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**MERGERS AND ACQUISITIONS / P6**

Climate conducive for overseas investors seeking to expand

**USED CAR RETAILING / P25**

Will casting the net wider pay off for retailers?

**DEALER TOP PICKS / P45**

Results of our Dealer Recommended survey

# BRINGING GEN Z TO PEUGEOT

JULIE DAVID EXPLAINS HOW PEUGEOT PLANS TO WIN THE HEARTS OF YOUNG BUYERS / P18





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# EDITOR'S LETTER

**J**ust as the motor industry seems to be getting to grips with the recent challenges, another one comes along.

Carmakers have reacted negatively to tough new Euro 7 proposals from the European Commission that demand lower NOx and particulate emissions from new cars and light vans by July 2025.

Particulates created by brakes and tyres must also fall, which has implications for electric vehicles just as they're gaining momentum in the UK's new car market.

At a time when consumers are already finding the price of new and used cars has risen considerably, the measures will add further cost. The EC's proposal claims the total extra added will be €304 (£266) per vehicle. Alone, it's not a lot. But on top of buyers' already increased costs, it's hardly helpful. New car sales could remain lower than average for some time yet.



## OUR WRITING TEAM



**Tim Rose**  
Editor



**Tom Sharpe**  
News and  
features editor

# Braking

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# Vehicles



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# OVERSEAS INVESTORS CIRCLE CAR RETAIL OPPORTUNITIES

A weak pound, network reorganisations and widespread uncertainty about future trading conditions could fuel an acceleration of dealer group M&A activity.

**W**arnings of the longest recession on record could signal further market disruption that will turbocharge the motor retail sector's mergers and acquisitions (M&A) outlook.

And, while negotiations between UK-based dealer groups are hampered by a disparity between sellers' lofty valuations and what buyers are willing to pay after two record years of trading, along with uncertainty about future profitability, overseas investors have found themselves in pole position to invest.

The value of the pound against the US dollar slumped from \$1.37 in January to \$1.07 in the wake of former Chancellor Kwasi Kwarteng's ill-fated mini budget and only recovered to \$1.13 at the time of *AM* going to press after the appointment of new Chancellor Jeremy Hunt and then Rishi Sunak as Prime Minister.

## OVERSEAS ADVANTAGE

MHA MacIntyre Hudson's head of automotive and mobility Steve Freeman said: "International groups have the clear advantage right now as their money will simply go so much further than it did before."

"That gives them the freedom to pay a little over the odds for dealerships they see as having the right brands in the right locations."

Globally, 2021 was a record year for M&A activity across all markets, with acquisitions totalling \$5.7 trillion (£51tn).

Data compiled by Dealogic reveals that, while 2022 looked on track to be the second busiest in more than a decade, a slowdown in activity in Q3 pegged its performance back.

In what UHY Hacker Young's head of automotive David Kendrick described as the business's "busiest period for a decade" from an M&A point-of-view, the UK retail sector has already had an increase in overseas



**“THERE IS A HUGE DISPARITY IN APPROACHES TO THE MERGERS AND ACQUISITIONS MARKET RIGHT NOW**

DAVID KENDRICK, UHY

investment after exchange rates shifted in their favour during H2.

Group 1 Automotive acquired Fairfield BMW in September and Brayleys Cars major shareholder, Dubai-based AW Rostamani Group, has just bought nine West Way Nissan dealerships.

Currency fluctuations alone may have saved Hedin Group millions on its potential takeover of Pendragon since it tabled its initial 29p per share bid back in September last year.

Alistair Cassels, head of automotive advisory at MHA, told *AM* the offer was "starting to look particularly good value" after writing a report on the subject in which he stated: "The offer amounted to circa £400m, which would have been around \$580m less than a year ago. Today that conversion stands at circa \$460m or a 20% discount."

Cassels added: "Over the past five years we have seen a number of overseas entrants, including Motus,

Super Group and Group 1, and we know there is still a lot of appetite from those overseas businesses to acquire more."

"As for other newcomers, like Hedin, some might have grown as much as they can in their home territory and be looking for a new opportunity. Others could be looking to make the most of what is – in some ways – quite a favourable climate for M&A activity."

Large-scale acquisitions, such as Marshall's move for £700 million-turnover Motorline in October last year, have been absent from 2022 deals so far. Yet Kendrick said there remains business to be done.

## VALUATION CHALLENGES

"We've had a busier year this year than we have had for the previous 10 and there are still a number of ongoing discussions," he said. "That said, I have never known so much change and challenge in the

market at one time. That has made negotiations very difficult in some cases. We have seen eight-figure variations in goodwill offers. That's not just 5%-to-6%.

"That quantum makes me think that there is a huge disparity in approaches to the mergers and acquisitions market."

Cassels said it was hard to see where the next AM100 "super deals" would come.

He said: "There have been smaller acquisitions and consolidation where groups have seen opportunities, but it's hard to imagine who will invest big with all the uncertainty in the market right now."

"Marshall was the big consolidator for a number of years, but it looks like that might have drawn to a close with the end of the Daksh Gupta era." Former chief executive Gupta left the group in May.

Vertu Motors recently described itself as "one of the few consolidators in the UK car retail market with available firepower" in its recent H1 trading update.

Chief executive Robert Forrester told *AM* the car retail giant could grow "anywhere at any time".

However, the business also revealed that it was disregarding 18 months of trading performance from the sector's post-COVID bounce back period in its discussions with potential targets.

Forrester said businesses looking to sell "have a choice", adding: "We have to make sure that the cash that is spent in an acquisition will give us an appropriate return. The amount of goodwill is central to that."

"In my opinion profits were going to be down by around 50% this year, and I still don't think that I'm far out with that. So, we have to acquire with that in mind."

Just before *AM* went to press Vertu revealed it was in advanced discussions to buy fellow AM100 dealer



group Helston Garages, whose revenues totalled £627m last year.

Swansway Group director Peter Smyth shared Forrester’s views on values. He told AM: “Dealers coming out of the most successful two years’ trading in their history are demanding top dollar for their business and it’s unrealistic. We have looked at a number of businesses and what we are prepared to offer and what they are willing to accept remains some way apart.”

Cassels thought the high dealership valuations of earlier this year were starting to reduce. “We’ve had the high-water mark of up to 7x EBITDA and that is starting to come down,” he said.

#### AGENCY UNCERTAINTY

A factor complicating the task for those valuing dealerships is the

growing disparity in the appeal of certain manufacturer franchises. Uncertainty about the potential profit and loss profile of networks replacing franchise contracts with agency agreements, and the ongoing efforts of certain brands to restructure their network’s scale or geographic spread, means some investors will not commit.

“There is an awful lot of change within Stellantis and a lot of uncertainty about what its operations will look like going forward, so we’ve seen very little M&A activity involving those dealerships,” Kendrick said.

“It’s so hard to know what the P&L outlook is. For an acquisitive business that it makes life very difficult. Volkswagen Group is also looking to regionalise some of its dealerships. There are so many question marks.”

He added: “I’ve heard some

commentators say that there has never been a better time to sell, but I’m not so sure. I think it’s very hard to say ‘yes, this is the time to put your business on the market’, because it’s so hard to see what the future profitability looks like.”

Both Kendrick and Cassels agreed which franchises presented the most appeal to potential investors.

The Korean duo of Kia and Hyundai were both very favourable. Others not taking the agency route, including Nissan and Suzuki, also hold appeal despite the former’s network rationalisation plans.

Cassels argued that he saw scope for a further 30% reduction in the number of car dealerships in the UK, after two years of 1.6 million new car registrations.

Kendrick felt there also remained question marks over which established

automotive brands would survive in a market facing an influx of new carmakers, including a growing number from the Far East.

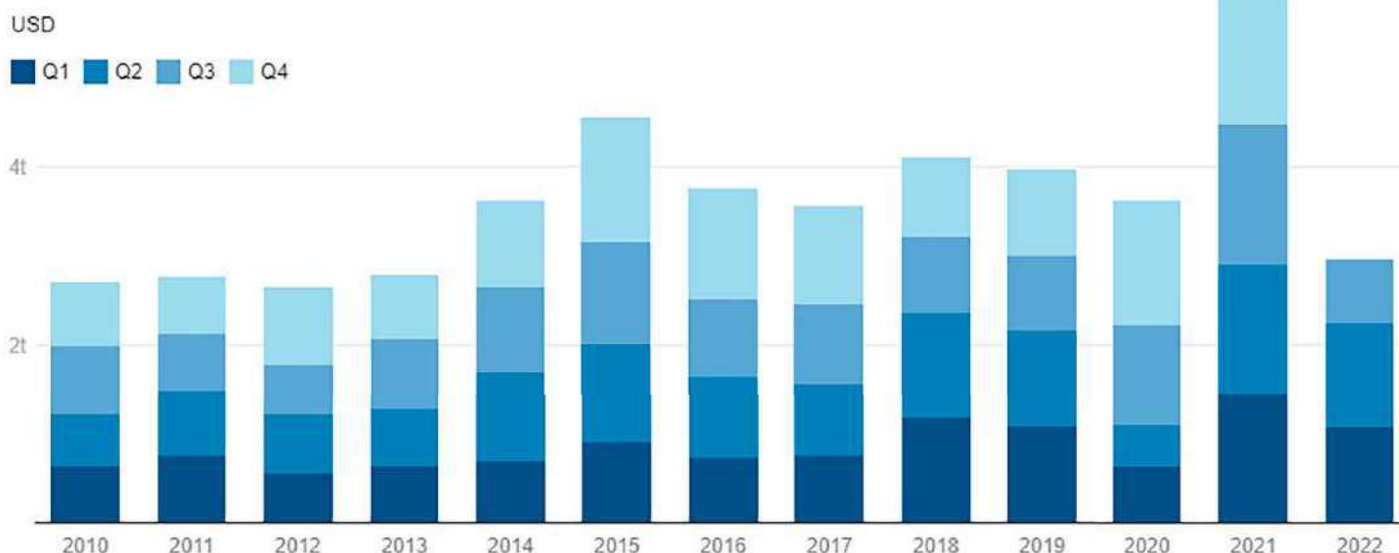
What is certain is that macroeconomic factors affecting consumer confidence and currency values in the year ahead will shape the make-up of, and ownership of, UK dealer groups in the years to come.

The Bank of England raised interest rates by a record 0.75% to 3% this month and warned that the current recession could be the longest on record – extending into mid-2024.

Cassels said: “Our last recession in 2009/10 resulted in a lot of M&A activity and I think we’ll see that again. There is likely to be an escalation of the ‘grow or go’ attitude across the sector and I’d almost certainly expect to see an escalation in deals.”

TOM SHARPE

## ≡ HITTING THE BRAKES: GLOBAL M&A



Source: Dealogic

ADVERTISING FEATURE

# Who tops the Reputation Report rankings?

By **Anthony Gaskell**,  
EMEA Managing Director, Reputation



What does it take to be a top automotive brand? I'm sure at one point or another, most of you will have pondered this very question. Who are the world's top manufacturers and dealer groups, not simply by revenue, but by other key metrics such as customer satisfaction, NPS, repeat business, or even Reputation Score.

To answer these questions, many of you will know about Reputation's annual Automotive Reputation Report, released around this time each year.

We're proud to say it's become somewhat of an industry staple since it was launched a few years ago. Did you know that 65% of buyers won't consider a dealership rated less than four stars? Or that more than two-thirds of people are willing to travel 20 miles to a top-rated dealership? These numbers get higher and higher each year.

AM-Online covered most of the report's key points, and the annual rankings recently, but I'd like to take the time to also congratulate the winners for 2022. The top three UK brands, ranked by Reputation Score are Kia, Renault, and Hyundai, respectively. For dealer groups, it's Snows Motor Group, Pendragon and Renault Retail Group; and the UK's three top-rated dealerships are Porsche Centre Teesside, Gravells Kia (Hereford), and Roadside Garages (Coleraine), respectively.

Sincere congratulations and well done to each and every group, brand and dealership ranked in the 2022 report. If you want to see where you ranked, or where your competition placed, visit [reputation.com/auto-report](https://reputation.com/auto-report) to download a handy PDF version.



# THIS MONTH'S NEWS HIGH

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## RECORD PAY RISES FOR MDs AND CEOs

Car retail businesses drove record pay rises in 2022 with the average total remuneration to managing directors and chief executives soaring by 70% to £407,000, BDO's Salary Survey revealed. Across all positions the average base salary rose to £44,475 (2021: £42,292), with a further £18,055 (2021: £13,637) in commissions and benefits.

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## STELLANTIS REVEALS AREA-STYLE NETWORK PLANS



Stellantis UK revealed its plan to adopt a contiguous market area-style network, with the loss of 138 of its 918 franchised sales points. Group managing director Paul Willcox (pictured) said the plan has been formulated with "sustainability and viability" in mind. It targets a 1.2% average return on sales, with 1.5% to 1.8% for Alfa Romeo and DS.

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## PENDRAGON DEFIES £53M RANSOM DEMAND

A Pendragon spokesman confirmed the AM100 PLC had become motor retail's latest victim of hackers. However, *The Times* reported that the group had been defiant in the face of a \$60m (£53m) ransom demand, refusing to engage in talks while bolstering its cyber security.

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## SUNDAY CLOSING ANNOUNCED AT BURROWS

Burrows Motor Group became the latest franchised dealer group to implement Sunday closing. Days later Pentagon Group followed suit, and introduced a five-day rota at its 30 dealerships. "We know our valued sales teams will enjoy even more quality time with their families," said Burrows managing director Steve Burrows.

## CAZOO UK'S VOLUMES DOUBLE IN THIRD QUARTER



Cazoo followed its plan to exit mainland Europe with a UK Q3 trading update which showed revenues up 103% at £347m as volumes doubled year-on-year to 18,889 units and retail gross profit per unit strengthened to £488.

Days later Aramis Group, which counts Stellantis as a major shareholder, completed the acquisition of its operations in Italy.

## GROUP 1 AUTOMOTIVE GROSS PROFIT PER UNIT UP 42%

Group 1 Automotive UK revealed its average gross profit per unit from the first nine months of 2022 rose 42% for new vehicles, to \$3,633 (approx. £3,133), but dropped 11.3% to \$1,653 (£1,426) in used compared with the same period a year earlier. By September 30 the group said it had increased its new retail sales by 2.8% to 21,922 units while used vehicle retail sales climbed 7.4% to 30,505.





**SOUTH LAKES MERCEDES SALES TO CEASE AT YEAR END**  
Marshall Motor Group announced it will stop selling both new and used cars from its South Lakes (Ulverston) Mercedes-Benz dealership at the end of the year. It will leave Sytner's Mercedes Carlisle dealership as the German premium brand's nearest franchise, more than 80 miles away.



**VERTU IS LARGEST BMW MOTORRAD MOTORCYCLE RETAILER**  
Vertu Motors became the UK's largest BMW Motorrad motorcycle retailer with the £4.2 million acquisition of dealerships in Rotherham and Shipley from Saltaire Motor Company, trading as Allan Jefferies. The deal came almost 12 months after Vertu joined the network through the acquisition of 12 BMW, Mini and BMW Motorrad outlets from Inchcape's Cooper BMW division.

**AW ROSTAMANI ACQUIRES NINE WEST WAY NISSAN SITES**  
Dubai-based franchised car retailer AW Rostamani Group grew its UK footprint with the acquisition of Nissan Motors GB's nine remaining West Way car retail sites. The acquisition by the Brayleys Cars shareholder follows the Japanese OEM's decision to divest of its AM100 retail operation in July, with other sites going to Glyn Hopkin and Hendy Group.



**PEOPLES MAY LOOK BEYOND FORD FOR EXPANSION**  
Peoples chairman Brian Gilda revealed the business is considering new franchise partnerships after 24 years solely representing Ford, despite recording the best annual financial results in its 39-year history. Ford's shifting business model and challenges posed by the loss of the Fiesta played a part in the decision, he told AM.



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## ADVERTISING FEATURE

# How the cost-of-living crisis is impacting decisions made by car buyers

Simon Whicher, Sales Director, Cooper Solutions



The cost-of-living crisis is having a significant impact on 70% of new and used car buying decisions as a result of the rising costs facing UK households, with one-in-five buyers claiming they will delay their next purchase.

Research by eBay Motors Group\* indicates that the rise in energy bills prompted nearly a quarter (23%) to say they will delay their next car purchase, while a further 29% will now buy a cheaper car and 20% will buy a smaller one. However, 28% say the rise would not influence their decision.

When asked how the general cost-of-living increases would affect their next car purchase, a similar trend emerged with 23% saying they will delay, 30% saying they will buy a cheaper car and 19% now looking for a smaller car. More than a quarter (27%) say it will not have any influence.

The rising cost of fuel has impacted the decisions of 70% of buyers, most say they will go ahead and buy with 28% opting for a cheaper car and 23% a smaller car, while 19% will delay their purchase. However, 31% say these rises will have no effect.

At Cooper Solutions, we recommend retailers help consumers understand the affordability of their next purchase and how this can be balanced against increased living costs.

Retailers are in the ideal position to help consumers choose the right car, with their knowledge of running costs, and using data to help pitch the right car to the right customer.

**For more information, please contact Simon Whicher, Sales Director at Cooper Solutions. Email: [swicher@coopersolutions.co.uk](mailto:swicher@coopersolutions.co.uk)**

\*<https://www.ebaymotorsgroup.co.uk/news/cost-of-living-crisis-set-to-impact-majority-of-car-purchases-with-one-in-five-being-delayed/>



## MARKET UPDATE

# HAVE WE REACHED 'PEAK PREMIUM'?

As the UK prepares for a 1.8m market in 2023 the days of relentless volume growth by German brands seem to be over

**O**ctober registrations (up 26.4%) looked positive but, in reality, that figure only brought them back to where they had been in 2020 – itself hardly a great period for car sales.

This has led the Society of Motor Manufacturers and Traders (SMMT) to downgrade its 2022 full year forecast to 1.57 million – the lowest level since 1982. Put another way, we have lost 40 years' market growth.

Of course, a fair proportion of the fall is down to the chip shortage. Europe is expected to lose production of 1.5 million cars in 2022, out of a global total of 4.2 million. Production of automotive chips is forecast by Alix Partners to rise by 20% next year, but the big question is whether that will be enough. In some ways, the industry hopes that it will not. If a 20% increase is sufficient to meet demand, then the industry is in a deep recession.

Back in the present, Ford is slightly out-performing

the market, and has marginally extended its lead over VW. Of course, this development has been overshadowed by the news that, after 46 years and a global production run of 16 million, the Fiesta will be dropped in 2023. The Focus will not be far behind, as Ford moves to VW platforms for small and medium models.

## PREMIUM BRAND DECLINE

Behind VW, there is a huge battle for third place. No fewer than four manufacturers (Audi, Kia, BMW and Toyota) have a market share of between 6.5% and 6.7%, with fewer than 3,000 units separating them. Kia is the only one of the four manufacturers to have increased sales year-to-date (YTD), so could be in a good position to finish in third place if it can maintain its momentum.

Of the rest of the Top 10, the company with the most mixed feelings is probably Nissan. It has the

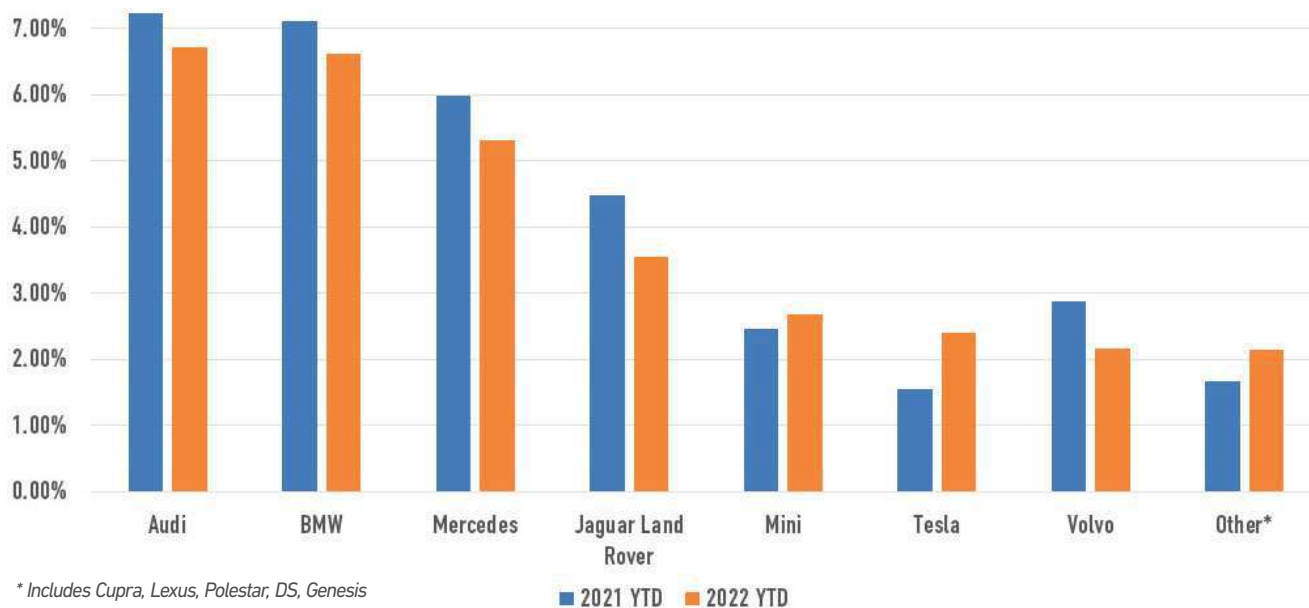


UK's best-seller YTD in the Qashqai, but is only tenth overall. All its other existing models have fallen by more than the overall market, so it needs the new Ariya to make a big impact if it is going to get back to the 5%-6% share it used to enjoy.

Looking at the other end of the sales chart for a change, a couple of the biggest losers have been companies that, a while ago, might have been expected to have benefitted from the SUV boom.

Jeep, which was a big presence in the 1990s with the Cherokee, has seen yet another market share collapse. It has sold only 2,200 cars this year (down 48.7%) for a market share of just 0.16%. Similarly, Subaru, once the go-to brand for rural vets and

## MARKET SHARE OF PREMIUM BRANDS



**SPONSOR'S COMMENT**

## Excellent products will help through turbulent times



**By Tim Smith,**  
**head of Black Horse**  
**Distribution**

Uncertain times feels like an understatement at the moment. As we consider

economic trends against the current political backdrop and how to achieve the best positioning, the only word to accurately describe conditions is volatile.

This said, the motor industry heads into these uncharted waters following a period of solid profitability and is well placed to think ahead and shape investment strategy.

Motor and motor finance made huge strides forward with on-line services during the pandemic and it's important that we progress to the next stage and refine the very best digital services and products backed up by first class logistics.

If demand slows, customers in the market will be searching for the best value and experience. The challenge to us all is to make sure that we are providing it through thick and thin.

That is why, at Black Horse, we remain focused on doing the basics brilliantly while building our digital estate to link seamlessly with our dealers across the UK.

Feedback from our dealers and customers is key to us getting it right... and that's why we're updating all our dealers on how we're performing for you and asking for your feedback.

We will also tell you how we have responded, building a positive loop to drive progress. Our aim is to enable all our dealers and customers to have easy access to excellent products and service standards, whatever turbulent times can throw at us.

**Highest growth major brands\***

	YTD Oct
MG	70.27%
Dacia	58.06%
Tesla	45.41%
Hyundai	19.49%
Kia	9.34%

**Lowest growth major brands\***

	YTD Oct
VW	-19.46%
Suzuki	-21.42%
Land Rover	-22.16%
Volvo	-29.26%
Seat	-53.96%

\* Brands with at least 1.0% market share YTD 2022

**IT WOULD BE RASH TO ASSUME THAT PREMIUM CARS ARE NOW IN DECLINE, BUT IT WOULD NOT BE UNREASONABLE TO THINK THAT THEIR DAYS OF RELENTLESS GROWTH MAY BE OVER**

people living at the end of farm tracks, is down by 40.2% to a market share of just 0.08%. To put it another way, Subaru sells approximately the same number of cars in the UK (1,056 YTD) as Ferrari (879 YTD).

It is hard to see how selling such small volumes of relatively inexpensive cars can be commercially viable. If Jeep and Subaru are to remain in the UK, they need to come up with something pretty radical after more than a decade of steady declines.

Overall, the most notable trend among manufacturers is the decline in market share of premium brands after decades of inexorable growth (see table).

First, we should establish what we mean by premium. We would define it as a manufacturer within mainstream segments that offers a more prestigious brand, so Land Rover would be in (the Evoque is an alternative to a Kuga), but Porsche would be out (the Macan is a segment higher). Overall market share of premium brands has slipped from 33.4% to 31.6%, and would have fallen further, but for the sharp rise in Tesla sales.

At the same time, market share of the two true value brands on the market (MG and Dacia) has jumped from 2.8% to 4.9%. Brands such as Škoda and Kia were value brands once, but have long-since joined the mainstream – indeed

they would both claim that they are positioned above some traditionally mainstream brands.

While it is always dangerous to take a couple of data points and extrapolate a trend, there does seem to be something interesting at work. Electrification inevitably makes cars more expensive, and people's real incomes are falling, so something has to give. Dacia is offering a low-cost alternative to electrification (at least for now), while MG is offering EVs at close to petrol car prices.

It would be rash to assume that premium cars are now in decline, but it would not be unreasonable to think that their days of relentless growth may be over. By definition, premium is a relative term, so premium models cannot become the majority of the market.

Taking approximately one-third of the market may be something of a natural ceiling. The same logic seems to have occurred to BMW and Mercedes-Benz who say they will progressively reduce their presence in smaller cars (e.g. Mercedes will drop the A- and B-Class). Have we now reached "peak premium"?

Attention is now turning to what we can expect in 2023. The aforementioned chip shortage will still constrain supply, but the bigger worry is the level of demand. "Unprecedented" is possibly the most over-used word of the past three years, but it is hard to avoid in the context of the fall in household disposable incomes.

According to the Office for Budget Responsibility (OBR) the average person will see their income fall by 2.2% in the year to April 2023, the worst dip since records began in 1956. In such circumstances, a new car may be a long way down the list of priorities for many.

The SMMT is forecasting a market of 1.8 million for 2023: to put that into context, the average for the five years from 2013 to 2017 was 2.5 million, and 1.8 million was the figure for 1993, as we started to come out of the early 1990s recession.

**DAVID FRANCIS**

**that makes a difference**

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## NEW CAR REGISTRATIONS

# Supply issues are driving sales of new cars to 40-year low

The UK remains on course for its lowest new car registrations total since 1982, despite a 26.4% growth in October, according to the Society of Motor Manufacturers and Traders (SMMT).

Hybrid and electric vehicles (EV) drove the year-on-year uplift to 134,344 units, accelerating volumes on a poor October 2021 when deliveries fell by 24.6% year-on-year, with battery electric vehicles (BEVs) increasing 23.4% to 19,933 and plug-in hybrids (PHEVs) by 6.2% to 8,899.

In total, plug-in vehicles accounted for 21.5% of registrations last month but October was the first month to see BEV market share fall since May 2021 as hybrid sales rose by 81.7%.

The market remains down 5.6% year-to-date on the same period in 2021 and a third below pre-COVID levels.

October's growth was driven primarily by large fleet registrations, SMMT data revealed, which grew 47.4% to 67,911 units.

Registrations to private customers rose 7.4% to 62,714, while smaller businesses recorded a 108% increase to 3,719 units.

## 1 MAZDA

A 65% rise over October 2021's result is mostly due to fleet and rental orders. Demand was strongest for the CX-5, Mazda6 and Mazda2 (pictured).



## 2 KIA

Its October registrations were down 19% versus October 2021. However, the brand remains in growth YTD. The Sportage and Niro (below) continue to bring great business, while the EV6 won 436 private buyers in the month.



October						Year to date				
Marque	2022	% market share	2021	% market share	% changes	2022	% market share	2021	% market share	% change
Ford	13,295	9.90	6,829	6.43	94.68	108,072	8.05	106,085	7.46	1.87
Volkswagen	12,804	9.53	9,052	8.52	41.45	104,975	7.82	130,338	9.16	-19.46
Audi	10,193	7.59	6,841	6.44	49.00	90,238	6.72	102,948	7.24	-12.35
BMW	9,199	6.85	7,778	7.32	18.27	88,844	6.62	101,139	7.11	-12.16
Toyota	8,341	6.21	5,122	4.82	62.85	87,279	6.50	88,250	6.20	-1.10
Vauxhall	7,710	5.74	6,099	5.74	26.41	73,758	5.49	78,340	5.51	-5.85
Nissan	6,817	5.07	4,887	4.60	39.49	59,625	4.44	57,152	4.02	4.33
Kia	6,041	4.50	7,436	7.00	-18.76	89,146	6.64	81,532	5.73	9.34
Mercedes-Benz	6,022	4.48	6,856	6.45	-12.16	71,371	5.32	85,108	5.98	-16.14
Hyundai	5,663	4.22	5,447	5.13	3.97	69,757	5.20	58,378	4.10	19.49
Peugeot	5,642	4.20	5,106	4.80	10.50	48,449	3.61	51,369	3.61	-5.68
MG	4,749	3.53	2,339	2.20	103.04	43,061	3.21	25,290	1.78	70.27
Škoda	4,130	3.07	2,290	2.15	80.35	39,979	2.98	48,805	3.43	-18.08
Mini	3,700	2.75	4,289	4.04	-13.73	35,929	2.68	35,141	2.47	2.24
Land Rover	3,275	2.44	1,610	1.52	103.42	37,120	2.76	47,685	3.35	-22.16
Volvo	2,941	2.19	4,606	4.33	-36.15	29,024	2.16	41,027	2.88	-29.26
Citroën	2,781	2.07	2,290	2.15	21.44	25,588	1.91	26,552	1.87	-3.63
Renault	2,768	2.06	2,123	2.00	30.38	24,948	1.86	25,101	1.76	-0.61
Fiat	2,504	1.86	1,318	1.24	89.98	17,900	1.33	17,377	1.22	3.01
Honda	2,245	1.67	1,629	1.53	37.81	21,689	1.62	24,177	1.70	-10.29
Mazda	2,179	1.62	1,322	1.24	64.83	20,827	1.55	23,225	1.63	-10.33
Dacia	1,773	1.32	1,318	1.24	34.52	23,053	1.72	14,585	1.03	58.06
Cupra	1,543	1.15	753	0.71	104.91	12,016	0.89	6,181	0.43	94.40
Seat	1,532	1.14	2,487	2.34	-38.40	18,463	1.38	40,099	2.82	-53.96
Porsche	1,207	0.90	1,650	1.55	-26.85	13,155	0.98	9,686	0.68	35.81
Polestar	1,069	0.80	658	0.62	62.46	4,994	0.37	3,083	0.22	61.99
Suzuki	1,001	0.75	1,274	1.20	-21.43	15,078	1.12	19,189	1.35	-21.42
Lexus	767	0.57	672	0.63	14.14	7,937	0.59	12,696	0.89	-37.48
DS	539	0.40	100	0.09	439.00	3,134	0.23	1,826	0.13	71.63
Jaguar	375	0.28	605	0.57	-38.02	10,520	0.78	16,195	1.14	-35.04
Abarth	313	0.23	114	0.11	174.56	1,413	0.11	2,135	0.15	-33.82
Subaru	168	0.13	130	0.12	29.23	1,056	0.08	1,766	0.12	-40.20
SsangYong	166	0.12	152	0.14	9.21	1,373	0.10	1,276	0.09	7.60
Bentley	141	0.10	92	0.09	53.26	1,384	0.10	1,064	0.07	30.08
Alfa Romeo	105	0.08	146	0.14	-28.08	1,408	0.10	1,300	0.09	8.31
Jeep	100	0.07	274	0.26	-63.50	2,136	0.16	4,113	0.29	-48.07
Genesis	72	0.05	6	0.01	1,100.00	638	0.05	93	0.01	586.02
smart	57	0.04	148	0.14	-61.49	1,112	0.08	1,242	0.09	-10.47
Maserati	42	0.03	81	0.08	-48.15	618	0.05	619	0.04	-0.16
Ora	42	0.03	0	0.00	0.00	42	0.00	0	0.00	0.00
Alpine	13	0.01	19	0.02	-31.58	238	0.02	163	0.01	46.01
Tesla	11	0.01	16	0.02	-31.25	32,229	2.40	22,164	1.56	45.41
Other British	181	0.13	175	0.16	3.43	1,817	0.14	1,942	0.14	-6.44
Other Imports	128	0.10	126	0.12	1.59	1,319	0.10	1,318	0.09	0.08
Total	134,344		106,265		26.42	1,342,712		1,422,879		-5.63

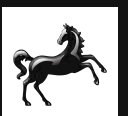


# Get your customers ready for the EV-olution

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:  
[blackhorse.co.uk/home/green-driving-hub](https://blackhorse.co.uk/home/green-driving-hub)

**blackhorse**



## FINANCE OFFERS

# Individual offers still shine, despite challenging APRs

**T**he cost of finance may be high but manufacturers are responding in kind with all of the top 10 lowest priced personal contract purchase (PCP) plans at less than £200 a month in Q4.

AM's PCP data of manufacturer representative examples shows that the average monthly PCP cost in Q4 is £401, which has increased slightly by an extra £7 a month quarter-on-quarter.

Average APRs have gone from 6% to 7%, reflecting the increasing pressure on interest rates and the cost of borrowing as a whole, and manufacturers have dialled back their deposit contributions by just more than 8% to an average of £943.

However, the offers available still paint a positive picture for any consumer seeking a new car.

Hyundai's i20 and Bayon take up the first and second place as two of the most affordable vehicles available in the UK new car market at £128 and £153 a month respectively.

Not only is the i20 one of the lowest priced, but it has a more generous than average discount too, with £1,250 off before the end of the year.

The Jaguar F-Type Coupé has the most generous deposit contribution to tempt customers before the end of the year with a £5,500 discount. Peugeot's 508 range isn't far behind with £5,000-plus off and the Lexus UX 250H is one of the most affordable vehicles highlighted that also comes with a much higher than average discount of £3,000.

Another interesting factor in the retail offers analysis is that more and more vehicle manufacturers are only launching monthly campaigns, rather than a quarterly strategic approach.

This is likely due to the current volatility in the economy and the Bank of England's current outlook with future interest rate increases on the horizon.

Brands such as BMW, Citroën, Renault, Seat, Škoda and Volvo have all taken this approach where offers are only available for a short time.

This creates added complexity and retailers will need to stay on top of continually changing deals.

## BEST EV PCPS

The MG4 is the standout vehicle in the electric vehicle (EV) market right now. Not only has the new model been received well by the motoring press, but it's actually one of the most affordable EVs available at just £269 a month.

AM also understands that MG has one of the



## TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
<b>Top 10 models by lowest monthly payments</b>							
Hyundai i20 – SE Connect 1.0 100PS Petrol 2WD Manual	PCP	£5,800.00	24	£127.90	£10,479.48	6.90%	31/12/2022
Hyundai Bayon SE Connect 1.0 Petrol T-GDI 48 Volt Mild Hybrid 100PS	PCP	£6,200.00	24	£153.66	£11,648.96	6.90%	31/12/2022
MG3 Excite 1.5 VTI-tech 5-speed Manual	PCP	£2,897.59	48	£159.00	£4,893.75	7.90%	31/12/2022
Toyota Aygo X 5-dr Hatchback Edge 1.0 Petrol (72PS) Juniper Blue Bi-tone (Metallic Paint)	PCP	£4,111.00	42	£159.00	£8,122.50	6.90%	19/12/2022
Honda Jazz SE	PCP	£5,095.16	36	£179.00	£11,815.80	7.40%	30/11/2022
MG ZS Excite 1.5 VTI-tech 5-speed Manual	PCP	£3,781.51	48	£179.00	£7,677.75	7.90%	31/12/2022
VW up! 1.0 5dr 65PS S/S Manual	PCP	£2,511.89	48	£185.00	£5,118.30	7%	30/04/2023
Hyundai i10 Hatchback 1.0 Mpi Se Connect 5-dr Auto (2020 On)	PCP	£2,239.50	48	£186.97	£6,350.03	6.90%	31/12/2022
Toyota Yaris 5dr Hatchback Design 1.5 Petrol Hybrid (116PS) Pure White (Solid Paint)	PCP	£5,398.50	42	£189.00	£10,687.50	6.90%	19/12/2022
Hyundai Tucson SE Connect 1.6 T-GDi 150PS	PCP	£8,800.00	24	£194.10	£16,652.16	6.90%	31/12/2022
<b>Top 10 EVs by lowest monthly payment</b>							
MG4 EV SE 125kW 51kWh Auto	PCP	£4,538.27	48	£269.00	£14,130.00	7.90%	31/12/2022
MG ZS EV SE 130kW 51.1kWh Auto	PCP	£6,377.88	48	£299.00	£13,342.50	7.90%	31/12/2022
Peugeot e-208 Active Premium+ 50kWh 136	PCP	£8,382.17	36	£308.00	£14,911.00	8.90%	31/12/2022
MX-30 145PS Prime-Line Auto	PCP	£6,790.99	48	£319.00	£12,604.50	6.40%	31/12/2022
Fiat 500 Icon 87kW 42kWh MY22	PCP	£5,250	36	£355.00	£15,395.00	5.90%	31/12/2022
Kia Soul EV 'Urban' EV Automatic	PCP	£7,700	36	£372.29	£15,401.25	6%	14/12/2022
Cupra Born V1 58 kWh 204PS	PCP	£7,257	48	£374.97	£16,898.40	5.90%	30/04/2023
Vauxhall Corsa Electric Anniversary Edition 100kw/136PS	PCP	£4,650	48	£394.14	£12,882.00	8.90%	31/12/2022
Hyundai Kona Electric Hatchback 100Kw Se Connect 39kWh 5-dr Auto	PCP	£4,567.50	48	£403.66	£12,855.41	8%	31/12/2022
Nissan Leaf 39kWh 150PS N-Connecta with EVSE Cable	PCP	£5,000	36	£415.00	£14,426.00	7.75%	11/01/2023
<b>Top 10 models by lowest deposit</b>							
Dacia Sandero Expression TCE 90	PCP	£204.00	48	£204.00	£6,320.00	6.90%	14/12/2022
Dacia Sandero Stepway Essential TCE 100 Bi-Fuel	PCP	£216.00	48	£216.00	£6,551.00	6.90%	14/12/2022
Dacia Duster Expression TCE 90 4x2	PCP	£231.00	48	£231.00	£8,996.00	6.90%	14/12/2022
Dacia Jogger Essential TCE 110	PCP	£240.00	48	£240.00	£8,301.00	6.90%	14/12/2022
Nissan Juke Hybrid 143 N-Connecta	PCP	£1,500.00	36	£429.00	£14,110.00	7.25%	11/01/2023
Hyundai i10 Hatchback 1.0 Mpi Se Connect 5-dr Auto (2020 On)	PCP	£2,239.50	48	£186.97	£6,350.03	6.90%	31/12/2022
Fiat 500 DolceVita 1.0 Mild Hybrid MY22	PCP	£2,250.00	48	£199.00	£6,173.00	5.90%	31/12/2022
VW up! 1.0 5-dr 65PS S/S Manual	PCP	£2,511.89	48	£185.00	£5,118.30	7%	30/04/2023
Vauxhall Design 1.2 75PS 5-speed Manual in Arctic White	PCP	£2,702.25	48	£234.49	£7,201.00	7.90%	31/12/2022
MG3 Excite 1.5 VTI-tech 5-speed Manual	PCP	2,897.59	48	159.00	£4,893.75	7.90%	31/12/2022
<b>Top 10 by highest deposit contribution</b>							
Jaguar F-Type Coupé 5.0 P450 R-Dynamic RWD	PCP	£14,263.00	48	£799.00	£29,209.00	7.90%	31/12/2022
Peugeot 508 SW GT Hybrid 225 E-EAT8	PCP	£4,655.84	36	£529.00	£18,509.00		
Peugeot 508 GT Hybrid 225 E-EAT8	PCP	£4,816.67	36	£499.00	£17,844.00		
VW Arteon R-Line 2.0 TSI 190PS 7-speed DSG	PCP	£3,681.68	48	£549.00	£13,637.70	6.90%	30/04/2023
Audi Q5 S line 40 TDI quattro 204PS 7-speed S tronic	PCP	£6,253.46	48	£559.00	£22,697.40	7.90%	31/10/2022
VW Passat Estate R-Line 2.0TDI 150PS DSG	PCP	£4,459.80	48	£549.00	£12,728.70	6.90%	30/04/2023
VW Touareg Black Edition 3.0 TDI 286PS	PCP	£10,425.99	48	£815.00	£27,268.20	6.90%	30/04/2023
Lexus UX 250H Hybrid – F Sport Premium Plus Pack	PCP	£12,054.50	42	£369.00	£17,167.50	6.90%	19/12/2022
Lexus RX 450H Hybrid – Premium Sport Edition	PCP	£14,756.50	42	£499.00	£25,965.00	3.90%	19/12/2022
Audi TT Coupé Black Edition 40 TFSI	PCP	£4,448.78	48	£469.00	£17,176.95	7.90%	31/10/2022

shortest waiting times to deliver a new EV so it's created a strong launch for dealers in the UK.

The ZS is the only other EV available for less than £300 a month, but is shortly followed by the Peugeot e-208 at £308 a month.

The majority of the top 10 EVs highlighted here are less than £400, which reflects the increasing affordability of zero emissions transport.

A lower monthly price point will help to battle any

forthcoming damage to perceived EV affordability, however anecdotal, due to the Autumn Statement which is expected to introduce higher vehicle excise duty (VED) for EVs.

**TOM SEYMOUR**



## SEARCH FOR FINANCE OFFERS

For a searchable list of manufacturers' finance offers, go to [am-online.com/offers](https://am-online.com/offers)





# VIEWPOINT



## PEOPLE ARE BLISSFULLY UNAWARE OF THEIR OWN INCOMPETENCE

**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)



There has been a lot of talk about leadership over the past few months and if one looks at the management bookshelves even more has been written.

I have often asked groups of students who they considered to be great leaders both globally and within the business world. The responses have been varied and have included religious leaders alongside campaigners for different causes including civil and women's rights.

The fascinating thing is that, when you start to interview people who aspire to be leaders, one is often left with a sense of dread.

John Kruger and David Dunning of Cornell University have done several studies looking at confidence and competence. They have given their names to an effect which is described as 'the tendency of people with low ability in a specific area to give overly positive assessments of this ability'.

Basically, people, especially men, are blissfully unaware of their incompetence. The double whammy is that their lack of intellectual and social skills not only stops them producing the correct responses, but deprives them of the expertise to recognise that they are not performing and that they are the cause.

This presents a major challenge as the stereotype of the leader is one who makes decisions with confidence which masks the level of incompetence behind the decisions made.

I have increasingly been drawn to the idea of humility underpinning the concept of servant leadership.

The leader serving those who he or she leads. The idea of listening to others and seeking advice seems alien to some leaders but it has to be the basis on which leadership is formed.

We live in a complex and multi-dimensional world where the understanding of differing perspectives is critical.

There are two quotes about leadership which summarise an attitude which, I think, should be embraced widely in today's times.

■ *Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen.*

■ *In the course of my life, I have often had to eat my words and I must confess that I have always found it a wholesome meal.*

These were both from Winston Churchill. As the First Sea Lord during World War I, he showed stunning incompetence in the Gallipoli Campaign which led to 300,000 Allied casualties of which more than 56,000 were killed. He was subsequently demoted.

It can be argued that the balance between confidence and competence shifted as he moved from a failure to being regarded as a great leader in World War II. Churchill recognised that his competence was linguistic, not in strategy development. President Kennedy said of him, 'he mobilised the English language and sent it into battle'.

Leaders need to serve those who follow them, acknowledging where they lack competence and being humble enough to recognise it. As Nicky Gumbel, the founder of the Alpha Course, stated: 'If service is beneath you, then leadership is beyond you.'

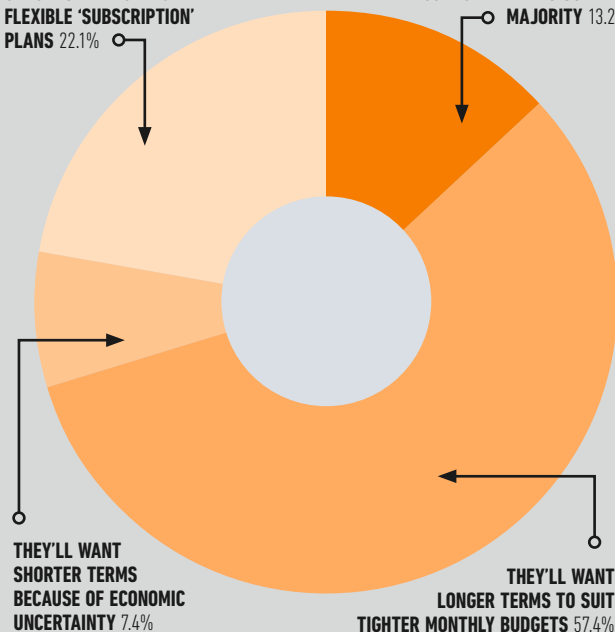
**LEADERS NEED TO SERVE THOSE WHO FOLLOW THEM, ACKNOWLEDGING WHERE THEY LACK COMPETENCE AND BEING HUMBLE ENOUGH TO RECOGNISE IT**

# AM POLL

## WITH HOUSEHOLD COSTS RISING, WILL CAR BUYERS IN 2023 CHOOSE SHORTER OR LONGER MOTOR FINANCE CONTRACTS?

VARIED, THIS IS THE IDEAL OPPORTUNITY FOR MORE FLEXIBLE 'SUBSCRIPTION' PLANS 22.1%

THERE'LL BE NO CHANGE, 36-MONTH PLANS SUIT THE MAJORITY 13.2%



Unwittingly, consumers' changing requirements due to squeezed household budgets could become a saviour of the new car supply problems which have stunted UK motor retail's recovery post-pandemic.

The higher costs of living that all households are experiencing will mean that car buyers will seek longer finance contracts that help them reduce their monthly payment, according to almost two-thirds of respondents to AM-online's latest poll.

This takes some pressure off carmakers to rapidly restore the production levels of the previous decade, as vehicle change cycles increase. Yet the outcome for motor retailers is likely to be an even longer extension of this unprecedented period of weaker used car supply.

Almost one-in-four voters believes the economic climate could play into the hands of finance houses developing subscription-style products for cars.

"There is no one-size-fits-all approach, a variable approach means you have the tools to get the job done, for instance they may drop a level as they need to reduce costs for 12 months then be in a position to return to a premium car when the situation improves," stated one respondent.

### NEXT POLL

In five years' time what share of new car retail registrations will be accounted for by manufacturers' online direct sales channels?

**VOTE NOW AT AM-ONLINE.COM/POLLS**

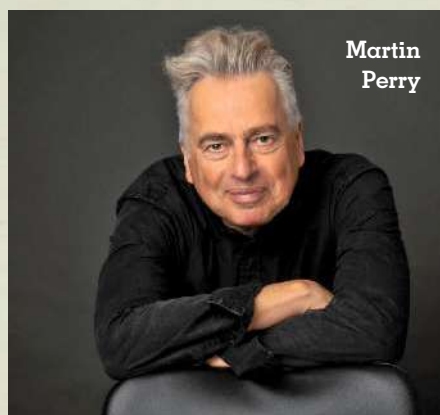
# How workshops can unlock a winning team mentality

In January, Castrol announced its new partnership with the Premier League. While this agreement is allowing Castrol to promote its range of premium fluids and lubricants and grow awareness of the Castrol Service Network among a wider audience, the partnership goes deeper than just a pure sponsorship arrangement.

Both Castrol and the Premier League share the same fundamental principles of fostering high levels of performance, whether it's on the pitch, in engines, or within workshops.

To understand and identify the parallels between leadership traits that deliver superior levels of performance both on the pitch and in the workshop, Castrol has teamed up with leading sports psychologist, Martin Perry, to define what it takes to create and motivate a winning team. Perry has helped professional sportsmen and women in more than 32 different sports overcome performance-related challenges, and has regularly guided executives on how to apply sports team management best practice within blue-chip businesses.

In this, the second of three features in AM, Perry discusses four leadership traits that can be adopted by managers in motor sales and aftersales to raise confidence, boost ability, and improve the smooth running of their teams.



Martin Perry

## Self-awareness

"The beauty of the human character is that we're all different, with each of us having our own strengths, weaknesses and personalities," explains Perry. "It's only natural that we'll get on well with some people more than others."

"Managers need to have a greater level of self-awareness to ensure they adapt their approach on a one-to-one level to get the best out of team members."

Good managers will be aware of how they communicate with their team and the dynamics this engenders, says Perry.

"They will continually self-check and gather feedback on how well they are communicating – and how well they are being understood – and the positives or negatives that result. Bad managers will look externally at others if the team is under-performing, rather than looking at themselves. They should continually ask themselves what they could and should do better to support and nurture their team."

With the cut and thrust of day-to-day activities all-encompassing, managers should try to take time out to reflect on their own performance and evaluate how they could improve what is achieved as a collective.

Perry adds: "Like a decent football coach, a decent manager will adapt their own behaviour to help guide the team's performance. They will look at ways they can intervene to tackle poor performance, for instance by offering additional training, or by improving the







ways in which performance is tracked and discussed with others able to assist.”

Self-development

With the world constantly changing and new technologies and methodologies always on the horizon, football managers are always learning about the latest trends that will lead to successful outcomes on the pitch.

“While past successes can provide a psychological foundation for future outcomes thanks to the added confidence this can instil, the best managers aren’t wedded to what they did in the past,” says Perry. “With the formula for success constantly evolving, learning about the latest techniques can be invaluable. Some managers deliberately hire people with more advanced experience to assist with their own self-development, while

others get ideas from other managers from other sectors or disciplines. In a similar vein, sales and workshop managers can follow suit by staying curious, keeping an open mind, and evolving their own tactics to get even better results.”

Perry adds: “An important way for a manager to build upon their personal skills is to become self-aware. One of the best ways to do this is to reflect on outcomes and their own responses at the end of each day to identify strengths, limitations and opportunities for improvement.”

Motivation

Many footballers see accomplishment as a big motivation; they are keen to prove a point of their own technical capability, perhaps by proving doubters wrong. They aim to be a trailblazer by reaching a level others haven’t reached.

In motor retail environments, identifying ways to motivate is equally important, guiding us and others to set and reach new goals.

Perry says: “There are many areas that motivate both managers and individual team members – striving for technical excellence, performance excellence, financial security, even just being happy and fulfilled. Everyone should be encouraged to understand what motivates them in order to succeed; too often that analysis just doesn’t happen in a business context.”

Layla Yebaile, Service and Maintenance Marketing Lead at Castrol, adds: “Fostering a positive working relationship with your team where motivations can be explored is highly beneficial. Appreciation of individual motivations helps managers maximise the outcomes that can be achieved as a collective.”

Health management

Taking on too much can cause problems – stress, anxiety and even depression. Everyone should take time out for themselves, for instance by eating well and undertaking regular exercise. Being able to delegate is also important in order to share the workload and build trust and performance in others.

“A good manager will look out for the macro detail of their team members,” says Perry. “Is an individual quieter or

Expert view

Thomas Frank, manager of Brentford FC, says: “Learning is the heart of football management. The game constantly evolves, and for teams to stay competitive, you constantly have to seek out new ways of doing things, new approaches.

“This starts with your own beliefs in self-development and self-awareness. That means being curious about how other teams play and how other sports improve performance. Central to this is being humble enough to know you don’t have all the answers, to identify where your gaps are, and being smart enough to get people around you who fill those gaps and positively challenge you to keep progressing.

“Most important of all is to take primary responsibility for your own health and preparedness to lead and manage at the elite level. Being ‘fit to manage’ is not a cliché, it is about living up to the physical and mental preparation expectations you set for your team. If you are physically and mentally in a good place, you’ll make better decisions, manage the day-to-day stresses of responsibility better, and deal better with challenges and set-backs.”

Competition

AM readers can enter into a free prize draw to win a Castrol/ Premier League-branded football table, ideal for customer waiting areas or staff breakout rooms. Runners-up will have the chance to win a football signed by a Premier League team. The competition closes at 00:00 GMT on January 31, 2023. To enter, please email: [castrol.com/castrol-psychology-of-performance](mailto:castrol.com/castrol-psychology-of-performance)



louder than usual? Are they exhibiting signs of anxiety? Observing these small signs can help pinpoint if someone is showing signs of carrying a burden.

“Team members can be given guidance on how to operate in a healthy environment and should be given the tools to do so. Just as football players will receive fitness coaches, masseurs and nutritional experts to maintain their health and fitness, motor retail businesses and workshops can offer health schemes and provide access to experts, not just for physical health, but also for mental health.”

■ In the next issue of AM, Perry will look at the skills and techniques managers can utilise to improve the performance of their team.



# PEUGEOT UK

Managing director Julie David finds that franchisees are more confident with 'blended' sales and keen to win the hearts of younger buyers. **Tim Rose** reports

**T**he average age of a Peugeot new car buyer is 56. However, the brand sees winning the hearts of younger consumers as a vital step in securing sales growth for the long term.

Last year, it introduced a new 2D logo design, started rolling out a revised showroom corporate identity and emphasised a focus on allure and attraction, with designed cars that it positions as affordable, yet near-premium.

Managing director Julie David tells *AM* that Peugeot aims to be more of a first preference car brand for Gen Z consumers (born between 1997 and 2012) in particular. Crucial to that is the development of a slick, blended (digital and physical) buyer experience and the right finance packages to suit.

"If you look at cost of ownership, often at the moment a new car can be as easy to access as a used car. It's about affordability of how they (Gen Z customers) enter it, whether that's new or used," she says.

"I think that, over time, there will be less delineation between them. Everybody talks about 'pre-loved' and 'pre-owned' and I think the way society is, there won't be such an almost negative view of used cars – it will be 'I want to access a car' and it will be how I want to do that. Think about the way subscription services will start to become more common etc."

Personal contract purchase (PCP) remains most private buyers' choice for getting into a new Peugeot. The brand's innovative Just Add Fuel solution, launched in 2010 and seen



by some as a precursor to subscriptions, is still available, but taken up by few buyers.

Mu by Peugeot, another pilot programme launched in 2010 in which members could access mopeds, bicycles, vans, roof boxes, etc. alongside their new car, ceased in 2016, but played a part in Peugeot's brand-building.

Sales director Steven Wass describes Mu as "probably ahead of its time" but such a programme could "come of age" within the wider Stellantis group in the years ahead.

David says Peugeot UK's retailers now see consumers' online car-buying – or at least a consumer's ability to take online the steps to purchase that they wish to – more positively since their experience of the pandemic.

In 2021, some 15% of Peugeot's retail new car buyers transacted online, and the majority of those chose a handover at a dealership over a home delivery.

She adds that Peugeot still has a role of encouraging car buyers to visit a dealership because, as part of the ownership experience, the retailer should be there for support. Peugeot UK was the first Stellantis business to offer online sales, and the biggest lesson from that four-year period is that consistency is vital. So that has been a

focus for Peugeot's work with its network.

David says there is no target for the proportion of buyers who transact online. She thinks it may increase slightly, but that will be led by customer choice, not driven by chasing a target.

The desire is simply to make buying easier. David says: "I really hope that, in my lifetime, I will see a change in the way people feel about buying a car. One of our biggest successes would be if we could make it get to a point where people actually look forward to the process of buying a car as much as getting a new car, irrelevant if it's brand new."

"It's so sad that we still have a situation where people fear going into a car showroom and the interaction with salespeople."

## RETAILER TRAINING

David says she refers to franchisees as retailers because calling them 'dealers' almost reinforces the perception that it is a deal to be done and customers will never know exactly if they got the right deal. Peugeot's focus is on working with its retailers, ensuring their people give customers the right experience.

She concedes that the national sales company must play a role in easing

## KEY PRODUCTS



2008

The smallest SUV is a best-seller – it accounted for 18,020 of Peugeot UK's 61,106 registrations in 2021. Priced from £22,845, it is offered in petrol or electric guises.



208

The hatchback, available with petrol, diesel or electric powertrains, starts at £19,190 and is the brand's favourite with private buyers, who ordered 8,310 in 2021.



consumer fears, and in managing a very complex business model. In early 2021 it had experiential design experts research the end-to-end process, including the ownership of a Peugeot, while also examining customers' and retailers' experiences.

That resulted in changes to retailer training, starting with the 308. No longer simply about the product, the training now goes into how to turn features and benefits into a story that means the customer truly understands a product's attributes plus what it means to own a Peugeot.

While on gardening leave in autumn 2020, before she was announced as Peugeot UK managing director, David did her own mystery shop, playing the role of an electric vehicle (EV) buyer. She visited some Peugeot sites and rival brand dealerships to assess how the sites made her feel and, more importantly, the interactions with the people working there.

"The biggest thing I found was a lack of confidence in selling EVs, which I knew we had to address because Peugeot had such a brilliant opportunity with the product we had being ahead of the game."

Proudly, she says, that has now been fixed. Specific EV training was created by Peugeot's

**Above: Last year a new corporate identity was rolled out for showrooms**

**IT'S SO SAD THAT WE STILL HAVE A SITUATION WHERE PEOPLE FEAR GOING INTO A CAR SHOWROOM AND THE INTERACTION WITH SALESPeOPLE**

**JULIE DAVID, PEUGEOT UK**



academy for sales executives, no matter how long they had been with the brand, and they're encouraged to live with an electric car to gain that crucial experience. Now she sees much higher confidence among retailers' employees to see EV as just another alternative for customers.

Asked about Peugeot's brand positioning within the large stable of Stellantis brands, and its differentiation from fellow mainstream volume brand Vauxhall, she says this will play out through product development over the next three-to-five years as Stellantis makes its decisions.

Now it is too early to say except that the brands absolutely will not cannibalise each other. Multi-franchising will provide a route to market, but determining which brands may share a location will be important.

With such developments set to come in the long-term, David won't directly see the fruits of her labour. In a recently announced management shuffle at Stellantis UK, she has been assigned to be managing director of a new premium division comprising Alfa Romeo and DS Automobiles. Replacing her at Peugeot UK on January 1 is Adam Wood, currently Vauxhall's marketing director.



**<< 308**

**More than 12,000 customers took delivery of this mid-size SUV in 2021. The range includes plug-in hybrid plus petrol and diesel models.**



**<< 308**

**Launched in 2022, it was the first car to feature the new 'roaring lion' shield-shaped badge and signals a more upmarket Peugeot to consumers.**



# Changing automotive retail landscape prompts GardX Group transformation

**G**earing up to celebrate its 20th anniversary, the now renamed GardX Group has undergone an extensive transformation as it responds to changing market conditions while helping dealers and OEMs future-proof their own businesses.

The company has redefined its approach to become far more agile and more able to respond to different challenges on the automotive horizon. By focusing on its three core pillars – GardX Protect, GardX Assure and GardX Engage (formerly Fuel Digital), it has rebranded to become known as GardX Group to deliver an integrated proposition worldwide.

With ambitions to become the world's leading provider of value-added products (VAPs), GardX is already a global brand operating in 42 countries and is the biggest paint and protection brand in Europe.

Well-known for its paint protection products, GardX Protect will be instantly recognisable. The group's insurance arm, GardX Assure, which incorporates products such as GAP, tyre/alloy and smart, has

undergone a complete brand overhaul. Its digital wing, Fuel Digital, created to support dealers and OEMs increase lead conversions and maintain its VAP revenue streams online, was largely standalone and will now be brought alongside as GardX Engage.

GardX Group CEO Billy Coutin said: "Together, we provide dealers and OEMs with the means to integrate several elements of the purchase journey and encourage customers to consider vital add-on products for their vehicles."

Continuing its entrepreneurial culture, during the disruption of the pandemic, for example, GardX very quickly expanded its online solutions and sanitisation products to enable dealerships to operate within COVID regulations, the newly-created group has consolidated its approach which, in turn, improves efficiencies for dealers.

Coutin added: "We have committed to investing in our business including our people, processes, technology and product development. In effect, we are both concentrating and turbocharging our client offering which will take the group to the next level."

The group's transformation includes a move to new offices, an expansion of its workforce, the introduction of new data and technology solutions, and the launch of new websites representing its three businesses. Meanwhile, GardX Engage, which incorporates its own contact centre, merchandising platform, engagement solutions, lead conversion tools and conversational AI technology, is at the heart of the operation, connecting all facets of the business.

Coutin said: "We do have growth aspirations in the UK, but we are very focused on delivering a flexible and agile approach for our clients as we head into a new era of automotive retailing. Manufacturer and large dealer group partners are also consolidating their suppliers, so we are future-proofing our own business while continuing to deliver for independents, smaller groups and individual dealerships just as we have always done."

### New offices

GardX Group will be operating from new offices from mid-November having outgrown its former premises. When located in the countryside, the company didn't have the right level of access to the skillsets it requires including digital marketing specialists, data analysts and software developers. Its new 10,000sq ft premises incorporates a gym and is located at Port Solent, Portsmouth, with access to the marina and its wide choice of leisure facilities.

Coutin said: "Talented and high calibre recruits are hard to come by, so we were aware we needed to ensure we were an attractive employer which meant basing ourselves in a vibrant city with a good university. We knew we had to create the kind of workplace where people would be happy to work."

The group has already taken on eight new employees and is advertising for another 15 roles with a further five expected to be required in 2023. Once onboarded, the recruits will see the current 92-strong





To find out more, email [enquiries@gardx.co.uk](mailto:enquiries@gardx.co.uk) or call 01243 376 426



workforce expanded by around 20-25%.

Also introducing office-based client development managers alongside its existing field management team, the new recruits will provide support and day-to-day account management in the digital sphere while its field team continues to deliver hands-on account management for dealers including on-site training.

The expanded tech team will be tasked with improving the group's own product integrations as well as connecting with other third-party systems and developing its digital portfolio and owned solutions.

#### Changing market

While huge parts of the purchase journey now take place online, the distribution channel has largely remained intact. Now the retail landscape is changing dramatically with the onset of the agency model, the electric vehicle (EV) tipping point having been reached in the UK, the arrival of online disrupters and the maturing of the omnichannel retail experience allowing for more elements of the purchase journey to be undertaken digitally.

With the agency model being adopted by manufacturers in various forms and other OEMs yet to confirm their way forward, it is apparent many large, multi-franchised groups will be operating a mix of frameworks simultaneously.

"Our business needs to be geared up to support dealers in this new landscape where currently much of the procedure remains unclear," said Coutin.

"We recognise the headwinds that are



**“WE ARE VERY FOCUSED ON DELIVERING A FLEXIBLE AND AGILE APPROACH FOR OUR CLIENTS**

**BILLY COUTIN, GARDX**

coming, and the challenges dealers will be facing, much of what we have put in place is to help dealers protect the F&I purchase journey and to maximise ongoing performance from these invaluable VAP streams while delivering a truly omnichannel experience for their customers.

"We are trying to look at what we offer through a dealer's eyes and provide an integrated solution underpinned by our technology, data and communications services. Our goal is to be a digital-first business, but at the same time continuing to provide our first-class service for businesses where VAP will remain largely at point of sale."

#### History

GardX was founded in 2003 providing paint protection as a point-of-sale product in dealerships. At the time there were few, if any, processes surrounding the sale of add-on products allowing GardX to differentiate itself by providing dealers with a disciplined and structured approach to selling add-on products. The effect was dramatic with dealers immediately experiencing a massive uplift in paint and protection sales. Up until 2009, GardX enjoyed triple-digit increases slowing to a still respectable double-digit growth from 2009-2011.

In 2011, GardX introduced its insurance arm, providing insurance products such as GAP insurance, tyre and alloy insurance and smart repair insurance. Growth remained impressive and from 2011-2015 with the company continuing to experience double-digit growth year-on-year. In 2015, GardX launched Fuel Digital as online became a well-established part of the purchase journey, reflecting the reduced opportunity to present products to customers at point of sale.

In 2022, GardX Assure, GardX Protect and GardX Engage make up GardX Group.



# MINUTES WITH...

Ohme mobility director  
Peter McDonald



**What was your journey into your current role?**

I was originally recruited by Volkswagen and worked in Wolfsburg. I moved to China for a while and worked as part of a Volkswagen joint venture in Shanghai. When I came back, I worked at Seat and Cupra in planning, responsible for sales forecasting and supply chain. More recently I moved into fleet, managing that for Seat and Cupra before moving into a similar role at Nissan. It was while at

Nissan that I was introduced to Ohme as part of the process of helping fleets to electrify. It was a product that was able to save customers money on their charge and provide fleet data. So I got to know Ohme and eventually came over to the business around a year ago.

**What is Ohme's background?**

The founder is David Watson. He was a big investor in renewable energy firms, particularly across the UK and Ireland. He

identified that when there was a big peak in energy demand there were these big diesel-powered generators that were able to produce more for the National Grid. When the UK goes to 100% renewable energy from 2035 there is going to be a future where those diesel-powered plants don't exist, so it's vital that we have smart devices that work in harmony with the grid to balance supply and demand. An electric vehicle (EV) is quite unlike the fridge in your home; it's parked on your



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driveway all night, but might only take three hours to charge. David devised a cable that would transmit a multitude of signals and that was later integrated into a smart home charger. Put simply, the information the system gathers can help EV owners save money by charging their car at the right time.

**Tell us a bit more about the importance of the technology and how it is being implemented by Ohme.**

Our product identifies the vehicle and the size of the battery. We'd like to know if it's a 40kWh battery and if it's 50% charged, for example. We then want to know the tariff information and, predominantly, we want to know the cheap hours within the owner's contract. The third thing we ask for is the commuting schedule. Government introduced some new legislation in July which meant that a charger had to respond to a signal and have randomised delays on it. Everyone's cheaper tariff starts at midnight, they didn't want everyone's charge to start at that exact time and blow the grid.

**How affordable can off-peak charging be?**

Ohme is facilitating the Octopus EV energy tariff. The price is 7.5p per kWh at off-peak times. You need one of our chargers to be

eligible for that tariff, which is made possible through us because we can give Octopus some control over when they charge EVs. More and more people are more closely scrutinising what their energy costs are and how they can reduce them, so this plays right into those concerns.

**What is the scale of Ohme today and who are its key clients?**

Ohme employs around 100 people. Our head office is in the UK and we have an operation in Ireland and sell into Europe. We manufacture in China. Ohme is now one of the biggest players in residential EV charge points in the UK. We manage the charging requirements of Motability customers, and they sell 240,000 vehicles a year with a charge point part of the package provided with each EV. We're scaling up the business and growing and it's a really exciting time, especially with our new partnership with Volkswagen Group UK. All their (VW, Seat, Škoda and Cupra) dealerships have our point-of-sale material now and we're in the process of making the transition smooth. The Volkswagen Group network is in excess of 500 retailers, so that represents a huge opportunity for us. Retailers aren't compelled to sell the Ohme product, but we hope they will see the benefits and go with it. We're remunerating

the dealers for converted leads. They're never going to make as much money from us as from GAP insurance or paint protection, but we still want it to provide a useful profit stream.

**A new British standard for public EV chargers has just been launched as a result of a partnership between Motability and the British Standards Institute (BSI). How do those considerations impact Ohme?**

We've been working with Motability for some time. We've opened up different modes of communication and processes that are human-assisted. We even recognised that sometimes it was a challenge when we require some information from a household to fit a charger. It was difficult for some customers to take photos for us, for example. As a result, we now have a concierge service where we have a team that can take care of all of that.

**What is the biggest challenge you face as a business?**

The big thing right now is the lead times on EVs are six, 12 or 18 months. When that changes, and the used market gets bigger, there will be a new crop of EV customers who will want their charge point installed tomorrow. **TOM SHARPE**

**FACT FILE**

**HEADQUARTERS:**  
LONDON AND  
CORK (IRELAND)

**EMPLOYEES:**  
CIRCA 100

**KEY CLIENTS:**  
MOTABILITY,  
VOLKSWAGEN  
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# Will casting net wider pay off for dealers?



## INCREASING THE SCOPE

DEALERSHIPS HAVING TO WORK HARDER TO FILL USED CAR PITCHES WITH LITTLE GUARANTEE OF EASY REPLACEMENTS

PAGES 26-27

## FINANCE CAN PLAY A VITAL ROLE

HIGH USED CAR VALUES AND SQUEEZED MONTHLY BUDGETS MEANS PROVISION OF AFFORDABLE MOTOR FINANCE IS CRUCIAL

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## BUDGET-FRIENDLY ADD-ONS

WHY APPETITE FOR SERVICE PLANS AND WARRANTIES STEPS UP DURING TIMES OF FINANCIAL DOWNTURN

PAGES 35-37

# Success means widening the pool for forecourt stock

Dealerships are having to work harder to fill used car pitches, with little guarantee the car they sell will be easily replaced

**T**he continued shortage of new vehicles and demand for used ones has left car dealerships with a dilemma. Dealers need to keep selling used vehicles at a profitable margin, but they also don't want to risk not being able to replace them.

That means they have to always keep an eye out for suitable stock, while continuing to provide affordable, quality cars to consumers.

Philip Nothard, insight and strategy director at Cox Automotive, says motor retailers must avoid making a quick sale at a low margin just to get the vehicle off their forecourt. Rather, he added they need to hold their nerve during these tough times, in the expectation the UK Government would boost consumer confidence by providing more certainty about an economic recovery going into next year.

"Dealers shouldn't be seeking to sell a vehicle simply because they want to move it on," says Nothard. "That's because it's not easy to replace product right now. So they need to be sure that they're selling the vehicle for all the right reasons: at the right price and margin, and at the right time, factoring in part-exchange, if that's relevant."

That is evidenced by the fact dealers have a more limited choice of available quality stock. And, even when they find the vehicle they want, they often have to pay a premium for it.

"Many retailers I'm speaking with are finding it increasingly difficult to source good quality stock from the traditional channels, citing cherry-picking as being a real concern currently," says Neil Smith, chief executive of consultancy Motorvairt and former sales and marketing head of Imperial Cars.





"The perception is that trade auction platforms which also have an affiliation with a direct to consumer channel are holding back the prime stock from that channel, meaning the stock being made available for the trade is naturally of a lower grade. With stock still in short supply, retailers are being forced to take that lower quality stock at ever higher prices as competition increases."

### COST-CONSCIOUS

As a result, with consumers having less choice of specification and colour, more



in-demand models are typically fetching higher prices than others.

Dealers are also having to decide what type of car their budget allows them to stock and is likely to sell well, while trying to differentiate themselves from competitors in their offering.

Because of current shortages, particularly in one-to-three-year-old vehicles, retailers are increasingly having to look to new channels to find the vehicles they want. Among the most popular channels currently is part-exchange, direct from consumers and auctions, a recent Cox Automotive survey has found.

"Right now retailers need to be sourcing across a plethora of channels," says Smith. "Whereas in the past they could have maintained relatively good levels of stock by engaging with just one or two supply channels, this is no longer the case."

"New entrants into the market such as Motorway and carwow are providing retailers with credible alternatives for sourcing good quality, well described stock."

"Some retailers are now sourcing in excess of 25% of their stock from these new entrants, but they are also ramping up their own car buying services as well as engaging with traditional trade auction platforms across the UK."

The best and most competitively priced stock is ultimately that which is self-generated by the dealer, such as through part-exchange or their own car buying service. Half of them are increasing the volume of part-exchanges they retain for retailing that would normally have gone to the wholesale market, according to the Cox study.

That enables them to properly assess the car prior to purchase, without the need for a condition report by a third party.

"Obviously dealers still buy in the wholesale market, but less so given that the retailable part-exchange ratio has increased dramatically over the past three-to-four years," says Graeme Potts, chief executive of AM100 dealer Eden Motor Group.

He adds: "The factors behind that are the structural nature of PCP (personal contract purchase), which is almost ubiquitous in new cars and very high now in used cars, and that mileage at part-exchange is lower than

before, largely because of the impact of the COVID lockdown and energy costs."

To meet changing consumer behaviour and demand, many retailers have also changed their stock profile, but without losing sight of their core customer base. That often means trying to source alternative brands, models and fuel types.

"It's taking longer to stock the correct mix of car these days," says Jonathan Gravell, managing director of Gravells Group, which operates dealerships with Kia, Seat, Renault and Dacia in south Wales.

"Dealerships' existing customers are the best stock opportunity, so it's important to focus on customer relationship management as a way to retain as many of those cars as possible."

To source new stock, many dealers have been marketing 'we'll buy cars' services. However, to be effective, they need to make it attractive to consumers, by providing services such as an online valuation, and investing a large amount of their time and resources.

Before committing to buying a vehicle, retailers must also consider its specification-adjusted retail value and assess the cosmetic refurbishment costs based on the available damage reporting, carrying out vehicle health checks on part-exchanges. Then they need to adjust their target purchase price accordingly, factoring in those costs.

It's critical to ensure that preparation costs remain manageable, particularly with rising labour and parts costs, so that they appeal to all consumers, especially given the current cost of living crisis.

Therefore, dealers need to publish the full value of the vehicle in their advertising, focusing on the factory-fit options, and the high quality and standard of preparation, with many investing in their own vehicle servicing centres to achieve economies of scale and keep costs down.

Smith concludes: "Consumers have always been cost-conscious: while the current cost-of-living crisis may be impacting on demand, anyone buying a car today or three years ago will want or have wanted to get the best deal they can. Retailers need to be pricing competitively to market today just as they were pre-pandemic." ALEX WRIGHT

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# How Ilink Trade Buyer is helping dealers to overcome stock shortages



By Tim Meadows,  
Chief Commercial Officer, epyx



**S**tock shortages have become a problem for dealers that always seems to be a few months away from improving dramatically – but never quite

does.

To be fair, things are generally a little better than at the start of this year, but the changes seen across the used car and van sectors have been very much incremental and there are no major shifts on the horizon.

However, at epyx, we are not shy when it comes to talking about how we have helped our community of more than 3,000 dealers with supply difficulties. Through our Ilink Trade Buyer platform, we enjoyed our best ever year in terms of volumes sold in 2021, up 8% on 2020,

becoming an ever-more important source of used cars and vans.

## So, what is Ilink Trade Buyer?

Essentially, it's our answer to the question of what dealers want when they look for a stock supply solution that will meet their needs throughout this decade and beyond. It has been created with a very sharp focus on one core

objective – to enable users to identify and acquire the high quality, ex-fleet and rental vehicles they need as quickly and as easily possible, whatever device they are using.

Ilink Trade Buyer delivers a buying experience that exactly meets the needs of stock buyers with innovative features such as advanced vehicle filtering with multi-pick selections and dynamic counts, updated vehicle summary and vehicle record cards with more detailed service history and clearer data presentation, full screen imagery, key information indicators, downloadable stock lists, improved address tools and much more. All of these have shown themselves to be highly valuable to users in real world situations.

Even though the overall economic picture looks increasingly difficult and tough to predict, demand for stock continues to remain remarkably resilient.

We believe that Ilink Trade Buyer provides a level of efficiency, effectiveness and flexibility that is a proven factor in the success of our many dealers.

## Ilink Trade Buyer at a glance

- Access comprehensive vehicle details online including age, mileage, condition and pricing from a range of major fleets.
- Bid, make offers and buy vehicles when you're on the move 24/7.
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- Flat rate, low-cost buyer fees.
- Nationwide delivery available for the majority of vehicles.

To find out more about Ilink Trade Buyer visit [IlinkTradeBuyer.co.uk](https://IlinkTradeBuyer.co.uk)





# Finance playing vital role in helping buyers access the cars they require

High used car values and squeezed monthly budgets means provision of affordable motor finance is crucial

**A**rmed with the right motor finance solutions, dealers are well placed to help buyers into their next used car despite the storm of high vehicle prices, rising interest rates and squeezed budgets.

Dealer finance is currently performing well despite high inflation rates as car buyers respond to the cost-of-living crisis by spreading costs with monthly repayments, according to lenders.

However, concerns around consumer affordability are rising and lenders are putting extra onus on dealers to apply robust processes.

According to the monthly Startline Used Car Tracker research, dealers reported 77% of consumers are now buying over a longer period, 30% are reducing lease mileage and 27% are opting for different finance products than they would usually use, with personal contract purchase (PCP) being the biggest winner. There is some push-and-pull over deposits with 25% saying they are increasing and 30% reducing.

Paul Burgess, chief executive, Startline Motor Finance, says: "This is broadly in line with what we are seeing as a motor

finance provider. Generally, consumers are concerned about how current economic conditions are affecting them now and could further affect them in the future. As a result, they are spending time ensuring that the motor finance solution they arrive at is one that they feel is affordable to them on a month-by-month basis. The lengthening of agreements and changes in deposit being seen are very much part of this trend."

The tracker also found that consumer preferences of finance method have barely changed over the past six months, suggesting car buyers may not be taking into consideration how rising prices will affect their finance needs until they begin their car buying journey, which dealers should take on board.

Debbie McKay, commercial director at MotoNovo Finance, says: "Within what remains a robust used market, dealer finance remains competitive with other unsecured loan options. Still, it is not immune to broader interest-rate rises affecting all lending forms."

As the economic downturn deepens, affordability has now become an even more crucial component of the lending criteria with lenders urging

retailers to scrutinise processes, while a diverse panel of lenders with a range of risk parameters has never been more vital.

Of the majority of business that Alphaera writes for used cars, PCP remains the finance product of choice given it offers the certainties of fixed interest rates and guaranteed future minimum value, plus the ability to terminate early.

Alphaera head of national sales Kirk Franks urges transparency from retailers and their customers.

He says: "Predicting an individual's affordability and overall risk profile is becoming much more challenging and uncertain. Who can say with absolute certainty what will happen with inflation and the economy over the next three-to-five years and how household budgets may be impacted?"

Franks needs dealers to provide as much information as possible to ensure customers can meet their financial commitments and understand their resilience to be able to continue to meet their obligations, regardless of the economic climate.



He adds: "But, as we saw with COVID-19, economic downturns can unexpectedly impact people with previously impeccable credit histories. So, it's an imprecise science and lenders ultimately have to make a judgement on the basis of the information that's available to them."

"It is a regulatory requirement for automotive intermediaries to gather up-to-date and accurate information from the customer about their current and anticipated outgoings. It's an essential, foundational piece of 'Knowing Your Customer' and 'Treating Customers Fairly'."

"In the current situation, these checks on affordability and financial robustness have never been so vital in terms of protecting customers' longer term interests and ensuring that they have the financial headroom to weather economic headwinds."

#### STRONG DEMAND

Alphera has worked closely with its partners and the Institute of the Motor Industry to improve professional standards in automotive F&I sales, with processes surrounding affordability being



**LENDERS ARE BECOMING LESS KEEN ON APPROVING INDIVIDUALS WHO DO NOT MEET THEIR CRITERIA EXACTLY. THIS IS UNDERSTANDABLE WITH A RECESSION LOOMING OR ALREADY UNDERWAY**

**DARREN SINCLAIR, iVENDI**

key, including how to handle delicate conversations and discussions around affordability checks and managing customer expectations.

Franks adds: "It's vital during these uncertain, inflationary times that all parties in this tripartite finance arrangement – retailer/broker, lender and customer – understand the purpose of robust and accurate affordability checks and their value in terms of consumer protection."

McKay is in agreement. She says: "The strong performance by used car finance, which has increased over the past few months, reflects the demand for used cars and may also reflect a historical trend that has seen unsecured lenders tighten access to credit."

"While dealer finance underwriting has been affected by the rapidly evolving economic impact on people, most notably in ensuring acceptances are affordable, we can provide some valuable options to help dealers support their customers."

"On a broad industry basis, PCPs have become available for older cars, and, where appropriate, lenders can work with dealers to encourage them (car buyers) to consider an alternative, lower cost used car."

"We, and dealers working collaboratively, must ensure that people do not over-commit themselves financially with the outlook for high inflation continuing."

Trends from iVendi's dataset of more than 450,000 transactions from its

platform over the past year found that, compared with 12 months ago, vehicles being financed are 17% more expensive, interest charges are up by 22% and the total amount payable has increased 18%.

Meanwhile, the average term for motor finance applications is 3% longer and contracted mileage is down by 3%.

Darren Sinclair, chief commercial officer at iVendi, says: "There's some interesting patterns emerging especially around finance rejections. While the percentage of customers being rejected for their first choice lender has barely changed, with a 0.1% increase, second choice rejections have climbed 3.0% and third choice 4.6%."

"What is happening here, almost certainly, is that the cost-of-living crisis and generally poor state of the economy mean that lenders are becoming less keen on approving individuals who do not meet their criteria exactly. This is understandable with a recession looming or already underway."

Sinclair advises dealers to ensure the business's lending panel incorporates a 'good spread' with 'a wide range of risk appetites' as well as competitive rates for consumers.

He adds: "When it comes to dealer finance, we are strongly in favour of multi-lender customer journeys, both online and in the showroom, as our figures show that the choice and transparency offered tends to lead to higher levels of business for all while meeting consumer needs more exactly."

"However, these offerings do need re-examining when market conditions change and this is probably one of those moments." **DEBBIE KIRLEW**



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Car Care Plan's dedicated compliance team implements, monitors and oversees all aspects of the customer journey to ensure the products and services they offer are providing fair value and utility, and will continue to do so throughout the life cycle of the product.

Bottom line: vehicle financial aftercare products provided by Car Care Plan must be in line with customer expectations. Car Care Plan has various processes and activities to ensure this is achieved. Among them:

■ **Product approval process** – before a new or adapted product reaches the market, Car Care Plan carries out an



internal review to investigate whether the proposed product will offer value and utility to customers.

■ **Monitoring against risk appetites** – efficient product performance monitoring allows Car Care Plan to identify any issues, an improvement plan can then be developed with the client and implemented quickly.

■ **Compliance monitoring reviews** – as with the above, monitoring is also conducted on the processes involved in the product life cycle, any issues identified during these reviews leads to an improvement plan being implemented with the client.

■ **Process owners and audit** – Car Care Plan's compliance team works closely with senior management and audit teams to assist with identification, monitoring and mitigation of customer harm.

When it comes to ever-changing regulations, one of the latest published by the Financial Conduct Authority (FCA) is its final rules and guidance for a new Consumer Duty. The duty is made up of an overarching principle and cross-cutting rules that firms will have to follow to meet the FCA's four expected outcomes. It sets higher and clearer

standards of consumer protection across financial services – requiring firms to prove they are putting their customers' needs at the heart of what they do.

The new regulatory initiative is focused on:

■ **Products and services** – to be fit for purpose and designed to meet the needs, characteristics, and objectives of the target group of customers.

■ **Price and value** – ensuring there is a reasonable relationship between the price paid for the product or service and the overall benefit a customer receives from it.

■ **Customer understanding** – the key focus for firms' communications, which should be designed to support and enable customers to make informed decisions.

■ **Customer support** – to provide a level of support that meets consumers' needs throughout their relationship with the firm.

The new Consumer Duty places greater emphasis on customer protection and further enhances Car Care Plan's dedication to providing high-quality products that its customers can rely on to provide the protection they expect.



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# Downturn brings the time and place for budget-friendly add-ons

Even buyers feeling the squeeze can be in the market for service plans and warranties

**A**s dealers have fewer opportunities to sell used cars in volume due to the supply constraints and gaps on their forecourts, so the onus must be on sales staff to identify a customer's pressing needs when they do appear ready to buy.

When times are toughening some cost-conscious consumers may value the peace of mind that service plans or extended warranties can offer even higher.

Recent research of dealers by Startline Motor Finance found almost six-in-10 are selling older cars than they have done typically, and some of these are finding customers need more convincing despite reporting that warranty claims are slightly more common.

"The situation means that dealers are experiencing issues," says Startline chief executive Paul Burgess. "Some of these are around the need to reassure customers that an older vehicle remains a good buy – concentrating on presenting a well-prepared vehicle with a sound service history."

Sales executives doing the basics brilliantly will pay off. Whether online or on-site, conversations about their current car can help to build a picture.

Finding out whether a customer had extended warranty, where they took it for servicing and how they afforded MOT repairs can all give important clues as to their disposition towards managing running costs and their attitude to risk – and hence their likelihood to buy add-on products that can boost profit-per-unit

by tens, even hundreds, of pounds.

Lee Coomber, RAC sales agent director at Assurant, which partners with the RAC in the dealer and aftersales sectors, says car retailers need to identify ways of providing reassurance to customers who were being offered older vehicles at historically high prices due to stock shortages at a time that sees their personal finances stretched.

He says customers are looking for a high level of protection against the possibility of unexpected expenses, especially as they could be buying a car that is older and with higher mileage.

## CONSISTENT PROCESSES

The network recommends that dealers offer a more comprehensive and longer warranty, either as standard or as part of an upgrade path, alongside an additional focus on service plans.

Coomber adds: "It's important to realise that, at times such as these, customers are often actively looking and are willing to pay for higher levels of protection. Warranties are, to a great extent, a countercyclical product that often sees strong levels of sales during times when economic conditions are difficult."

He says: "The common theme we





# When it comes to stock funding, what are your options?

Vicky Gardner, Director of Sales Development at NextGear Capital discusses some of the issues dealers should think about before making a decision.

**Q: What is stock funding?**

**A:** Simply put, stock funding is a form of lending that's specifically designed to help dealers buy used vehicles to sell. It's an alternative to dealers using their own capital or more generic forms of lending, to acquire stock for retail.

**Q: How can a dealer use wholesale funding to grow?**

**A:** Funding essentially does three things. First, by giving a dealer the ability to buy more stock, it fuels growth. We often see dealers who partner with us quickly start selling 10/20/30% more vehicles. Second, it helps dealers be more agile by ensuring they are able to buy decisively when the opportunity arises. Finally, it frees up cash to invest in the business in other ways.

**Q: Why might a dealer want to consider stock funding vs other finance?**

**A:** One of the benefits of stock funding versus, say, a bank loan is you only pay for what you use, when you need it. With a stocking plan, you only borrow when you fund a vehicle, and for the duration of having that vehicle on your forecourt. You settle the outstanding sum plus the fee when you sell, you can do this as many times as you like, and with as



"One of the benefits of stock funding versus, say, a bank loan is you only pay for what you use, when you need it"

many vehicles as your stocking plan facility will allow.

**Q: There are various types of stocking plans, how do they differ?**

**A:** The key things worth knowing are that some products are 'captive'; in other words, they can only be used at a specific source. Some come with an expectation of reciprocal consumer finance. This means the lender demands a volume of retail business in exchange for providing wholesale terms.

**Q: What are the questions a dealer should ask of a potential funder?**

**A:** I'd suggest dealers ask their lenders: What percentage of the vehicle is funded? How long are those vehicles funded for? And what are the repayment terms? There is no right or wrong answer to any of these questions, but they will help you assess if the product on offer does what you need it to do.

**Q: How is a NextGear Capital Stocking Plan limit determined?**

**A:** Every NextGear Capital Stocking Plan is bespoke to the dealer and their needs. We take our responsibility seriously and have an experienced team who'll work with a qualifying dealer to fully understand their business and ambition and determine a facility that's appropriate to them.

**Q: How does NextGear Capital differ?**

**A:** With NextGear Capital, we've created a funding product that gives dealers freedom and flexibility. The key difference is that dealers receive 100% funding, regardless of source. We're integrated with 70+ auctions and vehicle wholesalers where the full hammer price plus delivery and buyer's fees can be settled directly. If buying from another source, including part-exchange or a private sale, 100% of CAP Clean or invoice price can be funded.



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## USED CAR RETAILING

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hear from dealers is that motorists don't want to be in a position where they are having to find large, lump sums. Paying for servicing falls into this category. Service plans help customers to spread the cost of maintenance in a predictable manner over time."

Sales executive who let a buyer drive off without having presented the benefits of service plans are failing the business, warns Neil Addley, managing director at JudgeService.

He says: "For franchised dealers, retaining servicing work is every bit as important as making the initial vehicle sale, yet some dealers run the risk of losing invaluable aftersales business forever by not offering service plans with every car they sell.

"Dealers with processes in place to consistently offer service plans reap the bottom-line benefits and with shrinking markets for new and used car sales, every opportunity to sell them needs to be maximised.

"Servicing gives dealers the opportunity to build lasting relationships by delivering the best possible customer satisfaction, build retention for future car purchases and drive

more profitability across the business."

Such an approach is vital because the automotive retail sector's used car shortages "will stick with us" for some time to come, Auto Trader commercial director Ian Plummer tells AM.

Used car dealers are in a good position currently though. Plummer adds that Auto Trader data showed motor retailers were "not seeing a calamitous drop-off in demand", and limited stock availability would continue to deliver strong profit margins in the stock they're selling.

Plummer adds: "A third fewer cars are flowing into the two-year, three-year-old parc. The year-old parc is lower than it was pre-pandemic, because we didn't build the cars. We can't make a three-year-old car, so that problem is going to stay with us and, because it stays with us, it's almost a good thing because the market is driven more structurally today by supply issues than demand issues.

"Demand is still pretty healthy."

The dealerships able to profit from sales of useful add-ons as well as the 'money in the metal' will be best placed to cope with whatever 2023 brings. **TIM ROSE**



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# eBay Motors Group Market View

As we near the end of another extraordinary year for dealers, Lucy Tugby, eBay Motors Group's Marketing Director, reflects on how the eMG monthly Market View helps us to better inform customers and provide insights and benchmarking

**E**very month eBay Motors Group's Market View tracks the performance of used car retailing by analysing advertised prices, stock levels and days to sell on Motors.co.uk – across the franchised, independent and car supermarket sectors.

Our analysis also highlights consumer demand, based on what buyers are viewing online, from marques and models to fuel type; with a special focus on monitoring levels of interest in used electric, plug-in hybrid and hybrid cars.

We also look at month-on-month and year-on-year comparisons to help dealers track and stay ahead of emerging trends.

Here are just some of the highlights identified by Market View over the course of the past three quarters.

## Advertised prices

After advertised prices hit unprecedented highs in 2021, our data shows how they have shown relative stability in the year to date, despite underlying pressure in the market.

Market View tracked how average prices on Motors.co.uk dipped to a three year low in May 2021 of £13,726 before climbing to a new high of £17,924 in January 2022.

Since then, prices have realigned, dropping gradually month-on-month, while remaining up year-on-year. At the end of Q3 they enjoyed further modest increases, finishing September at £16,753, 5% ahead of September 2021.



For many dealers this has meant a period of relatively strong margins, albeit on vehicles costing more in the wholesale market and as part-exchanges.

## Stock levels

Sourcing used stock has remained a challenge for dealers as the volume of vehicles entering the used car market continues to be impacted by falling new car sales; initially caused by the pandemic and then compounded by the microchip shortage.

Stock levels have broadly matched last year's on a month-by-month basis, an impressive achievement considering the headwinds. For the first nine months of this year they averaged 53 units, reaching a high of 57 in April and a low of 48 in September.

Market View shows how dealers kept their used car operations nimble by adapting to changing market conditions and sourcing older stock than before, especially in the franchised sector.

## Days to sell

Average days to sell across all dealer sectors have been falling gradually from



a high of 47 in January to 37 in September, when they were spending almost two days longer on forecourts than 12 months earlier.

Furthermore, since April, the best performing price segment has been the £20,000-to-£40,000 bracket, consistently out-performing cheaper bands with vehicles averaging just 31 days in stock in September.

Despite the cost-of-living crisis' impact on household spending power, our data shows how the shortages in the new car market led to increased demand in younger cars, which are typically more expensive.

We believe this is a function of new car buyers entering the used market rather than buoyancy from consumer demand.

eBay Motors Group's Market View is available to view and download, free of charge, every month at [www.ebaymotorsgroup.co.uk/news/](http://www.ebaymotorsgroup.co.uk/news/)



# ALFA ROMEO TONALE



The Tonale enters  
the highly-competitive  
C-SUV segment

“It’s the start of a new era for Alfa Romeo” is a phrase that’s becoming a bit of a cliché, but the Italian brand’s latest rebirth might just be the ticket it needs to grow UK market share.

The Tonale is the first Alfa Romeo to launch since the carmaker became part of the automotive powerhouse that is Stellantis and makes a return to the use of ‘borrowed’ platforms for Alfa, since its multi-billion Euro investment in the – arguably brilliant – Giulia and Stelvio’s Giorgio underpinnings failed to achieve the desired sales volumes.

Part of the problem was its lack of electrification, which meant it lost out on a big chunk of registrations in the fleet sector and had to rely on retail buyers being won over by the ‘passion’ and ‘emotion’ the cars offered. With limited powertrain and bodystyle options, the two cars had appeal in just a small part of a highly competitive market.

Things are set to change with the launch of the Tonale, however. It’s a compact SUV which, as we all know by now, is the body style that everyone seems to want. It also comes with hybrid and plug-in hybrid engines, opening the door to some fleet customers and appealing to buyers wishing

to support the environmental agenda.

First revealed in 2019, the Tonale Concept was almost identical to the production version.

It’s unmistakably an Alfa, with design cues linking it to the brand’s rich history.

Peel away the skin and you’ll find a heavily modified version of the Jeep Compass platform, with emphasis placed on the phrase ‘heavily modified’. Alfa Romeo’s chief executive Jean-Philippe Imparato reportedly delayed the car’s arrival so engineers could make it more befitting of the badge.

Engineers have done well to invoke a degree of driver engagement, with the quick steering and nimble handling apparent straight away. Press further and the Tonale starts to struggle a little, lacking the on-limit capability of its stablemates.

While there’s no escaping the fact the Tonale doesn’t quite feel as special or as honed as a Giulia or Stelvio, in the market segment it is targeting that doesn’t really matter. This is an Alfa Romeo for the masses, rather than the few. Therefore, it’s going to feel a bit more mainstream.

What does matter is the fit and finish of the interior is of a high quality; it’s practical, spacious and refined.

Powering the car, from launch, is a 1.5-litre

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TO HAVE A  
CAR TO  
APPEAL TO  
A USER-  
CHOOSE  
FLEET  
AUDIENCE  
FOR THE  
FIRST TIME  
IN A WHILE**

turbocharged petrol engine paired with a small motor and battery. It develops 160PS and utilises a seven-speed automatic transmission that drives the front wheels.

For town and motorway driving the transmission is perfectly adequate, but when we hit the country lanes we found it a little unresponsive to shift down. Once the Tonale does find a gear it accelerates strongly, feeling more potent than its 8.8-second 0-62mph time suggests.

Drivability can be tailored further using Alfa’s DNA drive mode selector.

There’s Dynamic, Normal and Advanced Efficiency. Dynamic sharpens up the throttle response, adds weight to the steering and stiffens the suspension on cars with adaptive dampers. It also solves the lazy gearbox problem, but ends up being a little too eager to hold the revs high.

Buyers can expect 44-49mpg from the car, with its hybrid system helping to minimise fuel burn particularly in stop-start traffic.

A more potent plug-in hybrid will launch in early 2023 and promises greater performance and efficiency with zero-emission range of 37 miles.

Aside from electrification, the other area where Alfa needed to make headway was infotainment. Its previous offerings did not





Traditional Alfa styling queues have been incorporated into the design



The cabin has a premium feel and a focus on digital interaction

pass muster, but the Tonale was developed with digital interaction in mind.

A 10.25-inch touchscreen is standard, combined with a fully digital instrument cluster, giving a sleek and modern feel. The new system is a significant step up in both appearance and functionality, incorporating connected services and a smartphone app.

Prices start at £39,995, which is a fair chunk more than buyers will pay for a base model Audi Q3 or Range Rover Evoque, but the Tonale does come with that hybrid engine that should pay back with long-term running costs.

The model line-up is streamlined with just two trim grades: Ti and Veloce. Standard equipment is plentiful and includes 18-inch wheels, adaptive cruise control, a reversing camera, parking sensors, keyless entry and Matrix LED headlights.

Veloce, from £42,495, adds 19-inch wheels, adaptive dampers, aluminium gearshift paddles, privacy glass and darker exterior trim.

The Tonale enters a fiercely competitive segment, facing heavyweights such as the BMW X1 and Volvo XC40 head on, but doesn't feel out of depth.

It might not be a pure-bred Alfa at heart, but perhaps that will be the secret to its success. **MATT DE PREZ**



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44-49MPG



130-144G/KM CO<sub>2</sub>

## Q&A



Damien Dally,  
managing  
director – Alfa  
Romeo and  
Jeep UK

### How important is the Tonale for Alfa Romeo in the UK?

More than 50% of the UK market is now SUV and there's a big expansion in terms of C-SUV, which is the segment we're competing in with Tonale and, roughly speaking, one-in-four cars in the UK is a C-SUV. It is the largest segment in the UK.

We've got a good portfolio for Giulia and Stelvio, so Giulia competes in the D segments and the Stelvio in the D-SUV. Now, if I add everything together, and that includes the estates and coupés, which is quite small, the maximum we're competing in is 18% of the market today. That means, effectively there's 82% of the game we're not in. That's the reality.

If we look back in our history, we've competed in the volume segments before. We launched Giulietta back in 2010 and it's actually delivered some really significant volumes. So, Alfa Romeo has played in volume segments successfully before and we're going to again, of course, with Tonale.

We're going to jump from circa 15% of the UK market to circa 40% literally overnight and, by 2024, we will launch our first battery electric vehicle (BEV) and we will then jump to 70%.

### Will the Tonale attract a new customer to the brand?

If we look at the Alfa Romeo customer today, with Giulia and Stelvio, it's more of a symptom of the segments we play in than anything else, but we are mainly appealing to men aged 50-plus.

With Tonale, we're looking to be much more gender balanced. So, a male-to-female split of around 60/40, slightly younger, affluent, obviously at different stages in their lives. These customers are different. These customers are open to new brands, they will research their brands, they will buy ethical products and they're very social, very active and digital.

### Is the Tonale expected to improve Alfa Romeo's fleet sales?

Where we've previously competed in volume segments, we have also competed in fleet.

But we haven't been able to with the two cars we've got today. In transparency terms, if you've always wanted to drive a Stelvio, the benefit-in-kind for a 40% taxpayer is about £500 per month.

That's going to significantly transform when we introduce Tonale PHEV. That car will offer 275PS and circa £140 per month benefit-in-kind, so this is going to be quite an appeal which we've not had previously.

If you look at the proportion of the market in terms of corporate, it's a very large chunk of the market, so again, we're going to have a car to appeal to a user-chooser fleet audience for the first time in a while.

## KEY RIVALS



Audi Q3



BROAD LINE-UP



INTERIOR



BMW X1



ELECTRIC VERSION  
AVAILABLE



FIRMER RIDE



Volvo XC40



COMFORT



HANDLING

## REVIEW RATINGS

AUTOCAR



CAR



TOPGEAR





# Durabook's rugged devices help keep automotive sector on track

**W**ith 2023 UK growth ambitions of 20-30% compared with 2022, Durabook, which supplies rugged laptops and tablets for use in demanding environments such as workshops, is looking to expand its representation among OEMs and the franchised dealer network.

Headquartered in Taiwan, Durabook devices have been widely adopted by government and enterprise customers, including oil and gas, utilities, field service, military and public safety, as well as the automotive sector for more than a decade.

In the UK, Isuzu Truck is already utilising Durabook products while users further afield include Daimler, Porsche, Ford, Mitsubishi Motors, SsangYong Motors, Maxomotive, together with workshops utilising its products for inspection, diagnostics and repair.

Following the company's success in Germany, Switzerland and North America, Durabook is looking to gain a foothold in the UK market following a year-over-year increase in revenue of 19-22% of CAGR (compound annual growth rate) for the past three years despite the impact of the pandemic.

Fred Kao, CEO of Twinhead International Corporation, which owns Durabook, said: "Rugged devices are designed to work in extreme temperatures, survive being dropped, resist shocks and vibrations, and be waterproof and dustproof.

"Our rugged laptops and tablets are built to operate reliably in dusty or wet environments and conditions. These devices have a thicker and stronger housing compared with standard models. They are also able to comply with other essential requirements, such as high-performance and governmental-grade security."

### Customised solutions

Many of Durabook's automotive clientele have taken up customised options such as the ability to segment OEMs so different brands can be navigated easily from one device in the workshop.

Kao added: "It's easy for the technicians to switch between the systems. Through our customised solution it was important for us to provide a solution for ease of use."

Software from many OEMs conflict with one another, which means they won't operate together on the same hard drive. As using multiple devices is impractical,

Durabook created a system that put multiple hidden partitions on the same hard drive, each equipped with the same operating system.

Each customised partition meets the exact requirements of a manufacturer's diagnostic software thereby separating the various OEMs' programmes allowing them to run seamlessly from one laptop.

In addition, partitioning the hard drive makes units completely scalable.

Rugged devices also have a lower total cost of ownership (TCO) of up to 50% in expenses over a device's five-year lifespan due to decreased downtime and less need for hardware replacement.

Durabook reports that the top three causes of failure are durability- and reliability-related while more than three-quarters (77%) of failures are caused by dropping accidents.

Made in Taiwan, where a dedicated R&D team of software, hardware and mechanical engineers drive innovations and respond to customisation enquiries, all products are designed with aluminum-magnesium alloy chassis, including its semi-rugged laptops, which is often not standard for models from some competitors.





**DURABOOK**  
Prepared for the Unexpected

**R11 Rugged Tablet**

Sleek and Compact with Enterprise-Class Performance



#### Best for workshops

Based on the company's automotive experience and feedback from customers in the sector, the Durabook S14I semi-rugged laptop is the best model for workshop duties. It provides the perfect mix of computer power, enough interfaces for inspection and running diagnostics, a large keyboard to enter data, and is sturdy and rugged yet lightweight enough to carry around easily in the workshop.

The S14I can handle the dirty shop environment and survive drops up to four feet. Rated with IP53, it can also handle water spills and is tight enough against dust. Additionally, it provides a large 14-inch display, making it easier to run diagnostics and view results. A 10-point capacitive multi-touch panel with multi-touch modes (for use with a glove, stylus, water or finger) optimises a unit for applications indoors and out, enhancing the device's usability regardless of work conditions.

Kao said: "An essential requirement for motor repair specialists is that computing devices are both reliable and able to withstand the knocks and drops that come with the environment.

"These devices are in constant use and it's not unusual for them to be moved around from the driver's seat to the engine bay, so bumps are inevitable. Couple this with a busy service bay and dirty hands from service specialists and it's easy to understand why hard-wearing and

durable rugged devices provide the ultimate solution compared with conventional tablets or laptops, particularly as they need to be replaced or upgraded less frequently."

Durabook devices can be used to connect to the car's computer, using diverse communication module software to run diagnostics, analyse live data, read information from the sensors, change key parameters and upgrade the software. This process can be done wirelessly or via USB connected to Durabook, enabling secure connectivity for cabled diagnostics.

Kao added: "Another feature Durabook offers is the ability for customers to manage their repair shop laptops remotely if there is a problem, which eliminates customers having to return a malfunctioning unit for repairs. Instead, in a matter of minutes, most problems are taken care of, saving time and money."

A dedicated team provides technical support, direct service and customised service for clients to design purpose-built solutions to meet end users' needs and demands.

Durabook mainly distributes its devices through its local channel partners. In the UK Durabook works with its network of distributors including APC Technology (<https://apcplc.com/>) and Ahkter Computers (<https://www.akhter.co.uk/>).

#### So what are IP65 and MIL-STG-810?

Durabook uses recognised international

standards. The IP portion stands for Ingress Protection with the first digit (ranging from zero to six) representing protection against dust and foreign objects, and the second digit (ranging from zero to eight) representing the degree of airtightness against moisture and water intrusion. The larger the number, the higher the protection level.

MIL-STD-810H is a series of tests designed by the US military to test equipment limits in various conditions, where the item is expected to be used or transported with high/low temperature, transit drop and humidity resistance the most common environmental tests.

#### Durabook benefits include:

■ DynaVue® sunlight-readable display for enhanced viewing with capacitive multi-touch screen.

■ User-selectable touch mode for finger, water, glove, or stylus programmable function for all tablets and laptops equipped with capacitive multi-touch screen.

■ Certified for military standards, resisting drops up to six feet and having ingress protection against dust and water or liquids.

■ Durabook is the only rugged manufacturer in the world that offers rugged devices with a fanless design, which are often used for even harsher environments, such as oil and gas, mining and chemical manufacturing.

■ Standard three-year warranty across its entire product range.

**For more information visit: [www.durabook.com](http://www.durabook.com) or email: [sales@durabook.com](mailto:sales@durabook.com)**



## CUPRA BORN V3 150KW

REPORT  
PROGRESS



### Cupra may need a bigger trophy cabinet

**C**upra dealers are armed with plenty of accolades when it comes to convincing a customer the Born electric car could be right for them. This car has just picked up the Best Small Company Car award from *CarBuyer*, added to Best Electric Family Car from *What Car?* Plus Best Electric Car under £40,000 from *Business Car*.

And, in the summer, the Cupra Born was awarded Euro NCAP's top safety accolade. The five-star rating confirmed that Cupra's first pure electric car is among the safest in the market, scoring highly in all four categories: adult occupant (93%), child occupant (89%), vulnerable road users (73%) and safety assist (80%).

It means the Born completes a trio of super-safe Cupra cars, alongside Formentor and Leon which also have five-star ratings.

Cupra Born's achievement was, in part, made possible thanks to its wide range of safety systems.

Systems include autonomous emergency braking, traffic sign recognition, travel assist, light assist and pre-crash assist. Add to these the

integration of seven airbags, including a standard front-central airbag, front assist with vehicle, pedestrian and cyclist detection, emergency steering assist and junction assist, lane assist and emergency e-call and the Born was well placed for the latest, more stringent testing methods used by Euro NCAP.

The front assist system also includes emergency steering assist and junction assist. In an incident when someone's suddenly in the car's path, after the driver's initial steering input to start to avoid them, the emergency steering assist makes rapid steering and braking interventions to optimise the evading trajectory.

"Cupra is committed not only to bring emotions to the electric world, but also the highest safety standards to the market," says Werner Tietz, Cupra's executive vice-president for R&D.

"We've proven this before with Cupra Formentor and Cupra Leon, and now we've continued our commitment to safety with the Cupra Born's five-star rating." **TIM ROSE**



£38,390  
(£38,955  
AS TESTED)



150KW ELECTRIC  
MOTOR, 58KWH  
LITHIUM-ION  
BATTERY, 150PS



0-62 7.3SECS  
TOP SPEED:  
99MPH



263 MILES  
(WLTP)



EMISSIONS  
0G/KM (WLTP)

CURRENT  
MILEAGE

0 5 1 6 3

START  
MILEAGE

0 0 7 1 2



EXTENSIVE DRIVE SUPPORT



BRAKE PEDAL FEEL

### » GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Chris Banks,  
group sales  
manager at  
Winchester  
Motor Group,  
correctly  
identified the  
Jaguar S-Type

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto: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, December 2







## **AM readers recommend their top suppliers**

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

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

AM's annual Dealer Recommended programme allows our thousands of readers to have their say

about the companies they believe offer the best service.

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

The automotive business sectors highlighted for 2023 are GAP insurance, warranty, auctions and remarketing, service plans, aftersales finance and paint protection.

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**AM DEALER RECOMMENDED** >>>>>

# In the prevailing economic climate value added products are so much more crucial

**C**ar buying is dominated increasingly by people for whom rising inflation and interest rates is an unwanted shock that they have not experienced in their working lifetime.

The sudden end of the knowledge and comfort of low interest rates and inflation is impacting financial certainty to which many had become accustomed.

Adding to the financial challenges many people are experiencing, new car prices continue to accelerate as the market switches to electric vehicles. At the same time, prices remain stubbornly high for used cars, whose values rose by an average of 30% in 2021, with some models going up 70%.

All of this has implications for the importance of introducing Value Added Products (VAPs) to customers.

## The net impact on VAPs

Department for Transport data suggests weekday travel is back to 90% of pre-pandemic levels and weekend travel is at 100%. While people may well rein in their spending, the need for a reliable and efficient car for travel is a cost people will have to accept.

What people will be hoping to avoid is any unexpected financial shock.

## The role of VAPs in today's market GAP/RTI

First of all, our thanks to the dealer community for recognising AutoProtect Group as their AM Recommended Supplier for GAP for the sixth successive year.

GAP and RTI insurance is arguably more critical to today's car buyers than

ever, with high vehicle costs/values and tightening customer household budgets.

Customers may point to their comprehensive insurance and 'new for old' replacement offer that is sometimes included. It is essential to highlight that such coverage often applies to cars less than a year old. Even if it does cover older cars, it does not typically cover the financial implications of any finance's enforced early settlement. In the case of the commonly used PCP finance option, this can be a particularly uncomfortable reality.

## Cosmetic damage insurance products

Cosmetic damage insurance can be very valuable to ensure that those minor dings that are all too easy to collect are repaired. Such insurance also avoids car insurance claims for minor damage, protecting peoples' no-claims bonuses. It can also help maintain a car's value, ensuring it always looks its best and potentially adding £££ to its future re-sale value.

When assessing your options for such cover, AutoProtect Group were awarded Best Aftersales Product of the Year for our newest cosmetic repair product, Shine! Protect. Shine! Protect is a cosmetic maintenance plan that allows customers to receive repairs for minor damage on their vehicle from our expert, in-house repairers at Shine - adding ease and convenience to the product's benefits.

## Claims - the acid test

The Insurance Times Tech & Innovation Awards 2022 recognised insurers who were going the extra mile to improve processes within the insurance industry and striving to improve the customer experience they provide to consumers. AutoProtect

Group were awarded Best Use of Technology for Customer Experience (claims).

The judges commented: "The stats speak for themselves. AutoProtect Group has really thought about the whole end-to-end customer experience and is very much data-driven. They are also passionate – and that makes a real difference. A great example of technology improving customer experience."

Our success in the critical claims experience is a strong message that we hope will prove valuable to our dealers in talking with their customers.

## AutoProtect Digital+

### Digital+ making it easier for retailers to offer VAPs

Digital+ is a new omnichannel service from AutoProtect Group that helps dealers to enhance their VAP sales.

The service provides options that dealers can use alongside or in place of the showroom model. A choice of referral options for dealers enables customers to connect with product experts within AutoProtect's Call Centre seamlessly. It is an elegantly simple connection countering any actual or perceived friction associated with introducing VAPs for dealers and customers alike.

### The Digital+ Connection Options

1. For dealers who prefer not to promote VAPs, they can provide a link for customers to a dedicated portal where customers can discover the AutoProtect range and self-serve their



To find out more about how we work and think, and how this can help you and your business, email Mike or David.



needs, accessing support from AutoProtect's expert team. Alternatively, they can provide their customer data, subject to appropriate regulatory permissions, to AutoProtect to make contact to introduce the range of services.

2. Dealers can develop their own customer journey for VAPs. Once a customer has chosen a product or products, the sales promotion can be transferred via AutoProtect's well-proven API to process the purchase. The net result is a rapid, frictionless dealer branded experience

3. Larger dealer groups can refer customers to AutoProtect to enable follow-up sales contact

Currently, Digital+ provides access to GAP, Warranty and SMART, but plans are well-advanced to add to the product portfolio.

**NAVIGATE**  
Powered by AutoProtect

#### Digital leadership – The all-new Navigate platform

Our flagship, digital point-of-sale platform Navigate is being rolled out. It is transforming the F&I journey for our

dealers by creating a series of marginal gains delivering an easier to use intuitive service that brings together all AutoProtect Group products and services.

The staged rollout will continue into 2023, adding additional services on a structured basis.

#### Above all, AutoProtect is about creating trust

At the time of writing, 8144 customers have given AutoProtect Group an Excellent 4.7/5 Trustpilot rating.

Here is a recent review verbatim, published on October 17th;

*"Excellent personal attention to detail with clarity without boring "call centre" mindless waffle. The policy conditions are clearly set out by the representative before you buy. I accepted a competitive quote and highly recommend the company."*

If any customer has doubts about the VAPs you provide, dealers working with AutoProtect can share our performance with absolute confidence.



**Mike Edwards** Chief Sales and Marketing Officer  
email: [mike.edwards@autoprotectgroup.co.uk](mailto:mike.edwards@autoprotectgroup.co.uk)



**David Chard** Managing Director AutoProtect Digital+  
email: [dchard@autoprotectgroup.co.uk](mailto:dchard@autoprotectgroup.co.uk)





# Car Care Plan named Dealer Recommended for Warranty for 13th consecutive year



Car Care Plan has been voted Dealer Recommended for Warranty in 2023 – the 13th consecutive year it has received the award.

The AM Dealer Recommended programme allows readers to have their say about the companies they believe offer the best service, reflecting the outstanding customer service and high-quality products offered by Car Care Plan.

In 2021, Car Care Plan registered more than 450,000 warranty products, among 1.4 million-plus total products registered in more than 80 countries.

The company is the preferred partner for many of the automotive industry's leading manufacturers and retailers because of its long-standing 45 years of high-quality provision, dependable products, high customer satisfaction

rates, and successful aftersales programmes.

That track record gives Car Care Plan extensive experience and historical data on retailer stocks across all franchises, with access to claims information on virtually every model available.

The depth of knowledge Car Care Plan has developed directly translates to the support available for dealers selling any make and model to customers. That is reflected in the warranty products offered by Car Care Plan, ensuring they provide real value to the end customer.

#### **Protection for dealers through financial stability**

Car Care Plan's financial stability means dealer and manufacturer

partners can be confident the warranty and add-on products offered to their customers are backed by a stable and dependable business.

Car Care Plan Insurance, as the trading style of Motors Insurance Company Limited (MICA), has been confirmed as a dependable and financially robust business by AM Best – the world's first credit rating agency and the largest specialising in the insurance industry.

The warranty and asset protection provider was awarded an "A-" (excellent) financial strength rating and "α-" Long Term Issuer Credit Rating, reflecting a "very strong" balance sheet and "strong" operating performance.

For dealer clients, who are subject to the Financial Conduct Authority (FCA) Senior Managers and Certification

To find out more about Car Care Plan, simply visit [carcareplan.com](https://carcareplan.com) today



Regime (SMCR), that level of financial stability provides an additional layer of protection and reliability. By contrast, other providers may use offshore underwriters that are not FSCS protected, do not have AM Best ratings and are not regulated by the FCA and Prudential Regulation Authority (PRA).

### **Covering hybrid and fully electric vehicles**

In addition to the extensive warranty cover available for traditional engine types, Car Care Plan has added a specific section into its standard warranty wording that ensures protection for hybrid and electric vehicle (EV) components.

Pure EVs now account for 17% of the UK market, according to data from the Society of Motor Manufacturers and Traders (SMMT) and this figure is constantly rising.

Car Care Plan carried out extensive research and collaborated with manufacturers, dealers, and consumers to ensure its warranty wording provides protection for the widest range of vehicles possible, future-proofing its products to protect and maintain the evolving mix of engine types on UK roads.

The warranty wording even covers one of the biggest concerns customers have when buying an EV – range anxiety.

Where a customer is unable to recharge their vehicle during a journey, roadside assistance and recovery can be provided.

Car Care Plan's product wordings have received the Plain English Society's internationally recognised Crystal Mark for clarity to consumers. Clear and concise wording allows the end customer to fully understand what is covered by their vehicle warranty, mitigating any confusion, or misunderstanding of the products. This helps build their confidence in the product, increases sales and boosts satisfaction rates.

**"Car Care Plan's warranty and insurance products are developed, delivered and administered entirely in-house"**



### **Providing you and your customers with added value**

Typically, retailers provide 12 months' warranty in their approved used car programmes, but there is consumer desire for longer term cover. Car Care Plan supports dealers and manufacturers in this respect with a GDPR-compliant, omnichannel approach towards handling the extension of the warranty sold by clients.

This offering allows consumers to continue to protect their vehicle, while also providing downstream revenue back into retailers in the form of commission payments, service and labour work.

A further benefit of this service is that it removes the ever-changing training and regulatory overheads associated with the activity from the client, while allowing them to continue to benefit from the additional revenue.

Car Care Plan has more than a decade of experience in handling this sort of retention activity on behalf of clients, during which time they have demonstrated significant success with conversion rates reaching a ratio of one-in-three customers choosing to extend their warranty.

But it doesn't stop at warranty, Car Care Plan offers a suite of products to complement its core warranty offering.

Alloy wheel and cosmetic repair insurance ensure customers can return their vehicle in good condition at the end of their contract, which will help to protect the part-exchange value.

MOT test cover and service plans are also a strong accompaniment

to warranty, helping to strengthen customer retention levels and drive footfall back into retailers.

Through Car Care Plan, all these products can be made bespoke to the individual needs and requirements of the retailer, relevant to their stock mix and age. That is possible due to the products being delivered entirely by Car Care Plan – from start to finish.

### **From underwriting to claims – Car Care Plan handles it all**

Car Care Plan's warranty and insurance products are developed, delivered and administered entirely in-house – from underwriting to compliance, point-of-sale documentation to fulfilment and claims handling.

While some providers outsource elements of their programmes, resulting in a fragmented and disjointed service, Car Care Plan's approach means partners benefit from a better managed, more cohesive, and efficient aftersales programme.

The combination of high-quality products, underpinned by clear, concise and holistic product wording, backed by a financially stable firm with more than 45 years' experience, along with end-to-end in-house delivery tailored to the client – is why Car Care Plan has been named Dealer Recommended for Warranty for its 13th consecutive year.



**Car Care Plan**

An AmTrust Financial Company

# Dealer Auction – faster and more profitable trade sales

Dealer Auction is the smartest and busiest digital-only wholesale marketplace in the UK, enabling dealers to buy and sell stock 24/7.

With new vehicle supply chain constraints impacting the used market, it's more important than ever for dealers to buy and sell the right stock both quickly and efficiently.

As a joint venture, underpinned by Cox Automotive and Auto Trader, we're enabling just that. Together, we're creating a digital marketplace that's smarter, easier, and more profitable for everyone.

## Profitable and fast trade sales

For sellers, the profit earned per vehicle is vital, which puts greater emphasis on the performance of their remarketing

**“With Dealer Auction, it takes an average of just 2.9 days to sell a vehicle”**

channels. As we know, depreciation, operational and maintenance costs rack up over time, meaning the longer a vehicle remains unsold, the less profit potential it has.

So, Dealer Auction is built with fast sales in mind. Marketplace Director Kieran Teeboon explains: “With Dealer Auction, it takes an average of just 2.9 days to sell a vehicle. This means dealers can get cash back faster, beat any losses caused by depreciation and

free up more space for retail vehicles that will earn an even greater margin. Not only that, vehicles also sell for 4% more on average through our platform than traditional remarketing routes.

“The way we do this is simple. Our platform actively connects the right stock to the right buyer, sending stock alerts when vehicles have been added that match their criteria and letting them know which vehicles are popular in their local area.”

And it's not just within our core offering where our sellers are seeing the benefits. We're also supporting OEMs such as MG Motor UK via our closed network functionality that enables them to engage directly with their UK retailers.

“We are constantly looking for ways to strengthen and widen the support we give to our retailers, and Dealer Auction's closed network function enables us to really level up in this regard, maximising the vehicle lifetime revenue,” says Geraint Isaac, Head of Fleet Sales at MG Motor UK.

“Now, retailers will enjoy instant visibility of available stock and the flexibility to browse and buy vehicles at a time that suits them. All without compromising the advantages of working directly with MG as part of the franchise network – a win-win.”

## The vehicles dealers need, at anytime

For buyers, our instant alerts tailored to their stock policy, enables them to replenish their forecourts on demand with bid and buy now options available

**“Vehicles also sell for 4% more on average through our platform”**

**11,000 fresh vehicles listed each month**

**Save £250\* per vehicle in buyer fees**

**Sell quicker with same day auctions**

**Earn 4%\* more on average**

**Make more profit with Dealer Auction**

\* On average when compared with traditional remarketing routes

Find out how much more profit your dealership could make by using Dealer Auction





24/7. With up to 11,000 fresh vehicles added to the platform monthly, we're aggregating the largest number of stock sources – including fleets, manufacturers, independent and franchised dealers, all in one place.

Teeboon adds: "In addition to our alerts, we also integrate smart data insights into the platform. For example, Auto Trader's retail margin data means dealers can see what vehicles are likely to achieve the best profits, while their Retail Rating lets buyers know what vehicles are popular in their local area.

"With an auction closing every few minutes, Dealer Auction helps dealers stay agile and keep their forecourts full, all while taking advantage of our low buyer fees, saving an average of £250 per vehicle."

#### Always evolving

Our customers are always at the forefront as we continue to enhance the buying and selling experience on Dealer Auction. So, we couldn't be prouder to be voted by AM-Online readers as the Dealer Recommend Auction and Remarketing Supplier. Supporting dealers is in our DNA,

## "11,000 fresh vehicles added to the platform monthly"

not only to enable them to make more profit faster, but to listen to their needs and develop a platform that makes a real difference to their dealership.

#### What our customers say

Phil Stevens, Vehicle Stock Manager at Bassett Group, says: "I've been a Dealer Auction customer for five years and it really is a digital solution with a human touch. I successfully sell 30-40 vehicles each month, making a great trade profit. And whenever I have to call the team, they are always on hand and happy to help. Couldn't recommend Dealer Auction highly enough!

Lee Watson, Managing Director of LW Autosource Ltd says: "The Dealer Auction platform and team are brilliant! I have already had great success in both buying and selling vehicles on the platform. Being able to accept a bid while on a busy train is



such a great feature, especially when you're worried about the phone signal dropping out and missing a call. I have to applaud how honest vendors are, all the vehicles I have bought have been perfectly described. Huge thanks to all the team!"

In 2023, our dealers can expect an array of new features, functionality, and stock sources as we continue reducing days to sell and digitising the remarketing cycle further to make our customers more profit.



with our free profit calculator. Visit [dealerauction.co.uk/profit-calculator](https://dealerauction.co.uk/profit-calculator)



# Guaranteed aftersales revenue and consumer retention – all taken care of



"Our job is to help  
dealers increase  
their profitability  
and retention and  
ensure consumers  
keep returning to the  
aftersales department"

For more information please visit: [www.emac.co.uk](http://www.emac.co.uk) call: 0330 099 6826 or email:





### **The continued positive impact of service plans**

Service plans are a well-established product in UK automotive with many OEMs, franchised dealers and aftermarket networks offering consumers the opportunity to spread the cost of their future service work.

But with the recent cost-of-living crisis impacting many consumers, and, indeed, franchised dealers, the importance of fixing servicing costs at today's prices has never been more important.

Enabling consumers to access affordable, convenient, expert-level vehicle servicing should remain high on the agenda for dealerships, as each service plan sold is two-three years of guaranteed service work.

With consumer finances continually being squeezed, offering a service plan is an effective way for them to budget for future expenses and dealers should always take the opportunity to engage on the subject. Service plans are an ideal way to protect dealership core service revenue.

### **Bespoke solutions**

EMaC's flexible approach allows our partners to tailor their service plan offering and our service plans come in a variety of shapes and sizes. EMaC's

job is to help deliver the business goals for our dealer and OEM partners.

Service plans can be customised for particular campaigns to the customer base with consultative support from EMaC's team. Whether to price aggressively to drive up the volume of business for a year or two, or take a conservative position to optimise profitability, EMaC will advise accordingly.

Working with dealers to provide bespoke solutions is exactly what we are all about at EMaC. Our job is to help dealers increase their profitability and retention and ensure consumers keep returning to the aftersales department.

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

### **Subscription Warranty**

The past few years have been an exciting time for EMaC as our product range has diversified significantly, with the addition of our suite of warranty products, and our 0% credit facility,

Drive Now, Pay Later (more detail on page 54 overleaf).

EMaC's latest innovation, Subscription Warranty, provides greater value for your consumers and compelling commercial returns for dealers.

Subscription Warranty combines the benefits of a service plan, warranty and breakdown assistance in one bundle, payable by a single, monthly direct debit instalment – with no upfront payment from your customer.

Subscription Warranty runs for as long as your consumer continues to pay their monthly subscription, allowing for future-proofing of vehicle costs, a better ownership experience along with complete peace of mind.

It's just one example of our agile approach to product innovation. We have worked closely with a number of our partners who are seeing positive results from EMaC's Subscription Warranty product.

### **A trusted partner**

EMaC recently received the AM Dealer Recommended programme's 'Service Plan' accolade for the 12th consecutive year; a badge of which we are incredibly proud.

EMaC has been trusted by major manufacturers to make a difference to their consumer aftersales offering for more than 18 years. Today, we work with a broad client base that includes 17 OEM relationships and 80%+ of the AM100, which equates to around 2,500 dealerships across the UK.

We help them to maximise consumer retention in unpredictable times. As the leading aftersales partner to the UK automotive industry, we drive an aggregated £250m of aftersales revenue into the UK network, annually, through our range of solutions.

We are also incredibly proud of our Trustpilot score of 'Excellent' (4.7 out of 5) on the leading consumer review site.

Dealers can be assured their brand is being represented with the greatest care and that their consumers are in good hands with EMaC's team of knowledgeable experts.





# Drive Now, Pay Later –

## alleviating the financial burden of unexpected bills for customers in uncertain times

With energy prices and mortgage payments soaring and many households facing an increase in their monthly bills, unanticipated maintenance costs are an unwelcome surprise to consumers, with many financing the required repairs using a credit card or dipping into savings, or perhaps putting essential repairs off until a later date.

Drive Now, Pay Later is EMaC's 0% consumer credit facility designed for the automotive industry, with the intention to ease the burden of any unexpected bills that consumers may

**"Our research strongly indicates that consumers welcome an interest-free solution to help them fund repairs and other essential purchases"**

have when their vehicle is taken into the dealership for any service or MOT work, or where a vehicle health check (VHC) has been carried out.

The flexible, interest-free monthly instalment plan allows consumers to pay for vehicle repairs and/or accessories over a period of time and is an ideal way of softening the financial burden associated with paying for essential, yet unbudgeted, red/amber work.

### **Seamless, swift and flexible consumer application process**

Smartphone and tablet-enabled, a tailored fulfilment documentation pack will be delivered instantly to your consumers on their preferred device. They then pay a percentage of their invoice value on the day by card, followed by subsequent monthly payments from the same card.

The credit application process is seamless and discreet with acceptance granted to 99%+ of applicants in real time. Consumers receive a web link via either SMS or email (their preference),

enter their personal details and the interest-free loan is created.

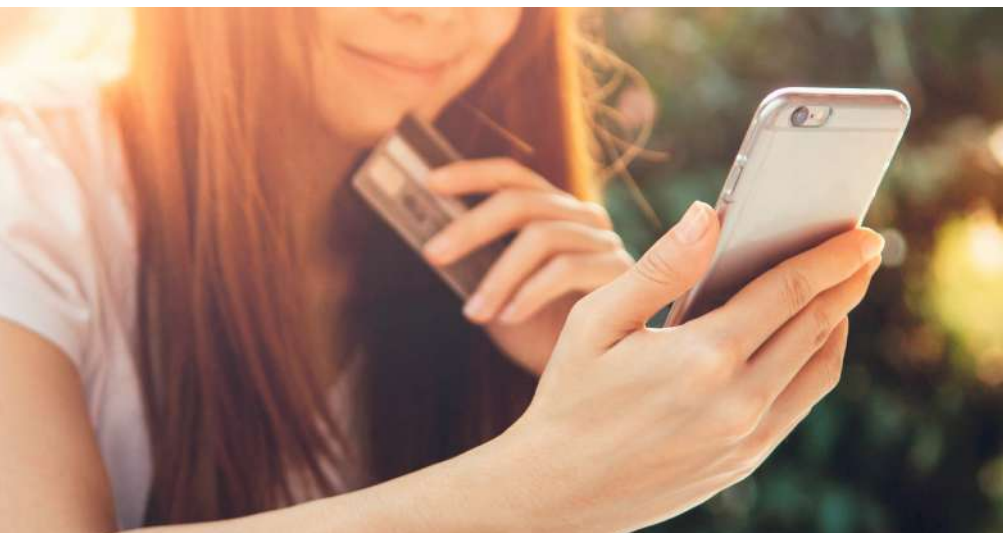
With a 99%+ acceptance rate and interest-free flexible repayments, Drive Now, Pay Later is the ideal solution to encourage customers to pay for any unplanned repairs.

The flexibility of Drive Now, Pay Later means that vital repair work, which might otherwise have been delayed or cancelled, can be carried out at the right time. It provides a swift, unintrusive and simple consumer finance solution to facilitate unexpected or incremental expenditure.

It not only enhances business revenue and profitability throughout the ownership cycle, but also builds lasting relationships and increases consumer satisfaction.

### **FCA Regulatory Statement – why EMaC are ideally placed**

Our dealer partners may have seen the recent statement issued by the FCA regarding the promotion of 'Buy Now, Pay Later' finance products; EMaC



are ideally placed if any significant changes occur to the regulatory status of Drive Now, Pay Later in the future, as our finance partner is an FCA-regulated company.

Although Drive Now, Pay Later is an unregulated product and, as such, falls outside of the scope of the FCA, our finance partners apply the same level of consumer care and regulatory diligence to our Drive Now, Pay Later product as they do to their portfolio of regulated facilities.

**Top tips for dealers – get the most from Drive Now, Pay Later**

With full support from our experienced field team to set up the programme; dealers will benefit from staff training, ongoing performance reviews, user guides, support videos and best practice advice.

Ensuring marketing messages are visible to customers is key to awareness – both on-site and online – and with a range of training and marketing tools available from EMaC, you can be

assured you'll have everything you need to engage with your consumers about Drive Now, Pay Later.

We also recommend defining the service desk process before consumers visit the dealership for work and offer Drive Now, Pay Later instead of discounting service costs. Informing customers of availability of a 0% payment option at time of booking/checking in makes it more likely they'll accept any additional work; one less thing for your consumer to worry about.

Ensure Drive Now, Pay Later is made available to every customer needing VHC red work – integrating the messaging into VHC videos is an ideal way to reach each of your consumers.

Having a variety of options at the point-of-sale gives consumers considerably more flexibility and a much better experience. Our research strongly indicates that consumers welcome an interest-free solution to help them fund repairs and other essential purchases. Providing these facilities at a time of need enhances consumer satisfaction and dealer loyalty.





# Putting your money where your mouth is!



How many times have you watched something on the television and thought we need to do something about that?

This was the thought of Supagard's Technical Director of 27 years James Smyth when watching the 2021 Glasgow COP26 conference with his family.

Smyth decided to look at radically changing the way Supagard makes its customer handover kits.

After witnessing a documentary about the number of plastic bottles that are present in our oceans and the fact that

it takes 450 years for one of those bottles to decompose, it was time to act and begin to change the course of history.

Working closely with Supagard MD David Paterson, both Smyth and Paterson took the leap of faith in finding a solution which they would encourage the entire industry to follow.

This challenge started with the simple things. As Smyth recalls: "Our bottles are made from plastic, in fact we use black plastic bottles which tie nicely to our brand which has always been black

with red Supagard logo on top".

So, they performed research and discovered that black plastic is a bad colour as this is very hard to recycle so ends up in landfill.

## **Supagard sticking to its pillars of belief**

With Supagard celebrating its 35th birthday next January, the duo decided to change the entire bottle range from black to silver.

Silver was chosen because it is easily recycled and the bottles were enhanced further being manufactured from 40% recycled plastics.

Imagine in this day in age a company changing its entire brand image to put the environment first.

Paterson expressed to all the board members the importance of Supagard sticking to its pillars of belief to do the right thing and produce products that are going to make a positive difference for future generations.



David Paterson,  
Managing Director



James Smyth,  
Technical Director





Our bottles go through a 12-stage recycling process. Shredding (left) and threading (right) are just a couple of them

### 10 million recycled bottles over the next five years

Their next challenge added to the list was the customer handover bag. This came in many guises over the past 20 years and, with more than five million produced, it was important that the company looked at this as another important change.

From the quality polyester materials used Supagard went back to the drawing board and called meetings to find a material that was entirely made from recycled fabric. Imagine the delight when they discovered that they could manufacture an entire handover bag using thread made from recycled plastic bottles and they had calculated this would have an impact of using more than 10 million recycled bottles over the next five years.

Supagard presented its new findings to all OEM and dealer group partners and discovered that they, too, wanted to join in on the ethical journey to a more sustainable planet.

Smyth recalls how supportive and accepting partners were to change the handover kits to match Supagard's thinking to allow all customers to

experience how the thought-provoking COP26 in Glasgow could make a difference.

### Are all these products just the same?

How much does it cost and are all these products not just the same? These are common questions Smyth and UK Sales Manager Craig Hepworth encounter when visiting potential clients.

The simple answer to the questions would be "yes, on the outside, but if you ask a car manufacturer is your car not just the same as another brand, they would quite rightly give you hundred reasons why it is different".

Supagard was the first company in the UK to introduce paint and fabric protection systems back in 1988.

Product names like, "Polymer sealant" and "Polysilazane" were unheard of and has taken the past 35 years for those products to be widely accepted as well-known processes to protect the inside and outside of your car.

Smyth states: "When potential clients ask us are your products just the same as the rest, we can confidentially reply 'no' to this generic question.

"Instead, our clients are not just buying into a brand they are buying into a company that has spent 35 years ensuring that all their products produced are the best."

Smyth adds: "Price can play a part, but when it comes to our beliefs, the customer is the most important. This echoes all the way throughout Supagard and on customer service, we can proudly hold our hands up as 'guilty of going that extra mile'."

### Come and join us on the journey?

When Brian Quinn the founder of Supagard opened the doors of business he always had a simple message and that was to go and make friends in the industry, those friends will trust your judgement and if you can be open and transparent you will have lifelong friends and customers.

Paterson adds: "We hope we can echo Brian's words and, with some of our partner relationships spanning more than 30 years, it is evident that his message rings true. As a business we would welcome friends old and new to come on the Supagard sustainable journey for 2023."





# Sell with confidence

Sharpen your skills with LetsULearn, the specialist training programme for dealers. Our learning pathways could help you stay FCA compliant, build capability and confidence, and increase sales.

Find out more at  
[blackhorse.co.uk/dealer/better-way/letsulearn-premium](https://blackhorse.co.uk/dealer/better-way/letsulearn-premium)

**blackhorse**



# TALENT ON THE MOVE



**JAMES TAYLOR,  
MANAGING DIRECTOR  
OF VAUXHALL**

Stellantis UK has confirmed a new senior management team as part of a significant restructure of the organisation.

The changes, which will all take effect from January, aim to deliver greater centralisation of support services across the group.

James Taylor, currently acting managing director at Vauxhall and B2B director, will be confirmed as Vauxhall's permanent managing director.

Nick Richards will replace Taylor as B2B director, moving from his current position as director of used vehicle operations.

DS and Alfa Romeo will be paired into a newly-created premium division, headed by Julie David, currently the managing director of Peugeot UK (see page 18).

Vauxhall's marketing director Adam Wood will be promoted to managing director of Peugeot UK.

Current Alfa and Jeep UK head Damien Dally will become

the managing director for Fiat and Abarth, while Jules Tilstone will move from his current DS leadership role to head Jeep.

With current Fiat boss Greg Taylor moving into the managing director role at Citroën UK, Eurig Druce will take the new role of director of network operations for Stellantis UK, leading the newly centralised team responsible for working on a multi-franchised regional basis on sales and aftersales development.

Customer experience and quality will also become a group office function, focusing on all brands, led by Stephanie Howson, currently retail sales director with Vauxhall.

Van sales will get extra focus, through a new light commercial vehicle (LCV) division headed by LCV business director Richard Chamberlain.

Retailers will be given LCV franchises separate to the car sales contracts for the first time in the shift to an agency model.



**KAREN HILTON,  
HEYCAR  
CHIEF EXECUTIVE**

Heycar UK has promoted its chief commercial officer Karen Hilton to the post of chief executive, following a six-month transition period.

The former carwow director and Volkswagen UK marketing communications manager takes the helm of the UK business, while Mat Moakes becomes chief commercial officer of the Heycar Group.

Hilton, who joined the business in 2019, said: "In the three years we've been operating we've faced a pandemic, a structural change in the supply network, and now the UK faces the economic headwinds of a recession.

"So, if there's one challenge to expect from my role as CEO, I know it'll be continuing to

weather the ongoing uncertainty and ambiguity. The automotive and tech industry, however, has also gone through pivotal changes since the COVID pandemic – the way we work and the way we consume goods have changed and that change is here to stay."



**BEN CARTER, CHIEF  
MARKETING OFFICER  
AT CARWOW**

Carwow has appointed a new chief marketing officer, commercial director and director for its new Drive division, as part of an expanding senior leadership team.

Ben Carter joins as chief marketing officer. He will be responsible for accelerating the growth of the carwow brand, while establishing it as the leading digital destination to buy and sell cars in the UK, Germany and Spain.

Simon Donegan is taking on the role of commercial director. He will be responsible for managing the expansion of carwow's UK network of dealer partners and helping them drive more revenue.

Jason Smith has been appointed director of carwow's new Drive division, which has been created to enhance the ownership proposition for consumers, focused on bringing new verticals to market in 2023.

Each of the trio is said to bring "invaluable" skills insight and experience to the business as it continues to strengthen the reach and influence of its platform.



**BYRON GROTE,  
NON-EXECUTIVE  
DIRECTOR AT  
INCHAPE**

Inchape has appointed Byron Grote to the role of non-executive director.

Grote will become a member of the PLC's audit and nomination

committees upon appointment.

His board level experience includes being chief financial officer at BP between 2002 to 2011. He is also a senior independent director at Tesco, a non-executive director at InterContinental Hotels Group, and deputy chairman of the supervisory board at Akzo Nobel NV.



**IAN ARMITAGE,  
TECHNOLOGY  
DIRECTOR AT  
DEALER AUCTION**

Ian Armitage has joined trade-to-trade online used car stocking platform Dealer Auction as technology director.

He will assume responsibility

for developing and implementing a technology strategy for Auto Trader and Cox Automotive Europe's trade-to-trade online auction joint venture.

During a 25-plus year career, Armitage has held leadership roles in businesses of varying sizes across multiple industries, including Ditto AI and Manchester Airport Group.



**MARK STEWARD,  
FORMER HEAD OF  
ENFORCEMENT AT  
THE FCA**

Mark Steward is stepping down as Financial Conduct Authority (FCA) executive director of enforcement and market oversight,

after seven years with the regulator.

Since joining the FCA, Steward has led the delivery of some complex and high-profile enforcement cases, with successes against global financial institutions and individuals.

He is due to leave the FCA in spring 2023 and the search for his successor will begin shortly.



**MADJID HADJ-AMAR,  
OPTEVEN UK  
OPERATIONS  
DIRECTOR**

Opteven UK has welcomed Madjid Hadj-Amar as its new operations director.

He is tasked with leading the digital transformation

strategy for the firm's WMS automotive warranties operation and plans to expand the repairer network.

Hadj-Amar has a background in engineering and brings with him experience of people management, training and pioneering digital solutions from his 23 years with Opteven France.



# HAVE YOU CAUGHT UP WITH OUR PODCASTS YET?

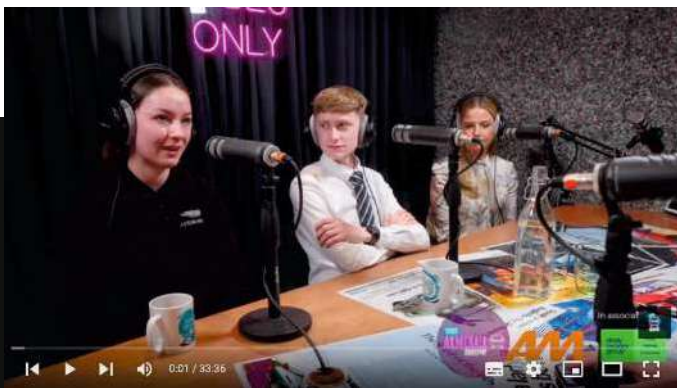
Catch the AM News Show podcasts, where motor industry executives share their inspiring stories and advice about keeping work productive, fun and overcoming industry issues.

The **AM**

# NEWSHOW



Keep an eye out for more AM News Shows on YouTube and AM-online



**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.”



**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.”



**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.”



**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.”



**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.”



**Kat Lord, data projects manager at Sandcliffe 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.”



**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.”



**Darren Ardron, managing director, Perrys Motor Sales**  
 “Whatever we get thrown at us, we seem to find a way to get through it.”



## EIGHT QUESTIONS TO A...

# STOCK AND PURCHASING DIRECTOR

Dean Walker, Motorpoint



### What are the main responsibilities of your role?

I lead Motorpoint's stock purchasing strategy and am responsible for the daily stock management of retail and trade vehicles across our 17 sites.

I am also a member of the senior leadership team which reports to CEO Mark Carpenter. The team is accountable for the continued responsible growth and performance of the company, ensuring we provide unbeatable prices for the consumer and retain our position as the UK's largest independent retailer of cars and vans now and in the future.

One aspect I really enjoy is the chance to spend time with team members in preparation, sales, customer service and other crucial areas of the business that play such a huge part in our success.

Their feedback is vital if we are to continue to evolve and grow. Recognising, nurturing and mentoring talent is incredibly important.

### What are the most significant challenges ahead?

For the past two years, managing vehicle supply has been one of the biggest challenges in automotive. Supply and demand are seldom aligned, but with the current pressures around new car production and the huge wholesale price movements we have witnessed in the past 12 months, proactive stock management has become a much more demanding environment. Inflationary pressure from rising fuel prices along with general lower consumer confidence means we are even more focused on the effective buying and stock management processes.

### How might these challenges be overcome?

The changes across the nearly new vehicle retail sector and for Motorpoint in the past two years is unprecedented both operationally and from a people perspective.

Our people – we have more than 800 employees – are at the heart of everything we do, so it must start with them. Motorpoint has always done an unbelievable job of taking care of its employees, but the work done in the past 24 months has been remarkable. This is reflected in our status as Best Companies' number one employer in the automotive sector for the past two years.

Operationally, Motorpoint has always been forward thinking; people forget we have been selling nearly new cars and vans online for more than 20 years. We pride ourselves on being a true omnichannel business with the customer making the choice on how they wish to

engage with and buy from us. Over the past two years we have recruited some experts in their respective fields such as digital marketing and change and transformation, but they are new to the motor retail sector. We recognise that, by combining new skill sets with the experience of our long service employees, who epitomise the values of a 'founder mentality', positions us very well to pursue our progressive growth strategy.

### What attracted you to this area of expertise?

I've always worked in the motor trade. Starting in retail in the late 1990s then moving into wholesale in the early 2000s. I'd watched Motorpoint grow quickly during that time, there was just something different about how it operated – very entrepreneurial and agile.

When the opportunity arose to join 14 years ago, I jumped at the chance. I've always loved working here and I didn't anticipate I would one day be a part of the senior leadership team, but the business has invested in me, and I am proud of the journey I have been on.

### What's the most important thing you've learned?

Never stop learning. I've been fortunate enough to work alongside some great leaders, mentors and coaches over the past 25 years and I've always tried to absorb what I can to better myself and become a more complete leader. Seeing the development in colleagues is extremely rewarding.

## QUICK-FIRE QUESTIONS

### What drives you?

Doing a job to the best of my ability and seeing the company I love succeed, while knowing I've played a part in that success by executing our strategy.

### What's your favourite app?

It would be between Instagram and LinkedIn.

### How do you relax?

I've always thrived when working at a fast pace, even at home where my children keep me on my toes. In the past year I've had to work really hard to start 'slowing down' and I now practice meditation. A glass of red with my wife also does the trick.

### THIS MONTH'S QUESTION TO THE AM TEAM:

Did you flunk out of any subjects at school or ditch any (with permission)?

#### EDITORIAL

Editor Tim Rose 01733 46826

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► A-level Law – a total snoozer

News and features editor Tom Sharpe 01733 468343

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► Not really. Spanish was, sadly, obligatory right up to GCSE level.

#### PRODUCTION

Head of publishing Luke Neal

► I dropped German as soon as I could. I just

couldn't make any of it stick

Production editor David Buckley

► I chose to drop Chemistry and Physics in favour of History and Geography; Latin chose to drop me

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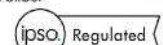
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The text paper used in this publication is 100% recycled, produced from post-consumer waste.



A photograph of a man with dark curly hair and a beard, wearing a black and white striped t-shirt, holding a young girl with dark curly hair in a bun. They are both looking down at a smartphone held by the man. The background is a blurred indoor setting with a lamp and some plants. A large blue triangle is in the top left corner, and a large white triangle is in the bottom right corner, meeting at a diagonal line.

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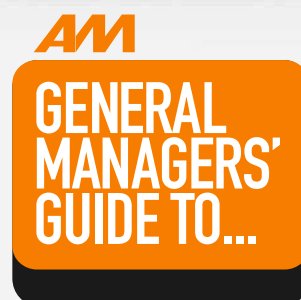
**blackhorse** 

# SIGN UP TO AM'S INTERACTIVE WEBINARS

Planned by the editorial team, they share best practice and useful business insights



In our *AM Motor Retail Review* series of quarterly webinars, held typically in the first week of a new quarter, a panel of the most senior executives in the motor retail industry discusses the latest trends and opportunities of the new and used car markets plus other major strategic developments.



In our *General Managers' Guide To...* series of monthly webinars you can hear live from other motor retailers about how they're finding new opportunities in many of the critical areas of the business and tackling some of the common problems. Audience Q&As allow you to discuss the subjects further with our experts.

**Busy?** Watch any of our webinars on catch-up if you can't log into the live broadcast

*AM Motor Retail Review* (January, April, July and October) | *GMs' Guide To...* used car preparation  
*GMs' Guide To...* improving customer experience through technology | *GMs' Guide To...* effective sales enquiry management  
*GMs' Guide To...* staff management and motivation | *GMs' Guide To...* building your dealership's reputation  
*GMs' Guide To...* enhancing workshop efficiency | *GMs' Guide To...* improving stock turn

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Wishing a **Happy Christmas** to all of our clients and customers, thank you for your continued partnership.

Here's to a great **2023!**



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The SecretService™ team wish you all a

**Merry Christmas and a Happy New Year!**

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& Happy New Year



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Prosperity for all in 2023

**Wishing our retailer network  
a very Happy Christmas**

From all of us at Santander Consumer Finance



**MERRY CHRISTMAS AND  
HAPPY NEW YEAR!**

*How much fun do we wish you'll  
be having over the holidays?*

☐ Tree-mendous ☐ Snow much ☐ Oodles

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