records for rowing the Atlantic and claims to have created £3 billion in shareholder value as a business leader over the past 20 years.

But the former BMW UK and Porsche Cars GB managing director said that – as a catalyst for success – inclusive leadership is impossible to replicate.

"Our job as leaders is to make sure that people are inspired, that they want to come to work in the morning, that they want to create something, that they want to have fun," he said.

Gaskell showed a strategic plan for 'Faster Britain', a broadband infrastructure business which has grown 2,000% in the past three years and anticipates 150% further growth in 2022, with him as chairman.

INCLUSIVE LEADERSHIP

He said the simple hand-written plan is displayed on the businesses office wall for all to see – to attract employee input.

"Our board meetings we don't hold behind closed doors, we go and stand with the team and we have this plan," Gaskell said.

"The team members come and join us and share ideas. They go home that evening and they say 'you know where I was today? I was in the board meeting and the board were listening to me'."

Gaskell said all levels of employee should contribute ideas because they "know how to do the job".

"I don't know how to fix a car, build a boat, build a fibre network, but you do, so come and join the board and help us get better at what we do."

Gaskell added: "Leadership is not about being a genius, it's about being a genius creator. They say everybody is about 5% genius. So, if I can get 20 people and their 5% aiming at the same goal, then I've got a complete genius."

Communicating ambitious targets and a clear vision is key to engaging a team.

When Gaskell took his role at Porsche, the brand was 32nd out of 32 brands for reputation, was losing 20% on sales and had inventory "everywhere", he said.

Clean slate thinking, the introduction of dealers to the board, a clear vision and the removal of any fear of failure were vital to its rise to number one.

Explaining his technique for forming a successful business strategy, Gaskell said: "Start at the end. Ask 'what does success look like?' and then come back to here.

"If I start there and come back to here, that's a straight line. Do it the other way and the market's changed, there are competitors to take into account and all sorts of other things. No, start at the end and aim for world class."

PROFITING FROM DIVERSITY

Julia Muir, the founder the Automotive 30% Club, was joined by members of the organisation at AM Live's Inspiration Theatre to highlight how a more inclusive and diverse workforce should be considered a key ingredient for success.

The Automotive 30% Club has more than 50 member organisations aiming to fulfil its goal of having 30% of key leadership or key decision-making roles filled by diverse women by 2030.

Muir highlighted McKinsey research which found that diverse leadership is 25% more likely to have above average profitability, with diverse and female leadership increasing that to 36%.

"Business teams with a balance of women and men make better decisions than homogenous ones, leading to superior financial performance," she said.

Muir said employers need to "immerse" themselves in employee data to properly understand their gender balance and policies, claiming that a lack of opportunity for women had left them "working harder for less" than their male counterparts in many cases.

Automotive 30% Club patron member Tom Kilroy, the chief executive of Keyloop, said his leadership team – built over the course of the past six months – comprised 30% women.

He said the business scrutinised its employee data carefully to understand its pay balance and prioritised flexibility, with the recent introduction of Fridays off during school holiday periods.

Alison Fisher, Cox Automotive International HR director, said she felt like she had "stepped back in time" when she joined the automotive sector six years ago.

"I was the only female in the room, and it felt like that needed to change," she said.

"That has to be done through a culture that is hard wired throughout an organisation. It has to do with how people are hired, promoted and how their stories are shared."

TOM SHARPE

BRIEF INSIGHTS

DRIVING IMPROVED CUSTOMER LOYALTY THROUGH REPUTATION EXPERIENCE MANAGEMENT

Feedback can be used to improve loyalty if dealers manage the customer journey at every step, according to Reputation's EMEA director of automotive, Andy Wand.

Wand outlined why customer loyalty matters more than ever and how retailers can optimise their online presence to drive loyalty and increase sales.

Businesses need to build an overall picture using customer reviews and surveys at every stage of interaction, he said, adding: "There's a difference between saying 'leave a review' and 'we appreciate your custom, others will benefit from your views'."

INCREASE CUSTOMER ACCEPTANCE RATES AND SELL MORE VEHICLES

New finance eligibility technology that can identify customers who are more likely to be accepted can improve satisfaction and efficiency.

Codeweavers and Experian shared the results of the pilot of a new system which allows retailers to see what level of lending the customer would be pre-approved for, along with the rate that will be offered.

Approval rates have risen from 60% to 95% with the system, with 86% of customers taking the deal, they said.

Andrew Gill, Codeweavers head of lender products, said: "Retailers are putting customers forward for finance they know they're highly likely to be accepted on."

CREATING THE BEST CAR BUYING EXPERIENCE POST-COVID

Dealers must offer an omni-channel customer experience to stay ahead in an increasingly digital retail landscape, according to Cox Automotive.

Managing director – retail solutions, Europe, Stuart Miles, led a panel discussion on the importance of meeting customer expectations digitally and in person.

Andrew Heywood, head of client engagement at Modix UK, said: "People buy from people. Digital is there to enhance the consumer's journey and experience, not to replace it."

The panel agreed customers should be empowered and encouraged to switch between digital and physical channels to suit their needs.

USED VEHICLE ACQUISITION ON DATA STEROIDS

Data analytics can unlock £200 to £300 per used car sold if dealers utilise up-to-date information.

A dealer case study presented by Auto Trader and Real World Analytics showed how a large dealer group grew its average selling price from 98% of market value to 103%.

Paul Keatley, national client development director at Auto Trader, said Auto Trader's Retail Rating helped dealers "capitalise on vehicles that have a high retail rating" and "strategise" for cars with a low rating.

Keatley identified around 15,000 cars priced too low from day one on Auto Trader, resulting in £27m of lost profit.

Facebook's Anita Fox joined Marketing Delivery boss Jeremy Evans in sharing social media marketing tips

Stuart Miles (right) led discussions about customers' expectations

Julia Muir chaired an Automotive 30% Club discussion on the merits of gender diversity

POST-PANDEMIC CONSUMER BEHAVIOUR IS 'MORE IMPORTANT THAN EVER'

Marketing Delivery managing director Jeremy Evans stressed that the pre-enquiry stage is "more important than ever" for car retailers in his 'How the pandemic has changed consumer behaviour for good' presentation.

Evans, who was joined by Facebook's head of automotive, Anita Fox, said: "If you can't get your name in front of a customer while they're in that pre-enquiry phase, and if you can't deal with them quickly and effectively, you might find that the customer is ready to transact and you're not."

Engaging audiences via videos, stock buttons and website links on Facebook is a good way of reaching customers on a platform they already a lot of time on and trust, Evans said, adding: "They don't necessarily want to go to your website at the first opportunity."

JESS MAGUIRE

'WE NEED TO SEE DATA DEMOCRATISED'

The electric vehicles (EV) revolution and new retail models is placing up to 70% of dealership profit at risk in the next decade.

Boston Consulting Group partner Arturs Smilkstins made the claim as he warned retailers they were standing on a "burning platform" and must evolve quickly to embrace change.

Speaking on the Inspiration Theatre stage, Smilkstins said that 50% of car sales could be headed online by 2025 as OEMs target greater profitability through the provision of services.

"The questions are what are those services and how do you sell them?" he said.

Smilkstins said that cost reductions would be needed, suggesting a restructure of physical retail and aftersales facilities is likely to help.

Urging retailers to take time to step back and consider how the business could be done differently, he said: "Ask yourself, if Google or Amazon were entering automotive retail what kind of questions would they expect to be able to answer instantly?"

Following Smilkstins on stage, Salesforce sales director Matthew Simpkins said customer data held the key to dealers' ability to "take back control".

Simpkins said only around 50% of the AM100's top 50 dealers have "a logged-in area of their web site where you can collect first-party data that you can access and use throughout the ownership lifecycle".

He said that more need to be done to gather and leverage the use of this data, adding: "Ultimately, though, we need to see data democratised." TOM SHARPE


Arturs Smilkstins, Boston Consulting Group

BRIEF INSIGHTS

CONCIERGE SERVICE IS THE FUTURE

Connected retailing is key to car dealers' ability to successfully compete in an omni-channel retail environment, according to iVendi chief executive James Tew.

Tew told delegates at AM Management Live that a combination of the showroom and digital sales processes can address complexities of the car-buying journey such as negotiations, the sale of add-on products, the decline ~~(??)~~ journey for finance, part-exchange prices and getting settlement figures.

"If I have no customer contact in this pure online play, how do I speak? But as physical rooftops, you have that resource and that ability," he said. "You need your people, and the benefit of the people – the showroom, talking to customers and pure online, the 'concierge service' – that is the way forward."


James Tew, iVendi


Dan Delderfield, CarGurus

COMBAT DISLOYAL CUSTOMERS

Only half of people who used public transport or ride-sharing before the COVID pandemic are planning to do so again, according to CarGurus' research.

However, they still want to travel and have the income – thanks to lockdown lifestyle restrictions – to afford a car.

"It's a great opportunity," said Dan Delderfield, national account manager, CarGurus, in the presentation 'How to gain market share in an increasingly dynamic online marketplace'.

"The pandemic has created an environment where a shortage of stock has meant higher prices, but customers are prepared to pay them.

"But how appropriate are the services you offer to meeting this demand? What do you do if you don't have the car a customer wants, what questions is your contact centre asking?"

CarGurus suggests consumers are less brand loyal because of stock shortages.

National account director, Nathan Quayle, said retailers must "be consultative with the customers who are brand open".

RETAILERS MUST DETERMINE 'OPTIMAL ROUTE TO HELP CUSTOMERS TO BUY'

Pressures in the marketplace risk motor retailers falling into bad habits, according to CitNOW group chief revenue officer Alistair Horsburgh.

He said retailers must determine the "optimal route to help customers to buy" as he advised AM Management Live visitors in his 'Defining the ultimate customer journey' presentation.

"Make sure the customer is comfortable to buy in the environment you offer; increase customer trust; give accurate part-exchange appraisals and maintain customer loyalty," he said.

CitNOW's advice was drawn from four years of annual car buyer surveys.

Half of respondents said they wanted in-person interaction, but Horsburgh said it was vital to "give them a choice how they want to communicate", with 72% of under-45s stating they would buy a car if they saw a video of it first.

One salesman was converting 75% of customers into sales with 15-minute video presentations, Horsburgh said. JEREMY BENNETT

Tom Kilroy, Keyloop

BRIEF INSIGHTS

REPLACE DELAYS WITH DIGITAL ENGAGEMENT

More than two-thirds (68%) of car buyers visit online review sites, 65% OEM websites and 58% dealer websites when researching their next purchase, Keyloop found.

Key to engaging visitors is the availability of vehicle data and an "easy/intuitive shopping experience", Keyloop chief executive Tom Kilroy said in his 'Digitalisation – what car buyers and owners really want' presentation, which was based on a survey of 100 in-market buyers.

The further a customer can get through the purchase process, the more likely they are to buy a vehicle, he said, adding: "However, when buyers are in a dealership, their top priorities are competitive price, staff knowledge, and the reputation of the dealership."

In aftersales, 80% of customers want to use digital tools such as service booking. About half would use a secure key locker to drop-off keys.

"Ask yourself how long a customer is left waiting for you in different departments in your dealerships. It's a lot. If you engage with them virtually how many more customers would you attract?"

TAP INTO A CAPTIVE AUDIENCE

A network of volunteers, users and partners is helping to save the planet, reduce stress, improve the economy while providing car retailers with a new marketing opportunity, according to Waze.

Ruairidh Roberts, country manager for the free navigation app, told delegates at AM Management Live how the platform is based on its global community of more than 140 million users, plus partnerships with more than 2,000 cities and transport authorities.

Its revenue comes from advertisers, with businesses able to highlight timely information to users in their proximity.

"The impact of COVID and lockdowns has meant a dramatic turning away from public transport and growing trust in private cars," Roberts said.

"It provides a captive audience, the perfect opportunity to talk to drivers at exactly the right moment in their day."

A Forrester Consulting audit of Waze showed a 70:1 return on ad spend generated by an 8% increase in footfall.

EIGHT QUESTIONS TO A...

SERVICE ENGINEER

Harold Bowden, service engineer at Bowker BMW Preston, has passed the BMW master technician exam seven times and, 45 years into his career, is still eager to learn more

What are the main responsibilities of your role?
I'm involved in everything that helps resolve customers' car issues as quickly as possible. So, from the moment they come in, I am involved in remote diagnostics and I carry out daily customer consultations to ensure everything runs smoothly. I formulate an action plan even before we see the vehicle. I also believe in follow up (YTT – yesterday, today and tomorrow). As one of the more senior members of the team, I help to coach colleagues in my spare time. As a fully qualified digital services expert (DSE) I was heavily involved in remote diagnosis; Bowker BMW was a hand-picked pilot retailer.

What are the most significant challenges ahead in your field of work?
The main challenge is keeping pace with the new technology. When I started, we predominantly looked after petrol engines, then diesel; and, now electric. I was reading the other day that the IMI (Institute of the Motor Industry) estimates there are between 13,000 and 20,000 technicians currently qualified to work on electric vehicles. That's a massive skills gap with more than 50,000 and 57,000 technicians needed by 2030. I like to think we're playing our part here at Bowker. But I hope we can encourage more colleagues to learn more and be in a position to deal with electric car issues. At one time diesel was the way forward. We all adapted. This is another challenge, but the need is even more significant.

How might these challenges be overcome?
Manufacturer support is important. My training includes regular visits to the BMW Academy at Wokefield Park in Reading. I get a real lift out of it. But there's only so many training courses the car manufacturers and retailers can send us on. The difference will come down to how much technicians want to learn. Self-motivation is crucial too. We can have a good career now; finally we are starting to get the recognition and salaries we deserve. So, it's important to be sparked by curiosity about new technologies. In my case, it means reading around the subject in my spare time and keeping up to speed with the latest innovations. The new advances excite me and I love the product.

What attracted you to this area of expertise?
I became one of the first master technicians in the country in 1992. I was challenged to take a test. Back then, I was one of the first 30 to take the examination. And only five of us passed. It was a tough exam but I've been hooked on furthering my knowledge ever since. I'm not sure I could have predicted the kind of advancements we've seen as a result. I've been with Bowker Motor Group ever since. It is a family-run company that always supports its technicians. With that support, I've worked hard, passed exams and here I am – still taking exams every three years. Even after all these years, there are things I can still learn and improve on.

What's the most important thing you've learned in your career, and how have you made use of it at your company?
From an early stage in my career, the value of a first-time fix was drummed into me. And it has served me well. Not just from an efficiency point of view, but to keep customers happy too. No owner wants to bring a car problem to be fixed more than once. That's why I've always made sure I test rather than guess; delivered a solid diagnosis and connected with the customer where their detailed questions help to give a complete picture of any issue. I use the same "right first time, every time" mantra with colleagues. I think, together with other technicians here at Bowker who place importance on this approach, we have made a big difference to improving quality in the workshop over the years.

QUICK-FIRE QUESTIONS

What drives you?
Thirst for knowledge, love of the product and keeping Bowker BMW number one in Lancashire.

What's your favourite app?
I like YouTube. I follow 'Scanner Danner' and 'Diagnose Dan' about car stuff. And parkour videos.

How do you relax?
Watching my favourite football team, exercising and reading.

AM

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THIS MONTH'S QUESTION TO THE *AM* TEAM:
Have you ever taken back or 'recycled' an unwanted Christmas present?

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No, but I've sold something on a few years later at a car boot sale
News and features editor Tom Sharpe 01733 468343
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Since my mum resolved to do all her Christmas shopping at TK Maxx, yes... lots

PRODUCTION
Head of publishing Luke Neal
I have a box full of presents bought for my kids for re-gifting
Production editor David Buckley
Fairly lucky in this respect. But, this year, I lost a jumper bought by my son on its first outing!
Senior designer Chris Stringer
I don't usually get any, but my wife has no problem recycling some of my 'useless' gifts to her

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