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# EDITOR'S LETTER

**W**hen the news broke of the death of HM Queen Elizabeth II the team here at *AM*, alongside many people across the country, felt a real sense of sadness and loss. As with the majority of *AM* readers, I have only known life with The Queen, and the end of her 70-year reign is truly the end of an era. I grew up in West Norfolk, a region with a close connection through her residence at Sandringham, where the Royal Family spent their Christmases. As such, local TV footage and newspaper photos showing her going about Sandringham in her Land Rovers helped to make her iconic and inspirational in my eyes.

In time, we will, of course, move forward under King Charles III, and the pressing priorities for businesses will return to the front of our minds. We have Liz Truss MP as the new prime minister of the UK and I hope she's a good listener. The pressures on businesses – and consumers – are unsustainable. Many face working as hard as possible yet still being outpaced by outlandish energy costs.

Some business leaders may say they mustn't waste time trying to 'control the uncontrollables'; well it is those in the UK Government who must come up with policies and mechanisms which at least cushion the impact.



## OUR WRITING TEAM



**Tim Rose**  
Editor



**Tom Sharpe**  
News and  
features editor



# AUTOMOTIVE PAYS TRIBUTE TO HM QUEEN ELIZABETH II

**T**he death of HM Queen Elizabeth II is being felt acutely across the country, not least in the UK's automotive industry.

The UK's automotive retail sector has paid tribute to The Queen after her death this month brought an end to a 70-year reign and the beginning of the reign of King Charles III.

Society of Motor Manufacturers and Traders chief executive Mike Hawes said: "We are deeply saddened to hear of the passing of Her Majesty Queen Elizabeth II who dedicated her life to the service of the nation and the Commonwealth.

"She was also a lifelong supporter of the UK automotive industry, with a keen interest in and expert knowledge of many of its products. Our sector remains indebted to her and our thoughts and condolences are with the King and the Royal Family."

Independent Motor Dealers Association (IMDA) chairman Umesh Samani paid tribute: "The IMDA wish to pass on our sincerest condolences to the Royal Family on the very sad news of the peaceful passing of HM Queen Elizabeth at Balmoral, Aberdeenshire, earlier today at the age of 96.

"Let us all pay tribute to a truly inspirational and well-loved monarch who has served the United Kingdom for eight decades with the greatest of honour, respect, and discretion. May you rest in peace, Ma'am."

The Retail Motor Industry stated that it "extends their deepest sympathies to the Royal Family following the sad news of Queen Elizabeth II's passing."

Crewe-based Bentley Motors, which in 2002 supplied the Queen with bespoke official state limousines which had remained in her service until her death, said in a statement: "All at Bentley Motors are deeply saddened to hear of the passing of Her Majesty The Queen.

"A truly remarkable woman who dedicated her life to the service of the people of the UK and the Commonwealth for more than 70 years.

"We pause, reflect and show heartfelt

gratitude for the historic reign of The Queen, an inspiration to all for generations to come. Our sincere sympathies extend to the Royal Family."

Coventry-based Jaguar Land Rover, in whose iconic vehicles The Queen was so often photographed while going about her business, stated: "The passing of Her Majesty the Queen has left everybody at Jaguar Land Rover deeply saddened, and our thoughts and condolences are with the Royal Family at this time. Our relationship with The Queen has been a source of great pride for all of us at Jaguar Land Rover."

Images from over the years reflect Queen Elizabeth II's interest in and support of the automotive industry. We present a selection here, some depicting visits where she met Bentley and Jaguar Land Rover staff, some learning about BAC sports cars, and one even where she, as chief patron of the Motability charity, handed over a new Ford Focus to one of its disabled customers to mark the charity's silver jubilee.









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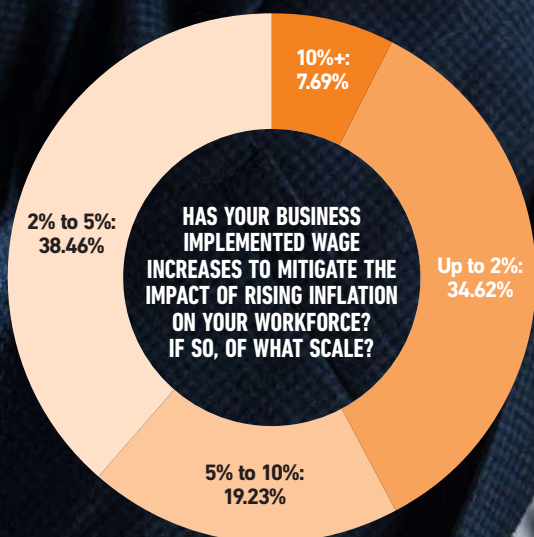
# DEALERS URGE NEW PM TO ARM THEM FOR COST OF BUSINESS BATTLE

Retailers reveal concerns for a bleak winter as they strive to remain viable and support struggling staff

**U**K automotive wasted no time in calling for new Prime Minister Liz Truss to come to the aid of its businesses and car buyers as soaring energy prices posed a bleak outlook. The Society of Motor Manufacturers and Traders' (SMMT) and the

National Franchised Dealers Association (NFDA) want an urgent and joined-up strategy to reduce business costs, save jobs and protect the public's finances.

And, as an exclusive *AM* survey, conducted in partnership with JudgeService, gave an insight into car retailers' performance expectations



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for a 2022 trading period in which inflation reached double figures and energy costs soared more than 250%, business leaders were also grappling with their own solutions to staff welfare challenges.

### COST-CUTTING FOCUS

Devonshire Motors dealer principal Nathan Tomlinson faces the renegotiation of energy tariffs in September when its current contract ends.

He told AM: "The potential increases, in gas of circa 250% for a 12-month contract, and electricity of 350%, are causing me to rethink the way we use and control energy, but also how we manage the business.

"You can probably invest yourself in energy and resource management and make more impact on the bottom line than you can by intense involvement in the day-to-day operations."

Tomlinson added: "Running a business during such difficult times is now heavily balanced towards time spent managing cost and resource challenges, rather than operating from a position of stability."

In its September pre-close trading update Vertu Motors highlighted that it would be focused on reduced energy usage in H2 as it, too, faced the daunting task of renegotiating its energy tariffs at the end of September.

Vertu has established an energy buying strategy that includes the sourcing of "off-grid energy solutions" to manage its exposure to volatile pricing changes.

While Devonshire Motors has set up an Energy Saving Task Force and is focusing on solutions, such as switching from gas to LPG in its workshops, Pebley Beach managing director Dominic Threlfall said the solutions may prove more draconian.

Threlfall – who is also awaiting the outcome of an energy contract renegotiation in two months' time – said: "The reality is that, as a sector, we may reach the point where we have to wear jackets in the showroom (to keep warm), and I fear people will be doing the same at home."

After Liz Truss was confirmed as the UK's new Prime Minister on September 5, SMMT chief executive Mike Hawes said she "faces immense challenges, not least the urgent need for measures to mitigate the crippling effect of skyrocketing energy prices on businesses and households.

"Reducing the cost of doing business must be a priority," he said.

The NFDA has already written to

both the then Chancellor of Exchequer Nadhim Zahawi and secretary state for business, energy and industrial strategy Kwasi Kwarteng urging Government support for the industry to combat the ongoing energy crisis.

The NFDA proposes a subsidy that would comprise of 25% in the value of the increase in a dealership's electricity bill over the past six months that would last for a year.

AM Awards GM/DP of the year, Andrew Iveson, Livingstone Motor Group's managing director, said: "In a way I count myself very fortunate that I don't have a bodyshop and I renewed early on a fixed energy tariff that expires in June next year, but I cannot see how many businesses will be able to continue to make ends meet if things continue as they are.

"The operator of a bodyshop we collaborate with is literally petrified of the impact of energy costs on his business. It's hard to see."

Truss told Parliament that domestic energy bills would be capped at £2,500 for two years, with businesses supported for six months. The level of that support has yet to be clarified.

Iveson said he would welcome previously mooted plans to lower VAT.

He suggested some automotive businesses may not have enough in their "war chest" to see them through a tough winter if sufficient help does not come.

Respondents to AM's cost-of-business survey suggested a wide range of potential outcomes from 2022's trading.

Two-fifths (40.4%) said they had increased turnover during H1, with 15.4% reporting growth of up to 10%, 17.3% stating it was up by 11% to 25% and 7.7% claiming growth of 25%-plus.

More (44.2%) cited further declines compared with a COVID-impacted H1 2021; the largest proportion of those

(19.2%) stated they had seen declines of 11% to 25%.

After a supply recovery failed to materialise, almost half (48.8%) of respondents said they expected their business's turnover to decline in 2022, with a quarter (the largest proportion) stating that the dip would be between 11% and 25%.

But more than 30% said they expected to grow turnover in 2022, with 11.5% stating it was expected to remain "about the same" and 7.7% choosing not to comment.

Growing business expenses look set to hit any hopes of profit growth in the same period.

More than half (51.9%) of respondents expected their pre-tax profits to decline in 2022, with 19.2% expecting that decline to be in the region of 11% to 25%. Just a quarter expected to grow their profits.

Worryingly for franchised retailers, it appears that new car sales leads are on the slide, leaving many at risk of relying on order books filled in a post-COVID lockdown period.

More than half of AM's survey respondents (55.8%) said they had seen new car sales leads decline year-to-date in 2022, while just 3.8% had seen an increase.

In used cars, 51.9% had seen a decline in leads in the same period, but 23.1% reported an increase.

### SUPPORTING STAFF

All the car retailers AM spoke with were grappling with the challenge of supporting staff at a time when their business' finances were under threat.

More than a third of survey respondents said they had implemented initiatives aimed at alleviating the impact of soaring costs of living on their workforce, while 8% had delivered inflation-busting pay rises of 10%-plus.

Iveson said he had consulted with staff individually over their finances.

While he has guaranteed some on-target earnings and offered overtime, he said: "With inflation as high as it is, car retail businesses can't just throw money at the problem to make it go away. It's not sustainable. Ultimately, you've got to make it to give it."

MHA has advised car retail businesses to "flex" staff bonuses and salary sacrifice schemes to mitigate against the impact of the cost-of-living crisis.

Its employment tax director Nigel Morris said bonuses could be the best way to help staff cope. He said: "The answer is to balance pay increases, which are sticky, with bonuses which can support any temporary issues along with balancing remuneration and taking advantage of salary sacrifice and flexible benefit packages to help employees' net pay go further for things like cars and shopping vouchers."

Lookers chief people officer Chris Whitaker told AM an overhaul of its terms of employment to make it an "employer of choice" had been completed in August, resulting in a "Lookers living wage".

Backdated to July, the scheme ensures all but the PLC's apprentices now earn above the National Living Wage. Its apprentices are paid around 55% more than the statutory level in year one of their training.

"It's extremely tough at the moment," Whitaker said. "But we have made considerable changes to our pay structure and we're working hard to help staff make their wage go further with our range of company benefits.

"The biggest commitment we can make is that of maintaining a sustainable business."

Tomlinson said his consultations with staff had revealed that some face a £500 per month increase in their household bills.

He asserted that the welfare of staff is intrinsically linked to the success of the business and vowed to do all he could to support his team.

"There is a cost pressure on the business, but the cost pressure on each individual within the business may be a bigger problem if we don't find ways to support people," he said.

"It's still easy to make a difference – probably even easier than ever – and those that do will be very well rewarded no matter what the future holds. Same as always."

TOM SHARPE



**“BUSINESSES CAN'T JUST THROW MONEY AT THE PROBLEM TO MAKE IT GO AWAY. IT'S NOT SUSTAINABLE. ULTIMATELY, YOU'VE GOT TO MAKE IT TO GIVE IT**

ANDREW IVESON, LIVINGSTONE MOTOR GROUP

## ADVERTISING FEATURE

# Recruiting talent for long-term recovery in automotive

Matthew Allen, head of commercial,  
PIB Employee Benefits



The industry reported the highest reduction in full-time employees in UK businesses following a bleak 2019 which saw global production dip by almost 5%, after 10 years of growth. Disruption to supply chains, and ongoing shortage of semiconductors continues to impact vehicle production. Despite this, a survey by HSBC shows that 73% of vehicle manufacturers expect a net increase in the number of full-time employees by the end of this year [i].

### Competition for talent

Increased demand for electric vehicles as pressure mounts to phase out fossil fuels, means manufacturers need to rethink skillsets and prioritise job transformation, since their design is focused on digitisation and user experience. More employees with software design, development and cyber security skills are needed. This means competing with tech companies for that talent.

### Planning for long-term recovery

By 2030, up to 30% of a vehicle's total costs are expected to be driven by software and electronics [ii], but only 9% of the respondents in HSBC's survey say they prioritise recruiting for software roles. This talent shortfall could hamper the industry's long-term recovery.

### Employee benefits

With increased competition for talent, we recommend offering attractive packages and continued support for your staff to make your business stand out from the rest. The digital skills gap is not unique to the automotive industry. The rise of automation and new technologies is transforming the world of work, resulting in an urgent need for large-scale upskilling and reskilling.

Please contact Matthew by email:  
Matt.Allen@pib-eb.com or tel: 0177 786 9900

[i] <https://www.business.hsbc.com/en-gb/insights/growing-my-business/whos-hiring-and-why> [ii]

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# THE LATEST NEWS HIGHLIGHTS

JUL

04

### ARNOLD CLARK OPENS INNOVATION CENTRE IN ENGLAND

Arnold Clark opened its first Innovation Centre in England. The facility will help educate motorists about electric cars and alternative fuel vehicles (AFVs) ahead of the UK Government's ban on the sale of new combustion-engined cars from 2030 and follows on from the success of the first Arnold Clark Innovation Centre which opened in Glasgow last August.



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### POLESTAR PLANS EIGHT SITES BY END OF 2023

Polestar revealed plans to double its UK sales volume by the end of 2022 and again in 2023. UK chief executive Jonathan Goodman told AM that Battersea would open this autumn, with a further site before the end of the year, on the way to eight locations by the end of next year.



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### 'PUT CUSTOMERS' NEEDS FIRST', FCA TELLS DEALERS

The Financial Conduct Authority (FCA) shifted from "treating customers fairly" to a new demand that finance firms and dealers "put their customers' needs first" with the launch of its Consumer Duty. The duty is part of the FCA's transformation into "a more assertive and data-led regulator" and features a core 'Consumer Principle' that "a firm must act to deliver good outcomes for retail customers".

AUG

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### LITHIA MOTORS BEHIND PENDRAGON TAKEOVER BID

US-based Lithia Motors was identified as the "large international corporate" which launched a £460m takeover bid for Pendragon. Sky News said that sources close to the \$22.8bn (£19bn) revenue New York Stock Exchange-listed car retail group had confirmed it had been behind the failed 29p per share bid reported by Pendragon on August 5.





#### LOOKERS PERFORMANCE AHEAD OF EXPECTATIONS

Lookers posted a better than expected first half (H1) of the year performance with underlying profit before tax reaching £47.2m. The result was down 5.6% year-on-year from the £50m achieved in 2021, which had benefited from £12.7m of Government support.

#### MG MOTOR UK WILL ADD DEALERS TO HIT TARGETS

MG Motor UK commercial director Guy Pigoukanis told AM that the brand's retail network will have capacity to fulfil a future target "in excess of 90,000 sales" by the end of 2022. Pigoukanis said the addition of around 15 "high quality dealers" would place the business well to meet its future growth aspirations.



#### ALLEN GROUP JOINS HYUNDAI NETWORK

Allen Motor Group joined the Hyundai car retail network and added two Kia dealerships with the acquisition of Delgarth Motor Group. The AM100 car retail group – owned by South Africa's Super Group since 2014 – added Hyundai and Kia dealerships in Milton Keynes and Bletchley in the deal.

#### ŠKODA OPTS FOR GREEN COMBINATION IN CORPORATE ID

Škoda revealed a brand identity update set to be rolled out in 2024 after revealing a new emphasis on "simplicity and value". The new Škoda logo is flat, and its corporate identity has been revised to use two new Emerald and Electric Green hues.

#### ANXIETY AS JLR PLANS ITS OWN RETAIL STORES

Jaguar Land Rover (JLR) retailers told AM the OEM's plan to open its own car retail stores as it embarks on a process of "reimagining every aspect of our Jaguar business" has sparked "anxiety". One told AM: "We are business planning in the dark because we simply do not know what JLR have planned in terms of their network scale, their volume aspirations or their agency model plans."

#### CAZOO MAKES U-TURN ON ITS PLANS FOR EUROPE

Cazoo confirmed its retreat from mainland Europe to focus on the UK used car market as part of cost-saving measures expected to save more than £100m by end of 2023. The move came two months after its launch in Italy completed its expansion into four European countries in the past six months.

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SEP

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8

## ADVERTISING FEATURE

# The value of smarter stock funding

By Chris Rowthorn, director of Motor Sales Operations at MotoNovo Finance



Saving time and money was MotoNovo Finance's aim in creating our Supplier Direct Funding service for used car stocking. The success of delivery, aligned to a highly competitive package, has proved increasingly popular. Something that was shown by a record performance in July that saw the service break through the £35m barrier.

#### A smarter stock funding choice – monetised

Based upon funding the service's average of 22 vehicles, we established that dealers could save an average of four days in time and more than £1,000 in cashflow terms per year. Four days may not sound huge, but dealers have noted that giving their buyers extra weekly time is very valuable.

#### The route to marginal gains

An elegantly simple digitised pivot delivers this measured outcome compared with the traditional stock-funding model. Instead of dealers paying auction companies for stock and then manually keying in each vehicle to their stocking plan, Supplier Direct Funding sees the auction company load purchased vehicles onto the dealer's stocking plan and MotoNovo pays the auction business.

The result is repeatable time and money savings that removes friction from the traditional auction purchasing/stock funding model.

- Dealer cashflow is accelerated.
- The removal of manual vehicle detail inputting saves time, enhances accuracy and removes the traditional 'pay and reclaim' method.
- Dealer convenience – automatic stock loading lightens the audit requirements and streamlines the process considerably.

It is an excellent example of helping dealers to benefit from an approach that embraces an 'every penny is a prisoner' principle every time a car is bought. More dealers are embracing the model as are remarketing companies. It's a win for all players.



# IS BREADTH BEST IN THE FIGHT FOR 2022'S MARKET LEAD?

Volkswagen outsold Ford in August with its raft of significant sellers and no single 'hero' model

**T**he only good news in August was that the market did not get any worse. Registrations were up by 1.2%, but the monthly figure of 68,858 was the second-lowest since 2013 – only pandemic-hit 2021 was lower.

Among the manufacturers, Ford maintained its narrow lead year-to-date (YTD – just 867 units) over Volkswagen. The Puma (the UK's second best-selling model overall YTD) and the Kuga (No 8 overall YTD) are both out-performing the market. However, the Fiesta is down by 52.9%, and is being outsold by the Toyota Yaris, while the Focus is down by 29.7%; Focus registrations are now 40% below those of the Golf.

VW owes its strong sales performance to the sheer breadth of its range, rather than any one model. In the 1980s and early 1990s, VW was, effectively, the Golf car company, with more than half of its UK sales coming from one model. Today, the Golf is the only VW model in the YTD Top 10 – and

that is in a relatively lowly eighth position. However, VW has nine separate models that could be considered significant sellers: i.e. with YTD sales in excess of 2,000.

Of course, the big question for VW is how well its pivot to battery electric vehicles (BEVs) is going. Here the jury is still out.

The ID3/ID4/ID5 range is doing reasonable business, but has yet to set the world alight. The ID3 (6,200 registrations YTD) is the third best-selling BEV after the Tesla Model Y and Model 3, while the ID4 and ID 5 are both bunched with a large number of other BEVs, such as the Ford Mustang Mach E and Kia EV6 on approximately 3,000 registrations YTD. VW has quite a lot of ground to make up if it is going to meet its target of catching Tesla by 2025.

Kia is in third place, with strong sales across the whole model range. While Kia is now known for doing well in growing segments such as crossovers and BEVs, the star performer is, counter-intuitively, the Ceed C-segment hatchback. It has grown by

81.1% this year, and has overtaken the Ford Focus for fifth position in the segment.

Just behind Kia, Audi and BMW are continuing their close race. Last year, Audi finished only 1,400 units ahead of BMW, and this year is also looking like it will go down to the wire. One curiosity of the BMW registration figures is that its heartland car for more than 30 years, the 3 Series, is down by 48.5% YTD, but the 4 Series (descended from the old 3 Series Coupé) is up by 64.2%. In August, the 4 Series was the bigger seller, and the two models could finish the year on similar numbers.

In a strong sixth place is Toyota. The Yaris, Yaris Cross, C-HR and Corolla are all doing well, while the Aygo X is doing a good job of proving that city cars are still viable, despite the withdrawal of Ford, Vauxhall, VW and others from the segment. Toyota's big issue because it has been so focused on hybrids, it is only just launching its first BEV – the bZ4X. With BEVs now taking 14% of the market, Toyota has quite a lot of catching up to do.

## HYBRID THEORY CONCERNS

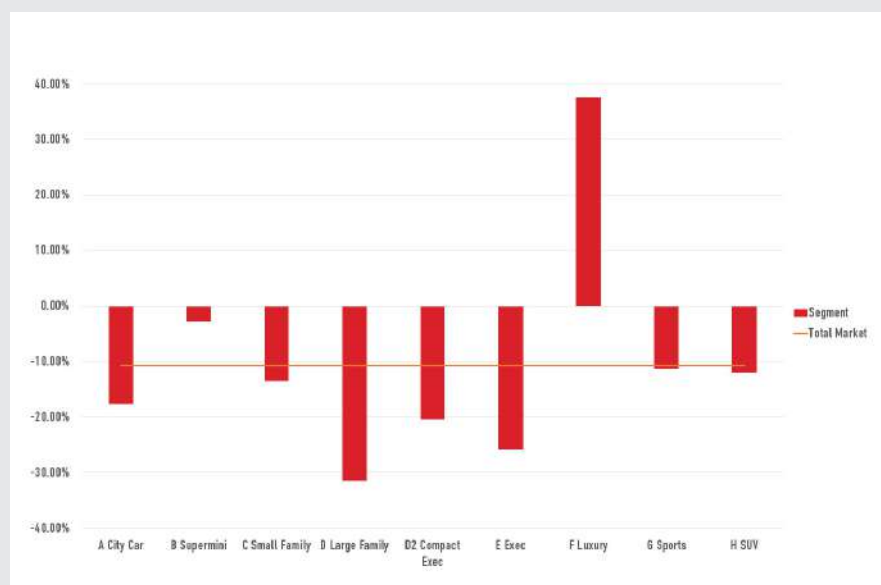
Meanwhile, Toyota is continuing to express serious concern to the British Government about the 2030 ban on petrol engines. In 2020, the Government said that any hybrid would need to have a significant electric-only range, but has still to define the actual figure. Toyota is warning that, if its UK-made hybrids do not meet the target, there will be no point manufacturing in the UK. Toyota already has factories in France, the Czech Republic and Turkey, so it is not short of alternative locations.

Among the other mainstream manufacturers, the two most notable performances have come from MG and Dacia.

MG has almost doubled market share from 1.6% to 3.0% YTD, and that is before the new MG4 has been launched; a VW ID3 rival with a starting price of £26K could do very well indeed. There is no question that MG has increased sales on the merits of its vehicles, but there is a question about whether it has been less badly affected by the chip shortage than its rivals.

Auto Forecast Solutions, which monitors production figures, says that both Europe and North America will lose production of 1.3-1.4 million cars in 2022, but China will lose production of only

## ➤ GROWTH BY SEGMENT VS TOTAL MARKET





## SPONSOR'S COMMENT

# Consumer Duty rules – a lot to take in, but well worth the effort



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

I can't believe summer is nearly over. Holidays have come and gone, the

Commonwealth Games were brilliant and among it all, we have seen the Financial Conduct Authority (FCA) publish the final rules on Consumer Duty, putting customers at the heart of all decision-making processes, to ensure that good customer outcomes are being delivered.

The overall aim is to set a higher standard of consumer protection across retail financial markets.

Although, it may seem daunting initially, with more than 160 pages to read, I would encourage you all to work through it and understand what this means for your business.

For some of us, Consumer Duty will evolve the processes we already have in place.

For others, there will be more work involved which will require significant time and resource.

All firms will need to review the processes they have to ensure customers receive fair outcomes from the products and services they offer and their price and value.

Also, we all need to review what we do today and consider whether our communications and services are designed and delivered in a way that supports consumers in achieving their financial objectives.

The Consumer Duty puts a greater emphasis on testing and monitoring of products, communications and services.

So, although I'm sure the planning has already begun across our industry, it's key to ensure we now prioritise implementation work to enable us to meet the standards required by the duty ahead of the deadlines set.



Highest growth major brands*	YTD Aug
Dacia	83.15%
MG	68.88%
Tesla	45.68%
Porsche	41.39%
Hyundai	27.69%

Lowest growth major brands*	YTD Aug
Škoda	-27.26%
Land Rover	-28.62%
VW	-30.21%
Volvo	-30.92%
Seat	-52.60%

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

**ONCE THE CHIP SHORTAGE IS OVER, IT WILL BE INTERESTING TO SEE IF MG MAINTAINS ITS GAINS**

250,000 vehicles. Once the chip shortage is over (second half of 2023 perhaps), it will be interesting to see if MG maintains its gains. Given recent history, however, it may be prudent to assume that further crises will stop the market getting back to normal until well after that.

Dacia (see OEM profile on p26) has increased share even faster than MG (up from 0.85% to 1.75%) and has a new model in the Jogger, with the larger Bigster to follow. Indeed, Renault's one-time economy sub-brand may well overtake its parent by the end of this year. YTD Dacia is only 500 units behind. If that happens, will Renault become Dacia's sub-brand in the UK?

At a segment level, the best performing major segment has been superminis, which were down by only 2.8%. Specifically, the strong result has come from the supermini crossover

sub-segment, which actually rose by 14.8%. In contrast, market share of premium and large crossovers (from Volvo XC40, through Hyundai Santa Fe to Bentley Bentayga) actually fell back slightly from 17.9% to 17.6%. Having cannibalised sales of large and executive saloons for more than a decade, is the premium SUV running out of worlds to conquer?

Now attention turns to the hugely important September market, which will be the last chance to get some impetus for the remainder of 2022. The current Society of Motor Manufacturers and Traders (SMMT) forecast for 2022 is 1.6 million, but YTD registrations are pointing towards a market of 1.5 million. It will be the September results that show whether the market can recover enough to achieve the SMMT prediction.

DAVID FRANCIS

## NEW CAR REGISTRATIONS

## August growth belies pressures on dealerships

A 1.2% rise in August registrations left the UK's new car market down 10.7% down year-to-date. August's result was the second month of growth this year, with the data from the Society of Motor Manufacturers and Traders (SMMT) showing that 68,858 new vehicles received their registration plates, 825 more than in August 2021.

Sales to private consumers were 3.2% up (1,094 units) versus August 2021, at 34,865 cars, while the business segment – always small in volume – rose fastest, by 26.6% (252 units) to 1,199 cars. Fleet sales were down 1.6% (521 units).

The SMMT noted growth in electric vehicle (EV) registrations had slowed, with a year-to-date increase of 48.8% well down on Q1's 101.9% rise. So far, 137,498 battery electric cars have been registered in 2022, of which 10,006 were during August.

Auto Trader commercial director Ian Plummer said its so-far buoyant consumer enquiries had started to wane in light of energy price rises and urged the UK's new prime minister to act quickly to boost EV adoption.

### 1 FORD

The Blue Oval could almost take the credit for August's market growth, if everyone else had stayed flat. Its registrations were 813 units ahead. The Kuga (692 extra sales) and Focus (512 extra) were its biggest growth models.



### 2 MERCEDES-BENZ

A drop of 518 registrations in August is largely down to low sales of the A-Class, its entry (cheapest) model (441 fewer registrations). Its bigger, more profitable, cars like the GLE-Class are faring a bit better.



Marque	August					Year-to-date				
	2022	% market share	2021	% market share	% change	2022	% market share	2021	% market share	% change
Volkswagen	7,099	10.31	6,989	10.27	1.57	73,175	7.44	104,852	9.52	-30.21
1 Ford	6,018	8.74	5,205	7.65	15.62	74,042	7.53	88,470	8.03	-16.31
BMW	4,830	7.01	4,427	6.51	9.10	66,202	6.73	77,614	7.05	-14.70
Vauxhall	4,638	6.74	3,227	4.74	43.72	56,375	5.73	61,622	5.60	-8.51
Audi	4,582	6.65	5,756	8.46	-20.40	67,289	6.84	83,782	7.61	-19.69
Toyota	4,564	6.63	4,872	7.16	-6.32	63,640	6.47	66,188	6.01	-3.85
Hyundai	4,543	6.60	3,374	4.96	34.65	51,939	5.28	40,675	3.69	27.69
Kia	3,678	5.34	4,329	6.36	-15.04	68,139	6.93	57,435	5.22	18.64
2 Mercedes-Benz	3,238	4.70	3,816	5.61	-15.15	55,300	5.63	69,469	6.31	-20.40
Škoda	2,554	3.71	2,474	3.64	3.23	29,516	3.00	40,576	3.68	-27.26
Citroën	2,387	3.47	1,203	1.77	98.42	18,536	1.89	19,955	1.81	-7.11
Peugeot	2,308	3.35	2,106	3.10	9.59	36,808	3.74	39,456	3.58	-6.71
Nissan	2,140	3.11	1,842	2.71	16.18	38,098	3.88	42,385	3.85	-10.11
Dacia	1,691	2.46	812	1.19	108.25	17,216	1.75	9,400	0.85	83.15
Mini	1,572	2.28	974	1.43	61.40	26,968	2.74	26,734	2.43	0.88
MG	1,404	2.04	1,494	2.20	-6.02	29,553	3.01	17,499	1.59	68.88
Land Rover	1,325	1.92	1,267	1.86	4.58	29,070	2.96	40,723	3.70	-28.62
Mazda	1,210	1.76	1,548	2.28	-21.83	14,011	1.43	17,403	1.58	-19.49
Honda	1,122	1.63	1,704	2.50	-34.15	15,694	1.60	17,159	1.56	-8.54
Tesla	946	1.37	491	0.72	92.67	22,243	2.26	15,268	1.39	45.68
Cupra	854	1.24	349	0.51	144.70	7,751	0.79	4,100	0.37	89.05
Seat	840	1.22	2,198	3.23	-61.78	15,465	1.57	32,630	2.96	-52.60
Renault	790	1.15	671	0.99	17.73	17,723	1.80	17,687	1.61	0.20
Volvo	753	1.09	1,200	1.76	-37.25	22,340	2.27	32,337	2.94	-30.92
Suzuki	700	1.02	1,749	2.57	-59.98	12,006	1.22	14,826	1.35	-19.02
Fiat	627	0.91	966	1.42	-35.09	13,410	1.36	12,259	1.11	9.39
Jaguar	610	0.89	604	0.89	0.99	8,550	0.87	13,746	1.25	-37.80
Porsche	432	0.63	299	0.44	44.48	10,299	1.05	7,284	0.66	41.39
DS	298	0.43	97	0.14	207.22	2,044	0.21	1,190	0.11	71.76
Lexus	293	0.43	808	1.19	-63.74	5,629	0.57	9,083	0.82	-38.03
Jeep	200	0.29	318	0.47	-37.11	1,756	0.18	2,946	0.27	-40.39
Polestar	118	0.17	218	0.32	-45.87	3,139	0.32	2,169	0.20	44.72
SsangYong	83	0.12	33	0.05	151.52	950	0.10	751	0.07	26.50
Alfa Romeo	59	0.09	53	0.08	11.32	1,018	0.10	901	0.08	12.99
Genesis	56	0.08	6	0.01	833.33	417	0.04	60	0.01	595.00
Subaru	53	0.08	68	0.10	-22.06	656	0.07	1,014	0.09	-35.31
smart	47	0.07	37	0.05	27.03	941	0.10	971	0.09	-3.09
Bentley	42	0.06	72	0.11	-41.67	1,060	0.11	782	0.07	35.55
Maserati	14	0.02	31	0.05	-54.84	485	0.05	423	0.04	14.66
Abarth	7	0.01	135	0.20	-94.81	1,001	0.10	1,715	0.16	-41.63
Alpine	2	0.00	10	0.01	-80.00	199	0.02	121	0.01	64.46
Other British	62	0.09	75	0.11	-17.33	1,394	0.14	1,512	0.14	-7.80
Other Imports	69	0.10	54	0.08	27.78	1,052	0.11	1,045	0.09	0.67
Total	68,858		68,033		1.21	983,099		1,101,302		-10.73



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

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**blackhorse** 

## FINANCE OFFERS

# Monthly payments held in check, but average APRs hit 6%

**T**he average monthly personal contract purchase (PCP) payment for a new car has remained flat in Q3, rising by just £1 to £394.

This shows the cost of new car finance is largely being held in check, with balloon payments also remaining flat in Q3.

Perhaps the biggest positive for consumers has been increased manufacturer deposit contribution support, which has risen by 3.8% to just more than £1,000 on average.

This is welcome support for dealer networks and customers that may have been expecting carmakers to start dialling back financial support.

Consumers looking for a good deal before the end of September should expect to put down more money for a deposit though, with a 57% jump compared with Q2 to £6,973 on average.

This increased level of customer deposit should, hopefully, be offset by any part-exchanges achieving good values on the used market, particularly for desirable ready-to-retail models.

What is more challenging is the lack of low rate finance found within AM's analysis of manufacturer representative examples for Q3.

This shouldn't come as a surprise as all finance is becoming more expensive as a result of the Bank of England's interest rate rise.

However, AM data shows APRs have risen to 6% on average to the point where manufacturer finance houses could struggle to compete with personal loans from high street banks.

There would usually be a table of the top 10 lowest priced 0% offers included alongside, but there were only seven in AM's data, which is telling in terms of the pressure on low-rate finance right now.

Deposit contributions are most often linked with the caveat of customers financing their vehicle through the car manufacturer's bank, so this may help to stave off any mass exodus to the high street banks to fund new car sales.

## NEW CAR OFFER HIGHLIGHTS FOR Q3

Hyundai's hybrid i20 takes the crown for the most keenly priced new car on offer in Q3 at £134 a month and that comes with a £1,000 deposit contribution.

There are still plenty of models below £200 a month and, while many are smaller city cars or superminis, there are also examples like the

## AVERAGES Q3 2022 (% SHOW QUARTER-ON-QUARTER CHANGE)

Average monthly payment: £394 (0.25%+)  
Average deposit: £6,973 (57%+9)  
Average final payment: £15,345 (0.25%+)  
Average APR: 6% (10.7%+)  
Number of 0% offers: 7 (-59%)  
Average deposit contribution: £1,028 (3.8%+)

## TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Top 10 models by lowest monthly payments							
Hyundai i20 SE Connect 1.0 T-GDi 100PS 48 Volt Hybrid Petrol	PCP	£5,800.00	36	£133.96	£9,325.80	5.90%	30/09/2022
Toyota Aygo X 5 Door Hatchback Edge 1.0 Petrol (72PS)	PCP	£3,958.50	42	£159.00	£8,055.00	3.90%	03/10/2022
MG 3 Excite 1.5 VTI-tech 5-speed Manual	PCP	£2,544.19	48	£159.00	£4,671.90	5.90%	30/09/2022
Hyundai Bayon SE Connect 1.0 Petrol T-GDi 48 Volt Mild Hybrid 100PS	PCP	£6,200.00	48	£160.19	£10,196.31	5.90%	30/09/2022
Hyundai Kona SE Connect Hybrid 1.6 GDi 141PS	PCP	£7,300.00	36	£161.02	£13,069.35	5.90%	30/09/2022
Fiat Panda 1.0 Mild Hybrid City Life MY22	PCP	£3,590.00	48	£166.00	£4,766.00	6.90%	30/09/2022
Toyota Aygo X Exclusive 1.0 VVT-i Manual	PCP	£4,396.50	42	£179.00	£8,437.50	3.90%	03/10/2022
Suzuki Ignis 1.2 Dualjet Mild Hybrid SZ3	PCP	£2,704.12	48	£179.00	£5,943.00	6.90%	30/09/2022
VW Up! 1.0 5dr 65PS S/S manual	PCP	£2,492.62	48	£185.00	£4,747.50	6.60%	02/10/2022
Hyundai i10 Hatchback 1.0 Mpi Se Connect 5dr	PCP	£2,164.50	48	£185.65	£5,366.90	5.90%	30/09/2022
Top 10 EVs by lowest monthly payment							
Peugeot E-Rifter Standard Allure Premium Electric 50kWh 136	PCP	£12,780.00	48	£243.03	£13,207.00	8.70%	31/12/2022
MG ZS EV SE 130kW 51.1kWh Auto	PCP	£5,790.34	48	£299.00	£12,523.50	5.90%	30/09/2022
Citroën ë-C4 Sense Electric with 50 kWh battery	PCP	£7,043.65	48	£299.00	£14,688.00	7.90%	30/09/2022
Mazda MX-30 145PS Prime-Line Auto	PCP	£5,812.26	48	£319.00	£12,717.00	5.40%	30/09/2022
Vauxhall Corsa-e GS Line 11kW Electric 100kW/136PS Auto	PCP	£4,263.21	48	£339.00	£12,483.00	6.90%	30/09/2022
Peugeot e-208 Active Premium Electric 50kWh 136	PCP	£6,813.22	48	£349.00	£12,408.00	8.70%	31/12/2022
Hyundai Kona Electric SE Connect 39 kWh 180-mile range	PCP	£4,567.50	48	£363.24	£11,979.18	6.90%	30/09/2022
Fiat 500 (Red) 87kW 42kWh MY22	PCP	£4,450.00	36	£365.00	£14,565.00	5.90%	30/09/2022
Vauxhall Mokka-e 100kW Ultimate 50kWh 5dr Auto	PCP	£5,157.60	48	£389.00	£16,077.00	6.90%	30/09/2022
Peugeot e-2008 Active Premium 50 kWh 136	PCP	£5,615.47	48	£389.00	£15,416.00	8.70%	31/12/2022
Top 10 models by lowest deposit							
Kia Picanto GT Line S 1.0 Petrol Manual	PCP	£-	36	£321.26	£7,619.60	6.90%	30/09/2022
Kia Ceed GT Line 1.5 Turbocharged petrol manual	PCP	£-	36	£444.97	£11,163.60	6.90%	30/09/2022
Nissan Juke Hybrid 143 Premiere Edition	PCP	£1,500.00	36	£414.08	£14,781.85	5.99%	03/10/2022
Audi Q2 Technik 30 TFSI Manual	PCH	£1,674.00	36	£279.00	£1,674.00	N/A	02/10/2022
Audi A4 Saloon Technik 35 TFSI S Tronic	PCH	£1,710.00	36	£285.00	£1,710.00	N/A	02/10/2022
Vauxhall Corsa Design 1.2 (75PS)	PCP	£2,010.73	48	£249.00	£6,737.00	6.90%	30/09/2022
Hyundai i10 Hatchback 1.0 Mpi Se Connect 5dr	PCP	£2,164.50	48	£185.65	£5,366.90	5.90%	30/09/2022
Fiat 500 1.0 DOLCEVITA MILD HYBRID MY22	PCP	£2,200.00	48	£199.00	£5,806.00	5.90%	30/09/2022
MAZDA 2 SKYACTIV-G 75PS SE-L	PCP	£2,251.91	48	£229.00	£6,646.50	5.40%	30/09/2022
VW Up! 1.0 5dr 65PS S/S manual	PCP	£2,492.62	48	£185.00	£4,747.50	6.60%	02/10/2022
Top 10 by highest deposit contribution							
Audi S8 Black Edition quattro tiptronic	PCP	£4,917.41	48	£1,309.00	£34,785.20	4.90%	02/10/2022
Volvo XC90 B5 Core AWD Automatic	PCP	£6,722.18	48	£659.00	£23,790.00	6.90%	30/09/2022
Audi A7 Sportback Sport Edition 40 TDI quattro S tronic	PCP	£4,878.48	48	£629.00	£19,522.50	4.90%	02/10/2022
Jaguar F-Type Coupe 5.0 P450 R-Dynamic RWD	PCP	£12,791.00	48	£799.00	£28,308.00	6.40%	30/09/2022
Jaguar F-Type Convertible P450 R-Dynamic RWD	PCP	£18,427.00	48	£749.00	£27,281.00	5.90%	30/09/2022
VW Arteon Shooting Brake R-Line 2.0 TSI 190PS 7-speed DSG	PCP	£3,308.77	48	£539.00	£14,227.20	6.60%	02/10/2022
VW Passat Estate SEL 2.0 TDI 150PS 5dr	PCP	£2,803.51	48	£475.00	£11,286.90	6.60%	02/10/2022
Audi A5 Coupe S line 40 TFSI S tronic	PCP	£4,913.18	48	£509.00	£16,225.05	4.90%	02/10/2022
Audi A5 Cabriolet Sport 35 TFSI S tronic	PCP	£5,061.38	48	£549.00	£14,870.35	4.90%	02/10/2022
Volvo S90 Recharge T8 Plus Plug-in Hybrid AWD Automatic	PCP	£13,579.93	48	£659.00	£24,326.25	6.90%	30/09/2022

Hyundai Bayon and Kona that offer a little more space and versatility.

Peugeot's E-Rifter is a standout offer at £243 a month for those customers looking for their next electric vehicle (EV), offering lots of space and up to 172 miles of zero emissions driving. Although the representative example includes a high customer deposit and 8.7% APR.

The MG ZS and Citroën ë-C4 are also EVs available for less than £300 a month and the rest of the top 10 are priced below £400 too.

While average customer deposit levels are high, there are models like the Kia Picanto and Ceed

that are available on deals with no deposit required.

The Nissan Juke hybrid, Audi Q2 and A4 are all available with a customer deposit of less than £2,000.

Audi also takes the prize for most generous deposit contribution in Q3 with a whopping £16,000 off the S8.

The Volvo XC90, Audi A7, Jaguar F-Type and Volkswagen Arteon all come with £5,000 off or more.



## SEARCH FOR FINANCE OFFERS

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



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# Automotive management LIVE

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



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



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

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

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

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



### Attend to:

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



[www.automotivemanagementlive.co.uk](http://www.automotivemanagementlive.co.uk)



## Inspiration Theatre

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

### Future-proofing your workforce:

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

### The year in review, the year ahead:

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

### Riding the economic challenges:

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

Engage your customers at every touchpoint in their journey.



## Digital Theatres

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

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

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

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

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

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

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

## Operational Excellence Theatres

Best practice for four motor retail topics:

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

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

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

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



November 10 at Birmingham NEC

[www.automotivemanagementlive.co.uk](http://www.automotivemanagementlive.co.uk)



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



## ADVERTISING FEATURE

# YOUR CHOICE FOR AFTERSALES SUPPORT ACROSS THE UK

By Michaela Gunney  
UK sales director, SECURE Group



The automotive aftermarket is a vital part of the franchised and independent networks as it provides motorists with the choice of how they service and repair their vehicles. Many dealerships and accident repair outlets contract-out their labour, equipment and chemical requirements to specialists such as Secure Valeting Group.

**WHY CHOOSE SECURE?** With over 20 years' experience in providing valeting services, we now operate at 400-plus UK locations. Our directors, HQ support, local management and mobile teams have worked together for many years and have the expertise to service large-scale dealer groups and independents alike.

**INVESTMENT IN TECHNOLOGY** Yes, technology has reached the valet bay! Our digital online system, Secure Online (SOL) is a web-based booking system where work is booked via a link from your desktop directly to a touchscreen in the valet bay. The system also provides detailed financial information for your management teams to prevent duplications and to control spend.

**ADDITIONAL SERVICES** As we have grown, so has the range of additional services on offer. Services in particular are Drivers, Progress Chasers, Site Managers/Maintenance operatives that are readily available if required. SECURE also will be expanding with new services in the near future – make sure to keep your eyes peeled!

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# VIEWPOINT



## A HYBRID SUPPLY MODEL WILL MOVE US FORWARD

DALE WYATT is the director of automobile at Suzuki GB



I am reading a lot of 'push' and 'pull' commentary that suggests that, as supply returns, car manufacturers have a choice to make.

It is positioned as a Good v Bad thing, encouraging our industry not to return to the so-called bad ways and urging manufacturers not to revert to the perceived negative practices of the past.

This is not a simple matter of choice.

The supply chain determines when product will be manufactured, delivered for distribution and when products are made available for sale.

Under a pull supply strategy customer demand dictates the process. Push strategies are driven by long-term projections of customer demand.

We are in uncertain times and manufacturers have to make long-term commitments to the whole supply chain from component supplier through to assembly and distribution.

A push model supply chain is one where projected demand determines what volume of stock enters the market. For example, in the UK, we have a peak in demand in March and September.

Companies have predictability in their supply chains since they know what will come and when, long before it arrives. This also allows them to plan production to meet their needs and gives them time to prepare a business plan and marketing strategy.

A pull strategy is related to the just-in-time school of inventory management. The objective is to minimise stock on hand, focusing on build to order or real-time demand. Products enter the

## EVERY MANUFACTURER WOULD LOVE AN ENVIRONMENT WHERE EVERY CAR WAS MADE TO ORDER AND DEMAND AND SUPPLY ARE IN SYNC, BUT THIS IS RARELY THE CASE

supply chain when customer demand justifies it. Companies avoid the cost of carrying inventory that may not sell and, as a result, the operating margins are higher.

The risk is that they might not have enough inventory to meet demand if they cannot ramp up production quickly enough. Customers who have to wait a long time for products may decide to buy elsewhere.

The reality is every supply chain strategy is a hybrid – somewhere between push and pull.

A fully push-based system stops at the dealer where it has to wait for a customer to 'pull' a product from it; a fully pull-based system sees customer demand being matched seamlessly to available production slots.

However, the reality is that we need a strategy designed to be a hybrid (between push and pull).

For instance, a manufacturer may choose to stockpile finished product at its distribution centres to wait for orders that pull themselves through its dealers.

Every manufacturer would love an environment where each car was made to order and demand and supply are in sync, but this is rare.

It is not the model, but the tactics and behaviours we deploy, that will determine our success.





## TRYING TO GAUGE THE INTENT FROM THE CONTENT

**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)



I had just finished making a complete mess of trying to record a 25-second sound bite for the BBC on supply chain problems in the industry, when a security man from the nearby shopping complex came over and wanted to know what we were doing. I was about to relaunch into my monologue and tell him about the woes of the industry, incompetent governments and lithium prices when I realised he wasn't really interested, but that the camera was in some way causing concern because it was pointed at empty Tesla recharging points on the shopping centre car park.

At this moment, the person from the BBC stepped in and rather pre-empted my potential tirade about freedom of speech.

Having been given our details, the shopping centre security man departed.

The ensuing conversation with the BBC reporter was interesting. Freedom of speech, provided it doesn't fall into the category of 'hate speech', is one of the things we hold dear in our society.

It means we often must put up with a lot of drivel especially from politicians, many of whom seem to have a dysfunctional connection with the truth or do more U-turns than Nikita Khrushchev before Putin ended his Formula 1 career by invading Ukraine.

The challenge comes in what sources of information you believe.

We moved from a discussion about electric vehicles (EVs) to the

issue of hydrogen power and the reporter said he had started to identify people who were actively campaigning on social media against hydrogen being a potential powertrain for cars. This wasn't advertising the merits of EV, this was a targeted campaign against an alternative power source. He wondered whether someone or some body was funding this.

Were these people so motivated by battery electric vehicles (BEVs) that any alternative could not be tolerated or was there something else going on?

This suspicion was reinforced by some work Prof Tom Jackson at Loughborough had done with a motor manufacturer that identified that well in excess of 50% of the social media content about them was being generated by bots, possibly set up to discredit or spread misinformation about the organisation. The company was taking notice of these social media feeds as being genuine comments and this was potentially having an impact on their marketing activity.

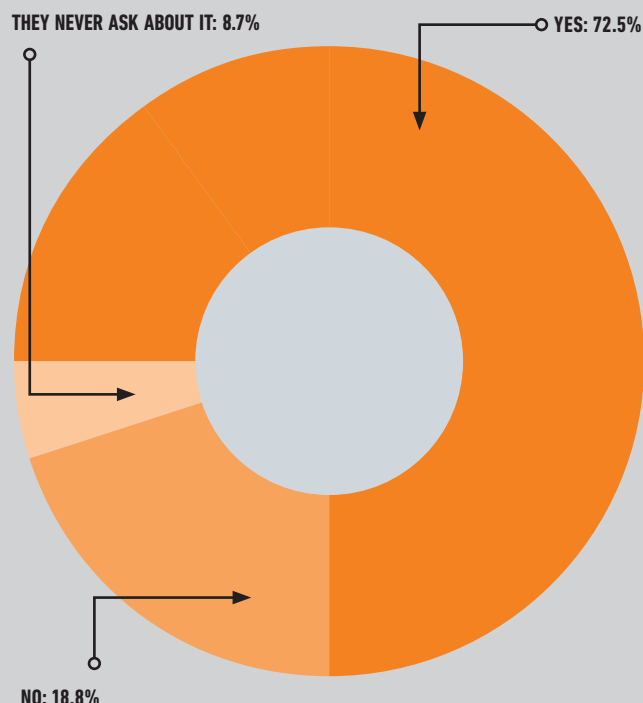
Of course, advertising has always tried to put a positive spin on an organisation and some of it will imply negative conclusions about competitors. The difference between advertising and the information on social media is that on the former we know where it is coming from and can impute the reason why the person/organisation is publishing it.

On social media this is not easy and we end up trying to understand the intent from the content – a far greater challenge.

**THE REPORTER SAID HE HAD STARTED TO IDENTIFY PEOPLE WHO WERE ACTIVELY CAMPAIGNING ON SOCIAL MEDIA AGAINST HYDROGEN**

# AM POLL

## HAVE YOU NOTICED FUEL ECONOMY RISE IN USED CAR BUYERS' PRIORITIES THIS YEAR?



The high cost of petrol and diesel UK consumers have encountered this year has prompted more of them to discuss fuel economy with dealers when they're in the market for a new or used car.

Almost three-in-four of the motor retailers which responded to AM's latest poll during July and August reported that car buyers have moved fuel economy higher up their list of desires.

The results contrast with Buyacar analysis in January which noted a 40% drop in visitors to its website using its mpg filter in their search. At that point, average fuel prices had risen only slightly to £1.47 per litre for petrol and £1.50 per litre for diesel.

By July prices had climbed to £1.92 for petrol and £1.99 for diesel.

"People need to save pounds, not pennies. If dealers are not heavily emphasising the fuel economy alongside the monthly PCP price they're missing a trick currently," said one poll participant.

Next month: Will the new Prime Minister drive changes to help motor retailers do business?

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

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The **AM**

# NEWSHOW



Keep an eye out for more of the AM News Shows [here](#)



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

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

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

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

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

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

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

**Steve Young, managing director, ICDP**

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

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

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

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

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

**Peter Allibon, sales director, Mazda UK**

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

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

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

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

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

**John O'Hanlon, chief executive of Waylands Automotive**

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

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

**Darren Ardron, managing director, Perrys Motor Sales**

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

# DACIA UK

Brand director Luke Broad tells *AM's Tom Sharpe* how the budget brand is looking to fulfil its potential while continuing to drive value for its franchised partners and customers

**D**acia UK is poised to lead the Renault Group with new digital innovations as it looks to strengthen its position as a "brand in its own right", according to director Luke Broad.

A year on from his promotion from head of sales, Broad told *AM* he had left no stone unturned in his bid to leverage the success of the brand as it delivered record profit margins and market share in 2022.

And, while agency model retail is not on the cards for the value-driven carmaker, Broad is keen to streamline Dacia's omnichannel retail offering in a bid to help improve customer experience alongside a new brand identity and corporate identity (CI) for its franchised dealerships.

"As part of the Renaultation strategy (Renault Group chief executive) Luca de Meo recognised that the UK is really digitally advanced versus other economies, except for China. Because of that, the UK is the digital laboratory for the Renault Group and Dacia is the lead brand," says Broad.

"While I don't see that there'll be that many customers buying a car from start to finish online, we have to offer the best possible retail experience and, today, that includes a seamless digital journey."

## OMNICHANNEL PUSH

Step one in Broad's bid to improve Dacia UK's omnichannel retail offering was a bold one.

He took the decision to decommission the pioneering Dacia Buy Online platform – launched to much fanfare in 2018 – to oversee the creation of a more customer- and dealer-friendly digital platform.

Ultimately, Dacia sold just 250 vehicles via its online portal and Broad says: "I think the problem was it was the right strategy, but the wrong execution.

"We had a lot of system integration errors our side. Customers were being taken offline because they failed finance credit checks and the experience wasn't great.

"So, we're currently building the next evolution of Dacia Buy Online, the idea being it's fully integrated with all our systems at Dacia UK, it's all live updating and the customer can start their journey online, finish it offline, or do whatever they want.

"You'll see the brand start to become a lot more digital in the next six-to-12 months if all goes to plan."

Aligning with Dacia's digital innovation journey is a virtual showroom located in Milton Keynes.

The facility provides guided live online vehicle tours and buying advice from a Dacia product guru between 11am and 9pm.

It currently delivers around 10 presentations each day, with shorter calls lasting an average of 15 minutes and longer calls regularly lasting 45 minutes to an hour, according to Broad.

He says: "What's great about them is when – and if – they are ready to buy, the customer is already fully qualified, they know everything they need to about the car. All that's left to do is head down to their local retailer and finalise the information.

"It's a good investment and something that I really believe in because it makes our retailers' jobs easier. Like everything we're aiming to do with our technology, it's not about replacing our retailers, it's complementing them."

Despite the shift towards improved omnichannel processes, Broad insists that direct sales delivered by agency model retail agreements were not part of the plan.

"Today, the model with our dealers is working," he says. "We see our dealer partners as an asset, and we believe in the strength of the retail network."

Dacia UK's retailers may be reassured by Broad's comments about the importance of the network as they prepare to make their

biggest single investment to date in the brand.

The value-driven sister brand to the Renault franchise currently operates from 148 showrooms, with all but two sites sharing a roof with the mainstream French brand.

But a review of the internal space set aside for Dacia is being implemented alongside the roll-out of a new CI featuring a new logo, khaki colour scheme and a "cost-effective" and "pared-back" design incorporating the widespread use of recycled materials.

For Broad, the new CI forms a statement of intent.

"I don't want it to be a sub-brand of Renault in the showroom any more", he says. "We're not a small brand of Renault any more."

Broad leads a Dacia UK business unit launched in 2021 that is more autonomous than ever from its Renault sister and his desire to see the budget offshoot succeed in its own right is clear.

"I think we've got a great brand with a really great, clearly defined place in the market and direction," Broad says. "It's definitely a brand on the move."

## RANGE REFRESH DELIVERS RESULTS

Dacia's new look is being introduced as retailers benefit from selling the widest and freshest range of vehicles in its history.

Last year, the new Sandero and Sandero Stepway crossover arrived on the market in March, followed by the new Duster in September.

This summer, the Jogger MPV joined the line-up, with the unique selling point of being the UK's cheapest seven-seat vehicle.

COVID prompted a 38.9% slide in registrations from a record 30,951 units and 1.34% market share in 2019 to 18,918 and a 1.16% share in 2020. Registrations dipped a further 7.1% to 17,568 and a market share of 1.07% last year.

The arrival of new product appears to be playing its part in 2022.

Year-to-date to the end of August registrations were up 83.2% at 17,216 and July saw its market share soar to 2.46% as it delivered 1,691 units – up 108.3% year-on-year.

Broad expects Dacia UK to end 2022 with between 29,000 and 30,000 registrations and wants to double that volume by 2025, with supply constraints the only uncertainty.

He says: "It's not some sort of vanity project, I genuinely believe there is demand for our product.

"When I can see what's coming in the



## KEY PRODUCTS



### Sandero

New Sandero was launched in March 2021 priced at £7,995, or £11,495 for the Stepway. Now £12,595 or £13,595 the hatchback remains the UK's cheapest new car.



### Duster

Dacia's affordable SUV, launched in 2013, got an update in 2021. A long-awaited dual-clutch gearbox was among updates to the model now priced at £15,295.





**“YOU’LL SEE THE BRAND START TO BECOME A LOT MORE DIGITAL IN THE NEXT SIX-TO-12 MONTHS IF ALL GOES TO PLAN**

LUKE BROAD, DACIA UK



#### ◀ Jogger

The UK’s cheapest seven-seater, the Jogger is priced from £16,645. Dacia secured more than 1,000 orders in the first two weeks of the Jogger going on sale.



#### ◀ Spring

Its UK arrival is yet to be confirmed, but Broad is battling to bring Europe’s cheapest EV to his retailers’ showrooms. It is priced from €12,403 (£10,630) in France.



“pipeline for the next three-to-four years there’s absolutely no reason why we won’t be doing those sorts of volumes and becoming a major UK retail player. That’s my ultimate ambition for our brand, because I really do think it deserves it.”

Key to Dacia’s product appeal could be its ability to bring affordable electrified products to a market where MG currently leads the way.

A hybrid version of the Jogger will kick-off its electrification in 2023, but Broad is keen to see the fully-electric Spring EV brought to the UK as soon as possible.

Commenting on the prospects of adding Europe’s cheapest EV – the Spring is priced from €12,403 (£10,630) in France – to UK dealerships, Broad says: “We have put a really strong case forward to the Dacia business unit.

“As both a sales and marketing tool I would fight tooth and nail to get that car because it’s a no brainer, isn’t it?”

Dacia UK already has packed order books for its new cars, though, and has faced challenges in delivering its 2022 volumes due to supply shortages.

Wireless Apple CarPlay is one item that has proved hard to source, but Broad says the brand will always look to provide added value to customers when a new car’s specification falls short of expectation.

Describing the issue as “really quite painful”, Broad says: “You don’t want it to be a traumatic experience when it comes to handover. If we have had to remove something, we will always give the customer something to recognise that we’ve taken some value from a car.”

## PROFIT BOOST

Broad hailed the efforts of his retail network and the new Dacia business unit, which now features dedicated finance, aftersales and quality functions for the first time, in helping to drive registrations and profits in 2021 and 2022.

He says: “In such a short period, we’ve set



Dacia’s range has expanded rapidly recently and sales are climbing

up quite a good, dedicated organisation and we’re really starting to get things moving on, giving the brand the focus it deserves.”

Despite the lower volumes of recent years, Broad says an increase in prices has improved profitability for retailers.

In 2021, Renault Group franchisees achieved a 2.1% average return on sales, rising to 2.4% year-to-date in 2022 at the time AM interviewed Broad.

While the manufacturer does not divide its RoS figures out, Broad says Dacia’s own improved profitability was reflected by an 11% increase in chassis margin which saw retailers achieve a four-figure profit per vehicle for the first time.

“Some of that is due to a few price rises as you expect with cost of raw materials going up, but it’s not only that,” says Broad.

“We’ve also introduced a quality programme so, for those retailers who are looking after our customers and are generating really positive online reviews and online sentiment, then we reward them for doing that, which is contributing towards their profitability.”

Central to the Renault Group’s Renaulution

strategy is a push to halve the OEM’s number of vehicle platforms from six to three and reduce its manufacturing capacity from four million (2019) to 3.1 million by 2025 in a bid to cut €600 (£505) from the cost of producing each of its vehicles.

It also wants to transition from being “a car company working with tech to a tech company working with cars, making at least 20% of its revenues from services, data and energy trading by 2030”.

The brand’s digital evolution in the UK market may help to deliver the latter.

Part of the plan to drive profit still further for UK retailers includes the sale of merchandise and accessories in its dealerships and, more significantly, a focus on driving retention in both sales and aftersales.

## RETENTION

Although Dacia’s PCP (personal contract purchase) renewals rate stood at 28% when AM spoke to Broad, he claims that 80% of buyers stay with the Renault Group and 64% of Dacia customers – cash and finance buyers – stay with Dacia.

The brand’s finance mix comprises 60% of buyers who opt for a PCP.

Cash discounts on cars – which are already the market’s cheapest – are largely unheard of, but Broad tells AM that a 5.9% APR finance offer and the potential to offer two free services to customers taking up a PCP are incentives employed by retailers to encourage finance take-up.

In aftersales, 80% penetration with service plans helps keep customers in the franchised retail network.

Broad describes the asking price of £999 per month for an extended service plan as a “no brainer” for car buyers spending about £179 per month on a new car, suggesting the offer provided security in an economic climate experiencing a spiralling cost of living.

But he adds: “However, what we do see, and I don’t think we’re alone in this, three, four years on, we do see a really heavy drop off.

“That’s one of our key challenges that we need to work on for the next year or two.”

## DAKIA UK SALES AND MARKET SHARE %







The new corporate identity is seen at Staples Corner, London



Sketches as part of the logo and brand development

Broad says Dacia UK had benchmarked the service retention strategy of “a Japanese competitor” as it hatched a plan to drive a broader car parc to its franchised workshops.

In June last year Toyota and Lexus launched a service-activated Relax after-sales scheme which extended aftersales customers’ car warranty to 10 years and 100,000 miles.

“It could be that we create no-nonsense service plans where that is the price throughout the lifetime ownership of the car,” Broad says.

“There’s lots of things we can do, it’s just what can we do that is very Dacia.”

### REPUTATIONAL VALUE

Delivering value is set to become the core tenet of Dacia UK’s approach to car retail, rather than positioning it as the cheapest brand available.

Although this shift in terminology may have been prompted by some fairly sizeable price increases in recent times – the new Sandero’s £7,995 launch price has now crept up to £12,595 – Dacia still undercuts rivals.

And Broad wants to highlight the value, simplicity and “robustness” of its offering to both customers and retailers alike as it continues to make strides in a new, more independent, direction.

From a public-facing point of view, Broad suggests the brand is looking for partner-

ships and sponsorships to grow its profile. He says: “It’s easy to forget that Dacia is a young brand, we only launched in 2013 and it does take time to get your name out there.”

AM asked Broad whether he felt poor Euro NCAP safety ratings harmed the reputation of Dacia among prospective buyers.

The Jogger and Spring both attracted one-star ratings in recent collision tests.

Broads says there is a cost consideration attached to the fitment of advanced safety technologies including pedestrian detection, blind spot alerts and driver fatigue warnings, adding: “We focus on making the cars safe. Today, I’m not seeing any negative reputational damage off the back of it because, ultimately, I think customers appreciate what is tested and what that is all about.”

From a franchised retail perspective, the drive to grow the brand’s reputation, as its

image and model range continues to get a refresh, could be bolstered through wider engagement with the National Franchised Dealer Association (NFDA) bi-annual dealer attitude survey.

Just a third of its franchisees responded when Dacia finished 13th in the ‘overall’ ranking of 31 brands in the winter 2021/22 survey.

Broad hopes the creation of a dealer council separate from the Renault brand for the first time, efforts to encourage his team to dedicate a day each month to visiting franchisees and his efforts to act on feedback from the network will result in improvements.

“The feedback we get from retailers is invaluable and, hopefully, they can see that we’ve been working to act on it,” says Broad.

“While profitability is improving, we’re a straightforward brand to work with, with minimal overheads.

“I’ve taken on board suggestions about our approved used car programme and see that there’s scope for improvement there that we will act on.

“A lot has happened since I joined the business, but I think we’re making good progress. I’m leaving no stone unturned to realise the brand’s potential.

“I hope that our franchised partners can see that and are excited about the direction we’re heading.”



**IT’S EASY TO FORGET THAT DACIA IS A YOUNG BRAND, WE ONLY LAUNCHED IN 2013 AND IT DOES TAKE TIME TO GET YOUR NAME OUT THERE**

LUKE BROAD, DACIA UK

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# MINUTES WITH...

Aston Barclay chairman  
Greg McLeod



**You joined Aston Barclay in 2019. What is your background?**

I've been running companies since 2000, specialising in improvements and big challenges. I joined (Aston Barclay owners) Rutland Partners in 2017 after which there was a period of significant change. There was the acquisition of the Donington site, Independent Motor Auctions and The Car Buying Group (TCBG). This is the fourth automotive company I have run – the previous one was circa £60 million with six companies over three countries – but they were very much manufacturing companies. My focus has always been on the fundamentals of a business, which is the people and the detail. Whenever you open new sites, effectively doubling the size of the business, those strategies have already been set but the issue is 'do we have the right people and are they in the right place?' It was clear TCBG was a great business from the start, but we needed to move to a funder-led business model. There's a stage in every business where you need to move on from being an owner-operator. It's been great to see an already successful business go through the roof in terms of compound equity. That has been the major change, really turbo-charging TCBG – and the work on that continues. This year is all about bringing the business together with our group finance and HR and also product. We need to ensure we're maximising the best of TCBG.

**Following the appointment of (Car Buying Group managing director) Tom Marley as Aston Barclay Group's new chief executive what steps have been taken to more closely align the two elements of the business?**

**A WELL-DEFINED COMMON GOAL HAS ALWAYS BEEN AN IMPORTANT TOOL IN HELPING ASTON BARCLAY REALISE ITS SUCCESS**

**GREG McLEOD, ASTON BARCLAY**

As the business gears up for a period of growth, making sure everyone is focused on the right core message is important. That's why the leadership team has defined what the group's vision, mission and values are. It sets the stall out for what we want to achieve and how we'll do it. A business-wide series of internal communications has been shared with all employees on what the future holds for the business they work in, and how they can contribute to achieving success. Giving the group a well-defined common goal has always been an important tool in helping Aston Barclay realise its success and updating them for this new focus on the future will help align all employees for the future.

**With COVID-19's national lockdowns hopefully well behind us, how has the pandemic changed the way Aston Barclay Group operates?**

Aston Barclay Group went through a period of heavy investment in its digital capabilities prior to the pandemic. The future of the industry was clear, and so our digital tools were overhauled to offer our customers a wider and more meaningful choice in how they buy and sell with us. As a result, when the pandemic began, we were able to adjust the proposition within a week to offer a wholly online sales programme, with auctioneers hosting sales from their living rooms, and with vehicles lotted remotely. The early sales were relatively low volume while our customers worked through their own business' new processes, but it didn't take long for the Government to define car sales as being a critical element of the infrastructure requirements for UK PLC. Car dealers needed cars, and our vendors needed to keep their stock flowing into the market, so our purpose was very clear. Since then, Aston Barclay has been first to market a number of times; first to offer online sales, first to allow collections and first to open up the halls in a meaningful way. The decision to open the auction halls to the public wasn't one taken lightly. Clearly the business had to be cautious, where we put our people at the very heart of the decision. Making such a big change to the status quo at the time had to be done in a sustainable way, so customer surveys were undertaken to understand what level of appetite existed for a return to physical. The results were very clear. For some profiles of vehicle, it simply isn't possible for customers to buy that product online. Customers want to see, touch and hear that stock before buying. For Aston Barclay, a phased, safe return to physical sales while maintaining our enhanced online offering was a





challenge, but the results speak for themselves.

**Rutland Partners has been involved for four years now, what's next for ownership?**

Rutland has been a fantastic partner for Aston Barclay. During 2017/2018 it invested heavily in the group with the expansion in two mega-centres, Donington Park and our head office at Wakefield. Even during the lockdown, the investment continued, with further digital enhancements and, importantly, a commitment to a full learning and development programme for all colleagues. Under Rutland's ownership profits have been grown by more than 70% and volumes are up in excess of 22%. That is notwithstanding the huge impact of COVID-19 in 2020 and 2021. Aston Barclay has managed to outpace every possible measure with a keen focus on retaining key customers, winning new business and growing TCBG's market position.

**So, growth is the target, but what targets have been set?**

We have a big target to ramp up the volume of vehicles Aston Barclay remarkets this year by more than 27%, and then in 2023 that rises by a further 18% or more. While they are big steps, the foundation that has built during the past year has meant the business is able to scale easily. The team is now very focused on winning new business, and with the strong flexibility provided by our omnichannel approach, servicing all our current and future customers' needs is straightforward. Our burgeoning closed sale programme is helping dealer networks service their own business with stock distribution. Our OEM sales programme where vehicles are all held, inspected and distributed remotely is delivering cost savings for both Aston Barclay and the customers for a product that is for the most part still under manufacturer warranty. The Car Buying Group

## WITH THE CHANGES IN THE MARKETPLACE, INCLUDING ONE OF OUR COMPETITORS BUYING DEALER GROUPS, WE ARE SEEING OTHER DEALERS COMING TO US

GREG McLEOD, ASTON BARCLAY

has even bigger targets, with volume growth ambitions of 55% this financial year, and 40% in the next period. TCBG is also adopting new strategies in winning new work, with a recent deal to purchase vehicles from an online dealer. In all that it does, Aston Barclay Group is willing to try new and innovative ways of working, not only with the tools and technology it employs, but also with commercial deals between potential customers, allowing it to stand out from the crowd.

**How is Aston Barclay growing its client base to help drive increased volumes?**

Even in recent months, the auction business has won a multitude of new contracts, including MotorDough and Gates Ford, with contract renewals flooding in. Customers like that we remain resolutely focused on each and every vehicle that passes through the business, from buying it from the consumer, through the processing team right back into the

wholesale market. They also tell us that, while performance remains a critical factor in the decision to award us new or additional work, our approach to being able to innovate and move the business quickly to suit their needs is a differentiator when comparing us with rivals. With the changes in the marketplace, including one of our competitors buying dealer groups, we are seeing other dealers coming to us as they become concerned about conflicts of interest in competitor offering. These changes are allowing us to stand alone as a truly independent vehicle remarketing partner.

**A lot of car buying platforms have been launched in response to the used car supply shortages of recent years. How does TCBG differentiate itself?**

From day one the guys at TCBG set themselves up to be different from the market leader. We buy from a motorist's front door without quibbling. If we make an offer, we stand by it. In COVID, especially, the mentality of sellers changed. They realised that once you've travelled half an hour from your house to sell your car, you're not really in a position to haggle. There have been changes in the market – a number of new entrants – but most have found it hard to go up against a business like ours, which has tens of thousands of positive reviews.

**Businesses across many sectors have experienced issues with their logistics operations in 2022. How has this affected the Aston Barclay Group?**

As you grow, the problem of logistics compounds. This year, we are taking on a specialist logistics manager and we'll run our own logistics operations in regional areas. The time is right to really beef up that area. Currently we have 14 of our own HGVs and a vast number of trade plate drivers but, largely, it's third-party professional suppliers. The role of that logistics manager will be to move all of that logistics buying into the 21st century.

✓ **FACT FILE**

**HEADQUARTERS:**  
NORMANTON,  
WEST YORKSHIRE  
**DIVISIONS:**  
ASTON BARCLAY  
GROUP, ASTON  
BARCLAY DIGITAL,  
THE CAR BUYING  
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**KEEP THEM COMING**  
HOW TO ADDRESS AFFORDABILITY  
CONCERNS AS THE COST OF LIVING  
CRISIS STARTS TO BITE

PAGES 34-36

**SUPPORTING YOUR CUSTOMERS**  
HELP WITH SPREADING THE PAYMENTS  
IS ONE OF THE WAYS TO DISCOURAGE  
CLIENTS SKIPPING MAINTENANCE

PAGES 45-46

**CRUCIAL OPPORTUNITIES**  
EXPERTS HIGHLIGHT FIVE SUCCESSFUL  
TACTICS THAT CAN EXPAND YOUR  
AFTERSALES REVENUE STREAM

PAGES 53,57

# Fighting the cost-of-living crisis to keep customers coming back

As consumers feel the pinch some may skimp on car maintenance, so dealers must use all their tools to draw them in





**W**ith costs soaring, a constricted new car market and a used car market under pressure, the concern that routine vehicle servicing, maintenance and repairs (SMR) could be delayed, or cheaper alternatives sought by cash-strapped customers, is all too real.

Dealerships already have the challenge that fewer new car sales due to pandemic disruption and chip shortages means fewer service plan customers, plus many servicing and MOT cycles have remained out of sync since 2020's lockdowns.

Digital specialist Real Time Communications (RTC) points to recent Motor Ombudsman research which shows 56% of UK car owners who do not have a service plan are considering either missing (33%) or delaying (23%) their vehicle's annual service in 2022 to save money.

RTC insights director John Law says:

"The reality, which cannot be ignored, is that aftersales revenues were already falling before the impact of rising inflation kicked in from the start of April."

RTC's insights data, which tracks and benchmarks performance from motor retailers, reveals that when comparing Q1 2022 with Q1 2021, service-only revenues declined by 14%, equating to an average lost revenue of £7,091 per retailer.

RTC predicts a loss of more than £1 billion in aftersales revenues over the next four years, with cost-of-living considerations only adding to the problem.

Workshops and their industry suppliers are looking to mitigate the challenges.

EMaC has seen a growing reluctance among its dealers to fix service prices for much more than two years. This is despite the trend for monthly budgeting, well established among consumers, which has resulted in EMaC's best May ever for service plan sales followed by its best ever June.

Liam Finney, EMaC director of commercial partnerships, says: "Dealers and OEMs are telling us they don't know what the price of oil will be in six weeks' time let alone six years. They are requesting a cap on the number of years' length of service plans from three-to-four years to two-to-two-and-a-half years."

Service customers seem less keen to change cars. eDynamix recorded a 35% drop in vehicle valuation requests, from 23% of the vehicles in for a service to 15%.

#### SERVICE PLAN RENEWALS

"Customers are not interested in changing their car because of the cost-of-living crisis," says Steve Ure, strategic account director. "It also means dealers are not having the opportunity of selling a new service plan on a new car so service plan renewals have become more important."

Its auto-renewal for service plans, made available to all dealers three months ago, has had a significant take-up, with around 65% of customers auto-renewing their service plan with the dealer that originally sold it not having to do anything.

"It's been an overnight success," says Ure.

Ure claims the days of the service plan are numbered with the proliferation of EVs which require less servicing. eDynamix is already offering subscription plans incorporating additional services such as roadside assistance so the dealer can retain its direct relationship with the customer.

EMaC has also launched its own subscription plan to provide a more holistic approach to motoring but, crucially, unlike the fixed price element of service plans, the monthly subscription incorporates the ability to increase payments, providing protection against rising costs.

WMS Group's recently conducted Dealer Panel research shows two-thirds (65%) of

car buyers, in a bid to keep costs down, are now opting for older vehicles, while almost two-fifths (38%) are also purchasing higher mileage cars and a third (31%) are buying smaller vehicles.

Such decisions make the used car warranty even more vital as a dealer's retention tool.

Neil Monks, retail sales and customer services director, says: "Encouragingly, we are seeing an uptick in people investing in a longer-term warranty rather than settling for the standard three- or six-month standard cover."

CitNOW data reveals aftersales customers are now more cautious. Online approval of red work slightly improved to 22% in June this year up from 21% for the same month last year. However, just 12% of amber work, deemed to be not immediately urgent, was approved this year compared with 21% in June 2021.

So, while a higher value of amber work was quoted this year (£135m in June 2021 vs £155m in June 2022), which shows workshops have huge focus on retaining the car in front of them for more SMR, fewer customers were prepared to give the go-ahead compared with the same month last year when £9m more amber work was authorised.

Highlighting outstanding amber work to the customer at the time of the service booking could help boost authorisation while at the same time enhancing workshop planning and efficiency by enabling the workshop to order parts or tyres ahead of the car's arrival. That way, the customer's inconvenience is minimised if all work can be done in one visit.

RTC's figures reveal red work conversion identified through an eVHC (electronic vehicle health check) is on a downward trend – 52.5% down to 51.2% year-on-year (YOY) Jan 2022-to-May 2022; across five million completed eVHCs. However, the value of red work identified increased 19.8% YOY to an average value of £211.57 from £176.67 likely as a result of increasing numbers of older vehicles checked.

Law says: "If retailers can increase their conversions back up to last year's conversion rate of 52.5% – just a 1.4% increase, this would equal an average opportunity size of £32,000 per retailer per quarter. These marginal gains are where retailers can start to recoup lost revenues."

RTC also found the value increased by £132 per job when customers used a digital approval method compared with the average revenue generated from non-digital eVHC approvals.

Ure advises dealers to focus on the eVHC process including ensuring a video of all vehicles and work required is sent to the customer and to emphasise options such as 'buy now and pay later' and



# SPOTLIGHT:

## AFTERSALES

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 NEXTBASE  
Dash Cams

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Videos clearly showing the work that needs doing are becoming essential when seeking customer confidence



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the company partnered with providers such as Bumper and Payment Assist. Emails to customers should include the vehicle video and payment plan options so the customer simply provides their payment details and answers a few qualifying questions and the decision is made in seconds.

'Flying off the shelves' is EMaC's 0% finance product with one dealer group combining it with service plan technology. Should a non-service plan customer cite cost as an objection during a service reminder call, they are offered a payment plan if they commit to today's service as well as next year's with the cost spread over 10-12 months. Launched eight months ago, the group has so far retained 400 customers it would have otherwise lost.

### IMPROVE COMMUNICATION

Finney says: "It is right in that sweet spot of how dealers look to capture consumers and service work where previously the consumer would have left the franchised aftermarket."

Making it easier for customers to access, book and pay for aftersales services will help boost retention.

"Dealers need to look at what else they can do to allow their customers to book online," CitNOW chief executive Alistair Horsburgh says. "I think it's important customers can see how much servicing and repairs will cost them."

Dealers also need to make better use

of messaging apps such as WhatsApp to allow customers to communicate with the dealership without having to engage in a direct conversation or converse by text in real time in the way live chat requires. Meanwhile, Horsburgh says, dealers must integrate a mechanism with live chat and messaging apps to enable customers to make a service booking without requiring a service advisor to ring back and confirm.

"We think that's a growing trend which has grown out of COVID and dealers need to think about how to apply it more in aftersales," says Horsburgh.

Online check-in has proved to be a game changer for retailers, according to Ure, since the eDynamix system includes additional products and services with customers far more comfortable upselling themselves than if over the phone by a call centre advisor.

Some 15 months since the eDynamix online check-in has been live 486 dealerships are now utilising the system, and several car brands are backing its use. Around 75% of the customers who are offered the online check-in are using it, compared with around 35% at launch. One dealer experienced a 230% increase in the monetary value of customers taking add-on products through the system compared with bookings made through its call centre.

Currently, around 30% of service customers using the online check-in are choosing additional products and services.



**IT (0% FINANCE PRODUCT) IS RIGHT IN THAT SWEET SPOT OF HOW DEALERS LOOK TO CAPTURE CONSUMERS AND SERVICE WORK WHERE PREVIOUSLY THE CONSUMER WOULD HAVE LEFT THE FRANCHISED AFTERMARKET**

LIAM FINNEY, EMaC

A consumer survey from Marketing Delivery found 65% of people would make a booking with a dealership that proactively contacted them when their service or MOT is due. Its VoiceBox software delivers automated customer communications with joint service and MOT reminders proving the most effective. From February 1 to May 31, its clients have seen retention rates of 18% for MOTs and 39% for servicing but, when offered together, retention jumps to 42%.

A new nationwide survey conducted among 1,000 UK car owners by OnePoll, and commissioned by Castrol, found a little less than half (45%) cited the perception that the work carried out represents 'good value' as the top factor influencing loyalty. Only 11% would stay loyal to a workshop simply because it is the cheapest. Convenience would persuade 42% to return; 40% would stay loyal if they believe staff are 'well trained'; and 39% if work was explained clearly and authorisation sought.

Layla Yeballe, service and maintenance marketing lead at Castrol Europe, says: "It's clear motorists will keep using a workshop that explains what work is required and how that work represents good value. Many motorists are happy to pay more to ensure optimal vehicle reliability and performance, so communicating the benefits effectively will help unlock additional sources of revenue and help to build loyalty."



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# Innovative new platform provides same-day decision on insurance claims

Nick Edwards (right), Head of Operations for Car Care Plan, has led the development of the new claims portal, which is helping thousands of customers a month make quicker, easier claims

**Q** Can you tell us about the new claims platform and why it was needed?

**A** We are always looking for ways to make our claims process quicker, simpler and easier to follow. That is exactly what our new claims portal was developed to do.

For example, it has drastically reduced decision-making on cosmetic repair claims.

The average processing time for a claim, prior to the new portal, was approximately three-to-four days.

This has now been cut to just one.

Not only does this reduce the stress of waiting for a decision, but it also helps customers get their car repaired sooner.

**Q** From four days to one. That's a massive improvement. How were claims processed before the introduction of the new portal?

**A** Customers had two options when putting in a claim: either over the phone or via an app.

Although the apps were very successful, they did have a few drawbacks; they were a little difficult to maintain and didn't allow customers to input a high level of information.

The app did not allow us to offer customers any examples of repairs or work out the extent of a repair until images were received from customers.

This meant that customer claim journeys weren't as smooth and the initial claim submission was rather basic.

Whether it was a telephone claim or through the app, we would have to email customers to get more info on the claim, which was a time-consuming process.

Once the claim was approved, it was all automated, just as it is today.

As the market leader, we felt it was important to take the initiative and streamline the process to make the journey smoother from start to finish.

## COMPANY PROFILE

Car Care Plan is one of the world's leading providers of vehicle warranty, asset protection, cosmetic warranty and other aftersales motoring programmes.

We work with major manufacturers, franchised and independent motor dealers and have several major affinity partners. We are the leading provider of vehicle warranties and GAP insurance in the UK, registering more than a million policies annually.

Established in 1976, we've grown by developing successful long-term relationships with our clients and through a dedication to customer care. We have offices in the UK, China and Brazil and have a significant global presence.

Car Care Plan is FCA-regulated and is owned by AmTrust Financial.

We are the preferred supplier to more than 25 motor manufacturers and benefit from working closely with sister company, Motors Insurance Co Ltd. Car Care Plan is dedicated to building long-lasting relationships. We provide dealers with regular training from our dedicated account teams to ensure high standards are maintained. We have a state-of-the-art call centre and a straightforward approach to handling claims.

Call: 0344 573 8000

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**Q** That's when you looked at developing a new way to process claims?

**A** Yes. We stepped back and looked at the ways we could improve and have created an innovative process that takes customers through a step-by-step journey, using a secure login, to help us process a claim.

**Q** Can you take us through a typical customer journey using the portal?

**A** When customers log on, they can view and select the policy they have purchased on the interface – for example, alloy wheel insurance. They would then receive a list of options relating to the damage on their vehicle and can select which resembles theirs the most in terms of size, location and extent of damage.

This means we're able to have all the information regarding the damage upfront.

Once the customer has submitted the claim, they can view its journey through the portal. This avoids the need to call the provider and chase the status of the claim. Instead, it's readily available at the click of a button.

**Q** Presumably this has improved the accuracy of the information you're receiving from the customer?

**A** Absolutely. There's a huge cut in emails as we're collecting the necessary info upfront, which means the repairer gets a more accurate summary of what needs to be done, speeding up the whole repair process.

As the portal allows a more accurate diagnosis, it means fewer visits needed from the repairer, DWV, which, in turn, opens more time and capacity to complete other repairs. This should lead to even lower waiting times for customers. The average time for claim approval is now one day, current lead times for DWV is two weeks – so we're already seeing a reduction from 24 to 17 days total for a repair to be complete.





## “THERE’S A HUGE CUT IN EMAILS AS WE’RE COLLECTING THE NECESSARY INFO UPFRONT

NICK EDWARDS, CAR CARE PLAN

**Q** Will the claims portal continue to evolve and develop? Maybe we will see even quicker claims approvals in future?

**A** That’s the aim. There is ample opportunity to progress the portal further and to increase the ease of repairs. It’s opened the door for the claims portal to become a customer’s ‘one-stop-shop’ for all information about their products, including policy documents and offering payment and claim contributions via the portal – so, in the long term, there is a huge opportunity for progression.

We are hoping to improve automation too. For example, some types of damage are well within the policy parameters, and spending time doing a detailed assessment of those claims just adds unnecessary agent time to the process.

We will be looking to automate the approval of those claims effectively in real time. We want to continue to refine the one/two day working period and bring it down further. It takes away any anxiety about whether the repair will be approved for the consumer and allows our staff to focus on the more complex claims, providing even faster responses.

**Q** How have customers been getting on with the new portal?

**A** We’ve had very positive feedback so far and we can see that the portal is really beginning to take off. Just looking at the number of claims processed through the claims portal demonstrates its success.

In May, we had around 4,000 claims come in through the portal, fast forward to August in which we’re set to exceed 6,000 claims. Stats show that just 30% of our customers are claiming via the phone whereas 70% now do so through the portal. We anticipate building towards 7,500 claims per month.

So, it has been a huge success and we’re only looking to build on it, further improving the customer journey.

# Drive market share of segment 2 & 3 aftersales

Attracting bookings for older vehicle servicing is good news for dealer workshops

**Q Why is it so important for dealers to attract older vehicles into their workshops?**

**A** The reducing segment 1 vehicle parc and the growth of electric vehicles is reducing traditional ICE (internal combustion engine) servicing requirements. This is the segment dealer aftersales has relied upon, meaning dealers are having to run expensive marketing campaigns to try to stop customers lapsing or to regain those who have lapsed. For many, this can be a costly exercise for little return.

SecretService from BookMyGarage (BMG) offers dealers the opportunity to target older vehicles, delivering great business benefits. The parts and service teams may be the immediate beneficiaries of these bookings, filling gaps, providing crucial parts and labour sales. However, we also know that sales teams successfully sell cars to these new customers, and, of course, any bodyshop/smart repair operations can also be on hand. As importantly, with declining customer databases, getting a lapsed customer back and new conquest customers in, builds future sales opportunity.

**Q What, exactly, is SecretService?**

**A** SecretService is the franchised dealer and OEM arm of BookMyGarage, specifically developed to drive crucial market share of segment 2 and 3 aftersales work into dealer workshops. SecretService delivers competitively priced bookings, that still produce a healthy margin. Even more than this, they create an upselling opportunity which sees the final booking value increase on average by 73%, further enhancing profitability.

**Q How is SecretService not just discounting OEM servicing?**

**A** By using our unique service schedules, a dealer can position themselves competitively with local independents, as they are offering the same service 'apples for apples' but, as the dealer is not revealed until after the booking, its brand is protected. This offers

a far more practical option than discounting manufacturer servicing and the substantial upsell opportunities help drive additional revenue.

Each partner is listed as a SecretService provider, highlighted at the top of the page as 'SecretService'. This allows consumers to make an unbiased booking decision using such elements as reviews, price, location and detailed availability. We also work to emphasise the value of a dealer booking, focusing not just on price, but also quality of service, training and reviews. Once the booking is confirmed, we then reveal the identity of the dealer.

**Q How effective has SecretService been at delivering profitable work to dealerships?**

**A** So far, we have already delivered tens of thousands of bookings. More than 70% of these customers were never seen by the dealership before; 95% of these were from segments 2 and 3 or older. Our partners tell us their final invoice values achieved are higher than their normal bookings, as older vehicles need more work! OEM advisories are also highlighted on BMG to drive more bookings into the dealer. Our brand has also become a household name, helping to drive more bookings with the number of people

checking prices with BookMyGarage now topping 5.5m, and this year being used as a question on *The Chase*. Thankfully the contestant got the question right.

**Q You say you provide competitively priced service bookings, from older segments. But how is this done?**

**A** We work with our partners to ensure a fair, but competitive, local price is set, using our unique service schedule to create a differentiated SecretService price. Once the vehicle is in the workshop, the usual vehicle health check processes kick in and the dealer has their new customer. Our partners trust our pricing to drive new customers into their workshop, and it is then their experience, quality and professionalism which gives the consumer something extra, for example a video report on any issues, which many independents just don't offer. In turn, this generates trust, fantastic reviews and repeat business for our partners.

**Q How has the pandemic affected your dealer partners?**

**A** We've seen increased demand for our service, with the increasing importance of driving revenue from aftersales. In addition, as we can look directly into dealer diaries, checking availability, we only book available slots. This means any staffing issues driven by the pandemic can be managed, while filling last minute available slots to re-fill any unsold hours.

**Q And how do you see the remainder of 2022 and beyond?**

**A** Clearly these are both challenging and yet exciting times. We always knew with the emergence of EV, aftersales would have to adapt. The current situation is forcing the industry to adapt quicker than expected. We believe we are absolutely a part of the solution and are looking forward to helping not just our existing partners, but future new partners, achieve their goals in these extraordinary times. Just recently a partner referred to us as being "incredibly agile", which is something we hope to bring to even more partners going forward.

## COMPANY PROFILE

**Key products:** SecretService™ & Bookmygarage.com

**Key staff:** Trevor Boswell, Karen Rotberg

**Launched:** SecretService 2018

**Based:** 1000 Lakeside, Western Road, Portsmouth, PO6 3EN

**Visit:** [secretservice.co.uk](https://secretservice.co.uk)

**Email:** [trevor.boswell@secretservice.co.uk](mailto:trevor.boswell@secretservice.co.uk)

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# Increase your aftersales profits with Dash Cams



Neil Stewart is Head of Independent Sales at Nextbase Dash Cams, the global leader in Dash Cam technology. With more than 20 years' experience in the automotive and consumer electronics industries, Neil has a detailed understanding of how to support automotive dealerships. He was inspired to develop the Nextbase automotive dealership programme to help automotive dealers optimise their revenue streams through Dash Cam aftersales, without having to spend time and money organising their own training and collateral to support sales.

Globally recognised automotive manufacturers, including Hyundai, Lexus, Kia and Toyota, have partnered with Nextbase to offer their customers Dash Cam products and automotive dealerships across the UK have benefited from Neil's support to earn additional revenue from including Dash Cams in their aftersales programme.

Hear from Neil about why upsales are good sales, how aftersales will help your dealership to future-proof revenue streams and why Dash Cams are the perfect product to optimise aftersales profitability.

## **Q. Why are aftersales programmes growing in importance to car dealerships?**

A. Research demonstrates that car dealers make an average of five to seven percent profit on new cars, with this rising to 12 to 15 percent on used cars. Unique market conditions have led to record vehicle prices since the pandemic, but car dealerships are continuously looking to future-proof their revenue streams – especially with current trends, such as electrification, reshaping the landscape of vehicle sales and aftersales. During the Driving Digital Conference in May, there was lots of discussion on how 'upsales are good sales' and add-ons, such as gap insurance, extended warranties, service plans

and vehicle finance, can enhance the vehicle purchase experience and optimise per unit profitability for a dealership.

## **Q. Why should dealerships be looking to integrate Dash Cams into their aftersales programmes?**

A. From a customer perspective, a Dash Cam is an obvious choice for those who want to protect their investment, and themselves and their loved ones. Studies have also shown people feel safer behind the wheel when a Dash Cam is installed. Unlike gap insurance, motorists will interact with their Dash Cam almost every time they get into their vehicle, so it is perceived as having a high value to the vehicle owner. Using a Dash Cam can even reduce insurance premiums, lowering the total cost of ownership for a new, or used, vehicle.

From a dealership perspective, Dash Cams are extremely easy to upsell, even for the most inexperienced member of the team, and each unit offers a large profit margin. At Nextbase, we have developed a bespoke solution for our automotive dealership partners that includes installation and sales training for teams, point of sale collateral to help dealerships promote the product, and, of course, a Dash Cam that is exclusively designed for the automotive industry to differentiate it from models available on the high street.

## **Q. How long does it take to integrate Dash Cams into an aftersales programme?**

A. Most of our established dealerships, such as Croydon Mazda, were trained and ready to upsell within a 24-hour period. With on-site support from Nextbase, the Croydon Mazda dealership sales team and installation technicians had been trained and were ready to include Dash Cams in the sales process to help vehicle owners enjoy peace of mind and security following their purchase.

All of the training, whether this is technician or sales training, is completed on-site at the dealership's location. Training can also be provided after hours, or at weekends if dealerships prefer, to ensure that they are ready to maximise revenue on every Dash Cam sold from day one.

## **Q. Are Dash Cams compatible with electric vehicles?**

A. Absolutely. It is a myth that Dash Cams are not suitable for electric vehicles (EV) and Nextbase



## Advertisement Feature



Dash Cams can be installed on electric, plug-in hybrid electric (PHEV), hybrid and conventional internal combustion engine (ICE) vehicles. The electrical system in an EV is similar to an ICE vehicle and we use covert hard wire kits that simply tap into the vehicles fuse box so that no wires are ever cut, or damaged. We also carry out extensive testing and evaluation with our OEM partners on their new EV and PHEV vehicles to ensure that there are no challenges with installation or use.

### **Q. Can Dash Cams be installed in commercial vehicles?**

A. If a dealership is focused on commercial vehicle sales, it can still offer Dash Cams as part of its aftersales programme. The Nextbase automotive products have a vertical adjustable lens, so if a vehicle has a very flat vertical windscreen, it can be adjusted to suit. All of the Nextbase products are 12-24 volt compatible, which ensures that HGV vehicles can benefit from Dash Cam installation.

### **Q. Can a Dash Cam be included in a customer's finance package?**

A. This does depend on the finance company, but it is the simplest way to sell a Dash Cam.

We know that a new, or used, vehicle is the second biggest investment a customer makes after buying a house, so why wouldn't they want to protect their high value investment? A Dash Cam might only cost them an extra £9 per month (depending on APR rates and product purchase price) and a driver can interact with their Dash Cam on a daily basis so the benefits are

immediately obvious to them. Try doing that with gap insurance!

### **Q. How will I be able to compete with high street retailers who sell Dash Cams?**

A. At Nextbase, we have an exclusive automotive range, which is used by our OEM partners including Lexus, Toyota, Hyundai and Kia. These products are not available online, or in national retail outlets, so dealerships can rest assured that the profit margins are good and without price competition.

If you are interested in discussing how you could add Nextbase Dash Cams to your aftersales programme, contact

**Neil Stewart, Head of Independent Sales**, by **email: [dealerships@nextbase.com](mailto:dealerships@nextbase.com)** or by **phone: 07902 341017**.

Find more information about the Nextbase automotive dealership solution here:

**[www.nextbase.co.uk/automotive-dealership/](http://www.nextbase.co.uk/automotive-dealership/)**

# **NEXTBASE**

Dash Cams

#### **Company profile**

Company: Nextbase

Founded: 1999

Key products: 380GW and 380GWX Dash Cams

Key staff: Neil Stewart, Head of Independent Sales

Based: London, UK

Visit: [www.nextbase.co.uk/automotive-dealership/](http://www.nextbase.co.uk/automotive-dealership/)

Email: [dealerships@nextbase.com](mailto:dealerships@nextbase.com)

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# Helping cash-strapped customers foot the bill

As the cost-of-living crisis continues to squeeze motorists' budgets we explore the tools that could help improve affordability and retention

**A**s consumers are coming under increasing financial strain from soaring inflation and the cost-of-living crisis, so car dealerships are stepping up to help them through these challenging times.

Rather than hitting customers with major repair bills when they come in to collect their vehicle from a service or maintenance, dealers are allowing them to spread the cost of payment over several months, interest-free using finance companies such as Alphaera and Bumper.

Similar to the 0% motor finance deals offered by dealers, as consumers become more familiar with these 'buy now, pay later' products, so their adoption has increased, particularly as the vehicle's age advances and it requires more maintenance.

This is also enabling motor retailers to

**“WHEN THEY NEED A VHC DONE, (CUSTOMERS) WILL RECEIVE A REPORT OF WHAT IS DUE AND IT'S ALL PRICED UP**



JACK ALLMAN, BUMPER

bring home a positive message of affordability in their marketing communications with consumers, which, in turn, is boosting their reputation at a time when many people are struggling and need all the help they can get.

Bumper is a service that enables consumers to spread their vehicle repair cost over monthly repayments interest-free. Customers can split their bill up to a total of £5,000 over one to six payments.

After entering their postcode and vehicle registration, they can secure a credit limit which can be redeemed in a partner dealer or garage for work that needs to be carried out.

Jack Allman, chief commercial officer and co-founder at Bumper, says the service has been largely digitalised to make it easier for consumers to use, without the need to speak with a service advisor or visit a dealer.

By integrating its product into retailers' platforms including online service booking, vehicle health check (VHC), video and dealer management systems, customers can choose the work they want to be done, where and when at their convenience, he says.

"When they need a VHC done, they will receive a report of what is due and it's all priced up," says Allman. "At that point, they will be offered the chance to spread the cost of the work required."

"This gives them the confidence to know they can get the work done and be able to afford it by paying it off over a timescale that suits them."

Allman says there had been a surge in uptake during the COVID-19 pandemic and again now that the

Spreading costs is one of the ways dealerships can support their customers



# SPOTLIGHT:

## AFTERSALES

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Cost-of-living crisis is starting to hit people's wallets. In the past nine months alone, he says that engagement with the sites Bumper works with has more than doubled, while the average age of the vehicle being repaired has also gone up significantly to six-and-a-half years, driven by the current microchip shortage and new car supply issues.

"People are clearly hanging onto their vehicles longer," says Allman. "Therefore, because of the (increased) age, the cost of repairs is more significant than on newer cars, and that's where customers are seeking more flexibility to be able to meet the payments."

Allman says customers are also more accepting of paying a large repair bill if it is spread over several payments. That is reflected in Bumper's Trustpilot average review scores of 4.9 out of five, he adds.

Umesh Samani, co-founder of the Independent Motors Dealers Association and owner of Specialist Cars, says it is important that motorists get their vehicles serviced and maintained regularly to ensure they are safe. But he adds that they may decide against it because they haven't got the money to get it done.

"Often customers will skip a service or tyre change because they haven't got the funds to do it," says Samani.

"But they need to (do it), not only to keep the vehicle running at its optimum, but also for safety reasons."

To help keep costs to a minimum for the customer, Samani shops around for the most competitive parts on price, but without compromising on quality. He has also been promoting the benefits of using 'buy now, pay later' services such as Bumper, which his dealership partners with, using videos on social media.

"We are trying to be more proactive by telling the consumer that these services are available to be taken advantage of, before they come into the dealership," says Samani. "And they seem to be appreciative of the fact they can get the work done at their convenience without having to worry about paying everything on the spot."

Will Blackshaw, director at Blackshaws Alnwick, introduced interest-free payments for repairs two years ago. It also runs service plan schemes and extended warranties, particularly as people are keeping their vehicles longer.

He also offers MOT insurance to cover against the costs of repairs or replacement of parts, including labour and VAT if a vehicle fails the test.

"It's a win-win all round," says Blackshaw. "We know from research that customer satisfaction is higher when the customer is on a service plan, and we would like to think that the same is true if they are spreading the cost of repair bills and using MOT insurance."

Graeme Potts, chief executive of Eden



**OFTEN CUSTOMERS WILL SKIP A SERVICE OR TYRE CHANGE BECAUSE THEY HAVEN'T GOT THE FUNDS TO DO IT**

**UMESH SAMANI, SPECIALIST CARS**

Motor Group, says he regularly checks his rates against competitors to ensure his group remains competitive. He also never adds extras to an original quote for work that needs doing.

"Our bills are entirely inclusive for what we quote," says Potts. "We have always stood by the fact that we will never over-describe or oversell. For example, we will tell customers about any advisories from a VHC and then follow up with a reminder in case they are now in a position where they need to do it."

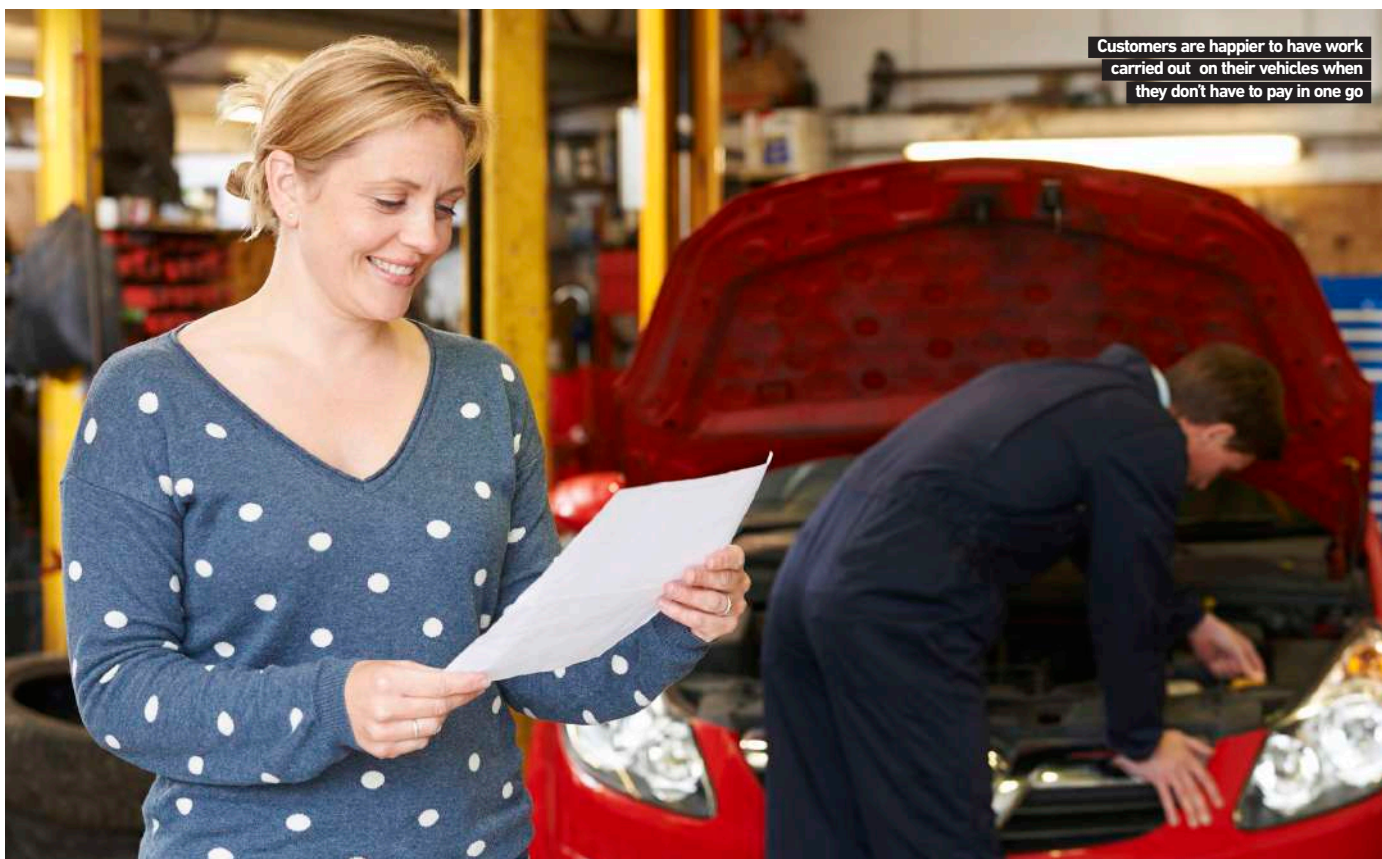
Kirk Franks, head of national sales at Alpha UK, cautions, however, that robust finance affordability checks must be carried out to protect the consumer.

He says that this was particularly important given changes in the macro-economic environment or in an individual's personal circumstances.

"It's a sensitive, but vitally important, area in terms of the relationship with a customer, hence it is a focus area in the Institute of the Motor Industry's accreditation scheme for finance and insurance sales specialists in order to ensure staff engage effectively and confidently with consumers on the subject of affordability," says Franks.

"Finance lenders have the responsibility of assessing consumers' ability to make repayments across the short-, medium- and long-term."

**ALEX WRIGHT**



**Customers are happier to have work carried out on their vehicles when they don't have to pay in one go**



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## Let us do the hard work today, so you avoid the hard knocks tomorrow!

Ex-England and British and Irish Lions second row, Steve Bainbridge, (Direct Affinity Europe's Performance Director) has also had a long career in automotive retail and notes there are some surprising parallels between international rugby and the somewhat tougher world of the aftersales arena!



In all of his 18 caps for England, Steve Bainbridge was always in the thick of it...

*"I'm often asked about my memories of a particular game or passage of play and the response I give always comes as a surprise: I don't remember!"*

*That will sound strange but the honest truth is that when you're playing against the best players in the world, you're just focused on the here and now. You're not thinking about the bigger picture."*

### So, what does this have to do with keeping the lights on in the workshop, as the cost of living crisis starts to bite?

*"It's those repetitive drills and hard yards put in at the training ground that really bear fruit on the pitch during those high-pressure moments."*

#### That's the situation we're facing now.

*"There's a crunch coming, but it's a slow-motion train crash. It's inevitable but we're not at the point of impact yet. My rugby career tells me that if you can do the work up front, it will help lessen the hit that's coming down the tracks."*

So, what can be done now in mitigation?

Aftersales work is always a distress purchase and we all delay it if we

can. *"That can wait until its next MOT" or "They're not worn out yet."*

This is the catch with AMBER WORK – Rich in opportunity but it's opportunity that often goes begging.

As Steve identifies: *"Across the board, we see that red work, irrespective of brand, converts to sale at 50 – 55%, while like, for like, amber work converts at just 5-10%."*

*It's crazy – we do all the costly, hard work up front with the VHC, identifying tyres at 3mm, or pads 3/4s worn, but it's not turning into recurring workshop revenue in the months ahead."*

*The elephant in the room is resource: Service reception and associated booking teams are just too busy dealing with every other issue that ends up hitting them; from End of Warranty to Recall. There's always too much that they need to react to now, that impacts on what could be done proactively."*

*If you don't have a process of "Re-engage, Remind and Re-book", customers are ending up going elsewhere when their job becomes RED WORK."*

**In short that's where Direct Affinity Europe comes in with our Aftersales Plus Programme.**

We turn today's Amber work into tomorrow's Red work, delivering incremental retail labour sales through increased conversion.

Every Amber opportunity, that is not converted at the time of identification, is placed into a sophisticated *"Right Person, Right message, Right time"* contact programme designed to re-appoint the customer at a time that works for them, (and the business). We automate the process thus taking the onus and responsibility away from the service advisor, freeing them up to do what they do best: Keeping your customers happy.

We've got the team and technology that allows us to focus strategically on keeping clients' service bays full in the coming months, so knee-jerk tactical actions, that destroy profitability can be avoided, or at the very least, dialed back.

It's just like rugby really. Get the strategy right and the tactics become secondary!



**Direct Affinity**  
EUROPE



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\*offer available until 31st October 2022



## Unlock your Aftersales potential with our **VoiceBox Aftersales** solution.

Our consumer survey found over **65% of people would make a booking with a dealership that proactively contacts** them when their Service or MOT is due. VoiceBox Aftersales helps dealers:

- ✓ Increase Service and MOT Bookings
- ✓ Improve Customer Retention
- ✓ Keep In Touch with Customers

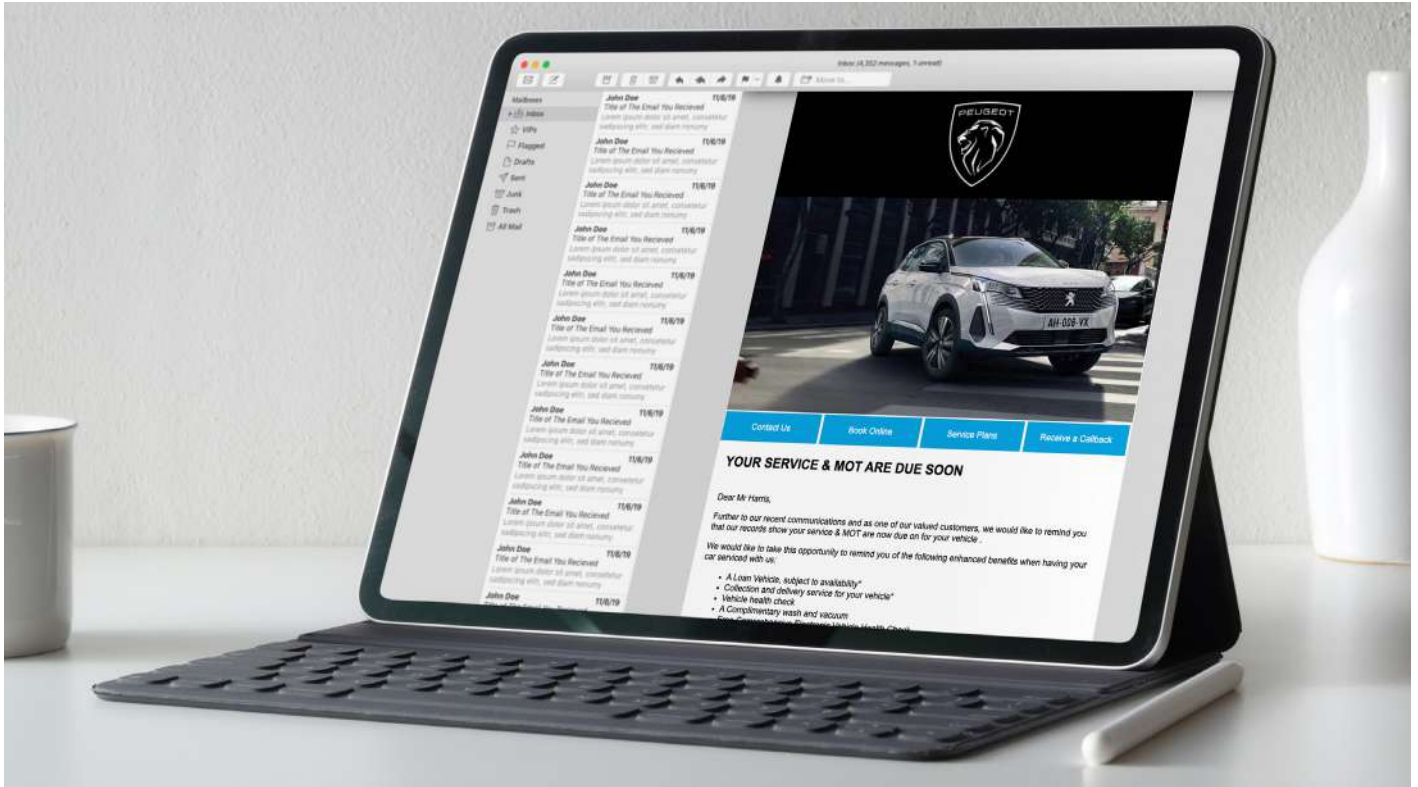
**Marketing Delivery**



**VoiceBox**



# Timely reminders can produce aftersales upselling opportunities



## CUSTOMER CONVENIENCE

As consumers navigate the cost of living crisis, maintaining vehicle health might not be at the top of the list of spending priorities, so it's crucial to keep highlighting the importance of aftersales – in the right way, at the right time and for the right reasons.

Data from Marketing Delivery has found that 65% of car owners are more likely to book a service or MOT with a dealer who proactively contacts them when either, or both, are due. Introducing simple and timely prompts like this improves aftersales retention and helps to identify additional opportunities.

## DIGITALISE AND AUTOMATE

To ensure a positive customer response, data must be impeccable. Without accurate data, credibility is immediately lost, so Marketing Delivery works side-by-side with dealers during the set-up of its VoiceBox software to cleanse existing data and ensure records are complete

before commencing outbound communication. This process is streamlined by third-party integration, such as a link to the DVSA database to cleanse and update customers' MOT renewal schedules.

With the help of VoiceBox's automated email and SMS communications, hyper-targeted, personalised and timely messages can be sent to customers in a GDPR-compliant way. They can opt-out of the communications if they have gone elsewhere or have sold the car, maintaining data integrity at all times.

## DUAL REMINDERS

With accurate records, dealers can reach out to customers about more than just MOTs, encompassing seasonal health checks, amber reminders and deferred advisory work. Missed work is detrimental to vehicle health and has implications for the dealers' future stock not being forecourt-ready.

One way of easily combatting this is by

combining service and MOT reminders. If a customer is booking into the workshop for an MOT, why not book a service simultaneously? And if the dates don't align, what other opportunities exist to upsell?

Data from Marketing Delivery's dealer users across the UK suggests that MOT-only reminders have an average conversion rate of 18%, while service-only reminders generate 37% conversion, on average. However, when a reminder is sent for MOT and servicing combined, retention figures were higher still, at a very healthy average of 42%.

VoiceBox issues automated customer-specific communications, making it easier than ever to target the right customers at the right time to ensure action and open other aftersales upselling possibilities.

Car retailers can contact Marketing Delivery for a free, no-obligation guide to VoiceBox via [www.marketingdelivery.co.uk](http://www.marketingdelivery.co.uk) or by calling 01892 599 917.

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# 5 Aftersales services set to grow in importance

As the growing EV car parc raises concerns about the profitability of aftersales departments, Tom Seymour takes a look at five areas managers should target to boost business

**M**arket and economic forces have created a scenario where savvy franchised departments are looking outside their traditional zero-to-three-year-old vehicle bread and butter.

Segment two (three-to-five-year-old) and segment three vehicles (five and above) are the areas of the vehicle parc where there is most opportunity.

The decline of new car stock, the switch to electric vehicles (EVs) and the cost of living crisis that is pushing some to seek older used cars as a better value option needs a multi-pronged approach.

Before addressing any of these ideas, Richard Gough, Marshall Motor Group head of aftersales for its Mercedes-Benz division and multi-site general manager, says it's worth thinking about the mindset of customers for older vehicles.

He tells *AM*: "We've written bespoke training modules for our service advisors and front of house team around interacting with different customer types, including segments two and three.

"We want them to have the skills to look at health checks on older cars and think about how customers might be more price-sensitive to work that has been identified.

"We need to make sure our training is up to speed with our strategy to focus on these older vehicles."



## BRAND-POWERED OFFERS

Car manufacturers have been supporting their franchised dealers in some instances to help specifically target older vehicles.

Sukh Garcha, Vindis Group divisional head of aftersales, says: "We are definitely seeing customers holding onto their cars for longer."

It's something VW Group has identified for its network too, which is why it launched its All-In enhanced service plan.

The plan is aimed specifically at vehicles aged between three and six years old and includes two years' roadside assistance, two years' warranty, two MOTs and two services for £29.99 a month. Vehicles need to be less than 100,000 miles and 2.0-litres or below to qualify.

Garcha says: "It's definitely had an impact on attracting those customers with older vehicles. Our VW sites were in the top 50 in the UK for selling those All-In plans in Q2 this year against targets set by VW."

VW estimates All-In can save customers nearly £930 for the equivalent services and features.

Paul Parsons, Steven Eagell aftersales director, tells *AM* Toyota's Relax warranty offering has also been working for the group.

Customers with a Toyota or Lexus that is less than 10 years old and has travelled fewer than 100,000 miles can get a 12-month warranty when they bring in their vehicle to a main dealer.

He says: "You could buy a six-year-old Yaris and then come to us for a service and you'll get a 12-month manufacturer warranty with that vehicle."

Parsons says Relax has helped with increasing Steven Eagell's penetration to retain four-to-10-year-old vehicles for service from the high thirties last year to 53.5% now. This compares with the national average for Toyota across the network of 38%.

## TYRES

Tyres are a competitive market, but, as Marshall's Gough explains, this is a vital area of retention leakage. Once customers start going elsewhere for tyres, they're likely to be lost for servicing too.

He says: "Traditionally, you wouldn't see a tyre-only booking in a franchised workshop. We're looking at how we can be more productive with the space we've got in terms of accommodating smaller jobs like tyres.

"Tyres need to be competitive on price and used as a retention tool, rather than solely as a profit centre."

Having the right stock available on the day is essential. Gough's teams look at future bookings to see what's coming in to make

sure they'll have the right tyres ready to go.

He says: "Managing a parts department can be seen as a bit of a dark art, but you can be more organised with a little bit of focus.

"If a customer just needs a tyre, can you be open to fitting them in with the space and time you have? Some dealers need a bit of work on being creative with their ramp space."

Parsons says Steven Eagell is "hugely into tyres" and works in partnership with national distributor Stapletons.

Each vehicle that goes through the workshop will get a tyre check. Customers will normally be offered two choices of tyre dependent on budget and every parts department across the group will hold between 50 to 100 tyres.



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Franchised dealers, dealer groups, and used car supermarkets can now offer their consumers industry-leading warranty protection, service plan, MOT, and nationwide recovery for a single monthly payment. Total Care enables Warranty Administration Services clients to bundle tailored products together and create the ultimate peace of mind aftercare solution.

Operations Director, Jo Rimmer, said: *"This exciting innovation allows clients to meet the increasing demand for monthly subscription aftercare while supercharging customer retention. The entire package is tailored and white-labelled to the dealer.*



*We then go a step further, taking care of everything else which includes onsite training, claims handling, and Direct Debit collections."*

With over 38 years of experience working alongside the biggest names in the industry including Hendy, T.C. Harrisons, Arbury, and Greenhous, Warranty Administration Services have designed Total Care to help franchised dealers, dealer groups and used car supermarkets to deliver monthly subscription aftercare.

Backed by decades of warranty provision experience, Warranty Administration Services have created a new profit opportunity through package sales, and it is the customer retention aspect of Total Care that excites the market the most. The product will tie customers into their dealers' workshops and service centres while keeping their brand fresh in their minds every single month. This is a game-changer in their value proposition.

Jo Rimmer added: *"One simple monthly payment takes care of all servicing, MOT requirements, UK rescue and recovery and warranty cover. The customer can focus entirely on enjoying their new vehicle while we work in the background to keep them moving."*

The launch of Total Care is indicative of the shift towards subscription-based products in the motor industry. Consumers prefer to pay a smaller amount each month, for a renewed premium-level standard of service. The cost of acquiring new customers is much higher than retaining existing customers, and due to the current cost of living crisis, it is imperative for dealers to understand the total margin available of each customer and use innovative tools to increase the lifetime value of each customer.

Jenny Brewer, Financial Director at Warranty Administration Services explains:

*"It is important for our products and services to enhance the value proposition of our Dealer Partners whilst simultaneously increasing their revenue. The future of the used car market is unprecedented, so collaborating with our dealers as a partner, not a provider, to prepare them with market-leading products and consultancy services, will equip them for what is to come."*



Jo Rimmer said: *"We have now bundled our unrivalled portfolio together to help dealers meet the subscription approach to motoring aftercare."*

**If you are ready to supercharge your customer retention and meet demands of the car buyer in 2022 and beyond, speak with Warranty Administration Services today.**

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**11,031\***

automotive industry executives monthly, including managing directors, sales and aftersales directors, finance managers, dealer principals, sales and aftersales managers.

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# SPOTLIGHT:

## AFTERSALES

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### VALETING



ISTOCK.COM/DANISY-DAISY

A basic wash is expected when a vehicle goes into a franchised dealer, but it's possible to offer an enhanced valet to customers and add another potential revenue stream.

Steven Eagell's Parsons says: "If you offer a valet to every customer every time you will get some that will want it when their car is in."

Steven Eagell has its own in-house valeting team and is trialling a self check-in system where customers confirm the booking, but can also request extras such as valeting.

Parsons says: "It's early days putting this in place in the past few months, but it's bringing in additional revenue."

Marshall's Gough says it has had success targeting electric vehicle (EV) customers with a courtesy valet and an EV range review.

He says: "We see valeting as another great customer touchpoint. You get the car looking brilliant and then sit down with the customer and discuss how they can maximise the range of their EV. We'll discuss driving styles, do any software updates and that becomes a great service to the customer. Those kinds of 'keep in touch' visits are really important for customer retention."

Gough says it will be important to increase the number of touchpoints as the proliferation of EVs is going to lengthen the time between service visits.

### ACCESSORIES

Thinking outside the box with accessories is also working for Steven Eagell and Marshall.

Steven Eagell has been selling dash-cams to aftersales customers and it's something that's proving to be another additional revenue stream.

Parsons says: "Some insurance companies can give a discount if you use them. It's a deterrent for theft too. It's an accessory that customers find useful and reassuring."

Gough has been combining the standard seasonal air-con checks in the summer to target customers that might need to rent a roof box, bike carrier or additional car seat for a staycation or road trip.

He says: "Things like that are becoming more popular. They're things a customer might only want to use once a year, but hiring it for a couple of weeks can be a good revenue stream. We've seen some good growth from that in the past 12-to-18 months."

"It's another touchpoint and you're keeping up that communication and retention. You're still generating revenue and income too, it's all additional."



ISTOCK.COM/ONFOLKUS

### SMART REPAIRS

Steven Eagell acquired Inchcape's Oxford Toyota site this summer and this came with two SMART (small, medium area repair technology) technicians and a couple of bays.

Parsons says: "It's building on a model we've been working on for about six months at our Toyota site in Birmingham which also has a SMART bay."

Steven Eagell subcontracts all of its bodyshop work, but it is a sector Parsons would like to expand the group's experience in internally over the next few years.

Parsons says around 60% of the cars that come through the workshop have a scuff that could be repaired.

He adds: "It wouldn't be too difficult to keep someone busy if we can get the penetration up to 30-40% with SMART."

The group will start with used car preparations, then will move to



ISTOCK.COM/DARIA YAKOVLEVA

offering it to vehicles that are already in for service before expanding it to retail prospecting work.

Parsons says: "We want to develop it in the right way and then, hopefully, we can roll it out across the group in 12-to-18 months. There's good potential there and a lot of the cars we sell are available with SMART repair insurance too."

Gough agrees that to replace any lost revenue going forward, franchised aftersales departments are going to have to get more comfortable with SMART bookings.

He adds: "The benefit for the customer is it makes things super easy to get everything sorted at the same time as a service when their car is in."

"That way, the £60 SMART repair is more likely to be a 'yes' and you can generate good margins from that work."

# What is **MOT Testing** worth to **YOU?**



## Compliance

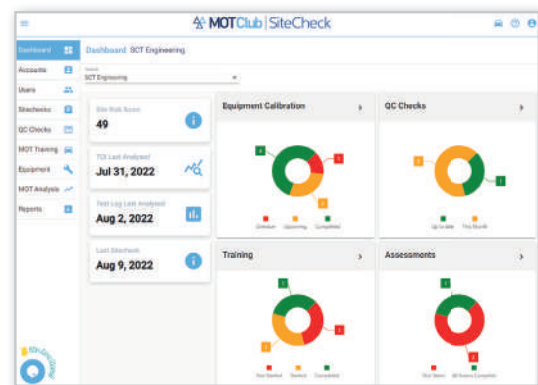
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## Advertisement Feature

# Older Vehicles and MOT

**T**he car retail world has changed significantly over the past 2-3 years, with franchise dealers selling more used cars due to limited supply of new cars and long lead times. This has led to more older vehicles entering the workshop and with many of these vehicles requiring MOTs it can increase the risk of MOT noncompliance.

Older vehicles are likely to have more MOT failures or advisory items, so MOT Testers must have a robust MOT routine and not get complacent. Your Testers might have to spend more time inspecting vehicles that are 5, 6 or 7 years old compared to 3 to 4-year-old vehicles as older vehicles are more likely to have corrosion and grime making

it harder to check for faults. Older vehicles are more likely to have MOT failure items and issues your Testers are not used to seeing, so checking your Testers routine and thoroughness is important.

Make sure you are using the Test Quality Information (TQI) and Test Log data from the MOT Testing Service (MTS) to monitor the quality of your MOT Testers, this combined with a solid QC process will help you maintain the required DVSA standards. The MOT Club's SiteCheck compliance software has some useful utilities to help monitor and analyse this data and provides the AEDM with visibility that standards are being maintained.

**There is always a danger that MOT compliance becomes a tick box exercise when there is no 3rd party security.**

# Are you confident in DVSA MOT telephone reviews?

**T**he DVSA have stepped up their review process over the past 12 months, reintroducing the telephone reviews. MOT Site Managers will get an unannounced call from the DVSA asking specific questions around MOTs carried out. The DVSA will use the Test Logs and the TQI data to identify unusual MOTs and will ask the Site Manager questions about the test. The DVSA will expect the Site Manager to have investigated unusual MOTs with documented findings, if this is not the case, and the Site Manager fails to answer the questions adequately, the DVSA are likely to make a visit to the site and delve further into areas of noncompliance.

Having all the information to hand to handle DVSA telephone reviews quickly and effectively will save your staff time and stress, it will protect your business from DVSA action because you can demonstrate an effective quality management system is in place.

The MOT Club's SiteCheck software helps keep all things MOT in one place, making it easy for Site Managers to answer DVSA questions. Senior management will have peace of mind knowing that MOT compliance is being managed effectively, and combined with The MOT Club onsite audits, will reduce DVSA action against you.

Our onsite audits provide the Site Manager with additional training and coaching to deal with DVSA reviews. While on site we QC the Quality Controller to make sure all QCs are being carried out to the required standards, check the Site Manager understands the role and is not paying lip service to MOT standards.

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# NISSAN ARIYA



Ariya is tasked with repositioning Nissan into a more premium marketplace

**N**issan has launched its most premium model yet with a clear desire to capitalise on the surging interest in electric vehicles (EVs).

It hopes the generous levels of technology and comfort, practical range and elevated driving position of the Ariya crossover will be enough to draw some of the financially squeezed middle classes away from their combustion-engined Audis and BMWs.

Ariya is available in two grades – Advance and Evolve – with a choice of two batteries: a 63kWh capable of 250 miles on a full charge through its 160 kW motor and a 87kWh which will deliver a maximum of 329 miles range through its 178kW motor. All are two-wheel drive, but for those with specific needs, such as for towing, the larger battery can be specified with an all-wheel drive powertrain complete with snow driving mode and a 47kW increase in power that doubles Ariya's towing capacity to 1.5 tonnes.

Nissan's engineers have worked hard on the driver's experience with Ariya.

Careful weight distribution ensures the car remains well balanced and secure on the road, even under hard acceleration, and the quiet and relaxing cabin allows for peaceful progress and easy conversations with passengers. The spacious interior means Ariya is a car in which passengers can ride with utmost comfort, even in the rear.

The EV platform allowed Nissan's designers to use the whole length of the cabin and create a flat, open floor. Occupying the space between the driver and front passenger is a centre console which can be moved forward and back by electric motors, giving the driver the option to create an adaptable armrest or additional legroom.

Gimmickry aside, this console is also home to touch-sensitive 'haptic' buttons to activate 'e-pedal' mode and to change between driving modes, which, in practice, requires the driver to look down for them until they've

**“WE DON'T WANT TO BE CHASING MARKET SHARE AND PUSHING INTO CHANNELS. WE WANT THIS TO BE 'PULL' AS OPPOSED TO 'PUSH'”**

ANDREW HUMBERSTONE,  
NISSAN MOTOR GB

become accustomed to the car and can put their finger on them straight away. It's likewise for similar haptic buttons in the centre of the dashboard for the climate control. The appearance is premium; the experience will be frustrating, at least for the first few weeks.

Ariya features Nissan's 'safety shield 360' including forward collision warning and intelligent emergency braking to compensate for the driver being momentarily distracted. Plus Amazon's Alexa has been integrated so drivers can also use that to change the car's settings or communicate with their home Echo devices without removing their hands from the steering wheel.

The instrument binnacle consists of a 'monolith' of two 12.3-inch screens, and Nissan claims displaying multiple facets of information on one horizontal plane, in a wave-like shape, helps information to be quickly digested while minimising driver distraction. In Evolve trim the Ariya is also equipped with a head-up display showing





Ariya offers a maximum range on a full charge of 250 to 329 miles



The haptic buttons risk being a distraction for the first weeks of ownership

critical and practical information, such as navigation signals and speed limit changes.

Advance trim includes comforts such as heated front windscreen and mirrors, hands-free power tailgate, ambient lighting, heated electric front seats while its safety technology spans from a 360-degree around view monitor and auto park for stress-free parking to systems detecting traffic, pedestrians and cyclists plus Nissan's ProPilot with Navi-link driver assistance suite for relaxed motorway and A-road cruising.

Evolve gains synthetic leather upholstery, ventilated front seats and heated rear seats, an electric panoramic sunroof, 10-speaker Bose audio system, that head-up display and power-sliding centre console, and an intelligent key which adjusts the seats, steering wheel and mirrors to memory settings.

With equipment aplenty, futuristic styling and zero emissions power, Ariya is bound to help attract new drivers to the Nissan family.

**TIM ROSE**



**PRICE:**  
£43,845-£56,290



**ENGINES 160KW, 178KW OR 225KW ELECTRIC MOTORS, WITH EITHER 63KWH OR 87KWH BATTERIES**



**0-62MPH 5.7-7.6 SECS TOP SPEED 100-124MPH**



**RANGE 223-329 MILES**



**CO<sub>2</sub> - 0G/KM**

## Q&A



**Andrew Humberstone,**  
managing director,  
Nissan Motor GB

**The Leaf and E-NV200 made Nissan famous in the field of electric vehicles. What will Ariya do?**

I'm in love with this car. Ariya is a new flagship for us; it puts us in a completely new position from a pricing and segment point of view so we'll gain additional market share by definition. Our dealers love it. It moves us more into a premium space. With all of the products, if you look at the quality and the design it shows the brand as a whole. With Qashqai, Ariya, and likewise X-Trail in due course, there are really nice finishes, the ergonomics are great. What is important to me is the level of comfort and the experience within the capsule itself. I think more and more people are looking for that comfort and quality of features and technology. To me, the new definition of luxury is around the ease of access to technology. I often talk about how do we create time in the working environment. The more comfort you have the more peace of mind you have (to think). If you can create that ambiance in your vehicle, of a zone of

relaxation, that's really important – maybe even part of your therapy in the journey home.

**What do you expect it to do for the dealer network and Nissan's registrations?**

There's a degree of repositioning the brand. There's revenue of course; it will be a profitable vehicle and the price positioning has been very well done. There will, of course, be some loyal customers that migrate up into Ariya but most of the business will be conquest so that's a great opportunity for us to bring new people into the family of Nissan. At Farnborough at Fully Charged Live recently it was amazing that people in premium products were looking at us and saying 'wow, I had no idea'. That's really exciting, because we don't need to do a lot of volume with Ariya. It's about keeping the right positioning and respecting the channels we sell it into, to make sure we protect the residual value.

**There is huge appetite out there for electric SUVs, so aren't you being too modest in your ambitions?**

We've adopted a policy to refocus on quality over quantity. We don't want to be chasing market share and pushing into channels. We want this to be 'pull' as opposed to 'push'. If the volume comes it will be fed, but respectfully to the product itself.

## KEY RIVALS



**Volvo XC40 Recharge**



**VOLVOS ARE TRENDY NOW**



**SMALLER AND EXPENSIVE**



**Hyundai Ioniq 5**



**STYLISH AND SWIFT**



**LITTLE TO FAULT**



**Škoda Enyaq**



**VALUE FOR MONEY**



**IT'S NO STUNNER**

## REVIEW RATINGS

**AUTO EXPRESS**



**WHAT CAR?**



**PARKERS**



## CUPRA BORN V3 150KW

REPORT  
PROGRESS



### BORN FULL OF ENERGY AND SPARK

**T**he pain of energy charges is being offset by the pleasure of stretching the legs in our Cupra Born electric car. I've put almost another 1,000 miles on this zero emission warm-hatch in recent weeks with the growing confidence that I'll get wherever I need to go, hassle-free.

Cupra is enjoying rapidly rising sales this year (83% year-on-year growth by the end of August) and the Born demonstrates why this is possible.

Its combination of good equipment, pleasant cabin materials, sharp driving dynamics and eye-catching styling lives up to Cupra's brand positioning, and several fellow electric vehicle (EV) drivers have sidled up at public charging points to chat about the Cupra Born with palpable envy.

As with the Cupra Formentor I drove for six months last year, I find that this Born encourages an early exit from motorways for a cross-country drive, when time allows.

While its brakes are unremarkable and even slightly spongy, it turns sharply enough into bends and has plenty of acceleration out of them. It's no sports car, but there's plenty of spark to this electric hatchback.

Currently, drivers can get into this 58kWh battery Cupra Born V3 on a four-year 7.1% APR PCP for £400 per month if they have an £8,000 deposit/trade-in. Or Cupra will let them lease it for three years for £556 per month after an advance payment of £1,725.

TIM ROSE



CURRENT  
MILEAGE

0 3 0 6 3

START  
MILEAGE

0 0 7 1 2



ENGAGING AND  
EYE-CATCHING



BRAKES COULD  
BE SHARPER



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0-62 7.3SECS  
TOP SPEED:  
99MPH



263 MILES  
(WLTP)



OG/KM (WLTP)

### ≪ GUESS THE CAR COMPETITION

PREVIOUS WINNER



Leroy Curtis, transaction manager at Willis Motor Company in South Ruislip, correctly identified the BMW Z8 in the previous issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](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, October 7.







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