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Dealers' anger at brand's downsizing 'by stealth'

SMART'S REVIVAL / P22

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SELLING ELECTRIC

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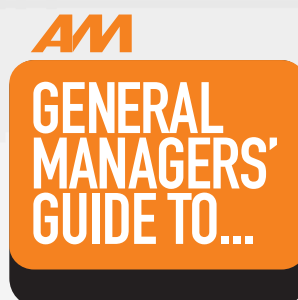


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EDITOR'S LETTER

There's quite a burden on carmakers and their retail networks due to the UK Government's road to zero ambitions. Despite relatively strong uptake currently, I don't believe the state is doing enough to educate people about electric vehicles (EVs) and the lifestyle compromises that must come with them.

Even if there were ultra-rapid chargers in every UK car park, drivers will still need to adjust their habits and show some patience. Such as when they're spending 30 minutes beside an airport car park's charger in the dark waiting for enough current to feed across for the trip home.

And, although the removal of the plug-in car grant was clearly on the cards, we still need more and better incentives that help consumers make the switch.

Arnold Clark's Innovation Centres are a good start. Shouldn't manufacturer groups like Stellantis and Volkswagen Group have the same, showcasing multiple marques' EVs in one place? Even so, EVs must become accessible. We need locations and mainstream events where Joe Public can wander up, have an explore, see how you plug in a charger and chat about real life with an electric car, in used form as well as new.

Otherwise, real-world EV ownership may come as a shock for many in the 2030s.



OUR WRITING TEAM



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features editor



the best...
but with added
personality!

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**James McGee,
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UK general manager,
national sales

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NISSAN BIDS TO KEEP 'PINS ON MAP' CLOSURES UNDER RADAR

Affected dealers claim they had 'little or no contact' ahead of termination notices

Nissan GB has been accused of attempting to carry out a "cloak and dagger" dealer network restructure which will axe some of its longest serving and top-performing franchisees.

AM discovered this month franchisees were being handed two-year termination notices with little or no direct contact with representatives from the manufacturer and instructions not to discuss the cull – leaving many fellow retailers unaware of the change coming.

Dealers already part of the cull have told AM they had been left feeling "cast aside" by a brand they saw as more concerned with avoiding bad publicity than sparking business closures and job losses.

Aggrieved business leaders were told that the axing of certain dealerships was in no way related to performance.

It is the result of a geographically-determined 'Ideal Network Plan' based on "pins on a map" that will prioritise group representation over smaller operators.

One retailer told AM: "There is no loyalty, no recognition of achievement or performance, they are just wielding the axe dependent on your

location without a second thought. It's a case of pins in a map.

"I've asked for details of the new strategy, and I've been told it's 'none of my business'. The way we've been treated is appalling."

'RUTHLESS' APPROACH

Another said: "The speed and ruthlessness of what the brand is doing – with no consultation and a complete

**I DON'T
KNOW WHY
YOU'D
CHOOSE TO TRY
TO RESTRUCTURE
BY STEALTH**
STEVE YOUNG, ICDP



unwillingness to discuss the plan – is a huge kick in the teeth.

"There's been no warning, no transparency and it's clear that Nissan is trying to make these sweeping changes without anyone noticing. We're expected to just leave quietly. It's all very cloak and dagger.

"They haven't spared a thought for our businesses, their only thought is that they don't want the negative publicity during the launch of Ariya. They're petrified of it."

After AM told Nissan GB we had this information and asked for a comment the carmaker went public, outlining its bid to cut its network from more than 160 sites to 140.

At the time, franchisees had still not received any formal communication on the cuts.

Nissan had already reduced the number of UK dealerships from 200 in 2015 to around 166 at the time of an AM manufacturer profile feature with managing director Andrew Humberstone in October last year.

Now, revealing its Ideal Network Plan, Nissan said it continually reviews its operations to meet ever-changing industry challenges and build a sustainable business with partners for the future.

It also stated that increased invest-

ments would be needed from retail partners in the areas of digitisation, facilities and infrastructure.

In last year's interview Humberstone conceded that Nissan was reshaping its territories, adding that the future is in "fewer, bigger, better" sales points and that, thanks to good profitability, its 67 franchisees can invest where Nissan needs them to.

At the time, he said the average Nissan dealers return on sales stood at around 1.4%.

He's since claimed it reached 2.7% in March. Most car brands' networks have become more profitable due to supply constraints and less discounting.

In Nissan's Ideal Network Plan statement, he said: "We recognise ongoing cost and revenue pressures that our partners face and the need to create a sustainable business model that supports the investments required.

"In order to deliver this, we need a more focussed network footprint that will ensure better service to our customers."

Nissan now wants around 140 sales sites and about 180 authorised service points.

It claims customers' average drive time to their nearest Nissan dealership will increase by just one minute.

In last year's AM interview Humberstone said Nissan was less concerned with market share than it had been in recent years, suggesting the new focus would now be "very much value over volume".

From its 2017 peak of 5.95% (151,156 registrations) its share declined to 4.16% (68,494 registrations) in 2021. At mid-2022 point, its share had dropped further to 3.9% (31,296 units), although recovery is likely after deliveries start of the Qashqai E-Power this September and Ariya electric SUV in Q4.

The reduction in volume means that, despite steps taken by Nissan to reduce the scale of its network in that period, its sales per site have reduced by around 45%.

NISSAN UK CAR MARKET SHARE (%)





HONDA'S COLLABORATIVE CASE STUDY

Last month, Honda head of automobile Rebecca Adamson told *AM* how a reduction in the scale of its franchised retail network had succeeded in raising the profitability of its retail partners.

It had liaised with its dealers just before speaking openly with *AM* in 2019 about its aim to cut its 155-strong sales network to 100-125 locations, each achieving 200 retail sales, within three years.

Now Honda UK's average retailer is achieving a 3.6% return on sales, on a rolling 12-month basis, she said, with year-to-date figures even stronger.

"The results have been really positive," Adamson said. "The changes delivered everything we said they would and that's obviously really good news for us and the network."

Honda's approach to communicating its aims with its retail network was established after Vauxhall gained national and international bad press in 2018 from its sweeping cuts to its dealer network and resultant redundancies.

Vauxhall's then new managing director Stephen Norman announced the plan to cut almost a third of the brand's sites at the group's May dealer conference.

Since then, Ford has begun closing almost half of its 400 showrooms as part of a 'Ford 2025 Dealer Plan' revealed to its investor partners at a conference in February. Stellantis terminated all European franchised retailers in May 2021 ahead of its move to an agency model from 2023.

Responding to *AM*'s accounts from Nissan dealers reflecting on their treatment, ICDP managing director Steve Young said: "I don't know why you'd choose to try to restructure by stealth because, as *AM* has found out, dealers talk to one another."

"Honda was very transparent about what it was doing when it reduced its scale in the UK and, from what I have seen, it has taken the network with it as a result."

Young said ICDP's European Car Distribution Handbook indicated Nissan was no worse off on a sales-per-site basis than other volume carmakers.

He insisted, however, that OEMs looking to cut fixed costs could roll-out significant network reductions with little negative impact on customer drive times.

"We talk about cutting networks by 50% and that would bring UK sales per site up to levels seen in the US," Young said.

"The reality is that the maximum



Andrew Humberstone wants a "focused" dealer network that "will ensure better service to Nissan's customers".

drive time (from home) that car retail customers are willing to take has been going up for the past 10 years.

"Consumers say they will drive an hour to buy a car and manufacturers say they want a half-an-hour drive time, but are delivering much less – under 20 minutes on average. There are big opportunities to make cuts and they're not unique to Nissan."

Many retailers leaving the Nissan network will be left to reflect on a franchise which had promised it would place them ahead of the curve when the mass adoption of electric vehicles (EV) came.

"What really grates is that we pushed Leaf uphill for years," said one *AM* source. "We did that on the premise that when the time came for EV, we'd be at the forefront of the market. Now the Ariya is finally here, along with the new Qashqai E-Power and new X-Trail, we've been handed our termination notice."

In response to *AM*'s reports, Nissan GB claimed that it had been taking "every measure possible" to engage affected retailers in an "open, frank and personal way".

It added: "We have been visiting each affected site for face-to-face meetings on the Ideal Network Plan and have conducted all conversations with partners in a professional manner."

"Dealers would not expect advance notification of termination, but do expect professional courtesy during the conversation, hence why we are visiting each site in person."

TOM SHARPE



A Nissan dealer claimed the brand hoped to avoid news of cuts breaking just as it opened order books for the Ariya electric SUV.

≈ JLR SILENT ON DEALERSHIP CLOSURE FEARS

Jaguar Land Rover (JLR) would not comment on suggestions that its plan to move to agency model retail agreements by 2024 could result in dealership closures.

JLR UK managing director Rawdon Glover told *AM*: "Jaguar Land Rover UK will transition to a 'direct to customer' agency model by 2024."

"This will improve customer experience and optimise on- and offline touchpoints in line with our digital transformation, and elevate our iconic brands

to the levels of modern luxury determined by our Reimagine strategy."

JLR said consultation was now underway with retail partners across the UK, but would not comment further.

One JLR retail group boss told *AM* it would be "a huge blow to franchisees" who have spent considerable sums on rolling out the Arch Concept and buying nearby dealerships to drive consolidation if they were faced with "terminations and closures".

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The **AM**

NEWSHOW



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<https://www.youtube.com/watch?v=ZHsSkSO6lq4&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=11>

JCT600 head of colleague experience Nicola Tordoff-Sohne is joined by Aston Martin Leeds apprentice technician Sophie Bailey and Mercedes-Benz Sheffield apprentice service advisor Ben Collinson

"How can we match what we do for customers with what we do for colleagues? We pour lots of investment, resource and time into understanding how to optimise the customer experience. Now we're doing the same for colleagues."

<https://www.youtube.com/watch?v=G0saReg7qUA>

Marc Palmer, brand director, Auto Trader and Dylan Setterfield, head of forecast strategy, Cap HPI

"With there being a shortage of stock, a lot of dealers who wouldn't normally touch electric cars, smaller independents mainly, have dipped their toe in and thought 'Oh, I did alright with that'. We've probably had two or three years' progress in terms of widespread adoption in dealer networks."

<https://www.youtube.com/watch?v=i0po7LTZ7XQ&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=7>

Steve Young, managing director, ICDP

"We've been saying for some time that the property is the ticking time-bomb. At some point there's going to be a fundamental reshaping of the physical footprint required."

<https://www.youtube.com/watch?v=AicQweeihsc&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=6>

Umesh Samani, owner, Specialist Cars of Stoke, and co-founder, Independent Motor Dealers Association

"Over the years I've built this reputation for buying cars privately. I get customers coming back to me not just to buy cars, but to sell me theirs."

<https://www.youtube.com/watch?v=JE9tGFSnAMk&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=12>

Peter Allibon, sales director, Mazda UK

"We're a relatively diverse workforce at Mazda UK, with a decent female representation within our senior management team, and our experience is that it is invaluable. We make different decisions as a result of that balance."

<https://www.youtube.com/watch?v=DCFzOFbcziQ&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=10>

Kat Lord, data projects manager at Sandiccliffe Motor Group, and April Wyatt, head of marketing at Waylands Automotive

"You have to be careful not to get caught up in 'it's the latest, newest, let's just do everything' because it's not always what the customer wants."

<https://www.youtube.com/watch?v=lowpA1ZJ1rQ&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=4>

John O'Hanlon, chief executive of Waylands Automotive

"We can invest, we can take on some of the challenges and we can use some of our accumulated experience."

<https://www.youtube.com/watch?v=XaNim7ppXM8&list=PLByW-h8My7k1p87a9ANydnqPX7aib6b1c&index=8>

Darren Ardron, managing director, Perrys Motor Sales

"Whatever we get thrown at us, we seem to find a way to get through it."

ADVERTISING FEATURE

MotoNovo growth in SME vehicle financing points to dealer opportunity

Debbie McKay,
Commercial Director, MotoNovo Finance



The small-to-medium enterprise (SME) market for cars and light commercial vehicles (LCVs) is an opportunity for motor retailers and one helped by the availability of finance.

While the latest Bank of England figures show the annual growth rate of lending to SMEs at a record low, MotoNovo has increased its lending to SMEs seeking their next car by 55% over the past year, with lending volumes to corporate customers increasing year-on-year by 50%.

MotoNovo's growth in lending to SMEs is in stark contrast to the broader picture reported by the Federation of Small Business (FSB), which has said that SME finance applications had plummeted to the lowest level on record¹, a situation that saw FSB national chair, Martin McTague, say: "Lenders pulling up the drawbridge for small firms will threaten our already faltering economic recovery."

MotoNovo, which has enhanced its business finance capability, matching this with a desire to increase market share in the new and used vehicle financing sector, has aligned its ambition with action.

Over the past 12 months, MotoNovo has delivered:

- 50% growth in lending volumes to corporate customers;
- 22% growth in LCV lending volumes;
- 55% growth in lending volumes to SMEs to buy cars.

MotoNovo has helped SMEs by providing well in excess of £100m of vehicle finance over the past year. Nor is the lending only linked to single vehicles; 1,400 SMEs financed two or more vehicle purchases.

We remain very ambitious for ourselves and our dealers in terms of SME lending. The FSB's research on SME borrowing notes that, while 61% of businesses seeking funding sought traditional overdraft and/or loan products, only 25% applied for asset-based finance, a definition that included invoice finance.

While not immune to the prevailing economic conditions, dealer finance can be very competitive and has the advantage of being 'secure', which typically helps acceptance levels. Dealer finance is also quick and easy to set up and frees up other borrowings.

¹ <https://firstvoice.fsb.org.uk/first-voice/concern-for-small-businesses-as-banks-pull-up-the-drawbridge-on-lending.html>



THIS MONTH'S NEWS HIGH

JUN

13

CAZOO CUTS JOBS AND CLOSES SITE

Cazoo revealed it would begin cutting jobs with the closure of a vehicle preparation centre at Norton, near Ledbury, acquired from SMH Fleet Solutions last year. A spokesperson for the online retailer said it "no longer requires the capacity of all 10 vehicle preparation sites we have in the UK" just days after it revealed its plan to cut costs by £200m per year. Cazoo's sponsorship of Premier League football club Everton was also ended early.

FEARS OF A USED CAR 'BLOODBATH' IF MARGINS DIP

Cap HPI's Derren Martin (right) told AM the UK's used car sector would be "a bloodbath" for dealers without the high values and strong margins maintained as a result of 2022's supply shortages. Martin described values as "stable" ahead of an average June value decline of 0.9% (at 3yrs/60k).



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FORD STOPS TAKING ORDERS FOR FIESTA SUPERMINI



Ford closed the order books for its Fiesta supermini while it battled to reduce a backlog caused by shortages of semiconductors. A day later MG halted its electric vehicle sales as it aimed to meet an "unprecedented level of demand". MG 5 orders had already been discontinued ahead of the launch of an updated version.

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CINCH RESOLVES GLASGOW RANGERS DISPUTE

A "revised contract" meant that Glasgow Rangers would continue to benefit from cinch's £8m sponsorship of the Scottish Premier League (SPL), despite refusing to display the Constellation Automotive-owned online car retailer's branding. Rangers claims the deal breaches its existing arrangement with club chairman Douglas Park's AM100 car retail business Park's Motor Group.



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PENDRAGON ACTS ON SHAREHOLDERS' BONUS REVOLT

Pendragon vowed to formulate new remuneration policy after shareholders voted 65.5% against its plan to hand over multi-million bonuses to its leadership team. Shareholders also voted 35.1% against the re-election of chief executive Bill Berman as a director and 39.8% against Dietmar Exler as a director at the PLC's AGM. Remuneration committee chair, non-executive director Mike Wright, had already left the business.



BENTLEY NO-TOW BLOW MAY SET 'SIGNIFICANT PRECEDENT'

A trial to determine whether to refund a woman sold a £142,000 Bentley Bentayga only to find it could not tow her caravan may set a "significant precedent", said Rejectmycar.com founder Ian Ferguson. Sheriff Principal Aisha Anwar threw out the appeal by Glasgow Bentley franchisee Park's Motor Group. The case is due to be heard in Q4.



23

MANUFACTURERS BACK NEW MARSHALL SET-UP



Marshall Motor Group's franchise partners gave their backing to its new Constellation Automotive leadership. Suggestions that the departure of chief executive Daksh Gupta could trigger terminations were rebuffed by OEMs including BMW, Mercedes-Benz and Volvo. Mercedes chief executive Gary Savage said his brand was "encouraged to see the direction in which they plan to take the Mercedes-Benz partnership".

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HYUNDAI/KIA OFFICES RAIDED IN DEFEAT DEVICES PROBE

Raids were carried out on Hyundai and Kia's European offices as authorities investigated suspicions that more than 210,000 diesel vehicles may have been fitted with illegal defeat devices. A statement issued by Hyundai said the manufacturer was "fully cooperating with the public prosecutor."

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10 CARSTORE DIRECT SITES 'POP-UP' IN STORE CAR PARKS

Pendragon broadened the footprint of its Sell Your Car and Click and Collect used car retail services with the opening of 10 CarStore Direct sites at Morrisons and Homebase stores. The pop-up locations were first trialled in 2020. They are sited in customer car parks and staffed by personal advisors – aiming to deliver pressure-free retail – six days a week.



29

USED VALUES FALL FOR SIXTH CONSECUTIVE MONTH

The UK was the only used car market in Europe where the value of vehicles continued to fall in June, according to Indicata's Market Watch insights report. It found used car values had declined 5.7% across six consecutive months in the UK, but remain 25% higher than they were at the start of the COVID-19 pandemic.

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ADVERTISING FEATURE

Flood response planning for the automotive industry – understand, minimise risk and reduce damage

Adrian Robinson, Managing Director,
PIB Automotive Practice Group



Flooding can have a devastating impact on your business. Given commercial properties are twice as likely to be at risk from flooding compared with the average British property, it is vital you are

prepared in the event of a disaster.

In the UK, Greater London has the highest number of commercial properties in the 200-year flood zone (41,946). West Yorkshire is the region with the second highest number (10,396). Both areas have faced recent flooding with thunderstorms causing advanced surface water flooding – in London last summer, and the Calder Valley in Yorkshire being affected by numerous floods over the past decade.

Floods threaten businesses, yet in a survey by FloodFlash, only 42% claimed to have business interruption insurance. Help ensure your business is more flood resilient by considering:

Insurance

- Understand the risk of flooding to dealerships
- What physical measures can be undertaken to minimise risks
- Implications from an insurance perspective

Risk Management

- Identify and mitigate risk
- Establish a flood response plan
- Highlight the number of buildings in flood risk areas
- What to do in the event of a flood, such as moving vehicles to safety
- What to have in a Business Continuity Plan as a minimum

With climate change leading to a greater risk of floods, it is crucial to take precautionary steps now to protect your business.

For more information, you can contact me on
07753 984433 • Adrian.robinson@pibrm.com



NEW CAR MARKET

BEVs OVERTAKE HYBRIDS AND DIESELS TO GAIN SECOND SPOT

Ford still top of the pile as its crossovers outstrip hatchbacks for the first time

The buzzword of the past few years has been “unprecedented”. It is tempting to use that term for the fact that 2022 had the lowest June new car registrations total since 1996. Depressingly though, terrible registration figures are now all too precedent.

The only bright spot has been the rise in sales of battery electric vehicles (BEVs). BEVs took 14.4% of the market (up 56.0% year-to-date – YTD), and have now overtaken both hybrids and diesels to become the second most popular form of propulsion after petrol. Petrol share is still higher than it was 10 years ago (57.4% 2022 compared with 47.8% in 2012), due

to the collapse in diesel, which is down from 50.8% to 10.4% over the same period. Indeed, outside the SUV market, diesel has barely any sales. For example the best-selling diesel hatchback is the Golf (no surprise there), which has sold less than 2,000 units YTD. Approximately one-third of the market (32.2%) is now taken by full hybrids, plug-in hybrids or BEVs.

Among manufacturers, Ford (down 18.6%) retained its first place – albeit with a moderate 7.6% market share. The most notable aspect of Ford's performance is that, for the first time, both its best-selling models are crossovers (Puma and Kuga). They now outsell their hatchback equivalents (Fiesta and Focus) by approximately 80%.

Kia (up 26.9%) continues to take a strong second place with, inevitably, the Sportage crossover as its best-selling model. All Kias are selling well in their respective segments, apart from the delightful, if irrelevant, Stinger executive saloon. Kia describes it as a halo model, but retro model would be a more accurate term: a 361PS saloon styled (and named) to evoke an American V8 muscle car could barely be more out of tune with modern trends if it was fitted with an AM/FM radio and a cassette deck.

In third place, VW (down 34.6%) continues to forego microchips in order that its more profitable subsidi-

“ NOW MERCEDES SAYS THE SECRET OF SUCCESS IS TO REDUCE PRODUCTION VOLUMES AND CONCENTRATE ON THE SECTORS IT DOMINATED IN THE 1980s

aries can produce more cars. With a fall of 20.7%, Audi sales are down by a notably smaller proportion than VW, while Porsche sales are forging ahead (up 43.5% YTD). Of course, Porsche's sales increase could be connected to the proposed £50 billion-plus flotation VW is considering. The higher Porsche profits this year, the higher the value of its shares will be. It is well worth missing out on a few thousand VW Polo sales in order to earn extra billions on a higher flotation.

Of the other German premium brands, BMW (down 18.1%) is now fewer than 300 units behind Audi, so there will be a close race to the finishing line in the second half of the year. However, the interesting thing about the perennial race for leadership of the three big brands is that Mercedes-Benz no longer appears to be competing. Mercedes is down 22.2% YTD and its market share is now a whole percentage point behind its German rivals. Last year, Mercedes' position as a distant No 3 seemed to be due to model changeovers (especially the C-Class), but it now appears to be more structural. Mercedes has said it will reduce sales of its lower-priced models in order to raise profit margins.

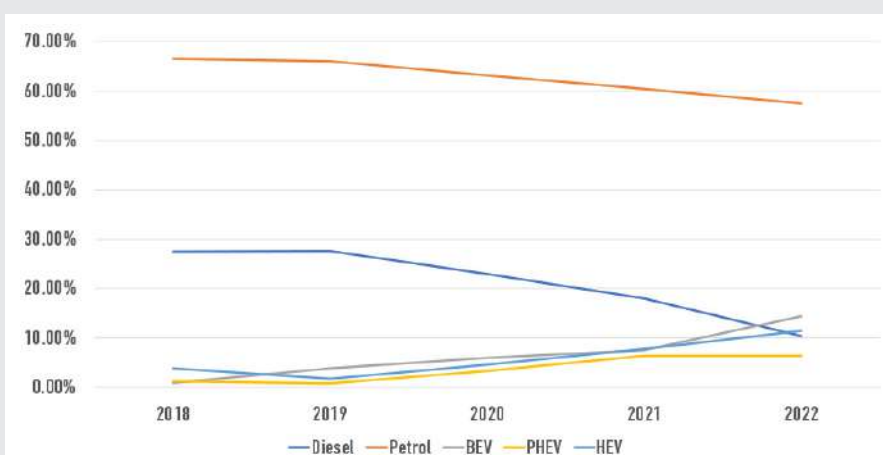
This reversal of strategy will amuse long-time industry watchers. After decades of staying aloof from volume sectors, Mercedes said in the 1990s that it could only prosper if it vastly increased production volumes (hence the ill-fated acquisition of Chrysler and the partial acquisition of Mitsubishi). Now it says the secret of success is to reduce production volumes and concentrate on the sectors it dominated in the 1980s. Long-time shareholders may not be quite so amused at the sums squandered in the meantime.

Among the other top 10 manufacturers, the best performance has come from Toyota (down 3.6%),



Puma has emerged as one of Ford's best-selling models

MARKET SHARE BY FUEL TYPE YTD JUNE



SPONSOR'S COMMENT

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

As we move into the third quarter of 2022 the pace of change in regulation and the economy continues to accelerate. And the volatile nature of recent times shows no sign of abating.

While we await the imminent publication of FCA's Consumer Duty reforms and the impact that will have on car finance, the Government has announced its intention to reform the Consumer Credit Act, which is positive news.

A consultation is expected to be published this year looking at how it should be changed and developed. The act, which regulates personal loans including hire purchase and PCP agreements has been in place for nearly 50 years and if you were around in 1974 you'll be very aware of how much everyday life has changed since!

There is an overwhelming need to improve this regulation to meet the demands of the modern consumer and create forward-looking legislation able to cope with the growth in demand for online solutions. We have lobbied for this alongside the FLA for many years.

Looking to the economy and following a long period of historically low inflation and interest rates, we are entering a very different phase. While inflation is surging in many countries the drivers are not consistent, and in the UK we have price pressure in many essential spend areas combined with a weak pound accelerating import-led inflation.

The Bank of England has, inevitably, raised rates and is expected to continue to do so through 2022, increasing fears of recession and denting consumer confidence to its lowest level for more than 25 years.

Money costs have already risen significantly since the start of the year across all main forms of lending. Dealer rates and terms may be reassessed more regularly to take account of the prevailing economic conditions, which may, in turn, be reflected in customer pricing.

In fact, we have already seen average prices increase. That is a difficult position for customers when new and used car prices have also risen significantly. We need to ensure we continue to give customers great value in their car purchases and in the finance that enables it.

Volatility will remain for some time for all of us. We need to keep looking for changes on the horizon... there is more to come.



which has significantly out-performed the overall market. The Aygo X, Yaris and Corolla are all in the top 5 in their respective segments, while the Yaris Cross and C-HR are also in the top 10. The Aygo X, in particular, is worth watching: most manufacturers have decided that the A-segment has no long-term future, but Toyota is betting against conventional wisdom. The Aygo X is too new to draw firm conclusions, but it has certainly got off to a strong start, being the segment's best-seller in the month of June.

Outside the top 10, the two best performances have come from MG and Dacia. MG is up 84.4% YTD, with its best-seller now being its largest model, the HS C-segment crossover (which is now outselling VW's stalwart Tiguan). Dacia is up by 75.5%, thanks to the new Sandero, which has overtaken such well-established models as the Honda Jazz and Škoda Fabia. Indeed, Dacia is doing to Škoda what Škoda used to do to other manufacturers: provide a competitive car at significantly lower cost.

Meanwhile, the worst performance has come from Jaguar, down by 43.6%. It looks like Jaguar will soon be overtaken by Cupra (0.6% market share), which did not even exist in the UK two years ago.

However, Jaguar is not the only premium brand to be suffering. Lexus is down by 32.0%, and has already been overtaken by Cupra.

Polestar (0.4% market share) is also catching up on its Japanese rival, which shows how important it is to have a distinctive position as a premium brand. Polestar is a cool, stylish Scandinavian alternative to German premium

Best performing major brands*	YTD June
MG	84.4%
Dacia	75.5%
Tesla	43.7%
Porsche	43.5%
Hyundai	30.5%

Worst performing major brands*	YTD June
Volvo	-29.3%
Škoda	-30.7%
VW	-34.6%
Land Rover	-36.8%
Seat	-51.0%

* Brands with at least 1.0% market share YTD 2022

brands, and Cupra is an accessible performance premium brand.

Lexus is what exactly? In so far as Lexus has an image, it is known for very well-made Japanese hybrids – not the most arresting vision.

As for DS (0.2% market share), it is trying to be a stylish, French premium car brand. If France is so strong in fashion, why not in cars, runs the argument. Unfortunately, decades of Citroëns, Peugeots and Renaults with a reputation for questionable quality has made the term "French premium car" a bit of an oxymoron to British buyers. **DAVID FRANCIS**

NEW CAR REGISTRATIONS

Supply issues hitting worse than lockdown

UK new car registrations slumped to their worst June since 1996 after ongoing component supply issues contributed to a 24.3% decline – but the cost of living crisis is yet to bite.

Society of Motor Manufacturers and Traders (SMMT) chief executive Mike Hawes concluded that semiconductor shortages are “stifling the new car market even more than last year’s lockdown” after another month of declining sales left the sector 11.9% down year-to-date (YTD).

A total of 140,958 new vehicles were registered in June, leaving the YTD figure at 802,079 units; the second-worst first half total since 1992. Manufacturers continued to favour private and business sales, as the fleet market share was 48%, versus 50% in June 2021.

As petrol and diesel car sales slumped last month, EV registrations grew 14.6%, reaching a market share of 16.1% (June 2021: 10.7%). Plug-in hybrid vehicle (PHEV) registrations dipped by 36.5% to 5.5% market share, meanwhile, as hybrid registrations declined by 7.3% but increased their market share by 1.9pts to 10.6%.

SMMT data showed that plug-in vehicles comprised more than a fifth (21.6%) of new cars joining the road last month.

1 PORSCHE

With registrations 103% up in June versus June 2021, and 43.5% up YTD, Porsche is benefiting from cars ordered with the factory many months ago. The Macan, up by 298 units, and Taycan, up 296, were Porsche’s star players.



2 OTHER IMPORTS

More than half of these are thanks to Tesla, which has recorded 12,011 registrations of its Model Y electric car in the first half of 2022. In H1 2021 Tesla’s registrations totalled 11,677 units across all models.



Marque	June					Year-to-date				
	2022	% market share	2021	% market share	% change	2022	% market share	2021	% market share	% change
Volkswagen	11,660	8.27	19,454	10.45	-40.06	55,894	6.97	85,409	9.39	-34.56
Vauxhall	9,966	7.07	10,129	5.44	-1.61	47,800	5.96	53,443	5.87	-10.56
Ford	9,879	7.01	14,234	7.65	-30.60	60,783	7.58	74,698	8.21	-18.63
BMW	9,467	6.72	14,227	7.64	-33.46	53,517	6.67	65,324	7.18	-18.07
Kia	9,218	6.54	9,176	4.93	0.46	57,455	7.16	45,277	4.98	26.90
Toyota	9,171	6.51	12,061	6.48	-23.96	50,256	6.27	52,156	5.73	-3.64
Hyundai	7,696	5.46	7,734	4.16	-0.49	40,908	5.10	31,342	3.44	30.52
Audi	7,676	5.45	14,446	7.76	-46.86	53,792	6.71	67,842	7.46	-20.71
Mercedes-Benz	6,670	4.73	8,984	4.83	-25.76	45,818	5.71	58,867	6.47	-22.17
Peugeot	5,416	3.84	6,229	3.35	-13.05	31,996	3.99	34,748	3.82	-7.92
MG	5,378	3.82	2,834	1.52	89.77	25,073	3.13	13,594	1.49	84.44
Nissan	5,323	3.78	5,927	3.18	-10.19	31,296	3.90	36,688	4.03	-14.70
Škoda	4,667	3.31	6,737	3.62	-30.73	22,805	2.84	32,906	3.62	-30.70
Land Rover	4,146	2.94	3,797	2.04	9.19	22,905	2.86	36,216	3.98	-36.75
Mini	3,785	2.69	5,151	2.77	-26.52	22,246	2.77	22,624	2.49	-1.67
Citroën	2,410	1.71	3,248	1.75	-25.80	15,115	1.88	16,894	1.86	-10.53
Dacia	2,372	1.68	1,074	0.58	120.86	12,111	1.51	6,900	0.76	75.52
Volvo	2,281	1.62	4,802	2.58	-52.50	19,184	2.39	27,143	2.98	-29.32
Renault	2,210	1.57	2,940	1.58	-24.83	14,845	1.85	15,712	1.73	-5.52
Seat	2,152	1.53	5,668	3.05	-62.03	12,787	1.59	26,080	2.87	-50.97
Fiat	2,111	1.50	3,091	1.66	-31.70	11,393	1.42	9,680	1.06	17.70
Suzuki	1,761	1.25	2,888	1.55	-39.02	9,954	1.24	10,770	1.18	-7.58
1 Porsche	1,564	1.11	772	0.41	102.59	8,372	1.04	5,836	0.64	43.45
Mazda	1,416	1.00	3,447	1.85	-58.92	11,619	1.45	13,603	1.49	-14.59
Honda	1,238	0.88	3,205	1.72	-61.37	12,894	1.61	12,618	1.39	2.19
Cupra	1,230	0.87	1,062	0.57	15.82	5,058	0.63	3,158	0.35	60.16
Jaguar	1,159	0.82	2,369	1.27	-51.08	6,691	0.83	11,854	1.30	-43.55
Lexus	580	0.41	1,527	0.82	-62.02	4,866	0.61	7,161	0.79	-32.05
Polestar	553	0.39	163	0.09	239.26	2,828	0.35	1,642	0.18	72.23
Jeep	351	0.25	458	0.25	-23.36	1,363	0.17	2,111	0.23	-35.43
DS	350	0.25	189	0.10	85.19	1,471	0.18	858	0.09	71.45
Abarth	267	0.19	376	0.20	-28.99	986	0.12	1,310	0.14	-24.73
Alfa Romeo	159	0.11	180	0.10	-11.67	784	0.10	734	0.08	6.81
Bentley	145	0.10	80	0.04	81.25	897	0.11	607	0.07	47.78
smart	123	0.09	138	0.07	-10.87	821	0.10	820	0.09	0.12
Genesis	111	0.08	27	0.01	311.11	299	0.04	27	0.00	1,007.41
SsangYong	109	0.08	151	0.08	-27.81	774	0.10	615	0.07	25.85
Maserati	101	0.07	69	0.04	46.38	416	0.05	337	0.04	23.44
Subaru	83	0.06	215	0.12	-61.40	528	0.07	811	0.09	-34.90
Alpine	53	0.04	25	0.01	112.00	171	0.02	102	0.01	67.65
Other British	176	0.12	211	0.11	-16.59	1,146	0.14	1,269	0.14	-9.69
2 Other imports	5,775	4.10	5,616	3.02	2.83	22,162	2.76	15,625	1.72	41.84
Total	140,958		186,128		-24.27	802,079		909,973		-11.86



Get your customers ready for the EV-olution

When it comes to Electric Vehicles (EV), giving your customers the right information is really important. That's why we've created the Green Driving Hub. A useful online tool to help your customers make informed decisions when it comes to going electric.

Explore our Green Driving Hub at:
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FINANCE OFFERS

Confidence is buffeted as APRs increase

As the automotive market reaches the halfway point for the year, there continues to be pressures that captive finance houses need to respond to.

The cost of living crisis is hurting consumer confidence, interest rates are at their highest level for 13 years and customers are pulling back on their monthly spending. Oh, and the Government also pulled the plug-in car grant.

Stewart Walker, head of data services at ASI, a company which analyses and researches car manufacturer finance incentives, says: "OEMs are looking to reduce tactical marketing spend, but being mindful of the need to support their sales networks in retaining customers."

"All this while endeavouring to maintain the flow of business through their captive banks."

CAPTIVES' RISING INTEREST RATES

Increasing interest rates are having a detrimental impact on the cost of new car finance in the UK. Annual percentage rates (APRs) of more than 6% were once the hunting ground of sub-prime used car finance lenders alone, yet there are many captive banks pushing up figures above this level.

AM's own data looking at some Q3 representative examples from VW, Vauxhall and Kia all have offers above 6%.

Walker says: "UK-based Vauxhall Finance showcases this with clarity, with a shift from an average of 2.6% to 5.9% APR in the space of 12 months."

"Volkswagen Audi Group (VAG), with its 'Solutions' PCP product has been perennially strong on finance penetration and has enough confidence that it can retain business, at an average, in Audi's case, of 6.7% APR in the current market conditions."

Volkswagen Financial Services (VWFS) says the consequences of the global pandemic and the semiconductor shortage have been "profound".

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Volkswagen							
Polo Life 1.0 95PS manual	PCP	£3,061.44	48	£219	£8,894.70	6.60%	02/10/2022
ID.3 Life 58kWh Pro Performance 204PS	PCP	£7,242.99	48	£415	£15,617.70	7.10%	02/10/2022
ID.4 Life 77kWh 204PS Pro Performance	PCP	£8,832.90	48	£495	£20,044.80	7.00%	02/10/2022
Up! 1.0 5dr 65PS S/S manual	PCP	£2,492.62	48	£185	£4,747.50	6.6%	02/10/2022
T-Cross SE 1.0 TSI 110PS manual	PCP	£3,378.12	48	£245	£10,138.50	7%	02/10/2022
Taigo Life 1.0 TSI manual	PCP	£4,287.06	48	£255	£11,100.60	6.60%	02/10/2022
T-Roc Life 1.0 TSI 110PS manual	PCP	£4,236.18	48	£275	£11,804.40	6.60%	02/10/2022
T-Roc Cabriolet Style 1.0 TSI 110PS manual	PCP	£3,418.60	48	£365	£12,790.80	6.60%	02/10/2022
Passat Estate SEL 2.0 TDI 150PS 5-door	PCP	£2,803.51	48	£475	£11,286.90	6.60%	02/10/2022
Arteon Shooting Brake R-Line 2.0 TSI 190PS 7-speed DSG	PCP	£3,308.77	48	£539	£14,227.20	6.60%	02/10/2022
ID.5 Tech 77kWh Pro	PCP	£9,580.90	48	£579	£23,936.40	6.60%	02/10/2022
Vauxhall							
New Astra Hybrid-e Ultimate 1.6 Turbo/Electric (225PS) Auto	PCP	£5,618.71	48	£439	£14,742	6.90%	30/09/2022
New Astra Design 1.2 Turbo (130PS)	PCP	£4,041.67	48	£309	£10,745	6.90%	30/09/2022
New Astra Sports Tourer Hybrid-e GS Line 1.6 Turbo/Electric (180PS) Auto	PCP	£5,814.72	48	£399	£14,205	6.90%	30/09/2022
New Astra Sports Tourer GS Line 1.2 Turbo (130PS)	PCP	£4,797.86	48	£329	£12,134	6.90%	30/09/2022
New Grandland Plug-in Hybrid Ultimate 1.6 Turbo/Electric 225PS FWD	PCP	£6,047.44	48	£449	£16,660	6.90%	30/09/2022
New Grandland Design 1.2 Turbo (130PS)	PCP	£4,159.52	48	£339	£11,332	6.90%	30/09/2022
Combo-e Life SE (5-seater) Electric Estate 100kW SE 50kWh 5-door Auto	PCP	£4,924.51	48	£449	£10,794	6.90%	30/09/2022
Vivaro-e Life Electric Estate 100kW Elite L 50kWh 5-door Auto	PCP	£4,973.60	48	£449	£17,272	7%	30/09/2022
Kia							
Sportage GT Line S 1.6 Turbocharged Petrol Hybrid Auto	PCP	£9,700	36	£377.40	£19,096.20	5.90%	30/09/2022
Ceed GT Line 1.5 Turbocharged petrol manual	PCP	£0	36	£444.97	£11,163.60	6.90%	30/09/2022
Picanto GT Line S 1.0 petrol manual	PCP	£0	36	£321.26	£7,619.60	7%	30/09/2022

The continued semiconductor supply issue has seen most of the industry affected by longer lead times on new vehicles.

VWFS has introduced the option for customers to extend current finance agreements, most noticeably with its short-term Solutions PCP package, which allows customers to finance the optional balloon payment of their current vehicle for 12 months.

VWFS says it developed this product at "lightning speed", meaning customers can continue to rely on their current vehicles while waiting for the arrival of their newly purchased car.

DEPOSIT CONTRIBUTIONS

Walker says that while OEMs have been rolling back deposit contributions or Finance Deposit Allowances (FDAs), these remain important in securing new car finance customers, particularly when APRs are breaching the 6% threshold.

Out of all the volume brands featured here, only Toyota has increased its FDAs when comparing H1 2021 with H1 2022.

While Vauxhall is still offering FDAs in Q3, this brand has seen one of the bigger drops from 7.5% of on-the-road (OTR) price down to just 1.36%, according to ASI's data.

RISING MONTHLY PAYMENTS

Alongside increased OTRs, higher APRs and lower FDAs, OEMs have been saving semiconductors for their more profitable units.

Walker says: "Success for Kia not only comes in it being the second-best selling brand in the UK during 2022, but it is now selling a greater range of alternative fuel vehicles than their European competitors."

"The EV6 and Sportage PHEVs have gained many accolades and are engaging a new 'premium' demographic, all of which explains the 39% rise in monthly payments, the highest of the volume brands that we have observed." **TOM SEYMOUR**



SEARCH FOR FINANCE OFFERS

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AVERAGE FDA SUPPORT (% OF OTR) VOLUME BRANDS – H1 2021 VS H1 2022





FEELING LIKE AN OVERQUALIFIED 'IMPOSTOR'

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



For several years, I have been fascinated by the topic of the imposter syndrome.

The concept was originally put forward in the late 1970s in relation to studies of brilliant women who had achieved recognition, but felt that they weren't as bright or as able as their position suggested.

Successful women such as former Facebook chief operating officer Sheryl Sandberg and former First Lady Michelle Obama have confessed to experiencing the syndrome. If you add the issues of race and class into the intersectional mix, you realise that the concept inevitably impacts a wide range of people.

The syndrome can be found in men as well as women. I am reminded of a conversation I had with a professor at All Souls, Oxford, who, despite being a leading authority on his subject and having been in post for 12 years, simply said 'you never get over the feeling that you are an imposter in this type of institution.'

People can easily feel a fraud or perceive themselves to be outside the frame of reference of a particular social group.

As has been discussed in previous AM articles, historically, our industry has not been particularly attractive to women and to workers from a number of ethnic backgrounds and this has led to them to being significantly under-represented in the workforce.

People want to feel 'at home' in their work environment with a sense that they belong and are not an imposter who happens by some

stroke of luck to have a desk there.

From a personal perspective I was the first person in my family, church, youth club or group of friends to go to university.

I felt odd and quite estranged from my background having been brought up 'down the Old Kent Road'. To compound it, my parents couldn't afford the fare/petrol to drop me off on my first day. Now this is not meant to be a confessional or a 'pity party' on my behalf, but simply to put forward that I had the perception that I had no immediate role models with whom I could identify and learn from in the university setting.

The challenge for many when looking at the motor industry is that they don't see themselves reflected in the people already employed and, as a result, would not feel at home. When I joined the motor industry, I was made to feel like an overqualified imposter and was simply known as 'three degrees'.

One thing that the motor industry has for an imposter is that, for most of the time, the sector behaves like a meritocracy.

If you deliver you succeed.

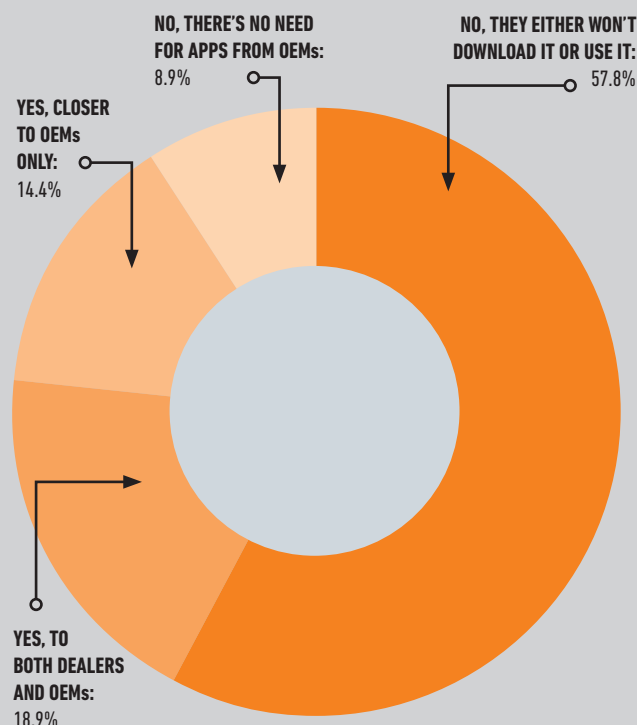
Of course, there are issues of the glass ceiling for women and prejudice over race and disability for others.

The reassuring thing is that when you do succeed, the success is usually rewarded and, psychologically, you begin to feel that you belong. With more diverse role models we could encourage more people to have the confidence to join the industry and, in so doing, help to address the current staff shortages.

"WHEN YOU DO SUCCEED (IN MOTOR), THE SUCCESS IS USUALLY REWARDED"

AM POLL

WILL OEM APPS HELP BRING CONSUMERS CLOSER TO FRANCHISED DEALERS AND OEMs?



Several carmakers and even dealer groups have trialled smartphone apps for consumers in recent years with limited success. Lately, some apps which enable car owners to remotely access functions related to their car, such as checking the doors are locked or viewing EV charging status, have been more successful. Yet only one-in-six motor industry executives believe apps can bring consumers closer to both OEMs and dealers.

One stated: "Yes, on the proviso that there is one OEM app that covers all aspects of the customer journey throughout the entire vehicle lifecycle and all touchpoints in between."

Slightly more felt OEMs alone would benefit from apps. One said: "Customers are only interested in an app that connects to their vehicle and not to the dealer." Another stated: "Yes, but marginally. There has to be some benefit to the consumer. If they download then find no benefit they will stop using."

Another suggested OEM apps "often are no more than manufacturer-led data harvesters".

Previously carmakers have voiced a desire to use connected cars and apps to learn more about customers and to target them with marketing at the point they're about to shop around.

NEXT MONTH: HAVE YOU NOTICED FUEL ECONOMY RISE IN USED CAR BUYERS' PRIORITIES THIS YEAR?

VOTE NOW AT AM-ONLINE.COM/POLLS

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The Automotive Management Live show will return to the UK's premier exhibition venue on **November 10**.



Put it in your diary – and keep up to date with announcements by registering here:

Automotive Management Live returns to the NEC, Birmingham, on November 10 to provide inspiration and insights that will help franchised and independent motor retailers tackle ongoing operational challenges.

Registration has now opened for this free-to-attend event, which combines an exhibition floor of more than 70 industry supplier brands with presentation theatres covering topics spanning business management including economic challenges, aftersales efficiency, digital communications, profitability, used car trends and more.

The one-day event will prove useful for all automotive managers from those overseeing an individual dealership to those in group sales-, aftersales- and marketing-management functions.

Alongside hearing the latest market intelligence from AM Live's expert speakers, attendees can catch up with existing supplier partners, discover new technology for their business and discuss market challenges and practical solutions with fellow motor retailers.



Attend to:

- Meet senior representatives from the full range of service providers and suppliers to automotive retail.
- Engage in high level discussions with these representatives which will enable faster, better decision-making in managing your business.
- Discover latest technologies presented by innovative solution providers to future-proof your business.
- Connect with and learn from your peers – discuss the latest challenges and uncover opportunities together.
- Debate the future of the changing retail landscape and where your business is heading.
- Hear about the best methods to communicate with the consumer – learning new techniques and skills to balance your workload.



www.automotivemanagementlive.co.uk

Inspiration Theatre

Here, the AM editorial team's specially-invited speakers will examine some of the biggest topics of this era.

■ Future-proofing your workforce:

As conditions and business models change, how do you keep your people content in their work and ensure they have the right skills for the future?

■ The year in review, the year ahead:

Our panel of senior dealer group executives from the AM Live Advisory Board will share the tactics they're using to mitigate the many challenges of 2022 and to optimise the growth prospects of 2023.

■ Riding the economic challenges:

Hosted by a guest economist, this inspiring session will not just examine the economic challenges, but will deliver suggestions and solutions. You will leave this session with some great takeaways to consider for your business.

Engage your customers at every touchpoint in their journey.



Digital Theatres

Topic experts will ensure your knowledge of digital marketing and consumers' expectations is brought up to date in a choice of six sessions.

■ **Digitalisation:** Are we really speaking the same language as car buyers? Presenters from sponsor Keyloop will outline how to close the gap to consumers.

■ **Online retailing:** The latest trends in automotive e-commerce and technology will be explored by sponsor iVendi.

■ **Social media:** As millions of potential car buyers make social media platforms their home daily, sponsor Marketing Delivery will examine how dealers can win their business.

■ **Websites and digital:** Sponsor Reputation will lead this session examining how motor retailers can win the confidence of online users more easily.

■ **Video and imagery:** Hosted by sponsor CitNOW, this session will help attendees understand how they can make their videos and images more useful and effective for consumers.

■ **Digital communications:** Effective contact with customers is more vital than ever when market conditions continue to be so variable. Sponsor Cox Automotive will share its latest best practice for dealers.

Operational Excellence Theatres

Best practice for four motor retail topics:

■ **Five steps to excel as an independent used car dealer:** This used car retailing session, led by the Independent Motor Dealers Association, will comprise a panel of retailers who'll share their tips and tactics for successful stock acquisition, customer engagement and profitable sales.

■ **Aftersales – let's take the pain away:** Fuelled by insights from aftermarket consultants at GiPA plus sponsor Realtime Communications, this session will examine tactics to overcome some aftersales pain points, such as workshop inefficiencies, health check conversions and enabling customers to budget for major repairs.

■ **Used car sales – where do we go from here?** This session, led by sponsor RWA Automotive, will focus on used car opportunities and challenges after a period of unprecedented high vehicle values and stock supply issues.

■ **Market trends – how do you make more money?** A number of ways dealers can increase their profitability and limit their cost base will be explored in this session which is led by sponsor carwow.



November 10 at Birmingham NEC

www.automotivemanagementlive.co.uk

Video to play: <https://www.youtube.com/watch?v=-zDSyxhbcUA>



SMART

The introduction of the Smart #1 has executives excited about the expected upsurge in sales when it reaches the UK next year, reports **Tim Rose**

City car specialist Smart is laying the foundations for higher new car sales volume and getting its franchisees geared up for the first of its new generation of cars, the Smart #1.

The electric-powered five-door crossover, whose #1 name is pronounced "hashtag one", will reach the UK in 2023. It is hoped to put the Smart brand on the consideration lists of far more car buyers than its iconic, yet niche, two-seater Smart ForTwo micro car has ever been able to.

In preparation for what is, effectively, being positioned as a relaunch, Smart showrooms will receive a modest refurbishment and franchisees will be expected to increase their marketing activity.

Since its birth in 2001, with just a two-seater micro car, Smart has twice reached peaks of almost 12,000 new car sales in the UK. In its first decade this was assisted by new models such as the Smart Roadster and the Smart ForFour – a four-seater supermini, based on the 2003 Mitsubishi Colt, that offered more practicality for motorists. Sales volumes dropped quickly after the ForFour was phased out in 2006 but rose rapidly again in Smart's second decade after the arrival of a second-generation ForFour, developed jointly with Renault's Twingo this time.

Since Mercedes-Benz sold a 50% stake in Smart to Chinese automaker Geely in 2019 this #1 will be the first new model developed. The Smart #1 is built using Geely's SEA (sustainable experience architecture) platform, which in future is likely to be used also by Geely-owned brands Lynk & Co and Volvo. Smart says its new car will have a range of up to 270 miles on a full charge – treble that of the electric ForTwo and ForFour.

“I STRESS THE POINT THAT OUR BUSINESS MODEL STILL SEES THE RETAILERS BEING PART OF THE PROCESS”

**DAVID BROWNE,
UK CHIEF EXECUTIVE
OF SMART**



Mercedes had struggled to turn Smart into a financial success since its launch, even though the innovative ForTwo (initially named the City Coupé) had instantly given the brand a cult status and its cars were sold by Mercedes dealerships.

David Browne, UK chief executive of Smart, told *AM* he hopes the brand's UK sales will climb by 2025 to the level of 8,000-to-12,000 units, which Smart last achieved in 2016. That was three years before Mercedes decided to turn Smart into an electric vehicle (EV)-only brand in 2019 – it had offered a mass-produced electric variant of the ForTwo since 2013, but sales were low compared with petrol and diesel variants.

THE ONLY WAY IS UP

In 2021, Smart's UK new car registrations totalled 1,581 units, so sales can only go upwards. But Browne is upbeat about Smart's relaunch with #1 because of the

rapid rise in demand for EVs and the strength of B- and C-segment SUV sales, which have grown market share from 25% to 40% in five years.

He says: "It's a great time to be relaunching an EV-only brand within the UK. We've got a fantastic product that's really suited to what's happening in terms of the market dynamics."

Many motorists moving into EVs have shown willingness to try brands that they otherwise wouldn't have considered, and Smart needs to ensure it has a compelling offer to draw their interest.

Sales growth will be "in an appropriate way", Browne says, adding that short-cycle business won't be necessary. Retail sales will have priority short term, while building relationships with true fleet customers is also vital for sustainable growth.

A desire for convenience and consistency means omnichannel retailing is Smart's focus now; it has a direct retail strategy

KEY PRODUCTS



Smart EQ ForTwo

For some city dwellers the stand-out looks, zero emissions and ease of parking overcomes the low practicality of this two-seater with 70 miles maximum range.



Smart EQ ForFour

Production of the four-seater electric car ended at the start of 2022, but retailers were still advertising new stock with a £1,550 off incentive for orders by June 30.



David Browne
with the Smart #1



designed to promote online new car selection, and its dealers have agency agreements for new car sales fulfilment, which rewards them with fees for handling the sale and handover.

Browne says Smart will have full digital capability, but customers will choose how they interact with the brand. Wherever they choose, specifying the car they want to order will be simple – essentially down to trim level and colour – and the price they see advertised is the price they'll pay. They can also choose a wallbox charger and arrange installation through Smart's partner.

Buyers will be encouraged to go into a Smart showroom, at least to take delivery of the car, he says.

"Particularly with the transition to EVs, there's a degree of reassurance that people need," he says. "We've got that full online sales capability, but backed by a really professional retail network.... I stress the

point that our business model still sees the retailers being part of the process."

Browne says taking the price negotiation out of the process will remove inefficiency, because discounting takes a sales executive's focus away from understanding customer needs and presenting the product.

"As we make that transition across it becomes a completely different experience for customers in the showroom," he says.

Mike Ferguson, Smart's UK head of sales, says it allows him to focus on working with dealers on the quality of the customer experience, including post-purchase.

WORKING AS ONE

Browne adds that his challenge to Ferguson is to identify how the small brand team and its retailers can work as one unit, develop a team spirit and show everyone the character and personality of Smart.

Browne says: "Where I'd like to be is where some of the Mercedes experts in the showroom are looking across and thinking 'it looks like they're having some fun, that guy from Smart is in again working with them', so we have a kind of family feel.

"We've always been quite a forward-looking brand. We've also learned to do things a little bit differently. We like to have a bit of fun as we do business, and it's something we're keen to continue as we go forward."

Every new car sold will have an integrated service package and warranty, to keep it

within franchised workshops for the first three years, and customers using a Smart workshop will get free roadside assistance, for up to eight years.


Browne adds: "It's a compelling offer, really giving people reassurance and it encourages them to work closely with our retail partners."

Fundamentally, EVs should require less maintenance so that puts increased onus on the brand to help retain more customers within the network for aftersales.

He believes EV owners have higher propensity to return to franchised workshops which they know have the expertise and equipment, so there should be good opportunities for Smart's franchisees.

Used car sales will remain outside the agency agreement and dealers will buy and sell their own stock. Smart will continue to develop programmes for approved used car sales, which currently include 12 months' warranty and roadside assistance plus MOT test failure insurance, and achieving strong residual values for the #1 is an important goal, he says.

The retail network, which comprises at least one Smart sales point in each of Mercedes-Benz UK's market areas, will begin taking pre-orders for the #1 this December.

Then, in early 2023, Smart will bring left-hand-drive models on a tour to their showrooms to allow them to invite prospective customers to "look and feel" 



Smart #1

A far more practical replacement for the ForFour, this electric small family car is a signal of Smart's future direction.



C before the deliveries of the first right-hand drive cars start around mid-2023. "The retailers are really excited about that because customers can see how different a product this is," Browne says.

That will coincide with a "subtle and efficient" refresh of the Smart sales area in Mercedes showrooms, such as replacing current Smart branding with a revised "cleaner" logo.

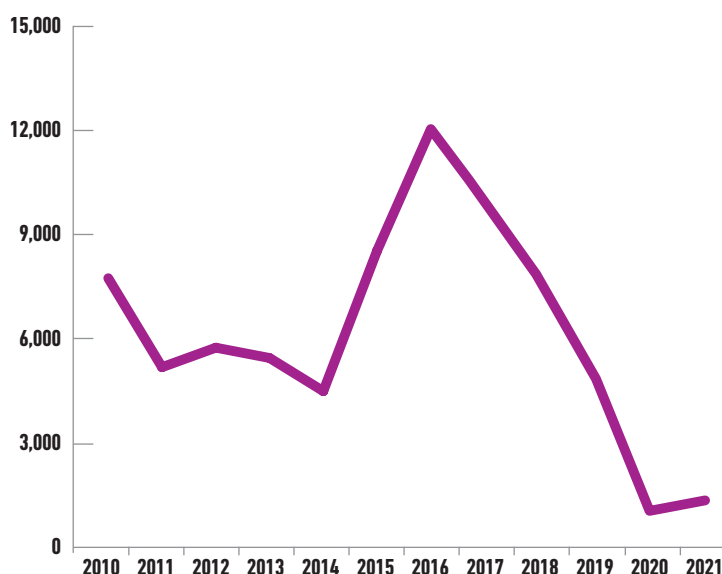
Browne says Smart is complementary to Mercedes, but sees itself positioned akin to Mini and Volkswagen rather than in the prestige car market – it needs to be fun and accessible, while delivering premium products and service.

Further ahead, as more new generation Smart cars launch, Browne believes the brand has potential to go "well ahead of where we've been in the past" but without

WE CALL OUR CAR 'SOFTWARE DEFINED', BECAUSE MORE THAN 70% OF THE FEATURES CAN BE UPDATED OVER THE AIR

ISABELA RIBIERO, SMART'S PRODUCT MANAGEMENT AND MARKET INTELLIGENCE MANAGER

ANNUAL UK REGISTRATIONS



Mike Ferguson wants to develop a team spirit in the Smart retail network.

"over-cooking it". He wants to maintain a personal touch as sales increase.

China is Smart's greatest sales opportunity but, asked how crucial the UK's success is to Smart, he said it is one of five critical markets in Europe. Germany is the lead market of the continent (with 24,000 sales in 2021, fuelled by €9,000 state subsidies for new electric cars), and he thinks the UK can rapidly gain ground due to strong reasons for UK fleets to switch to EVs, such as favourable benefit-in-kind (BIK) taxation.

Isabela Ribiero, Smart's product management and market intelligence manager, says consumer research in China and Europe convinced the carmaker that its new generation cars must be "super-connected" and eye-catching for younger new car buyers, who'll be a target market.

Some of the technology on the #1, such as its digital car key which will allow owners to define who else they want to allow to use the car, is also aligned with car-sharing in cities, which, she says, Smart is studying for opportunities in the future.

She adds: "We call our car 'software defined', because more than 70% of the features can be updated over the air, and on top of that we will be able to offer some options on demand for a customer. And when we talk about everything being connected, we're talking about how to connect to the car with your phone in our smartphone app, remotely changing some of the settings, sharing your digital car key with your family."

Browne says: "Customers will clearly see a new era of Smart, in terms of the product and the go-to-market strategy, but where they will see that consistency is in the retail presence.

"We're starting out from a really strong position, with a retail network including some of the best partners in the country, really professional with great retail environment. But now we're bringing new product into that space and bringing different customers in there as well. However, it's still fundamentally part of that retail network."



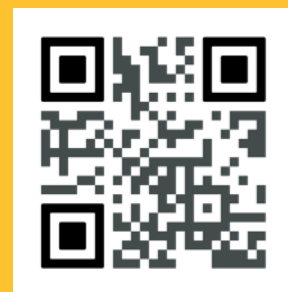
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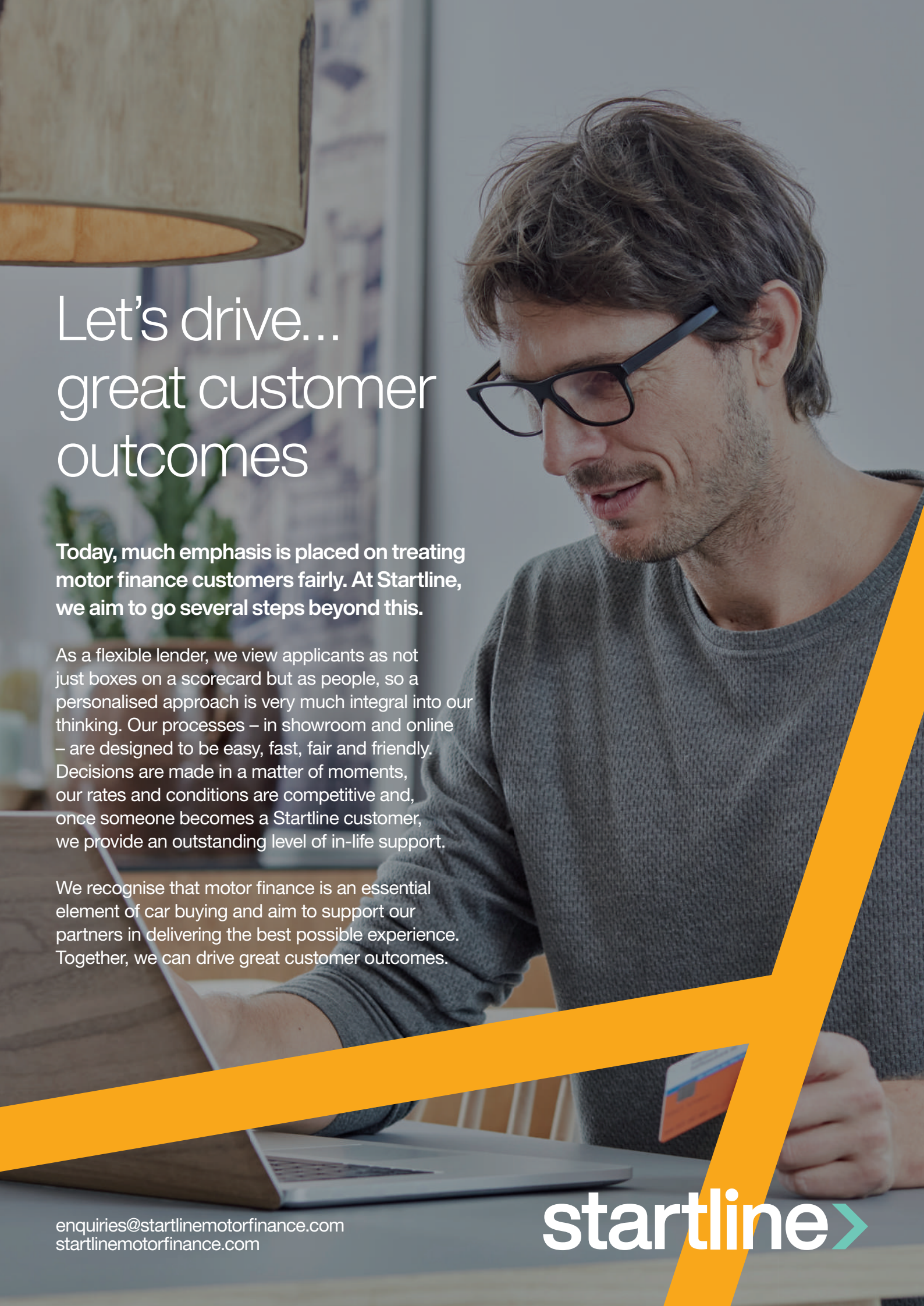
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MINUTES WITH...

Darren Riva, Journey Energy
Solutions managing director



How did Journey Energy Solutions come into being?

Journey Energy Solutions has been around for a couple of years now and I have been in the energy sector for 12-to-13 years. Capitas Finance is the finance part of the business, but the two businesses are entirely separate legal entities. My background has been in finance, helping to fund energy projects or working with suppliers in the sector to provide energy-efficient or renewable technology. We started Journey because we saw there was a big gap in the supplier and installation market for someone that could provide a holistic view to help a customer to see and address their energy usage and requirements. All that is done in a service-type contract so the customer can be confident that the technology is maintained throughout.

What proportion of business is in the automotive retail sector?

Probably about 20%. There are 25-to-30 car retail groups that we are working with currently and we have a lot of opportunities that we're working on at the moment.

What are businesses' priorities when they approach Journey Energy Solutions?

In the past the main priority has always been 'how can we save money?' and, thanks to the model that Journey operates, the reality is that the projects are always cash positive from day one. More recently there has been a focus on carbon reduction, particularly from the larger corporates. In the past four or five months, though, it's shifted very much back into the arena of saving money again, even though the carbon piece remains more important than ever before.

“BECAUSE THE SOLUTIONS ARE ELECTRICITY-BASED, YOU'RE ABLE TO SEE THE RESULTS FROM DAY ONE

**DARREN RIVA,
JOURNEY ENERGY SOLUTIONS**

How does Journey set about helping a business reduce its energy costs and carbon footprint?

We try to understand what their energy usage is. Data from the customer gives us a good view before we even visit a site. It may be that they have come to us to implement a specific technology, such as low-energy lighting, in which case we can carry out projects at a couple of sites and show the benefits. After that, it's quite common that businesses come back to us to ask if we can look at implementing solar or battery storage. Low-energy lighting is generally the quickest payback, but we can provide most renewable and sustainable technologies. Solar has come back very strongly recently. We can do things like heat pumps, but the heating piece is trickier in the medium-to-long term because there is a big push by the Government right now to electrify heat. It's also not as

simple as swapping out a gas boiler with a heat pump. We have to change a lot of the infrastructure of the building.

Is it difficult to secure funding for green energy solutions?

Because of Capitas' ability to provide longer-term contracts, the finance is less of an issue. The biggest issue is taking that first step. It's almost too much of a no brainer for many businesses to believe. It can seem too good to be true. Because the solutions are electricity-based, though, you're able to see the results from day one.

How has the energy crisis affected return on investment?

Sites that would have been 5%-to-10% cash positive in year one are now getting 30%-to-35% savings in year one. We have been consistent in the terms which we provide; the big difference has been the cost of energy. It's also the main reason that solar is coming back. I've worked with solar for more than 12 years – right through the whole feedback tariff period – and the payback has always been eight-to-10 years. Now we've seen that reduce to around five years. The flip side is that you're now getting seven-and-a-half to 10 pence per kilowatt hour to feed back energy into the grid. At the moment, with energy prices what they are, you don't want to feed back into the grid because you'd essentially be 'putting it back' at a much cheaper rate. So, we're being very careful to right-size our solar projects.

If you want to generate your own electricity on site, what are the best solutions?

Solar's a relatively simple technology and it doesn't get in the way of the operational





business or require any planning permission. That's in contrast to turbines. They are very effective but not many places have them because of the planning issues. Most local authorities have stopped approving turbines altogether.

What is the typical length of a contract with Journey?

A contract for lighting is generally six years. Solar might be longer, eight-to-10 years. Hire purchase could be 10-to-15 years for solar. What's important, though, is that we are able to create a cash positive position from day one.

Does Journey provide the end-to-end energy solutions 'in-house'?

We manage everything in-house. We have a couple of sub-contractors, but we do all the surveying, the specifications and the designs of the projects. If we're asked to deal with a new technology that we're not used to, we would bring in a supplier that is known to Capitas. The key thing is the quality of the product and the installation because, at the end of the day, we are liable for its performance for the duration of the contract.

What changes have been brought about by the shifting energy market over the past 12 months?

Since COVID we have seen a significant rise in the number of leads coming to us and since the energy price rises over the past six months it has gone through the roof. From our point-of-view it has all been about scaling up, ensuring our processes are as efficient as they can be and getting new people on board. Over the past quarter we have probably been processing 200% more leads than we were a year ago. We are going to be moving into new offices in Q4 this year and the plan is that we will be near Gerrards Cross. Currently, there are six of us in the Journey team and we have another team member joining shortly. I hope to have another two new recruits by

IN REALITY, ENERGY COSTS HAVE BEEN TOO LOW FOR QUITE SOME TIME

DARREN RIVA,
JOURNEY ENERGY SOLUTIONS



the end of the year. We're looking at doubling our volume of business every year and that's just organic growth. Some of the deals we have are for lots of sites, one being for 600 buildings. I'd much rather this situation to where we were two years ago. I expect us to only get busier and busier and it's a great feeling. At the end of the day, yes we are helping to manage costs for businesses but we're also reducing carbon for both the business and the UK. It's a call to arms with benefits.

Has the shift to electric vehicles (EVs) altered car retailers' view of sustainable energy?

Power becomes a critical part of that journey. You're having to understand what type of power you need to get into your site, which chargers you need, all while looking ahead two-to-three years. The transition to EV is tough and it's not one-

size-fits-all. I think the sector needs to seriously think about how it's dealing with charging. You would never go to the petrol station and fill a car with fuel as part of a service. The options would be giving the car back with the same amount in it as it was left with and, perhaps, charging a certain rate per kWh to charge it up beyond that point.

Will we see energy prices stabilise or reduce?

I think there are more increases to come. At the moment the big piece in energy costs is the wholesale price. Historically, you'd look at a bill and it would be made up of wholesale costs, distribution costs and green levies, roughly in three equal parts. That wholesale chunk has increased significantly. That should start to calm down, but that's probably at least 24 months away. At that point I expect the distribution element will increase because what the world is trying to do is create energy security. That means we need to generate more power here in the UK. In reality, energy costs have been too low for quite some time, and we've seen that borne out with so many providers going to the wall.

Have supply shortages impacted Journey's ability to meet demand?

At the moment battery storage has been very hard hit, particularly due to the shortages of Lithium, which have seen prices go through the roof. Other things, such as lighting, have been impacted by Brexit and COVID but are starting to get back to something like normality. We have been able to source solar panels, but I think that's going to get much tougher because the energy crisis is a global problem and demand is soaring. In terms of lead times, we can fulfil a lighting order in four weeks. For solar the difficulty is connection to the grid and that can take 12-to-16 weeks. Battery storage is really struggling. Some battery orders can take 12-to-18 months.

TOM SHARPE

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Launch of used car remarketing channel that takes just minutes

Current processes are 'flawed', says MOTOM co-founder/chief executive

Retailers and wholesalers seeking a used car remarketing channel capable of delivering a seamless digital process that takes "minutes" will be united with a new solution this summer.

The creators of MOTOM promise to put the platform's users first as they prepare to speed-up the process with the launch of the tech-backed social network for used car wholesalers and traders.

Co-founder and chief executive Julian Humphreys is desperate to simplify a process which, he believes, remains flawed despite the advances made during the COVID-19 pandemic.

"For wholesalers with cars to dispose of it should take no more than a matter of minutes, and buyers should be able to act as soon as a vehicle becomes available," says Humphreys.

"Auctions will continue to form a huge part of the mix but, even with all the tech now offered, they are often still tied to a structured sales process.

"We wanted to deliver the opportunity to remarket a vehicle directly, online, at any time of the night or day, in a matter of minutes. That's what the technology facilitates – and that's how it should be."

Retailer feedback

Humphreys describes MOTOM as a truly independent sector provider, adding: "The feedback we have been getting suggests many retailers, especially independents, feel the market they operate in is being consumed by the vendors in many cases.

"At MOTOM we can look our customers in the eye and say that our motivation is to help them and their businesses."

Alongside Humphreys, MOTOM is backed by a team of experienced fleet, leasing and finance sector specialists, including: chief commercial officer Mel Goodliffe; chief technology officer John Leightley; and chief financial officer Lisa Edwards.



Co-founder and
chief executive
Julian Humphreys

At the time of writing, MOTOM was due to launch in late June. It is underpinned by technology created by Australian remarketing platform Flipacar now re-engineered for the UK market.

Humphreys said its smooth operation and a framework that fosters trust and transparency between buyers and sellers, will be central to MOTOM's success.

Car retailers can access MOTOM via the Apple or Google Play app stores.

A sign-up process requires a company number, FCA number or VAT number before the MOTOM team scrutinise a business's publicly available data to complete a second phase of vetting.

Finally, there is a transparent five-star rating process for every buyer and seller.

Sellers' vehicle details are auto-populated through the app, which also allows images to be taken via a smartphone or tablet.

Buyers can input their buying preferences, meanwhile, to ensure notifications are received when matching vehicles become available.

Free listings

All listings are free, with a buyer's fee of £150+VAT for each car purchase.

Those first to register could save up to £7,500 thanks to automatic entry into a Founders' Club which provides 50% off buying fees for the first 100 transactions or 12 months.

Humphreys said that the Founders' Club had proved popular and encouraged dealers to sign up.

He said: "This is the platform the market wants and needs. There's a palpable sense of excitement among the team and those traders we've given an early insight to.

"We can't wait to get started."

Future proof your customer experience in the EV era

David Morton, Sales and Solutions Director at Arvato CRM Solutions

Consistent, personalised customer experience will be the linchpin in ensuring the industry can successfully support drivers on their electric vehicle (EV) journey.

And the key will be to marry expert vehicle knowledge with relevant, insightful data-led customer service solutions that pull together the huge volumes of information drivers provide.

From a maintenance perspective, EVs are quite literally wired to continuously generate data on vehicle health, from tyre pressure and engine temperature to air con faults and battery life. They also collect information on drivers, capturing data on media preferences, favourite locations, energy use and even driving patterns and behaviour.

At Arvato, we work closely with our automotive clients to bring these vital ingredients together to provide premium personalised customer experiences for their drivers.

There are three key benefits this delivers which are vital in building loyalty with EV customers:

"The key will be to marry expert vehicle knowledge with relevant, insightful data-led customer service solutions that pull together the huge volumes of information drivers provide."

Hyper-personalisation

Our platforms use artificial intelligence (AI) technology to collate and analyse data continually from every touchpoint to create a 360-degree view of the customer.

It continually updates driver profiles with the latest information to provide customer service representatives with a complete, real-time picture of the driver and vehicle on a single platform, meaning businesses can make hyper-personalised recommendations and have more meaningful, targeted communication with customers.

It also empowers manufacturers and service providers to create new upselling opportunities, with greater ability to reach customers proactively with personalised products at the right time.

Consistent communication

This technology enables that data to be shared across every interaction channel, from mobile apps to self-service chatbots.

So, no matter how a driver wants to interact or communicate with you, they can receive the same personal treatment and seamless resolution of issues without the need to repeat information.

It will mean firms across the sector, from retailers to lease providers, can build a conversation beyond the initial purchase and connect with their customers more regularly. Whether that's celebrating their EV anniversary with a new tailored offer or pro-actively checking in to discuss battery life and performance.

Enhanced experiences

The more data our agents have the greater the quality of experience customers receive when they make contact for support.

As vehicle technology becomes more complex and is new to many drivers, customers will expect the representatives they engage with to have a detailed knowledge of their car or van and be able to provide accurate and clear guidance quickly and where possible proactively. A commuter having problems with connecting to a charging point, for example, will not have time to wait.

For many it will be a step into the unknown, and drivers will require a new level of support from both manufacturers and the service providers they use.

Their loyalty will erode quicker in the era of the EV.



To learn more about how our solutions can help your business as we transition towards an electric future, contact our team by emailing CRMSE@arvato.co.uk

SPOTLIGHT:

ELECTRIC VEHICLES

Sponsored by

A high-angle photograph of a woman with long brown hair, wearing a light blue button-down shirt and white pants, plugging a black charging cable into the charging port of a white electric car. The car is parked on a gravel surface next to a green lawn. The scene is brightly lit, casting shadows on the ground.

Inexorable move towards electric



SWITCHING BUYERS ON TO EVs
ECONOMIC FACTORS SUCH AS TOTAL
COST OF OWNERSHIP STRENGTHEN
CASE FOR SWITCHING AHEAD OF 2030

PAGES 32-33

GROWING USED EV OPPORTUNITIES
NO PREVIOUS EXPERIENCE IN MOTOR TRADE
HAS NOT HELD BACK TWO EARLY ADOPTERS
IN USED ELECTRIC-ONLY SALES

PAGES 36-38

Drive towards EV adoption is more than environmental

Lower total cost of ownership strengthens case for switching to electric ahead of 2030 deadline

The rising price of fuel and the cost of living crisis have been among the biggest drivers behind the move to electric vehicles (EVs) over the past 12 months, according to automotive experts.

As incomes have become increasingly squeezed and the climate change agenda has come into sharp focus in the wake of COP 26, the population has been looking for more affordable and greener transport solutions.

At the same time, proposals for a zero-emission vehicle mandate put forward by the UK Government will require a set quota of new models marketed by manufacturers to be EVs.

But, with new EV registrations predicted to rise by more than 74% in 2022, according to DriveElectric, many manufacturers are already ahead of the curve, making new EVs more widely available on the market, while phasing out internal combustion engine (ICE) vehicles.

On top of that, car dealerships are investing more heavily in adding EVs to their stock range.

Yet, in recent months, the lower long-term total cost of ownership (TCO) of EV compared with ICE has become one of the biggest enablers of their adoption.

As EVs become more mainstream, spurred on by new entrants adding to the competition and disrupting the market, people have also started to trust them more. This was evidenced as evidenced by a recent EY survey, which found that 49% of customers looking to buy a new car said they would choose an EV.

"More recently, issues regarding cost-of-living pressures and the fuel crisis have meant there are economic advantages to adopting an EV," says Sue Robinson, chief executive of the

“ISSUES REGARDING COST-OF-LIVING PRESSURES AND THE FUEL CRISIS HAVE MEANT THERE ARE ECONOMIC ADVANTAGES TO ADOPTING AN EV

SUE ROBINSON, NFDA



National Franchised Dealers Association (NFDA). "It is significantly cheaper to charge your vehicle from the grid than it is to fill a tank a petrol. Further incentives include exemption from congestion charges and paying reduced rates of vehicle road tax."

The Government's proposed ban on the sales of new ICE vehicles by 2030 and its commitment to make new cars zero emissions-capable by 2035 have been the main driving forces behind the switch to EVs. Its consultation on plans to develop an EV mandate for new car sales, which began in April, is another step in the right direction, says Robinson.

"It is promising to see Government's further commitment towards the decarbonisation of private vehicles," she says. "Government will continue to play a vital role towards EV adoption in the lead up to the 2030 ban, and it is imperative that there is continued support for both consumers and automotive retailers alike."

Various Government vehicle and home charger grants and subsidies have also helped to reduce the financial burden of buying an EV. One of the most significant drivers of this is the now discontinued plug-in car grant, which despite successive reductions in value in 2020 and 2021, has incentivised EV take-up.

"As the incentives have been scaled back, growth hasn't slowed down, highlighting the role the incentives played in kick-starting the adoption of battery electric vehicles (BEVs), but also the fact that they aren't required for a healthy EV market," says Gareth Arnould, senior researcher – consultant at ICDP.

"As BEV penetration grows, incentives will have to be scaled back even further, and we will

inevitably see a shift from incentivising BEVs to penalising ICE vehicles through taxes, road pricing, etc."

The introduction of clean air zones across the UK has also sped up EV adoption. Among the most notable ones in recent years are the Ultra Low Emission Zone (ULEZ) in London, with local authorities in Bath, Birmingham and Portsmouth also bringing in their own zones.

The installation of electric charging infrastructure has also played a big role, with more sites being rolled out across the country and existing ones being upgraded.

"This has given consumers the confidence to switch to EVs because they know they are more readily available in service stations, supermarkets and retail parks," says Chris Plumb, senior valuations editor at Cap HPI. "Added to that, the introduction of more ultra-fast chargers by 2030 is helping to accelerate take-up."

TCO is also lower in the long run. Because EVs have 80% fewer moving parts than ICE vehicles, the running costs over time, such as servicing and tyres, are considerably less.

A smoother ride and wider array of technology installed within the vehicle, allied with long warranties on the batteries, are also more appealing to users. Added to that, dealers have improved their knowledge and selling of EV key features and benefits, helping to drive consumer confidence and, ultimately, demand.

"On top of all this, the employee benefit-in-kind and salary sacrifice car schemes have made EVs more attractive to people," says Plumb. "At the same time, monthly payments on EVs, whether PCP or PCH, are also becoming affordable."

ALEX WRIGHT



The Fisker Ocean SUV is due to launch in the UK next year

EV NEWCOMERS

Ora UK will launch the Ora Funky Cat First Edition in the UK this autumn. Its 48kWh battery has a claimed range of 193 miles. The vehicle will come with a five-year unlimited mileage warranty, with the battery covered for eight years or 100,000 miles.

Adopting a hybrid sales approach, Ora has already taken more than 6,000 registrations of interest on its website and plans to establish a network of retailers, including boutique-style showrooms in shopping centres to sell its product, with prices expected to start around the £30,000 mark.

American manufacturer Rivian was due

to start deliveries of its R1T pick-up truck in January 2022 before it cuts its production run, citing supply issues. The vehicle has range of 260- 400 miles, dependent on the battery and motor. It comes with a battery and drivetrain warranty of eight years or 175,000 miles.

Rivian also produces the seven-seater SUV R1S, with a battery range of 260 to 320 miles and the same warranty as the R1T. Costing around £48,000 and £58,000 respectively, the vehicles are available for online ordering only.

Fisker plans to launch the Fisker Ocean SUV in the UK in 2023. It includes the zero-

emission Ocean One (350-plus miles range), Ocean Extreme (350-plus), Ocean Ultra (340 miles) and Ocean Sport (250 miles). The US-based EV maker is also working on releasing the Fisker PEAR in 2024 and Project Ronin in 2025. Fisker will sell all models direct to the consumer via its website, which will be delivered by a concierge service.

It will also have brand experience centres to showcase its products.

Among the other EV brands set to make their UK debut soon is New York Stock Exchange-listed NIO and Thai-owned Vinfast.



Rivian's plans to introduce its R1T premium pick-up to the UK market were stalled by supply constraints

A 'crystal' clear warranty for electric vehicle buyers

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

John Saleh, Head of Field Operations at Car Care Plan, explains more...

"While we have been covering electric and hybrid vehicles on some of our manufacturer programmes for some time, we felt the need to incorporate EV and hybrid cover into all of our dealer and dealer group warranty models as well. These changes came after extensive market research and collaboration with OEMs, dealer clients, and consumers.

"We wanted to future-proof our range of products to protect the value of customers' vehicles, no matter the engine type. As we've all seen from the figures, greater numbers of hybrids and EVs are leaving forecourts, showrooms and production lines across the UK. And this is only set to grow further."

Clear and concise wording allows the end customer to fully understand what is



covered by their vehicle warranty. With our new EV warranty, nothing is hidden behind complicated legal jargon. Our warranty does what it says in the wording. Period.

The Plain English Society's Crystal Mark is an internationally-recognised accreditation for clarity to consumers. It's a seal of approval for the clarity of a document and is the only one of its kind.

We wanted our warranty to meet these exacting standards to help avoid any confusion or lack of knowledge on EVs and their components. This helps build

customer 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.

With some new car buyers now switching to used cars, due to lengthy production lead times, there has been huge appetite among dealer groups to train their staff to bring them back up to peak performance in warranty sales. This ensures the customer buying process and the dealer sales process are aligned.

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

Many dealers see huge potential in the used car market now. Dealers typically provide 12 months' warranty in their approved used programmes, but there is consumer desire to buy longer cover, so there are plenty of opportunities there for expansion.



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Specialising in used EVs starts to pay dividends

No previous experience in motor trade has not held back two early adopters in used electric-only sales

While franchised dealers have been busy preparing to sell and service new electric vehicles (EVs) for a while now, used car specialists have also started to carve themselves a niche in the market.

Companies like Drive Green and EV Experts have opened in the past few years. Both are run by people who had no previous motor trade experience, but had grown frustrated by the lack of expertise for used EVs.

Martin Miller, EV Experts founder, tells *AM* he was inspired to start the business after he searched to buy a used EV and found the customer experience at the time lacking.

He says: "We found the main dealer experience frustrating. Most dealerships had an EV specialist. When you say you don't want a new one you get passed to the used car team and the knowledge about EVs wasn't there. We felt at that moment that we could do better."

Five years ago Auto Trader was listing around 300 used EVs and Miller says there's now a market of more than 9,000 and growing.

Miller now has two EV specialist dealerships, one in Guildford and he recently opened a second site at Hook, near Chessington in south-west London. This coincided with the business' fifth birthday.

The group has around 30 EVs in stock at

each site. Miller has plans for further growth.

Drive Green, founded by managing director Richard Norris, has been running since 2017 and holds a stock of around 100 EVs at its site in Emborough, just outside Bristol.

He has a unique perspective on automotive sales having never set foot on a used car or franchised dealer forecourt before opening his EV specialist business.

He has plans to open a new site in 2022 in London and wants to grow the group further.

Drive Green is currently retailing around 70 vehicles a month, so stock turn is pretty quick and Norris says this is down to really fine-tuning what sells and understanding EV residual values (RVs).

Miller's background was in communications technology and Norris worked in sustainable energy. Both were early EV adopters in 2011.

CHALLENGES ON STOCK

The used car industry overall is feeling the pressure on finding good stock and sourcing used EVs is no different.

Used EVs are selling as fast as petrol and diesel cars for the first time, according to the latest Indicata Market Watch report.

Indicata's report showed that used EV sales had increased by 68% in April.

Jon Mitchell, Indicata UK's group sales director, says: "Used EVs are in such high

**Below:
Norris
describes
the early
Nissan Leaf,
Renault Zoe
and BMW i3
as the
holy trinity**



Drive Green stocks around 100 EVs at its site near Bristol

demand that stock levels have fallen dramatically over the past few months.

"We have really noticed a step change in demand since the beginning of the year.

"Prices are consistently high with our regular alternative fuel auction for Arval continuing to create strong bids."

Chris Plumb, Cap HPI senior valuations editor and EV specialist, says recent EV sold data is making up more than 1% of all the data the company receives for the first time.

It currently sits at 1.1% for year-to-date (May 25, 2022) compared with 0.4% for the first five months of 2021 – an increase of 175%.

Plumb says: "It is encouraging to see that





values are holding up relatively well compared with ICE vehicles despite a greater supply of used vehicles, supply and demand appear at the moment to be well balanced.

"Used car advert volumes for battery electric vehicles (BEVs) sit around 2% of our retail advert database, with the Nissan Leaf currently holding the highest volume of adverts."

Drive Green uses an established network of sources for stock and leverages its specialist market knowledge to target the right used EVs.

Norris says: "There are times when we have to buy a little bit more aggressively, but

it's fine because we know what sells and at what price point."

Drive Green had previously preferred to buy bulk deals directly from leasing companies after negotiating a good price, but this has become more difficult as these vehicles have now been going straight to auction to take advantage of higher prices.

Norris says his team also sources stock from private buyers through a We Buy Any EV-style offering.

EV Experts says the business has to fight hard for stock. It lists EVs from £6,000 to £60,000 and has been focussing on nearly new examples.

Miller says: "We're fortunate that we work hard on our marketing and SEO so a lot of other traders will ring us up when they want to dispose of an EV and they don't know what to do with it."

"We also buy a lot from private sellers."

Miller described the RVs on EVs five years ago as "so low it was hilarious". The business had previously been selling used Renault Zoes for £4,995, but EV Experts has recently just paid a customer £6,500 for a Zoe that he bought two years and 20,000 miles ago.

EV Experts sends ICE part-exchanges to auction or contacts its network of used buyers.

Miller says: "I can't have Range Rovers and

V6s on the forecourt. It dilutes the brand. So, we never retail out our ICE part-exchanges."

THE HOLY TRINITY

The EV revolution truly kicked off with the Nissan Leaf in 2011. Norris describes "the holy trinity" of early EVs as the Leaf, the Renault Zoe and BMW i3.

It's these three older EVs that Drive Green is finding particularly popular, despite the fact they offer a shorter total range.

He says: "The perception might be that 70-mile range cars wouldn't be popular, but the opposite is true."

"People are buying on a budget. By default there are fewer of these older EVs out there just because volumes were so low back then."

With some proper consultation these short-range EVs work well as a second car. Even for longer distance driving, Norris still thinks they're a good option "with a bit of planning".

One area both Drive Green and EV Experts says is essential is to determine a customer's driving lifestyle.

Questions they ask potential buyers include: Do they have off-street parking? What is their weekly average mileage like? Where do they go shopping? Where's the gym? Where is work? Where are the relatives



Clocated? What occasional trips are done and how many times a year?

All this creates a picture to help inform a strategy for charging. More often than not, a home charge point is enough to sort the majority of these questions.

Miller uses websites like Zap Map to draw up a charging plan specific for each customer to highlight what their options are.

SERVICING

Both Drive Green and EV Experts believe that for specialist repairs, high voltage work, software updates, battery health queries and specialist diagnostics, customers should be directed to the franchised service network.

Miller says: "The cost of servicing is relatively low for EVs at main dealers anyway. If it's £100 for a Kia e-Niro service at the main dealer, why would you take it to Halfords?"

"A Jaguar I-Pace is £250 for servicing once every two years."

Miller also recommended a specialist network of independent EV servicing specialists called HEVRA.

Norris also advises customers to take their EV to a local trusted independent garage for routine maintenance like brakes, tyres or air pollen filters.

FINANCE AND OPTIONAL EXTRAS

Norris acknowledged that Drive Green is probably "missing a trick" on profitability per vehicle.

The business does offer finance, but only if it's a route customers specifically want to pursue.

He says: "I know there's a good reason why some dealerships try to ram finance and optional extras down everyone's throat."

"That isn't something we do. It muddies the water on customer service. We're quite cost heavy on our marketing. The video work we do is expensive and we do a lot of it. The consultation process is a lot greater than it would be at another dealership."

"Our profitability per vehicle might sit lower than your average dealership, but our customer satisfaction scores are high and we're building our reputation and I think that's more important."

Drive Green has a 4.9 out of five rating on Google and a Net Promoter score of 85%.

Likewise, Miller says the focus of the business is in the margin in the vehicles rather than optional extras. Expert EVs also works with a broker to provide finance, but it's not something that's actively offered.

He says: "It's about the used vehicle margin. We keep it very simple. We want customers to have a great experience, have all their questions answered and help them find the right EV for them with a broad range of choice."

"Even if that means multiple back-to-back test drives, we want to take the time."

"We've asked our customers if they want optional extras and it's not something they're interested in."

TOM SEYMOUR



Above:
Richard
Norris
(front left)
with
members
of the
Drive
Green
team

Busting a few electric myths

One of the major differences for EV sales is needing to spend more consultation time with customers. The list of questions expands for used EVs too, with potential concerns around battery degradation and what to do about servicing.

Drive Green will spend around two hours with customers in the first instance and will do another hour at handover.

The company supports this process online with an expanding list of in-depth guides and videos to help answer any questions customers might have during their online research process.

Customers often bring up battery degradation as one of their worries.

Norris says: "We've got cars that are 11 years old and ones with 100,000 miles that are fine. It's easy to bust that myth."

"It's true that the capacity of the battery degrades. How important that is to you depends on your lifestyle."

"A 100-range car that has done 100,000 miles on the clock might be an 80-mile range car. It's not what people think."

Miller says battery degradation is a straight line, not a curve. He says EVs lose between 1-2% of their battery capacity due to degradation per year.

He adds: "It's standard across all EVs and there's not one brand that's better than the other."

"The majority of EVs have their batteries made by one of four brands, so it's pretty universal."

Plumb likens battery degradation on

used EVs to mileage for ICE vehicles as an important indicator for future value.

He says: "Nearly all new EVs are supplied with an eight-year battery warranty so degradation does not seem to be so much of an issue with consumers, maybe through a lack of awareness of the importance of retained battery health data and also the difficulty in obtaining this information."

Cap HPI has seen some manufacturers making battery health information available on request to customers, while others don't offer this option.

He says: "We believe the one area of the market where data is still lacking remains around the state of health of a battery."

"There are also some third-party hardware/software solutions available in the aftermarket, but coverage is very limited."

EV Experts has formulated its own method of figuring out used EV battery range. Miller prefers that this mathematical process not to be published, although he did explain it to AM.

However, he adds: "We never quote the WLTP figures. We drive every EV that comes in for 48 hours and we use various methods to check the range."

"You have to use real-world figures. If we sold a 2016 Leaf which had a 120-mile range, you could easily sell that as a 100-mile range car. If you advertise used EVs as having the same range capacity as new you're going to have some unhappy customers."

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The 11th generation Civic is longer
and lower than the outgoing model

HONDA CIVIC E:HEV

Honda's European leadership team is describing the new Civic hatchback as "the driver's hybrid".

The car that signals the electrification of the brand's UK range ahead of an onslaught of new models in 2023 is also a statement of intent regarding its future delivery of improved dynamics.

As such, car retailers will be able to offer an 11th generation car that is 31mm longer and yet 27mm lower than the outgoing model, with a rear track 18mm wider and a chassis structure 22% more rigid.

A resin boot and aluminium bonnet save weight, while the A-pillars have been shifted backwards to accentuate rakish, coupé-like dimensions.

The result, Honda claims, is a platform perfectly suited to a new e:HEV hybrid drivetrain promising greater efficiency and performance than the outgoing internal combustion engine (ICE) petrol and diesel versions.

Emitting 184PS and 315Nm of torque, the e:HEV drivetrain combines a two-litre direct injection petrol engine and a powerful electric motor to deliver 7.3-second acceleration to 62mph and a 112mph top speed.

On the international launch event in Madrid Honda Motor Europe technical advisor Korato Yamamoto explained that the Civic's new e-CVT transmission is not actually a transmission at all, rather an electrical control unit that meters the drivetrain's output.

The drivetrain sounds complex but, despite the unconventional set-up, the Civic feels more natural to drive than any CVT-equipped car I have driven.

Its hybrid drivetrain is refined, the e-CVT mimicking the feel and sound of a dual-clutch gearbox.

To cement this illusion, the e-CVT combines a power meter (replacing the rev counter) and

Active Sound Control (which utilises the cabin's sound system) to deliver the visual and aural cues of an ICE-powered performance car, particularly in the 'Sport' setting of four driving modes.

What's actually going on with the drivetrain? Predominantly powered by the electric motor, the Civic runs in electric mode for most of the time in urban environments.

Stronger acceleration makes the combustion engine generate the electric power needed for the motor to turn the front wheels, with the petrol engine only contributing directly to propulsion at high speeds (e.g. on the motorway) or under heavier loads.

Removing the need for the combustion engine to propel the Civic in various scenarios results in claims of 56.5-to-60.1mpg fuel economy and CO₂ emissions of 108-to-114g/km across the three trim levels.

Elegance (£29,995), Sport (£30,595) and Advance (£32,995) will be offered when orders open. This is expected to happen in August (see Q&A p44), with deliveries in Q4.

Honda Finance makes the Civic available from £349 per month on a 6.9% APR, three-year, 30,000-mile agreement, including a £5,427 customer deposit and £1,000 Honda contribution.

A limited number of high-performance Type R variants will also be headed to UK customers and, if the standard car is anything to go by, they should be winners.

True to Honda's billing, the latest Civic is more engaging and poised than ever, while serving up excellent refinement and feeling like a car from the class above at higher speeds.

It's a feeling furthered by the interior space. Rear legroom impressed, though a 400-litre boot (to the window line) is smaller on paper than many C-segment rivals.

Honda's model range has always looked eclectic, but the new Civic is



£29,595 TO
£32,995



184PS 2LTR
TURBOCHARGED
HYBRID



0-62MPH IN
7.8 SECS



E-CVT



COMBINED, WLTP:
56.5-TO-60.1MPG



108-TO-114G/KM

KEY RIVALS



Volkswagen Golf

✓ DRIVETRAIN CHOICE,
PREMIUM-LEANING

✗ AWKWARD
INFOTAINMENT,
DEFAULT CHOICE



Toyota Corolla

✓ FRUGAL HYBRID,
ENGAGING IN MORE
POWERFUL GUISE

✗ NOT THE MOST
SPACIOUS
HATCHBACK



Kia Ceed

✓ INFOTAINMENT,
SEVEN-YEAR
WARRANTY

✗ NO FULL HYBRID
OR PHEV OPTION

REVIEW RATINGS

TOP GEAR



SUNDAY TIMES DRIVING



PARKERS



THE MIX IS
EXPECTED TO BE
65% SPORT, 25%
ADVANCE AND
THE REMAINDER
ELEGANCE

REBECCA ADAMSON,
HONDA UK HEAD OF
AUTOMOBILE



part of the latest drive to offer global products, resulting in a more consistent appearance.

There has also been notable improvements in cabin quality.

Furthering themes seen in the new HR-V, the Civic offers a stylish and tactile cabin that's up there with the best of its class.

A mesh grille spans the dashboard, giving the impression of extensive ventilation and adding a key styling feature that emphasises the width of the car. Toggle controllers adjust the vents within.

The Civic's broad centre console houses button-operated gear selectors and features a large smartphone stowage tray at its front edge (a wireless charger in certain trims).

Elegance trim features fabric seats, while Sport combines fabric and synthetic leather as standard and Advance a combination of leather and synthetic leather.

A new version of Honda's HMI touchscreen infotainment tops the dashboard and incorporates Apple CarPlay and Android Auto smartphone connectivity.

While Elegance and Sport trims get a seven-inch instrument cluster, Advance adds a 10.2-inch customisable digital panel with a panoramic sunroof and a 12-speaker Bose sound system also among its highlights.

All Civics feature the Honda Sensing suite of safety tech, including lane-keeping assistance and adaptive cruise control which operates to a standstill in traffic.

Sonic Grey is the standard paint option, with Premium Crystal Red and Premium Crystal Blue pearlescent finishes, as well as

Q&A



REBECCA ADAMSON,
HEAD OF AUTOMOBILE
FOR HONDA UK

When will the Civic reach UK customers?

We're just beginning production, so we're confident of an end-of-year UK launch. Hopefully, order books will open in August with deliveries in the final quarter. The supply situation can affect the schedule daily, as it is affecting everyone. But, at this point, production hasn't been affected.

What is expected to be the Civic line-up's most popular trim?

Elegance is the entry level, but also very much a mid-level offering with regards to the levels of equipment it offers. It's expected that the majority of sales will be of the Sport, though. The mix is expected to be 65% Sport, 25% Advance and the remainder Elegance.

How important are retailers in their role of communicating the Civic's new technology to customers?

Our network of enthusiasts is key to helping customers understand the technology. When Jazz was launched, we went from offering an ICE with a manual gearbox to a single drivetrain choice. We

launched an 'Order with Confidence' scheme, offering customers their money back if they didn't like the car. We didn't have to give any money back. Our priority is getting potential customers into Civic. We will offer a test drive at a customer's home but, increasingly, people want to return to dealerships.

Does Civic present a conquest opportunity?

We have seen a high level of conquest with Jazz. The previous model's sales were 70% returning customers and now it's around 55%. New Civic is more dynamic and also a credible alternative to an SUV. I think we could see 60% conquest. Fleet will account for 20% of sales.

What lies ahead for Honda retailers?

By the end of 2023 we'll have a nine-car range, where we had been reliant on Jazz in a four-car line-up. Civic and a very low number of Civic Type-R are very important. We have got to sell online – it's the future of retailing – but do customers want to go all the way through the process and press 'go' on an online sale? Probably not. They want the choice. The challenge of agency is that there is still so much legislation that has not been finalised yet. Is it completely off the table? Absolutely not, but we'll always be transparent and open about our plans. Honda UK and our retailers are happy with the way we operate. Our return-on-sales is 3.6% on a rolling 12 month basis and even higher on a year-to-date basis. Coming into COVID, it was 1.35%.

“WE WILL OFFER A TEST DRIVE AT A CUSTOMER'S HOME BUT, INCREASINGLY, PEOPLE WANT TO RETURN TO DEALERSHIPS – REBECCA ADAMSON

Crystal Black and Platinum White metallics.

Having spent several hours driving the new Honda Civic on Spanish roads it's hard not to subscribe to the view of Honda UK head of automobile, Rebecca Adamson, that this is a model with the qualities needed to lure conquest customers.

Whether the current SUV and EV-domi-

nated market is a place to go fishing for market share with a C-segment hatchback remains up for debate.

But if the new Civic is an indication of things to come from Honda, its retailers have a lot to look forward to as their model range expands from four to nine in the very near future. **TOM SHARPE**

CUPRA BORN V3 150KW

REPORT
PROGRESS



PATIENTLY ADAPTING TO SOME ACCEPTABLE COMPROMISES

The topic of electric vehicles (EVs) and the adjustments motorists must make when driving them came up in conversation with manufacturer bosses and fellow trade journalists recently.

We all agreed that education of all dealership staff must be the priority, before high numbers of consumers take the plunge. Buyers from now onwards are certainly not the early adopters who gained their EV experience while being quite forgiving of the limited infrastructure, multitude of charging network apps and questionable charging point reliability. They need careful qualification by dealer staff with EV expertise, who must set their expectations with realism and honesty. We

can't afford consumers scarred by shocking EV experiences when there's those 2030/35 zero emissions deadlines ahead.

Having written last month that the Cupra Born EV I'm now driving seemed good for 230-240 miles with no fingernail biting, I've had closer to 210-220 miles range during the latest long-distance trips. I admit to being slightly more carefree with the accelerator – less inclined to pootle at 60mph on a 70mph motorway – and, on one occasion, I had four passengers on board plus the air-con running and lights on. But this is the sort of thing consumers need to understand so they can appreciate how, or whether, they can adjust their driving habits. Compromise is needed in a world where most have been used to doing A-to-B as quickly as legally possible.

The benefits of my latest journeys include the experience I've gained with ultra-rapid charging. Prior planning paid off on both occasions; I'd looked up suitable CCS chargers accepting contactless payment along my route, and was lucky to find one vacant on arrival each time. Allowing 20-30 minutes to charge slightly tests one's patience, but the experience was painless. As is the Cupra Born's quiet, refined cruising ability – two of my passengers fell asleep.

TIM ROSE



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263 MILES
(WLTP)



0G/KM (WLTP)

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MILEAGE

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DRAWS ATTENTION



STILL NOTHING YET

≡ GUESS THE CAR COMPETITION

PREVIOUS WINNER



Adrian Millar,
brand relationship
director at
Volkswagen
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identified the
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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, August 19.



TALENT ON THE MOVE



**JAMES TAYLOR,
INTERIM MANAGING
DIRECTOR,
VAUXHALL**

Stellantis UK's director for B2B sales James Taylor has taken the helm at Vauxhall after being appointed as managing director on an interim basis.

Taylor, who will also continue his existing B2B role, takes over from Paul Willcox, who was promoted to lead the UK market at Stellantis in May, replacing Alison Jones who moved to a global role.

Earlier this year Taylor led a Stellantis restructure of its fleet sales operations which aimed to provide improved interaction between its brands, which include Citroën, DS, Peugeot and Vauxhall.

Speaking to *AM* sister title *Fleet News* about his new role, Taylor said: "While Paul Willcox takes on his new role in the wider Stellantis UK organisation, I take the additional responsibility of leading the Vauxhall team, on an interim basis in addition to my role as B2B director.

"Richard Roberts will also take over the responsibility on an interim basis of Vauxhall fleet director in addition to his current role as head of rental."



**SALLY FOOTE,
MANAGING
DIRECTOR OF
CARWOW**

Carwow has appointed former GoCompare vice-president and Photobox chief innovation officer Sally Foote as its new UK managing director.

She joins the business as it embarks on an "exciting and ambitious phase of growth", which prompted a series of leadership changes last month.

Reporting to Carwow chief operating officer John Veichmanis, Foote will manage a team of more than 50 employees and oversee all aspects of the UK business, from commercial and operations through to acquisition and account management.

Foote has more than 20 years of digital solutions experience, working across publishing, broadcast media and e-commerce.

At GoCompare, she led the product, innovation and marketing divisions.

At Photobox she led the development of new revenue lines and physical product development. Foote has also held positions at *The Guardian*, *The Times* and *The Sunday Times*.



MATT GALVIN, NIO

Matt Galvin has left his post as commercial director at Volvo Car UK to join Chinese electric vehicle (EV) manufacturer NIO.

Known for its use of battery-swapping stations, as an alternative to conventional charging stations, NIO has five models and a further four in the pipeline.

The brand has started selling cars in Norway and Sweden and is about to launch in Germany. A UK presence is yet to be confirmed.

On the prospects for NIO within the UK, Galvin said: "Generally speaking, I think the UK is ripe for that kind

of disruption. There are a lot of emerging brands that want to claim a slice of the marketplace and I think consumers are open to transacting online and direct. Those making that journey as seamless and easy as possible will be successful."

During his involvement with Volvo, Galvin oversaw an uplift in annual registrations from 40,000 to 60,000 and a market share above 3%. He also played a part in the brand's decision to bring used car remarketing in-house.



**NICK SQUIRE,
INTERNATIONAL
SALES AND
PARTNERSHIPS
MANAGER AT
BUMPER**

Nick Squire has joined automotive aftersales finance provider Bumper as its new international sales and partnerships manager.

He will take an overseas remit for the digital payment platform for vehicle repairs, services, accessories and add-ons, after its launch in Germany and Spain.

Squire will also lead the business as it embarks on further expansion into other international markets, including in Turkey.

He previously worked for Snap-on Business Solutions, where he had been responsible for the tooling specialist's European and global autoVHC programmes.

Squire also worked for BTC, having started his automotive career more than 20 years ago as general sales manager at Ilkeston Co-op Motor Group.



**PETER JOHNSON,
FORMER RMI CHAIRMAN**

Peter Johnson has retired from his position as chairman of the Retail Motor Industry Federation (RMI).

The former Inchcape chief executive and Marshall Motor Group chairman held the position since June 2015, having previously been chairman of the National Franchised Dealers Association (NFDA).



**PAUL BUSTIN (CENTRE), GENERAL
MANAGER AT DRIVE MOTOR RETAIL**

Former Bristol Street Motors general manager Paul Bustin has joined Drive Motor Retail to head its MG Motor UK showroom in Leicester.

Four more recruits joined Drive's MG operation: Jonathan Davies, after-sales manager; Toby Yeomans, sales controller; Richard Peacock and Tom Preston, business managers.



**KARL DAVIS, NON-EXECUTIVE
DIRECTOR AT CLIVE BROOK VOLVO**

Coachworks Consulting founder and managing director Karl Davis has joined Clive Brook Volvo as non-executive director. With more than 40 years' experience in motor, Davis's main objective over the next 12 months is to help Clive Brook Volvo achieve above average performances in sales and customer service.



**MATT LUCAS, HEAD
OF PARTNERSHIPS &
TRANSFORMATION,
MOTONOVO FINANCE**

MotoNovo Finance has promoted Matt Lucas to the new role of head of partnerships & transformation.

Moving to the business's senior leadership team from his position as regional manager, Lucas will lead MotoNovo's partnership, specialist asset, sales development and distribution functions.

EIGHT QUESTIONS TO A...

GENERAL MANAGER – NATIONAL SALES

Rob East, BMW Group UK

What are the main responsibilities of your role?

My main tasks are leading the team responsible for engaging with our BMW retailer partners to maximise all sales and customer opportunities by ensuring that our customer offers are relevant and appealing. We work in partnership with our retailers to realise each market area opportunity and to ensure our network representation is financially viable.

In addition, I'm responsible for the continued improvement of dealer performance and profitability, and for the direct management of the BMW sales regional managers.

Timely delivery of all retail sales campaigns also falls within my remit, ensuring BMW UK sales targets are achieved. Essentially, the team and myself are the custodians of BMW's interests and brand reputation from a sales perspective

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

I would say there are several key challenges which also opens up opportunities too. In the short term, the various global supply constraints and the geopolitical volatility have had some significant economic effects for all OEMs. The rapid switch to electrification has also proved to be an interesting development.

Longer term, I would say that customer expectations have changed and the possible change of OEM sales models across Europe will also be an interesting development.

How might these challenges be overcome?

Embracing and being comfortable with change is going to be at the core of these challenges. By ensuring that the customer is at the heart of all commercial decisions we can keep our perspective and focus too.

Our team is critically important to make sure BMW Group stays on track. So, focusing on team engagement and retention is vital and we're fully supporting the transition to flexible working.

What attracted you to this area of expertise and how did you get to your current role?

It was always an aspiration of mine to work within the automotive sector and I have a love of anything with a motor – historically this would have been described as a 'petrol head' but now maybe an 'electric head' too. I'm fortunate to have held roles within a retailer group (East was a graduate trainee at Hartwell in the 1990s), leasing company and OEMs, which has given me a really broad understanding of the industry. I joined BMW UK in late 2018 as the general manager for corporate sales and then moved into the national sales (retail) role in March, which I am thoroughly enjoying.

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

There are a number of key lessons. First, try to take a longer-term view. It's all too easy to live in the month. Next, take the opportunity to see the work you do through the eyes of your customers; perspective is really important. Finally, I would say try to harness the power of the team around you to drive strategic change and then always deliver what you say or commit to.

QUICK-FIRE QUESTIONS

What drives you?

The opportunity to continually learn and be challenged by the people around me and a constantly changing industry.

What's your favourite app?

It's got to be ebay.

How do you relax?

With two children there isn't much time to relax. When time permits, I love to spend time on my motorbike (of course, it's a BMW).

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

Have you ever disliked something or someone then changed your mind?

EDITORIAL

Editor Tim Rose 01733 46826
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► **Can't remember, but I loved the Alfa Romeo Brera, until I drove one for a week.**

News and features editor Tom Sharpe 01733 468343
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► **Kids glued to tablets or gaming devices... then I became a parent.**

PRODUCTION

Head of publishing Luke Neal

► **Red wine, I can't get enough of it now.**

Production editor David Buckley

► **I used to have a real downer on sprouts until I realised that they didn't have to look like wilted small watery cabbages after cooking (school dinners). Now, I'm quite happy to eat them.**

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