

SPOTLIGHT
ON

USED CAR RETAILING

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WELCOME

W

elcome to our Spotlight on Used Car Retailing report. I hope you find the features in the pages overleaf useful.

With all the Government focus on driving UK motorists towards electric vehicles, the average man or woman (and Member of Parliament) in the street is likely oblivious to the importance of a healthy used car market in helping the country achieve those long term ambitions. It's used car sales that greases the wheels of motor retail and lets it all happen.

It's affordable and accessible used cars that enable the majority of the population to steadily upgrade into a more modern, safer, lesser-emitting car than they drove previously. After all, for every single new car sold to a private retail buyer last year, there were seven used car transactions registered by the Driver and Vehicle Licensing Agency.

A dealership's healthy bottom line is reliant on success in used car sales. The complexity of used car retailing can be easily underestimated, as we've seen in the failed attempts by Virgin, Tesco, Cazoo and others to rival the expert dealers we have in the UK.

The need to keep on top of stock sourcing, preparation, marketing, price adjustments, speed of sale, retained margin, point of sale F&I, customer experience, and more, means that dealers must always have one eye on the basics and the other on the opportunities around the corner. Let any aspect slip and that margin could dwindle.

In this dynamic, competitive sector there's always something new to learn or trial.



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Forensic analysis required for used sales success

Signs are that seasonal trends are returning to pre-pandemic levels and 'push model' is back in play. **Tom Seymour** reports

Used car retailers have experienced a positive start to the year in Q1, but it will take a forensic approach to data to successfully navigate what's to come.

The best used car specialists will have a meticulous stock profiling and pricing strategy.

Richard Walker, Auto Trader data & insights director, says there are signs that the used car market is moving back towards pre-pandemic seasonal trends in terms of activity and pricing changes.

He tells *AM*: "There are some elements that are moving at different paces, and this is all about 'recovery' and 'impact' of the pandemic which will, ultimately, take time to flow through into the market."

As new car production volumes are returning to normal levels, the market has, in turn, returned to a push model to stimulate demand.

There will be an increased mix of electric vehicle (EV) stock that needs to be pushed to drive retail demand and hit zero emission vehicle (ZEV) mandate targets.

As a result, more offers are being applied to these vehicles – the current average new car discount is 8.5%, while the new EV discount is nearly 11%.

There has also been an uptick in pre-registrations over the past six months, a growing proportion of which are electric.

This creates a supply and demand imbalance which tends to mean a softening of prices.



NEARLY-NEW MARKET WILL FACE ADDITIONAL VALUE PRESSURES AS THE PRICE GAP BETWEEN NEW AND USED VEHICLES WIDENS

PHILIP NOTHARD, COX AUTOMOTIVE

Walker says: "As a result of slowing new car production and sales volumes through the pandemic, we're seeing shortages of two-to-five-year-old stock. There's strong demand for this age cohort, so prices are tending to stay stronger relative to others."

This includes stock at the older end flowing through, which has seen a softening in prices off the back of very strong price growth from 2021 and 2022 when the market was heavily impacted by COVID-19.

Dylan Setterfield, Cap HPI global senior forecaster, agrees that, while generally the market has now reverted to movements much closer to typical seasonality, there is still going to be variation.

Setterfield expects monthly movements for the remainder of the year to be slightly favourable to typical seasonal movements.

However, Cap HPI expects to see the impact of reduced new car registrations through the pandemic translating into reduced used car volumes later into the year, especially for the key three-to-four-year-old age range.

Philip Nothard, Cox Automotive insight director, says automotive retail continues to demonstrate remarkable resilience, but also highlighted supply challenges in the zero-four year segment.

Nothard says the UK's used car market has the potential to reach up to 7.7 million transactions this year, but Cox is predicting a slightly more conservative baseline of 7.4 million units.

He expects the availability of petrol and diesel vehicles to continue to decline, but their values may begin to stabilise. However, battery electric vehicles (BEVs) will face ongoing pressures, likely leading to value decreases that outpace market averages.

Nothard also expects plug-in hybrids and hybrids to experience similar downward trends.

He says: "The nearly-new market will face additional value pressures as the price gap between new and used vehicles widens.

"OEMs increasingly offer subvented financing and heavy incentives to boost market share and comply with the ZEV mandate, further impacting nearly-new vehicle values."

WHAT'S NEXT WITH USED EV PRICES?

While 94% of used car transactions in 2023 were for pure internal combustion engine (ICE) vehicles, their supply is decreasing.

From 2016-2019, ICE cars made up 95% of new car registrations, but this dropped to 71% between 2020-2023, resulting in a loss of 4.6 million vehicles.

This trend is expected to persist, with forecasts projecting a further 35% decrease by 2027, leading to only 784,000 new ICE vehicles compared with 1.2 million in 2023.

Diesel, in particular (excluding self-charging hybrids), has seen a significant decline, from a 38% share in 2016-2019 to just 8% in 2023 and is expected to fall to 3% by 2028.

Setterfield describes the 2024 BEV market so far as "fractured and fragmented" and this is expected to continue over the next six months.

Where Cap HPI is able to make comparisons between electric models and an ICE equivalent, trade prices for the BEVs are lower on average at all ages (at 4yrs/40k by -14%, equivalent to around -£2,400) and in many cases this has also filtered through to retail prices.

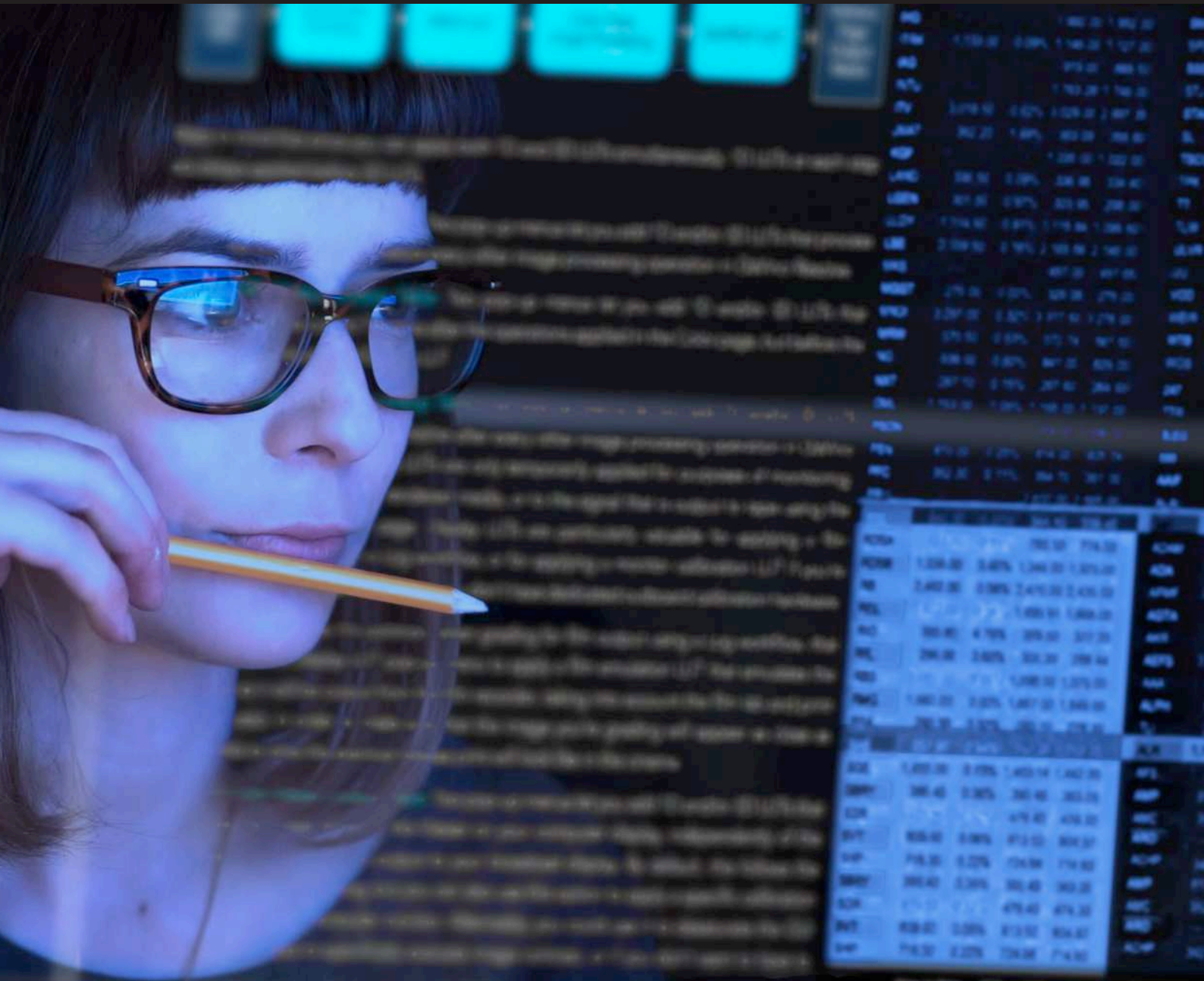
However, there is no common theme to which models are above and which are below petrol or diesel. Significant variation persists within makes, sectors, size and electric range.

A key metric for how BEVs will perform in the coming months will be dealer demand.

Setterfield says used buyers' demand remains strong. This has been partly driven by the previous used value reductions making most electric cars look great value.

Year-to-date (YTD) used BEV trade volume has been two or three times higher than last year, but values have reduced by 17% in comparison.

Further improvements in demand are expected through the year as dealers slowly transition from



selling based on monthly purchase cost, to highlighting benefits of total cost of ownership.

Setterfield says: "From our retail database, we can see that electric models today are selling at broadly the same speed as the overall market or even much quicker in some cases, but many dealers have been scared off the fuel type having had a bad experience when prices plummeted."

Cap HPI's data shows that only 15% of independent dealerships are advertising BEVs.

Setterfield says: "Those who are participating in the electric market are selling cars in a similar time frame to ICE cars and generally at high margins – it remains the biggest opportunity in the market for those brave enough to come back to it."

Nothard says the used EV market is relatively still too small to draw definitive conclusions.

However, he says retailers should expect a significant reduction in ICE vehicle availability, which is

projected to decrease by 10%-16% each year.


Nothard says: "EVs represent good value on the used market and there's evidence of increased sales volumes and higher resale values."

"However, plenty of evidence points to unwillingness on the part of private buyers, while volumes in the used market are currently too small to draw meaningful conclusions."

"We believe price parity between EVs and ICE is as likely to be driven by rising ICE values as by dropping EV prices."

Dealers looking at a forecourt average might weight stock to 90% ICE vehicles mix.

Nothard says retailers should consider how that will look 12 months from now and another year from then, knowing ICE availability is shrinking.

Walker says nearly-new EVs are going to face increasing pressure due to expected heavy discounting on brand new electric models. 

Add value to increase profit

92% of cars buyers start their car buying journey online*. Customers have an abundance of choice available online due to vehicle supply continuing to outpace demand. This means Dealer Groups, Independent sellers and 3rd Party Affiliates are all competing for the customers attention. The mantra from all the industry leaders will continue to be, do the basics well and ensure each item vehicle is:

- Fully prepped and looking it's best
- Photographed well with video content
- Priced competitively to the market
- Strong descriptions highlighting key features

All dealer teams work very hard to ensure their online stock looks the best it possibly can to customers, so the real question is... how can you stand out and differentiate yourselves from your competitors? Our proven way to make your offer grab their attention is by giving them a cherry on top! That's where MLP can help!

*Source: Google



Incentivise staff to deliver the best experience:
Help conversion and build loyalty

Incentivise a Test Drive:
Take digital enquiries to physical attendance

Reward the purchase/ aftersales:
Enhance loyalty and customer retention

Incentivise Purchase:
Improve conversion rates

Fuel incentives done well!



MLP can finally offer a no fuss solution to fuel incentives. Which can be provided as:

- One off tactical event offer
- Ongoing weekly or monthly amounts

Choosing whatever value and denomination suits the campaign or event.

Coupled with our credit solution for electric public charging networks, there is now a simple way to cover all the fuel options required.

It means mid-aged EVs are presenting very good value as a genuine alternative to petrol or diesel cars of the same age, so Walker expects demand and sales should be steady over the coming months.

Walker says: "Despite demand outpacing supply, retail prices of used EVs remain under pressure after declining 20 consecutive times on a month-on-month and like-for-like basis.

"There are positive signs though for some models, with exceptional levels of demand, which have seen values increase, particularly within the one-to-three-year-old cohort.

"We're seeing some disparity in the type of EV, with prestige brands dropping prices more than volume, which we expect to continue over the coming months."

Older EVs, 10 years-plus, are the slowest age cohort, and Walker says this is more about lack of understanding or awareness of selling the true longevity of the EV battery life.

As a result, older EVs could suffer further price pressure in the future as its ageing battery technology is seen as less desirable, compared with other options in the used EV market.

USED CAR MARKET HOT AND COLD SPOTS

Beyond the potential for the used EV market, petrol and diesel vehicles remain the largest chunk of the pie for the time being.

Although diesel has fared slightly worse than petrol in the past few months, Cap HPI expects price changes for the remainder of the year to be similar.

Diesel values should also continue to be supported by reducing used volume. New car diesel penetration has been halving every couple of years in recent times and was less than 6% in April.

SUVs have continued to dominate the new car market and now account for almost 60% of registrations YTD, but used demand is also strong.

The medium SUV sector is the one which comes under most pressure, due to the volume being returned into the used market (especially from the largest vendors), but prices today compared with a year ago have only fallen by -1.8% less than the overall market.

MPV and city cars have dwindled in terms of new car sales as models have been discontinued for varying reasons, but remain popular in the used market and are expected to continue to perform better than the overall average.

Ten years ago, MPVs and city cars accounted for 9% and 10% of new car registrations respectively, but combined they now make up barely 4%.

Setterfield expects used volumes for these segments to continue to reduce and demand should act to support used values for the remainder of this year and beyond.

Nothard says while SUVs remain popular, their market saturation means a risk of oversupply and declining demand.

Conversely, segments such as hybrid and electric vehicles are experiencing marginally increased demand, but remain highly volatile due to new market pressures.

He says: "Dealers who adapt to these changes by diversifying their stock and closely monitoring

market trends will better traverse pressures and capitalise on emerging opportunities. Still, they must also be cautious of the potential risks."

Walker says there are opportunities in pockets across the market for retailers, but it remains incredibly nuanced and a stocking strategy has to be supported by "near forensic level data".

He says that generally, body type isn't a particularly effective way to bucket stock as it's typically far too broad, especially SUVs.

Walker adds: "Mid-aged electric stock currently represents a very solid opportunity.

"Three-to-five-year-old EVs are still selling faster than their petrol and diesel counterparts, taking an average of 24 days, versus 25 and 27 days respectively. What's more, trade prices are generally a little lower as many retailers are still worried about being caught out.

"With many models now at price parity with their ICE counterparts, these cars now offer a genuine alternative. Demand is strong, and the price is right, so they're definitely worth considering for your forecourt."

HOW WILL CHINESE BRANDS PERFORM?

One of the main changes that will start to make itself increasingly felt in the used car market is the

inexorable march of various new brand entrants to the UK, many of them from China.

While MG is Chinese, Setterfield says many buyers still associate the brand with its British heritage.

Cap HPI is already starting to see some trade volumes of BYD and GWM Ora cars and there will be some genuine used sales before the year end.

Setterfield says: "These businesses are taking different routes to market and have varying levels of concrete plans in terms of remarketing processes. So, we would not necessarily expect them all to perform in a similar way this year.

"Consumers are certainly more brand agnostic than they were a few years ago, but the main difficulty for these brands is that they are all trying to muscle in on the traditional manufacturers at the same time."

Walker isn't expecting Chinese brands to dramatically affect pricing any time soon.

While Chinese brands are pricing their new models keenly, they're not vastly undercutting the competition at this stage.

A big factor in any major price adjustment will be when Chinese brands enter the used market in volume, but Walker says that, realistically, this won't be for "a very long time".

Nothard says these new brands present opportunities in the used car market when looking further to the horizon.

While the used market for these vehicles may be volatile and uncertain, this is a situation that the UK automotive sector has navigated before.

Nothard adds: "The market has a history of adapting to new brands and changing dynamics over the course of decades.

"As Chinese manufacturers continue to develop their new vehicle offerings and network infrastructure, the used market for their vehicles is expected to grow and stabilise, presenting dealers with exciting new opportunities."



**DESPITE DEMAND
OUTPACING SUPPLY,
RETAIL PRICES OF
USED EVs REMAIN
UNDER PRESSURE
AFTER DECLINING 20
CONSECUTIVE TIMES**



**RICHARD WALKER,
AUTO TRADER**

More ways to buy cars: mflirect invites dealers to say Hello **better**

Do you think the used car market has become more complicated? Many dealers say it has. Consumer preferences and used prices are rarely stable, and hybrids and EVs just add to the uncertainty.

mflirect knows dealers want to be smart and strategic in their buying decisions, and need to be able to buy different kinds of vehicles at different times. That's why the business is evolving to support dealers better, and inviting them to take a fresh look at what mflirect have to offer, especially the wide range of buying choices on offer now.

Help to buy well and sell more

Smaller independent dealers have different buying needs from larger chains and franchised dealers. Even among smaller dealers, needs vary week to week based on customer demand, local trends and workshop availability. As a result, mflirect has worked hard to create a range of buying choices that mean every dealer will have a way to buy that works for them.

“Our scale and unique buying platform let us offer both small, independent traders and big brand dealers exactly what they need to achieve their goals”

Damian Oton,
Chief Commercial Officer

When peace of mind counts, mflirect's **Assured Standard** guarantees their **Assured Vehicles** to trade standard,



with the ease of a simple claims process should the vehicle not meet that standard.

A wide range of **Inspected Vehicles** are now also available. Every car comes with an in-depth Inspection Report, completed by expert technicians at their de-fleet centres. Dealers can make informed decisions on what to choose for optimum value for money, repair costs and margins based on their professional expertise.

Flexibility is key to supporting dealers, so mflirect has moved all its auction events onto the one site. Dealers can now choose how they buy – auction or buy it now – as well as what they buy.

And mflirect are proud to promise that every transaction is completely transparent, with absolutely no buyer fees.

mflirect is genuinely committed to working as a partner for dealers. The mflirect website includes plenty of insight and advice for dealers, to help them buy easily and well, and sell more.

mflirect's delivery service scores highly among dealers too, who need to know that the

vehicles they've ordered will reliably arrive in time.

A different kind of used car supplier

mflirect is part of Motability Operations the commercial organisation that delivers the Motability Scheme to over 760,000 customers in the UK, helping them to access independent mobility through leased vehicles.

At the end of their lease, our Scheme customers exchange their vehicle for brand-new models, and mflirect is responsible for putting them in front of the UK's used car dealers.

It makes mflirect one of the UK's biggest suppliers of used vehicles – some 250,000 a year. This wide and ever-changing selection of popular models means dealers know they have an excellent chance of finding what they're looking for.

All of which explains why mflirect is inviting dealers to take a fresh look and say **Hello better** at mflirect.co.uk.

New ways to buy cars.
One speedy platform.
No buyer's fees, ever.

Hello **better**



Here at mfldirect, we know that our success depends on yours. So, we give you lots of different ways to buy well: quality Assured Vehicles, Inspected Vehicles with in-depth reports, and auction events too – all on one easy speedy platform, and not a buyer's fee in sight. A used car supplier who's on your side? **Hello better.**

mfldirect
Powered by Motability Operations

The critical need to maximise used car profitability

How automatic data analysis is proven to boost dealer margins

Research by Auto Trader suggests that dealers are missing out on £31 million in profit due to underpricing their used car stock. It found 47,500 cars on its platform that were listed below retail market average, meaning some 8,000 retailers are losing thousands in profit potential.

The fact is that motor retailers across the industry are spending far too much unprofitable time crunching numbers and updating spreadsheets manually across multiple systems, leaving them less time to focus on selling cars at the right price and hitting profitability targets.

In addition, the volatility of used car values is making it difficult for dealers to keep on top of the market and adapt their strategy and tactics quickly, to remain both competitive and profitable. This is not a sustainable business model.

The Autopoint cloud-based solution from specialist automotive business intelligence experts, Mazepoint, solves this problem.

Autopoint merges data automatically from dealer and industry sources to present a complete view of historical, current and predicted performance, all on one platform, whether on a desktop or smartphone app.

Stock of any quantity can be accurately priced and organised with just one click, eliminating hours of unnecessary manual input. By taking care of all the data analysis, dealer profitability can be boosted dramatically, as well as speeding up stock turn, identifying slow moving vehicles and building desirable auction lists.

MAKING SALES TEAMS MUCH MORE PROFITABLE

Motor retail still suffers from high rates of workforce attrition, making consistent sales performance



challenging. With Autopoint, sales teams can manage their workload much more efficiently and more profitably.

"Clear and visual reporting makes the daily task of managing multi-franchises clear and simple without the need to log into multiple platforms. This not only saves time but also puts money back on the bottom line."

Jeff Hocking
Regional Director,
Perrys Motor Sales

FAST ONBOARDING WITH ZERO RISK

Autopoint can start delivering in just a few hours. A cloud-based solution means it can run in parallel with existing DMS and sales systems, so comparisons can be made before switching with no risk to business continuity.

PROVEN RETURN ON INVESTMENT

By highlighting what is

working and what isn't, Autopoint is proven to deliver outstanding ROI. Providing accurate market insight means retailers can respond to changing conditions and pivot their strategy and tactics, to maximise profitability.

AUTHORISED PARTNER OF AUTO TRADER

Linked directly to Auto Trader's API, Mazepoint is an authorised and recommended partner of Auto Trader and is also Cyber Essentials-certified.

- Integrates with all DMS and sales enquiry systems
- Live sales reporting on one platform with mobile app
- Automatic monitoring of margin and profit potential
- Eliminates hours of manual data analysis
- Monitors stock turn performance by retail rating and location
- Supports single and multi-site groups
- Bulk upload facility to identify desirable stock in minutes
- Fast, zero risk onboarding
- Expert customer support with extensive dealer experience



Contact James Noble, Managing Director,
on 020 7348 7600 or JNoble@mazepoint.com

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Return to normality is opening up stock channels for dealers

Strengthening car market is driving bigger choice of stock to forecourts through traditional auctions plus online remarketers. *Alex Wright* reports



The used car market increased by 6.5% to almost two million units sold in the first quarter of 2024, according to the Society of Motor Manufacturers and Traders (SMMT).

It was the fifth quarter of successive growth, as the second hand market hit a five-year high, reflecting recovering supply in the new car market, which, in turn, has improved used car availability and choice.

According to Close Brothers' Forecourt Foresight research, which surveys more than 130 dealers, almost three-quarters (74%) of dealers use trade-ins as their primary source of stock. More than two-thirds (70%) use online auctions and three-in-five

(60%) buy vehicles from private sellers. Added to those figures 44% of dealers get their stock via other dealerships, and a third (33%) turns to digital platforms such as Auto Trader and Motorway. Only 21% uses in-person auctions.

The bottom line is, however, that whichever channel they use, with more stock now flowing through the market, it's critical that car dealers capitalise on the opportunity by finding the best vehicles possible.

AUCTION BUYING

Paul Hill, spokesman for the National Association of Motor Auctions (NAMA), says the most effective channel for stock sourcing is through auctions, both

physical and online. Given that NAMA's members handle more than one million vehicles annually, including cars and supercars, they are well placed to help in that regard, he claims.

"NAMA members are trusted sources that provide a high level of reliability and transparency, which is crucial for dealers," says Hill. "In addition to traditional auctions, online auctions have become increasingly important.

"The digital transformation of the auction industry has made it possible to participate in auctions from virtually anywhere. These online platforms provide real-time data and analytics, helping dealers make decisions quickly.

"The ability to bid on vehicles remotely has



Post-pandemic dealers
have resorted to older stock,
but now younger used car
supply has improved

streamlined the process, making it more efficient and cost-effective.”

Hill says that the key benefits of auctions are the vast choice of vehicles they provide and the ability to make instant decisions, with a vehicle being sold every 45 seconds. That enables dealers to quickly fill inventory gaps, without having to wait, he adds.

Another advantage, says Hill, is that the dealer pays the market price at the time of purchase because the prices aren't fixed. That, he says, creates a dynamic and competitive environment.

“Vendors and buyers come together in a transparent environment, ensuring that market forces determine the price,” says Hill. “Auctions also offer a degree of protection and indemnity for vehicles

through laws and permits, which is a significant advantage.”

The flipside of an auction's competitive nature, however, Hill says, is that it can sometimes drive prices up, reducing the potential margin for resale. Therefore, he says buyers need to be prepared to compete for the best prices, which can be challenging when multiple bidders are interested in the same vehicle.

Neil Smith, founder of Motorvair, says that while the primary advantages of sourcing through auction are choice and volume, the fees are high, often exceeding the profit that can be made on the vehicle. He adds that it is also difficult to assess the vehicle's condition, especially mechanically, when looking at

an online catalogue. Some auctions also make it difficult to reject a vehicle, giving dealers only 48 hours from receipt to report back any mechanical issues, he says.

“A good option is to seek out those smaller, more niche auctions that sit below the primary auction channels,” advises Smith. “These more niche auctions still have a reasonable volume of stock across a number of weekly sales and, typically, the fees charged are noticeably lower than those of their larger competitors.”

Cliff Deller, managing director of Orchid Automotive, says that, for big volumes, the larger car supermarkets and marketplaces such as BCA, Aston Barclay and Mannheim are the best sources. They are particularly effective, he says, when, for example, a dealer wants to buy hundreds of vehicles.

ONLINE MARKETPLACES

The most effective channel, according to James Wilson, COO of Motorway, is online marketplaces. Motorway itself regularly lists up to 1,500 cars per day, seven days a week, giving dealers a large range of quality used car stock to bid on, he says.

“Everything is done online, from browsing and bidding for stock, to making fast and secure payments using Motorway Pay, offering dealers the easiest and most effective way to stock their forecourts,” says Wilson.

Wilson adds that buying stock at physical auctions takes up a significant amount of time out of the office, travelling to the site and inspecting and bidding on cars. And even then, you aren't guaranteed to get the stock you need, he says.

“Buying privately-owned stock through an online marketplace like Motorway allows dealers to get exactly what they need for their forecourt,” says Wilson. “With thousands of cars listed every week, dealers are spoiled for choice with unique stock across all makes, models, ages and prices. Dealers also typically make more margin through online auctions, buying from private sellers, as opposed to traditional auctions.

“Occasionally, private sellers may have undisclosed damage, but we're constantly evolving our platform to solve these instances. For example, we have AI Image Assist, which uses AI (artificial intelligence) to check photos submitted by private sellers to ensure they are of high quality and this year we launched Motorway Collect, an app used by drivers to ensure there is a consistently high quality appraisal at collection.”

DIRECT FROM CONSUMER

Rather than auctions, Smith says that buying direct from consumers is a more attractive route for retailers. The upsides are that there are no fees involved and dealers have the chance to properly assess the vehicle before agreeing a final price.

“This ensures they are far more in control of their initial margin and, without associated fees, they have more margin to play with from the outset,” says Smith. “They are also in control of what they pay for that vehicle and, if operating a retail back pricing strategy, they know what the purchase price limit is based on what they can realise from a retail perspective. So, unlike other channels, they don't run the risk of being bid up.”

The main disadvantage, says Smith, is the





DEALER BRANDS COME OF AGE

With increased digitisation and industry consolidation, the strength of regional franchised dealer brands promises to offer a real competitive advantage in used car retailing. A strong regional or national dealer brand can have a positive effect on customer sentiment, loyalty, and sales performance.

We'll examine the importance of building a robust dealer brand, leveraging customer feedback, and employing best practices for managing your reputation.

The Significance of Regional Dealer Brands

Regional dealer brands hold a unique position of trust and familiarity within their communities. While some groups are strong in multiple regions, they often enjoy a perception of a closer, more local, or "family" relationship with their customers. This allows regional dealers to tailor their marketing to local customer segmentation.

Customer Sentiment: The Heartbeat of Your Business

Understanding customer sentiment is a crucial indicator of your dealership's health. Positive sentiment drives word-of-mouth referrals, repeat business, and a strong reputation in the community. Conversely, negative sentiment can quickly erode trust and deter potential buyers.

Lessons from Cazoo's Experience

Cazoo's demise underscores the importance of local engagement and trust. Despite their heavyweight marketing investment, Cazoo failed to deliver the level of trust that regional dealers cultivate.



Most customers want to visit their dealer, interact with real people, test drive cars of interest, and feel assured of support close to home. Arnold Clark and Bristol Street Motors continue to build on a strong existing business, not a house of cards.



Tips for Enhancing Your Reputation

Gather and Leverage Customer Feedback

Solicit Reviews: Encourage customers to leave feedback and reviews. Make it easy for them by asking every time. Customers appreciate their opinions being valued, and positive reviews serve as powerful endorsements.

Use Feedback Constructively: Analyse the feedback to identify areas for improvement. This insight is invaluable for making informed decisions that enhance customer satisfaction.

Respond to Reviews

Engage with Customers: Responding to reviews, both positive and negative, shows that you value feedback and are committed to providing excellent service. Thank customers for positive reviews, and address any concerns raised in negative ones with empathy and a willingness to resolve the issue. Showcase Responsiveness: Publicly addressing reviews demonstrates transparency and responsiveness, which can enhance your reputation and build trust with potential customers.

Benchmark Your Performance

Compare and Contrast: Benchmark

your dealership's performance against regional and national competitors.

Understanding where you stand can highlight your strengths and reveal opportunities for growth.

Set Goals: Use your benchmarking data to set realistic and achievable goals for improvement. Whether it's reducing response time to inquiries or increasing the number of five-star reviews, having clear objectives will help guide your efforts.

Building a Trusted Regional Brand

A strong regional dealer brand is built on trust, customer satisfaction, and community engagement. Layer on feedback, benchmarking, and thoughtfully responding to reviews and you can cultivate a powerful reputation.

At JudgeService, we are dedicated to helping dealerships harness the power of customer feedback to build stronger brands and deliver exceptional service. Remember, buying a car should be an enjoyable experience and your reputation reflects making that happen.

For more insight and to use customer feedback to enhance your dealership's reputation, visit www.judgeservice.com or contact us directly at 01423 225166.

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Logistics costs when having to pick up remotely assessed vehicles. However, they are typically less than the auction fees.

It also requires the buying team to know exactly what they are doing when pricing a vehicle based on a customer's assessment and to carry out all the necessary due diligence before agreeing a figure.

"By due diligence, I mean checking the vehicle ownership, Cap HPI register for stolen vehicles, vehicles with outstanding personal finance that may not be declared, cloned vehicles, ID and address checks, and agree to only pick up from the registered address," says Smith.

"The cost of marketing and resourcing the car buying operation also needs to be factored into the equation when making a decision as to the sourcing channels you will use."

Hill says that buying directly from consumers comes with significant risks attached. Unlike auctions, where there's a degree of legal protection and transparency, he says that buying from consumers can be riskier.

"There is a greater likelihood of encountering title issues or even cloned vehicles," says Hill. "The process also tends to be more time-consuming. Each transaction involves negotiating the sale, which can be a lengthy process."

"We recommend that if you are not purchasing from auction houses, it is safer to buy from reputable car dealers. Car dealers often provide warranties, have conducted thorough inspections and ensure that the title is clear, offering more security and peace of mind for the buyer."

Deller says that part exchange is the most profitable channel of vehicle sourcing. But he added that the problem is retailers tend to undervalue their own product.

"The value of part exchange is that if you have serviced the vehicle, know its pedigree and history, have done a proper appraisal and test driven it, and done any work that you need to do on it, you can



Dealers are now
able to offer better
quality used stock

turn it more easily and make a good margin on it," says Deller. "The problem is that all too often dealers undervalue it, so end up losing out on the margin that can be made."

QUALITY OF STOCK

Hill says that there has been a noticeable improvement in the quality of used car stock available over the past 18 months. He adds that the new car supply has significantly improved, thus increasing the availability of younger, lower-mileage used vehicles by about 20%.

"This improvement means dealers are now dealing with better quality stock, which reduces the need for extensive preparation and allows more resources to be spent on reconditioning where necessary," says Hill. "This not only makes the process more efficient, but also helps in maintaining a higher standard of inventory, ultimately benefitting both dealers and consumers."

Deller says that while there is a greater choice of used cars available now, many of them are in poor condition, making the competition for quality vehicles more intense. Dealers will only buy the lesser ones if they are cheap, he says.

"The market for cars in good condition with a full history and an Auto Trader rating has only intensified," says Deller. "It's the less good ones people don't want that tend to get ignored and left behind."

While Smith says he hasn't seen any evidence that the quality of used car stock have improved in recent years, preparation costs have typically increased 25% over the past three years due to higher labour rates and parts prices. Therefore, he says that it is vital to work out the amount of cosmetic preparation required, as well as whether

the vehicle needs a service or MOT, and then factor that into the purchase price.

Dealers also need to include an average mechanical rectification sum and their required first published margin, and to establish the current market value based on the exact make, model, derivative, age and mileage, says Smith. Only then will they know what they are prepared to pay.

RISING VEHICLE AGE

Wilson says the average age of used cars is also increasing as owners are holding onto them longer and putting more miles on the clock. The result, he says, is more preparation work for retailers.

Rupert Pontin, head of the UK at AutoGrab, says: "Wherever you choose to look, every potential vehicle source in the sector will still have the full spectrum of both delightful and dreadful cars on offer. It is only by taking advantage of every piece of information available, that wholesale buyers can be sure that the golden egg they spot is everything it's cracked up to be."

"Consideration needs to be given to a multitude of vehicle pitfalls such as outstanding recalls, previous use as a taxi, purchase via a salvage sale or hidden details in their history that can only be revealed using a thorough provenance check. All these can turn that golden egg into a rotten tomato and some will inevitably lead to additional preparation time, increased stocking costs and lower margins."

"Similarly, advertising history can be a valuable indicator of a problem car. If a vehicle has been made available for retail or trade sale multiple times from different sources in the past 12 months, then it is an indication that it is difficult to sell – and can be a sign that something isn't quite right."



“EVERY POTENTIAL
VEHICLE SOURCE IN
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SPECTRUM OF BOTH DELIGHTFUL
AND DREADFUL CARS ON OFFER

RUPERT PONTIN, AUTOGRAB

Are you missing out on profit with your current stocking strategy? Dealer Auction could be the answer

Finding the right stock in a dynamic used car market isn't about simply filling spaces on your forecourt. Every decision regarding stock sourcing is an opportunity to make profit.

Sales Director Jason Symes answers questions on why the Dealer Auction platform is the perfect partner for franchise retailers and group buyers who may be pondering how to get more out of the metal when it comes to sourcing stock.

What are the key challenges franchise retailers face in sourcing profitable stock?

The issues facing retailers are well documented. The used market landscape is changing and continues to change. Staying informed and having the right data appear to be the key to success. The pandemic hangover has, of course, disrupted supply of new models, making it difficult to predict availability and pricing in the used market. That unpredictability has made it more of a strategic challenge to secure units that sell quickly and profitably.

For franchisees, there is sometimes added pressure, mainly caused by having to meet manufacturers' quotas. This may lead to them being obliged to take on less desirable stock to fulfil



quotas, potentially leading to slower sales and higher holding costs.

The UK used market remains fiercely competitive, with franchised retailers and independent dealers vying for customers. That competition can drive down margins, which makes it essential to source vehicles that still have profit opportunities.

Consumer tastes are evolving, too. The rise of electric and hybrid vehicles, means retailers have had to adapt their approach to stock to stay relevant. Such a change has meant, for many retailers, careful forecasting and investment in EV stock which may be less familiar to retailers and, as we've seen, is only being slowly adopted by members of the public.

All these challenges, and more, make sourcing profitable stock a tricky balancing act for retailers.

How can group buyers use technology to streamline their stock-sourcing process?

I'm sure group buyers value, above all, efficiency when it comes to sourcing stock, i.e. getting the right stock quickly. That's what Dealer Auction is all about. We use technology and data to pair buyers with the stock they need quickly. The platform aggregates vehicles from many sources, be they trade, fleet, OEM or directly from the consumer.

And, to save buyers time, we have a helpful stock policy-matching feature that means you get the right vehicles sent straight to your inbox – so there's no need to trawl the listings. In Q1 2024, we sent more than 2.3 million alerts. You can also identify the best used stock for your forecourts using Auto Trader's unique market data, consumer demand and historical sales data.

Moreover, we continuously examine the stats to let the wider market know which brands and models on Dealer Auction are top for profit-making. Our Retail Margin Monitor is a regular look at just that, while our new EV Performance Review highlights the performance of EVs and hybrids on the platform.

That makes us a one-stop shop for busy dealers who have the twin challenge of keeping extensive inventories at the right level while ensuring what's on offer is what the public wants.

What are the benefits of tapping into alternative stock sources like Dealer Auction?

There are several benefits for franchise retailers and group buyers when using Dealer Auction, especially if they are more used to traditional methods.

With such a large number of aggregated sources, you get a wider selection, including independent dealers, wholesalers, fleets and even other franchise groups looking to sell their unwanted part-ex or over-age vehicles. This wider selection allows group buyers to uncover vehicles that cater to specific customer segments. For example, certain





high-performance models could become available at auction, but might not typically be available through their usual channels.

By accessing a more comprehensive range of in-demand vehicles, buyers can potentially reduce the time a car sits on their forecourt unsold. That translates to lower holding costs associated with storage and depreciation.

The platform connects buyers and sellers across a wider geographic area, allowing group buyers to source vehicles from regions with a surplus of a particular model they seek.

Buying on Dealer Auction means greater efficiency in sourcing profitable stock. We are popular with retailers not only due to the sheer amount and variety of vehicles we have up for grabs – but also because we provide the right amount of insight and data to make quicker, more informed choices.

“We provide the right amount of insight and data to make quicker, more informed choices”

Jason Symes, Sales Director



What does the future have in store for Dealer Auction?

We will continue to aggregate more vehicles from more sources, both digital and physical, ramping up the choice and adding to the reasons why we’re a one-stop shop for stock, whatever your size of business.

Our continuing mission is to innovate and use insight alongside data to help dealers make smarter choices.

The functions on the platform are tailored to give buying options that suit you, the advanced filtering lets you refine search queries on the spot and save the searches you use most often. If that’s not enough, our standard buyer fees are among the lowest in the industry.

The used market is changing probably more than many people have ever seen. It’s evolving and we will continue to evolve with it.

Visit: www.dealerauction.co.uk/buyers/



The stock turn quandary – quicker sales or hold out for margin?

A dealership's track record and current market opportunity should form the foundation of stock turn policy. *Alex Wright* reports

Given the rapid depreciation rate of used car values in the current market, it's critical that car dealers get their stock turn policy right first time.

Many will look to reduce their price to get a quick sale and avoid additional stocking costs.

Others will try to hold onto the vehicle for as long as possible until they get the desired price, particularly given the shortage of some models.

Motor industry expert Mike Jones says dealers need to base their stock policy on their own selling track record and the opportunity to sell the vehicle.

"First, they need to look at what they have been known for and are good at selling," says Jones. "Then they need to look at what the opportunity is in the market."

Rod Addis, senior used car consultant at Hot Berry Consulting, says that to determine a days-in-stock policy that's right for them, dealers must first work out their break-even point. That is the number of days before their stocking costs outweigh their margin, he says.

WHAT DOES THE COST OF STOCKING INCLUDE?

Addis, who spent more than two decades with companies such as Reg Vardy, Sytner and Mercedes-Benz Retail Group before going into consultancy, says the cost of stocking a used vehicle includes stocking interest, traditional marketing, digital marketing, point of sale, site maintenance (valeting, etc.), miscellaneous costs, goodwill, late costs, general vehicle expenses, depreciation, auction costs, transport costs and overage stock

costs. On average, he says these costs amount to around £20 per day, per vehicle for the retailer.

In terms of a stock turn policy's duration, Addis says the general rule of thumb is 45 days, with the margin decreasing as new stock enters the market. After that point, he adds that any sale will typically result in a net loss.

"Return on investment (ROI) is the primary measure for successful used car stock management, so a sound understanding of the costs will be key when devising your stocking policy," says Addis. "Plan to prevent overage stock by identifying potential problem vehicles from day one and progressive actions for each of the other key stages."

Neil Smith, founder of Motorvair, says independent dealers should ideally have a minimum of eight stock turns per year, with the more proactive ones having nine to 10. Independent groups rarely trade out of used stock vehicles after 90 days, he adds.

"Independent retailers realise the value of the additional revenue generated from selling a used vehicle with finance and value added products, negating the need to trade out of stock at a significant loss," says Smith.

"In short, dealer groups should regularly be reviewing the stocking policy and not just when we see changes in the level of depreciation. Stock turn is the key to profitability."

It's also key to put a sound buying plan in place, says Addis. This will ensure sold stock is replaced with the right stock for the business, he says.

Jones adds that there is no reason why dealers shouldn't hold out for a buyer paying sticker price.



But he says they need to clearly explain to the customer why it's valued at that price.

"If you've got a desirable car and it's priced right, then you should be holding out for the sticker price," says Jones. "The challenge with that, however, is explaining to customers who have been taught that they should always negotiate on price, that you have price-checked it on a regular basis and it's a fair figure for the vehicle."

Smith takes the contrary view. But he adds that doesn't mean the vehicle has to be sold at the cheapest price in the market.

"What needs to be understood is that at all times their vehicles need to be priced to market and track that market price," says Smith.

"To maximise opportunities and to retain the maximum amount of profit, pricing to market allows a dealership to ensure that its cars are visible at all times and by selling faster they will retain more profit than by holding out on a price just because they think that's what it's worth.

"It's only worth what the majority of interested consumers are willing to pay and that is largely now dictated by price indicators published by the aggregators. Consumers know what a good or great price is for that particular make, model or derivative. So, unless you are there or thereabouts with that good to great price day in, day out, inevitably you will limit your opportunity to generate a lead."

ACHIEVING STICKER PRICE

Addis agrees that, in some cases, retailers can hold out for the sticker price. For example, if a stock vehicle is in high demand, but is scarce, but only for a short period. In other instances, he says that the 45-day principle applies.

"Speed of sale is key to profitability," says Addis. "Used car customers search and research online, and price is a key factor in ensuring your stock is visible to the widest possible audience.

"Review used car prices at least twice a week to ensure your stock remains priced to sell. That doesn't mean changing prices, but tracking the market to ensure your stock represents excellent value.

"When you consider the realisable margin is greatest on day one and the stocking costs are at their lowest, it makes perfect sense to sell faster as opposed to waiting for the elusive local or walk-in customer. This customer type will also check the market price before committing to buy."

While speed of sale is important, Jones says retailers also need to ensure they are getting a return on their investment. That can be achieved,

he says, by either making a faster stock turn for a slightly smaller profit or a slower turn for a bigger gain.

"Currently, dealers are having to temper their speed of sale aspirations because of the shortage of used car stock given the low level of registrations during the pandemic and post-pandemic period," says Jones. "Many have lengthened their stock turn period and held out for higher profits because they know they can replace the vehicles."

Given that most dealer capital is tied up in car stock, Addis says it's vital they improve their ROI. By selling them faster, not only will they increase their stock turn, but also incur less costs per sale, he says. Added to that, he says that the volume sales increase drives profit into the service and parts department as they prepare more vehicles.

"More sales generate more part-exchange stock, both retail and trade," adds Addis. "Trade stock valued correctly is a source of profit. Retail part-exchange stock has always been the best source of stock for retailers too."

Jones says that once dealers have adopted a stock turn policy, they need to stick to it.

He advises against sales staff using their discretion when selling a vehicle that they may think is a bit special, warning that it could soon become the rule rather than the exception.

"The danger with using your discretion for a 'one-off' is that it can soon creep into other sales," says Jones. "So, it's best to stick to your policy and make sure that you're getting your ROI, but that you're also able to replace the vehicle."

Smith agrees. He says that often, dealers have considered stock to be special, only for it to still be in stock 180 days later.

"The point of a velocity sales strategy is to move stock out as quickly as possible, retaining as much



“IF YOU’VE GOT A DESIRABLE CAR AND IT’S PRICED RIGHT, THEN YOU SHOULD BE HOLDING OUT FOR THE STICKER PRICE”

MIKE JONES

profit as possible," says Smith. "If you deviate from the policy, you then make it subjective rather than objective, and then you are open to emotion."

Addis says that dealers also need to look at the available vehicle data and review the interest in it before making an informed decision about how to sell it. But he adds that, if it isn't generating leads, it should be quickly re-priced.



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Your customer has just chosen their perfect car. They're happy to be getting a new set of wheels to take them to and from work, pick up the kids after school and ferry the family dog to the park for its daily walk. You're happy to close the sale and because your customer is delighted with their decision. It's a win-win. Smiles all around.

Now is the time to offer options to protect their new pride and joy going forward. Not only will this demonstrate your commitment, but such options can also boost the bottom line of any sale and help increase retention and satisfaction rates.

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Warranty, Service Plans, GAP insurance, MOT Test Cover, Roadside



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Providing a strong aftersales programme can be a key tool for retailers to grow revenue streams.

It should be a breeze – not an array of complications and confusion. That's when having a leading provider of award-winning vehicle warranty and asset protection products will ensure a seamless, tailored experience for you and your customers.

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With all products insured in-house, by AMTrust Financial Services and Car Care Plan, they can be tailored to the requirements of each manufacturer and dealership Car Care Plan works with.

A full consultation is undertaken with each new client to gain a comprehensive understanding of their needs. Following the assessment, a relevant, unique product suite can be

developed, immediately expanding sales opportunities for your business.

The COVID-19 pandemic has had a significant impact on the way showroom sales are conducted. To support retailers with these changes, Car Care Plan has developed an extension to its customer portal to further assist with aftersales.

The new sales platform means that, in their own time, customers can run through the product line, view product videos, study the respective policy documentation and then finalise their purchase.

Support you can rely on

Car Care Plan also offers a simple and reliable support process, ensuring retailers receive useful resources to assist with add-on sales, as well as access to a friendly and knowledgeable team of experts should questions arise.

And an in-house compliance team maintains close contact with the Financial Conduct Authority (FCA) and Prudential Regulatory Authority as well as other industry bodies to ensure they are up-to-date with the latest legislation and regulations.

So, if your business is looking for a reliable aftersales partner, with support services that will help you get the most out of your dealer warranty and insurance products, see the panel below for contact details.

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As the used car market heats up, AM takes a look at some of the core cars that should be featuring on forecourts.

Tim Rose reports

Official data from the Society of Motor Manufacturers and Traders (SMMT) shows that 1.97 million second-hand cars changed hands during the first quarter of the year, up 6.5% compared with Q1 of 2023 and the used sector's strongest start to a year since 2019.

Rising activity suggests the brief years of demand exceeding supply are firmly over, and now the onus is back on dealers to ensure they have the stock that will win customers' attention as well as offer good margin opportunities.

AM takes a look at the recent high performing pre-owned cars, as revealed by a variety of marketplaces and experts, to identify 10 of the best sales opportunities for dealerships.

BMW 3 SERIES

The 3 Series has been in the annual top 10 biggest selling used cars for years and years. Supply of this superb all-rounder is pretty plentiful, although that has dropped a bit since SUVs became trendier to company car drivers, so buyers can enjoy its upmarket image and fine drive. *What Car?*'s Used Car of the Year winner is spacious for family buyers and comes well-equipped. If bought at the right wholesale price, it'll be the best compact executive saloon on the forecourt.



DACIA DUSTER

The Duster first reached the UK market in 2013, but it is buyers of this affordable SUV in its second generation, introduced in 2018, who seem a satisfied bunch. The latest Driver Power survey, based on feedback from drivers who've had their car for up to three years, hailed the Dacia Duster as the car to own in 2024. Its user-friendly functionality and value for money, together with that SUV styling and visibility, are putting it on buyers' consideration lists.



FORD KUGA

The Blue Oval's largest SUV on sale in the UK has been so popular that it was Auto Trader's fastest-selling used car last year. On average, it took just 13 days before it was off a dealer's forecourt, which is less than half the average of 31 days. Diesel versions are still in good demand and there are a few plug-in hybrid versions reaching forecourts now too.



FORD FIESTA

Given that it's plentiful, thanks to being Britain's best-selling new car until 2022, Ford's supermini is a safe bet for the forecourt. There's one challenge, however – most other dealers will also have one for sale. More than 300,000 used Fiestas found new owners in 2023. Car buyers like its styling and decent practicality, with good amounts of equipment and enjoyable driving characteristics, for a reasonable price. Although Ford has ceased production of the Fiesta, it's a brand that'll remain on used car buyers consideration lists for years to come.

More video leads doesn't have to mean increased headcount

VIV looks to connect a customer with the sales executive in close to real time and drive key behaviours beyond the initial response

Response times, quality, cost per lead and ease to respond are key elements in escalating new-start tech company Vehicles in Video (VIV) to supporting UK dealers as the drive for digital continues to adapt to challenging consumer demands.

Here, Matt Maley, CEO VIV, outlines the company's philosophy...

■ It's important for us to understand the behaviours and challenges when responding to inbound leads through video. We looked deeper into the process, starting with the personalisation (introduction from the enquiry holder). We then moved on to the quality and content of the commentary and video, then to the 'what happens next?'

This has been the area of 'no man's land' where we can lose the customer.

DMS systems were full of 'left message, no reply' when following up, so we added a signposting element to the process which guides the customer to a choice of calls to action.

This is an important part of our process as it allows us to measure and report on the customer behaviours after viewing the video such as: reserve now; book a test drive; finance enquiry; or more information.

In a recent case study with a dealer partner we focused heavily on the sales executives outro (signpost) with a definitive scripted signpost towards test drive ratio.

This revealed some interesting behaviours. Our sample was 100 inbound leads, all responded through our application, from that we were able to establish a 59% click-through rate into our calls to action, 42% requested more info, 36% booked a test drive and 22% committed to reserve now.

With our second case study based on the same sample, we changed the



VIV founder Danny Cooksey (left) and CEO Matt Maley

commentary from the sales executives outro to focus more towards 'reserve now'. The shift was interesting to say the least, with a 52% click-through rate; 48% requesting more info; 19% booking a test drive and a noticeable increase in reserve now at 33%, up 11% on our previous case study.

SO WHAT MAKES US DIFFERENT?

There are some great products on offer across our industry. However, it's important we are understood for what we are. Internal costs have been a real concern in the dealer world of late, and with our recently launched call centre application we are able to shorten the response process back to the customer

while reducing the cost per lead.

So, in short, an increase in inbound leads doesn't mean an increase in headcount to respond.

Dealer groups experience delays in passing leads through various processes which, in turn, has an effect on so many aspects of the journey, mainly response time back to the customer. We now give your call centre the ability to 'share on behalf of' a sales executive, allowing us to connect the sales executive with the customer at the earliest stage of the enquiry. We eliminate the internal headcount in the process, reducing the cost per lead, while enhancing the customer expectation with an almost immediate response.

With offices in Edinburgh and now London, our reach with our partners is much more flexible and is testament to how well received our product has been in this short period since entering the market.

Like every tech company, our investment into enhanced features and additional products is key to us gaining traction in this competitive space.

■ VIV founder Danny Cooksey says of the importance of dealers and integration: "Not only do we want to make the process of responding to every lead seamless for the sales team, it's vital that we make the back-end process simple and work with our partners to eliminate the everyday challenge of multiple keying. The team has been working tirelessly to streamline this in line with our acquisitions."



VEHICLES IN VIDEO

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KIA SPORTAGE

The Sportage is loaded with creature comforts, modern styling and a comfortable driving experience. Plus, thanks to that Kia badge, most customers don't fear it'll break their bank account. It has won the AM Award for Used Car of the Year seven times since the fourth generation Sportage was launched in 2016 – an award decided by dealers' votes. It was also the fifth fastest selling used car of 2023 on Auto Trader.



MERCEDES-BENZ A-CLASS

Both in hatchback and the rarer saloon bodystyle, Mercedes' smallest car gives used car buyers an accessible entry point into the three-pointed star lifestyle. The demand for it is evident, as it's on forecourts just a fortnight on average before it has gone, according to Auto Trader's data for 2023. The plug-in hybrid versions aren't hanging around either, selling in 15 days on average.



NISSAN QASHQAI

Qashqai has a lot to offer, thanks to being Nissan's big success since it was launched in 2007, arguably pioneering the crossover class with the looks and visibility of an SUV with the running costs of a family hatchback. Post-facelift models of the Mk2 and the Mk3 will stand out, and, for caravanning customers, the rarer 4x4 version is a good tow car. It risks being overshadowed by the Kia Sportage, however.

TESLA MODEL 3

Since arriving in 2016 the Tesla Model 3 has made quite an impact and is now a common sight on our roads as the take up of electric cars accelerates. It brings Tesla's innovative battery and motor technology to a more affordable end of the market, having been revised for 2024 and available for a much lower price than before. The Model 3 is a good option for dealerships able to turn over their stock fairly quickly rather than risk a couple of write-downs.



TOYOTA AYGO

Buyers seeking a young used city car have a dwindling selection to pick from, but the Aygo is an appealing proposition. It has just won the Cap HPI Used Car of the Year award in recognition of its low ownership costs. Older Aygos were sold with a five year OEM warranty, but since 2021 Toyota dropped this to three then added a service-activated warranty of up to 10 years, showing the confidence it has in its cars.



VOLKSWAGEN GOLF

The Golf is a benchmark hatchback for the industry and, like the Ford Fiesta, is a fairly safe bet for the forecourt. It has one of the market's most comprehensive ranges of engines and trim levels to suit a variety of budgets. From 2013 to 2020 the Mk7 Golf drove the bar higher in its class than before and, arguably, is a better forecourt space occupant than Mk8 models whose touch-sensitive interior might be off-putting for some.

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