

AMM

AUTOMOTIVE MANAGEMENT

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GLYN HOPKIN / P26

MD Fraser Cohen explains how his group ensured excellent results even while expanding

CUSTOMER SERVICE / P39

Why building trust is vital to your relationship with the buyer

AM AWARDS / P12

Read the full shortlist for 2018's automotive 'Oscars'

ALISON JONES - VOLKSWAGEN UK / P34

**'OUR DEALERS
NEED TO BE
READY FOR EVs'**





Are all of your systems covered for the GDPR?



SERVICE PLANS



ELECTRONIC VEHICLE HEALTH CHECK (iVHC)



AFTERSALES VIDEOS



SERVICE REMINDERS



ONLINE BOOKINGS



BOOKING CONFIRMATIONS



SALES VIDEOS

With only a few months until The General Data Protection Regulation (GDPR) comes into force, all organisations in the UK and the EU who process customer data have only a short time to ensure they are compliant.

The GDPR is intended to give control back to people over the use of their personal data and strengthens the rules for obtaining consent for its use.

This includes everything from service reminder calls and emails, sales and aftersales videos, to marketing SMS messages and sales flyers. In short, any communication a company holds or sends to a customer.

If a customer has not consented to receive communication in the format sent, then you are in breach of the regulation as a data controller which can mean fines of up to £17m or 4% of global turnover. This means that regular data cleanses and email verification processes are extremely important for compliance to the GDPR.

It is important that all 3rd party suppliers are fully audited to ensure they are adhering to the GDPR requirements as they may be sending communication to, or calling your customers as data processors using data you have collected and provided.

All your 3rd party suppliers need to be integrated to your customer consent process; so having one provider for service plans, electronic vehicle health checks, proactive follow up, online bookings, workshop and sales videos and who are ISO 27001 accredited will make it easier to manage and audit your supply chain and ensure ongoing GDPR compliance.



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EDITOR'S LETTER

We are now only a few days away from the AM Awards 2018 gala dinner, so there is a real sense of excitement and urgency in the AM office. It's heartening to see so many stand-out performances from the finalists, despite 2017 being a challenging year for most of the UK's franchised networks.

You will have to wait until next month to read about the specific initiatives and practices that have helped our award-winners to impress our very critical judging panel. However, there were common messages that emerged from our finalists: Maintain focus, put controls in place, do what is expected exceptionally well and then allow your own innovations and intuition to push the business further and deliver what is unexpected.

If it were that simple, of course, all dealerships would be overachievers. Daily upsets and challenges threaten to distract your teams from whatever the customer values most, while manufacturers and economic conditions shift the goalposts all too frequently.

However, it seems the strongest businesses are structured to manage these distractions most effectively, and to ensure the foundations are never truly shaken.

The AM Awards is a highlight of our calendar, together with our new AM Best Dealerships To Work For, held in the autumn.

There is nothing better than meeting readers like you and recognising the great work you all do. We look forward to seeing you in Birmingham.



MEET THE TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor



Stephen Briers
Editor-in-chief



Jeremy Bennett
Head of digital/
associate editor



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Volkswagen



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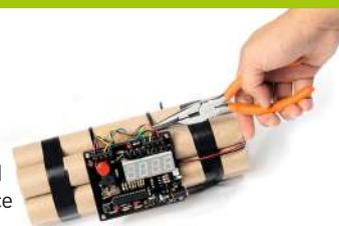
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WILL 2018'S MARKET FALL BE BIGGER THAN WE THINK?

The SMMT's full-year volume forecast for 2017 failed to predict the full extent of the Q4 sales slump. How can dealers plan ahead for a 2018 market that may be just as volatile?

Plummeting demand for diesel cars in the final quarter of last year has been partially blamed for the Society of Manufacturers and Traders (SMMT) underestimating the size of the full-year decline in new car registrations by 21.7% just two months earlier.

The society's forecast, issued in November, predicted a fall of 4.7% in new car registrations for 2017, compared with the previous 12 months. The SMMT's prediction in July 2017 was that full-year volumes would be down by just 3.7% (at 2.594 million). However, the full-year market actually fell by 5.7%, a disparity of almost 27,000 vehicles.

Most of that fall came in diesel – volumes fell by 30.6% in November and 31.1% in December year-on-year to leave the fuel type's registrations down 17.1% for the whole of 2017. An SMMT spokeswoman told *AM* that consumers had chosen to "sit tight" rather than opt to buy a new petrol or AFV.

The result was a market down 11.2% and 14.4% during the last two months of the year.

National Franchised Dealers Association (NFDA) director Sue Robinson cited SMMT predictions from January 2017 – a full-year fall of 5% – when she claimed that 2017's registrations were "in line with the forecasts".

"The UK new car market closed 2017 in line with the forecasts at the start of the year, which predicted a decline in registrations following 2016's record performance," she said.

Peter Smyth, director at Swansway Garages, suggested that the SMMT forecasts continued to reflect the "unrealistic" volume targets of manufacturers.

"The forecast will be right according to what the manufacturers tell the SMMT, but that

“ I THINK THE MARKET WILL BE DOWN NO LESS THAN 10% BY THE END OF MARCH

MIKE ALLEN, ZEUS CAPITAL

doesn't mean they are right for the market," he said.

"Add up all manufacturer projections for a given year and they'll probably amount to four million vehicles.

"Manufacturers' forced targets and market demand continue to be like chalk and cheese. I'd suggest the new car market is probably closer to 2.1m than 2.5m."

In an NFDA statement that predicted a further "moderate" decline in registrations during 2018, Robinson cited the volatility of the market in 2017 as the cause of the fall in volumes.

Commenting on the SMMT forecasts, she told *AM*: "Forecasts by nature tend to give only broad indicators of what to expect. Dealers and those who need to use forecasts should look at different sources, since relying purely on one source could lead to inaccuracies in planning.

"We would suggest that dealers speak to the NFDA, their own manufacturers, financial analysts and banks, and monitor their own business performance in order to get as accurate as possible figures."

Making plans for volatile 2018

Smyth told *AM* that strategic planning and budgetary considerations at Swansway begin around August for the following year and depend as much on knowledge of previous years' performance as predictions about the future.

He conceded that cost-cutting and operating efficiencies would be at the forefront of the group's planning

for this year, in a period unlikely to reflect what has come before.

Super Group, which added to its existing Allen Ford network with the acquisition of Essex Auto Group in March and Slough Motor Group in July, said it does take heed of what the SMMT projects for the market, along with various internal and external sources of information, including industry data from Bloomberg and the AM100's PLCs.

Colin Brown, the South African dealer group's chief financial officer, said the group had seen "no unexpected changes in our volume targets in Q4".

Mike Allen, market analyst at Zeus Capital, keeps constant tabs on the automotive sector's PLCs in order to inform investor decisions.

Allen told *AM* that his predictions for overall market volumes in 2018 would be "more conservative" than those of the SMMT, which currently predict cars registrations of 2.426 million, down 5.4% on the 2017 forecast level but just 3.1% down on the 2.54 million registrations actually achieved in 2017.

He said: "I think we're in for a very difficult first quarter and, in light of the strong start to 2017, the market will be down no less than 10% by the end of March."

However, as car retailers move into 2018 and ongoing anti-diesel sentiment and faltering consumer confidence continue to dent sales volumes, the SMMT's difficulties with data highlight the challenges of accurately charting a course through a year to ensure a business emerges in good shape.

If the body representing manufacturers operating in the UK cannot accurately assess where the market may be in two months' time – having compiled a forecast with the input of those very manufacturers – how can retailers accurately budget for the year and weigh up investments?

Michael Bills, managing director of restructuring advisory at financial consultants Duff & Phelps, said "accurate forecasting and planning ahead" would be essential for retailers attempting to manage a tricky economic period, adding that: "Manufacturers will not want to see long-standing dealerships suffering and possibly even disappearing as a result of an economic slowdown."

Did it fall, or was it pushed?

Mike Jones, the chairman of ASE, agreed with Smyth that retailers' business plans are determined more by their manufacturer partners' volume targets than predictions published by the SMMT.

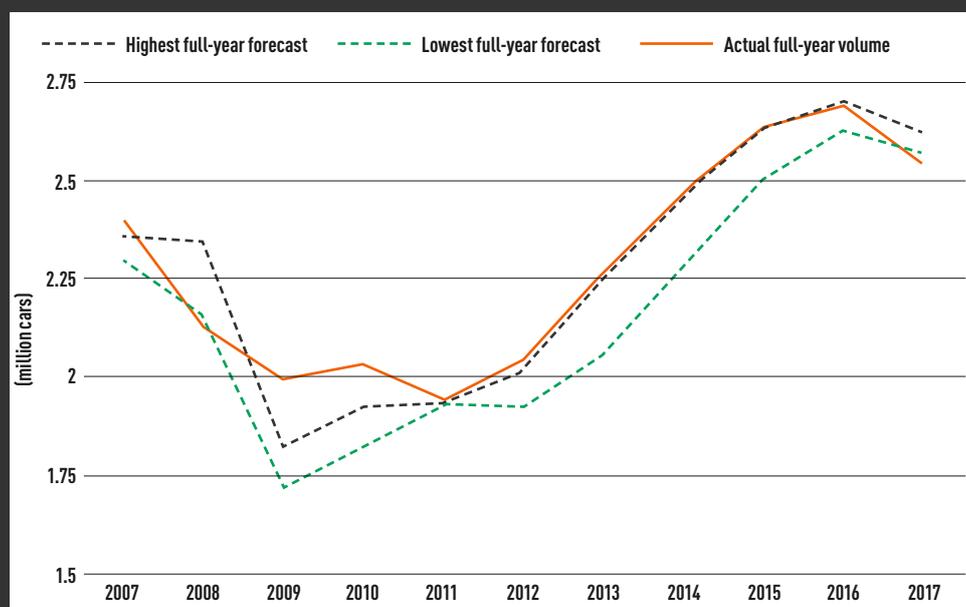
"From a fundamental point of view, retailers will pay some regard to the SMMT stats, but they are much more concerned about their franchise targets. The extent to which the manufacturer targets roll into the SMMT forecasts is a different issue. If you had a crystal ball that could see all the growth aspirations of all the brands, it would be way above the real market.

"We know for a fact that many of the manufacturers did tone down their targets towards the end of the year and gave their retailers targets that they could realistically aim for, but those retailers will not have achieved full-target earnings all the same."

Jones added: "With all the changes in tack we are seeing, the market as a whole is very hard to predict and that does pose a challenge for retailers.



« FULL-YEAR NEW CAR REGISTRATIONS VERSUS HIGHEST AND LOWEST FORECASTS (SOURCE: SMMT)



The market stability of the past seven years could be coming to an abrupt end if analysis of new car registration forecasts over the past decade is to be taken as an accurate indicator.

The last time that the SMMT's quarterly forecasts under-estimated a fall in annual registrations was 2008. It was a miss the society was sure not to repeat, with plunging predictions the following year, and one which it has shied away from in the growth years since.

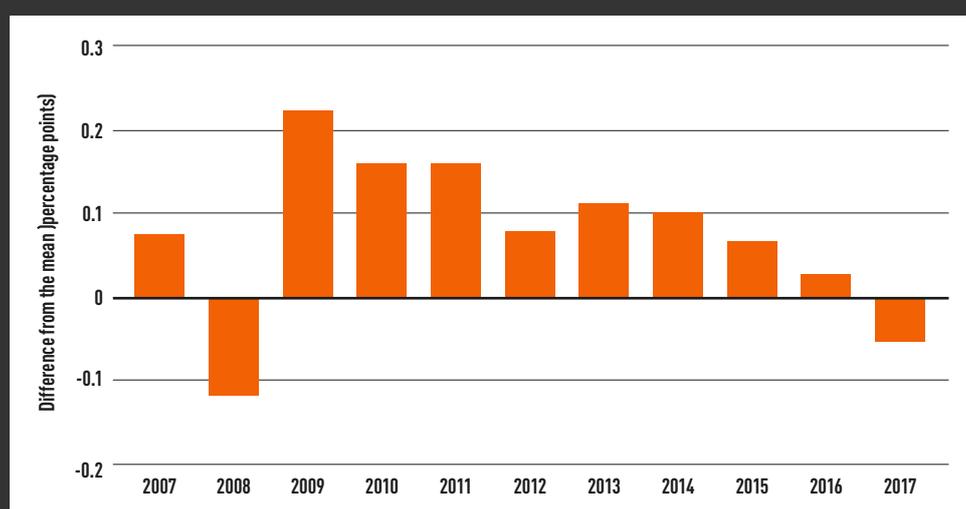
Looking at the average of the SMMT's highest and lowest predictions for every year since 2007 shows that the actual full-year registrations are always within about a fifth of a percentage point – its quarterly survey of its members is generally accurate.

However, the tight correlation between forecasts and actual registrations is clearly most evident during periods where the market is in growth, with consumer and retailers better placed to absorb the influx of vehicles into the market through sales and tactical pre-registrations.

With consumer confidence and manufacturers' imports hit by uncertainty surrounding Brexit, the weakening of sterling, rising inflation and interest rate rises, 2017 may have marked the start of a new period of consumer uncertainty and, with that, market unpredictability.

Whether the SMMT dramatically re-evaluates its forecasts for the year ahead or not, the automotive sector has to hope that the last quarter's disparity between its forecast and the year's eventual outcome is not followed by a dramatic downward trend similar to that in the last recession.

« DIFFERENCE FROM THE MEAN VOLUME FORECAST



"Take Vauxhall, for example. Suddenly there are huge changes in their numbers and that has a knock-on effect on Ford, which no longer has to push as hard to maintain that number one position."

Jones said manufacturers would be able to forecast their retailers' target and bonus schemes in a fairly predictable manner, despite the market forces at play, which include fluctuations in the value of sterling for importing brands.

He said: "We have to bear in mind the fact that, as an industry, we have always registered as many cars as the manufacturers have wanted us

to register. That allows the manufacturers to develop quite robust plans."

James Dower, senior editor of Black Book at Cap HPI, agreed: "The number of vehicle registrations is not necessarily a true reflection of new car demand and is often more of a measure of the potential profitability of the UK market when compared with other areas of Europe.

"The deterioration in the exchange rate against the euro was a significant factor in the declining registration activity as comparative profitability was less than in 2016.

"As the year progressed, we saw a greater proportion of manufacturers apply less pressure on dealer targets which, in turn, led to fewer pre-registrations taking place."

Robert Tallentire, a director at Duff & Phelps, suggested that manufacturers' registration predictions were probably up to 40% above the true market.

Tallentire said it was "unlikely that most dealers are even using the SMMT's predictions to forecast their investment decisions as they remain largely dependent on manufacturers' predictions and forecasts".

However, he said smaller retailers may not have access to the same forecasting resources as larger retail groups, leaving them more at risk from market changes.

"It is important to recognise that it is the smaller, independent dealers who are likely to be most vulnerable to volatility in the market," he said.

"As smaller dealers tend to have just two or three brands in their franchise, they are naturally more susceptible to fluctuations in the market and must think more strategically about how they invest capital." **TOM SHARPE**

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ROCKAR TO SELL NEW CARS IN NEXT STORE

Tie-up with clothing retailer could provide model for dealers to enter high street, says Rockar's Simon Dixon

Rockar may facilitate the migration of motor retail groups to the high street after announcing a collaboration that will see cars displayed alongside clothes on the shop floors of Next's UK stores.

Rockar, which has already partnered with Hyundai, Jaguar Land Rover and Mitsubishi Motors in the UK, has yet to identify the carmaker that it will introduce to the Next store in Manchester city centre's Arndale Centre in March. The mini-showroom will display six cars in-store, with a further 12 outside.

Rockar founder Simon Dixon said the move could be the first step to introducing car retail into more of Next's 500 UK-wide stores.

Dixon, who is currently planning to roll out the business's online retail platform to motor retail groups across the UK during 2018, said he sees Rockar as a "facilitator" rather than a car trader. He said he saw the Next deal as an opportunity to realise a plan to have 12 stores at top UK shopping centres, but added: "Next has 500 stores across the UK, so the opportunity for us is huge."

Dixon said the new model could enable motor retail groups to gain a high street presence: "Our strategy has always been about enabling change. Just as we want dealers to embrace our online platform, we



The Next store at the Arndale shopping centre in Manchester will incorporate a mini-showroom

would like to think we can become an enabler in this area as well."

Next's relationship with Rockar was at least partially born out of the clothing retailer's need to rebalance its business by attracting customers to its high street stores. While Next recently upgraded its profit expectations for the year to January by £8 million, to £725m, after sales rallied in the run-up to Christmas, sales in its stores suffered a 6.1% slump as online sales rose 13.6% for the period.

Dixon said: "Next and many other high street brands are experiencing the same issue as traditional car retailers at the moment. More people are going online to buy from them yet the cost of operating high street stores remains high."

Rockar opened its first shopping centre-based car store with Hyundai Motors in 2014 when it added a retail location at Kent's Bluewater



“NEXT HAS 500 STORES ACROSS THE UK, SO THE OPPORTUNITY FOR US IS HUGE

SIMON DIXON, ROCKAR

shopping centre. It added a second location with the South Korean brand at Westfield, in Stratford, in December 2015.

A Jaguar Land Rover operation followed, with a showroom and neighbouring aftersales facility opening its doors at Westfield Stratford last September.

Mitsubishi Motors in the UK announced that it would also be making use of a store and Rockar's digital platform from the end of Q1, 2018. All of the manufacturers it has so far partnered with have also adopted Rockar's online retail platform network-wide.

Dixon would not disclose the identity of the manufacturer who will take the Next space, but he said it did mark an entry into online new car retail for the brand, which he said shared Next's "customer service focus".

He also said the Arndale-based collaboration would generate a far higher footfall for its new partner than its existing car store sites, which get a combined annual passing footfall of 89m people.

Dixon said: "At the moment in

Bluewater and Westfield Stratford, we currently generate 180,000 to 250,000 visitors for our partner car manufacturers each year, but the Next store at the Arndale Centre is many multiples of that.

"Not only does our space within the Next store have a high visual impact from outside, with a full-length glass frontage, but everyone that enters the Arndale Centre through Next from the bus or train station will do so right through the middle of our retail space.

"While our area of the store will have the distinct look and branding of our new manufacturer partner, there is no more to separate it from the rest of the Next store as there is dividing menswear from women's wear."

A spokesman for Manchester City Council confirmed it had received a planning application from consultants Q+A Planning, operating on behalf of Next Retail, to facilitate a change of use of part of the Arndale store for the purpose of car retail.

As AM went to press, however, the application had yet to gain official approval. **TOM SHARPE**



ADVERTISING FEATURE

Build urgency into your sales

Customers don't like feeling they might miss out, says Simon Bowkett of Symco Training



This month I want to talk about building a sense of urgency into your response to telephone enquiries. It's something you need to be careful with because, if you build urgency in without any credibility, the danger is that your customers won't believe it.

There are several ways you can build urgency with credibility. First, if the customer has seen the car on a site such as Auto Trader, you can say something along the lines of: "Auto Trader gives us lots of information, like how many people viewed the car and how often they viewed it. So just to let you know, out of all of our group stock, that was the second-most viewed car this weekend."

I mentioned this technique to a salesperson recently and what he did was take a screen shot of the Auto Trader information and send it to the customer. That really gave this technique some believable urgency, and he was able to secure the deal very quickly.

The car has been moved!

Here's another approach you can try: "Sir, I was on a day off yesterday. I could see it parked out in the front from my desk, but today I noticed it has been moved. I'm just one of eight salespeople here who can sell that car so, if it has sold, what else did you see on our website that caught your attention?"

Confirming the appointment

If you've got your customer to agree to come in for a test drive, don't be afraid to say: "Can you just hold on for a second please, I just need to get the appointment book?" Then you can come back and tell them: "OK, 2pm is fine, but someone else will be driving it at 3pm. Is that hour going to give you enough time, or do you want to come in a touch earlier?"

Those are just some of the things you can try. Watch my new free sales training video on the AM website (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) this month for even more tips on how to build credible urgency into your sales process.

Don't leave it too late

Just remember, make it fairly subtle. And do it at or near the beginning of your sales process, because it tends not to work if you leave it to the end.

Visit our website for a free training trial

To find out how our low-cost, ILM-approved online training programme can help train your team, visit symcotraining.co.uk/freetrial and start your free trial today.

THIS MONTH'S NEWS HIGH

DEC

15th

VOLVO OPENS £6 MILLION TRAINING CENTRE

Volvo opened a new £6 million training and development centre in Daventry, Northamptonshire, replacing the 35-year-old original site. Jon Wakefield, Volvo Car UK managing director, said the new facility represented a "significant commitment" to the UK retail network.



19th

VW DENIES PLAN TO CUT UK FRANCHISES

Volkswagen denied plans to reduce the number of dealer locations in its UK network as part of a "future sales model"



strategy. Responding to a report by Reuters, which claimed that the brand planned to cut 10% of its European dealerships, a spokesman said: "We have 190 retailers [in the UK] and we have no plans to amend that figure up, or down."

21st

PETER VARDY HERITAGE OPENS EDINBURGH STORE

Peter Vardy expanded its Heritage brand with the opening of a new showroom to display its range of classic cars in Edinburgh. Located



next door to its new BMW and Mini dealership, on Seafield Road East, the 300-square-metre facility can house 10 cars.

SYTNER OPENS UK'S BIGGEST BMW/MINI DEALERSHIP

Sytner Group officially opened the UK's largest BMW and Mini dealership, in Sheffield. Located just a mile from the Meadowhall Shopping Centre, and a stone's throw from the M1, the development delivers more than five acres of indoor floor space.



JAN

2nd

FIRE BREAKS OUT AT SOLIHULL LAND ROVER DEALERSHIP

As many as 10 cars were damaged at Listers Group Solihull Land Rover site after a fire broke out on the evening of December 30. Footage posted on Twitter by witnesses showed flames and a series of explosions at the dealership on Stratford Road, Shirley.



CAMBRIA ANNOUNCES FOUR LUXURY DEALERSHIPS

Cambria Automobiles announced the opening of its first Lamborghini showroom, two Bentley dealerships and a McLaren dealership during January. The Bentley sites will be located in Chelmsford – alongside the Lamborghini dealership – and Tunbridge Wells. The McLaren franchise currently operates from a temporary facility in Hatfield.



4th

ASA WARNS DEALERS OVER 'ONE CAREFUL OWNER' ADS

An Advertising Standards Agency warning prompted fears that car dealers could face widespread refund demands related to former fleet and lease cars sold as having had "one careful owner". The ASA's action followed a ruling against the FCA Group and Glyn Hopkin last October.

8th

JCB GROUP ACQUIRES HIDSON GROUP

JCB Group added Kia, Citroën, Mitsubishi and SsangYong franchises with the acquisition of the Hidsons Group. Jonathan Bischoff, JCB's managing director, described the acquisition of the £45 million turnover (2016) operation in North Kent as "a perfect fit".

11th



UK FACTORY'S FUTURE LINKED TO UK SALES, SAYS NEW VAUXHALL MD

Stephen Norman, Vauxhall's incoming managing director, said he aimed to "dramatically improve the commercial fortunes of the brand". Norman told the *Financial Times* that the fortunes of Vauxhall's Ellesmere Port factory were "inextricably linked" with UK car sales.

12th

SNOWS BUYS PORTFIELD GROUP

Snows Motor Group acquired Chichester-based Portfield car retail group. The move adds Citroën, Mazda and Peugeot franchises alongside plans to develop a neighbouring Toyota franchise. Snows also acquired The Portfield Part-Exchange Centre in Bognor Regis as part of the deal.



15th

ADVERTISING FEATURE

Are you giving motorists what they want?

By Alistair Horsburgh, CEO, CitNOW



Eight million videos were made on CitNOW's platform in 2017, compared with five million the year before. The 60% increase reflects the growing prominence of video as an essential communications tool. As another year of growth beckons, it's rather fitting that 2018 sees us celebrating our 10th anniversary.

Rather than giving ourselves a pat on the back, what does this say about video?

Consumers love it – they like viewing used cars they are considering purchasing, they appreciate the openness video offers when their car is in the workshop and the excitement of their new car is heightened with a preview video. We see this first-hand from the ratings and comments customers leave after viewing their videos.

We wanted to back this up even further so published the first ever CitNOW Vision Report last year. Questioning 2,000 UK motorists, we found that 74% of respondents who had received a video of a car felt more confident about buying. One of the more surprising findings was that 78% of over-55s have already used or would be willing to try a personalised video to help choose their new car or to approve repair work.

As a leading video provider, it's our responsibility to continue listening to our clients and developing our product offering. We have introduced a larger field team to support dealers and have incorporated additional features as part of our overall package such as the five-star rating scheme, Rate This Video (RTV), which enables viewers to give immediate feedback.

Our most important development last year was the introduction of CitNOW Web and Smart Image. Launched following a project with Inchcape, the app removes the need for an on-site photographer and in just a few months the group saw a 24% increase in the amount of stock online with image and video.

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AM AWARDS 2018

HEADLINE AWARDS

DIGITAL RETAILER OF THE YEAR (NEW)

Buyacar
Rockar
Sponsored by Autino

DEALER PRINCIPAL/GENERAL MANAGER OF THE YEAR

Darren Bradford, Drayton Kia
Neil Hodgson, Perrys Workshop
Robin Luscombe, Luscombe Motors
William Blackshaw, Blackshaws Garage
Sponsored by Perfect Placement
Automotive Recruitment

RETAILER OF THE YEAR

Shortlist is made up of the winners from each retail category
Sponsored by Black Horse

BUSINESS LEADER OF THE YEAR

Chosen by the AM judges
Sponsored by Premia Solutions

AM HALL OF FAME

Chosen by Stephen Briers, the editor-in-chief of AM
Sponsored by Shell UK

MANUFACTURER OF THE YEAR

Hyundai
Kia
Toyota
Volkswagen
Volvo
Sponsored by carwow



THE SHORTLIST

With judging complete, almost 80 finalists are in the running for the highest accolades in UK motor retail this year.

A judging panel of eight industry experts, chaired by Christopher Macgowan OBE, made their choices this month from the dealers seeking to be crowned the best in the industry. BDO audited the key retailer categories.

As well as dealers, AM acknowledges the part played by manufacturers in the health of the retail sector in three awards nominated by dealers – new car, used car and franchise of the year – and manufacturer of the year.

Taking a deliberately diverse look at the industry, we are seeking to acknowledge great performance, innovation and a consistent approach that exploits opportunities and tackles problems across 22 separate categories. They range from digital communications to traditional aftersales, used sales, fleet and, for the first time, digital retail.

The competition is intense, guaranteeing that February 8 will again be a night to remember.



THURSDAY, FEBRUARY 8, THE 1

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Renault Retail Group
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Vauxhall (Raytheon)

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Romford Mazda

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BEST AFTERSALES PERFORMANCE

Devonshire Motors
Go Vauxhall
Swansway

Sponsored by Autoguard Warranties

BEST USED CAR PERFORMANCE

Drayton Kia
Luscombe Motors
Peter Vardy BMW/Mini Edinburgh

Sponsored by Autoclenz

BEST FLEET OPERATION

Norton Way
Pendragon National Fleet Services
TrustFord

Sponsored by Santander Consumer Finance

SALES TEAM OF THE YEAR

Peter Vardy BMW/Mini Edinburgh
Peter Vardy Carstore Glasgow
Romford Mazda

Sponsored by Barclays Partner Finance

RETAILER AWARDS

MOST IMPROVED DEALERSHIP

Clive Brook Volvo Bradford
DM Keith Škoda Bradford
Infiniti Newcastle (Vertu Motors)

Sponsored by Auto Trader

BEST DEALERSHIP

Devonshire Motors
Drayton Kia
Luscombe Motors
Peter Vardy BMW/Mini Edinburgh

Sponsored by Rhino Events

NEW RETAILER OF THE YEAR (NEW)

GWR Kia (Norton Way)
Peter Vardy Carstore Dundee
Porsche Centre Wolverhampton (Pendragon)

Sponsored by DSG Finance

BEST RETAIL GROUP (UP TO & INCLUDING 10 SITES)

Clive Brook
Endeavour Automotive
Hatfields
Norton Way

Sponsored by Jewelultra Diamondbrite

BEST RETAIL GROUP (MORE THAN 10 SITES)

CEM Day
Eden Motor Group
Peter Vardy
Sytner

Sponsored by MOTUL

DIGITAL AWARDS

BEST SOCIAL MEDIA STRATEGY (NEW)

Bells Crossgar
CarShop
David Dexters
Marshall Motor Group

Sponsored by Marketing Delivery

BEST DIGITAL CAMPAIGN (NEW)

Endeavour Automotive
Mercedes-Benz Retail Group
TrustFord

Sponsored by Motors.co.uk

BEST DEALER WEBSITE

Bridgend Ford
DM Keith
Jardine Motors Group
Luscombe Motors
Motor Village UK
Renault Retail Group
Sturgess Motor Group

Sponsored by CarGurus

MANUFACTURER AWARDS

USED CAR OF THE YEAR

BMW 3 Series
Ford Fiesta
Kia Sportage

Sponsored by Car Care Plan

NEW CAR OF THE YEAR

Ford Fiesta
Honda Civic
Kia Picanto
Kia Stinger
Volvo XC60

Sponsored by Supagard

FRANCHISE PARTNER OF THE YEAR

Ford
Kia
Suzuki
Volkswagen
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The biggest shake-up in data protection regulation in decades is just weeks away.

Our conference is designed to check your strategy against expert opinion to ensure you are on the right track to compliance.

The GDPR is raising the bar to a higher standard for consent as well as making it easy for people to withdraw their consent. But don't be fooled into thinking this is about marketing alone, GDPR affects every aspect of your business.

This event explores the detail through the eyes of compliance specialists, marketing gurus and data protection experts.

With the Information Commissioner's Office (the regulator in the UK) providing its updated guidance in December ahead of the implementation of the regulations in May 2018, our conference is perfectly timed so you can be confident your business is compliant.

Speakers confirmed so far

Telephone and privacy data - Will EU privacy laws prevent you from calling your customers in future?

Toni Vitale, partner, Winckworth Sherwood and Simon Hinks, senior marketing consultant, PMA



The regulation on telephone contact with the public is governed by privacy law - currently that's the Privacy and Electronic Communications Regulations (PECR), but the use of data on those to be called is governed by data law. PECR will be replaced by the EU e-Privacy Act, and data law by GDPR. But managers are likely to view the data and privacy laws as one and the same thing. This session given by members of the Telephone Compliance Council will explore how data and privacy laws affect day-to-day activity in dealerships in relation to telephone calls, the form future legislation could take, how to prepare and how to ensure employees remain compliant. There will be real case history examples of what can go wrong, and how to get it right.

How marketers can and should contact their database under GDPR

Zach Thornton, external affairs manager, Direct Marketing Association



Covering the headline parts of GDPR relevant for the marketing industry, this session focuses on consent and legitimate interests which will undoubtedly form the basis for on-going communications. The presentation will also offer some top tips on what marketers can do now to get ahead which will incorporate third party data, legal bases for processing data (legitimate interest and consent) and legacy data. In addition, with changing attitudes to privacy as important as the new regulation itself, Thornton draws on the DMA's research into consumer attitudes to privacy.

Hilton Doubletree, Milton Keynes. **February 22 2018**

For more information or to book your tickets today visit:
amgdprconference.co.uk

10 questions we'll be asking

- What's the biggest challenge facing dealers with GDPR?
- How are dealer preparations going?
- Are dealers confident they will be ready by May 2018?
- How are dealers ensuring employees have the right knowledge and training?
- Should dealers employ a data compliance or data protection officer?
- Does GDPR see marketing and IT becoming even closer companions?
- What will some of the aspects of GDPR look like in practice?
- Have dealers ensured they have GDPR compliant consent for current data?
- What additional processes need to be in place under GDPR?
- Will GDPR be the death of customer communications as we know it?

Who should attend?

CEOs
Senior executives
Divisional directors
Digital marketing managers
Marketing managers
Compliance managers
IT managers
Data processors
Customer service advisors
Dealer principals
General managers
Sales managers
Service managers

10 Reasons to attend

- Find out how other businesses are approaching GDPR
- Benchmark your strategy against the experts
- Return to your dealership with insights from GDPR specialists
- Get to grips with some of the nitty gritty of the legislation
- Exchange views, ideas and tips with dealer and manufacturer colleagues
- Tackle big data questions such as how it should be stored and managed
- Review the finer points such as the rights of the individual
- Make sure you know the different ways of processing data
- Understand whether your organisation or your suppliers should be ISO27001 accredited
- Be confident you and your employees understand their responsibilities

ANNUAL REGISTRATIONS

WHO WERE THE WINNERS AND LOSERS IN 2017'S SALES SLUMP?

The 5.7% registrations fall last year was not split equally across brands, channels or models

The 5.7% year-on-year decline in the 2017 new car market was not a surprise to dealers, but while many manufacturers saw double-digit falls in registrations, the market was still at the third-highest level in a decade, at 2.54 million units.

A record 2016 has resulted in some negative drops for year-on-year comparisons.

Private, fleet and business registrations were all down in 2017, with demand from private motorists declining -6.8%, while fleets saw a fall of -4.5%. The biggest percentage losses were seen in business registrations, with the sector ending the year down -7.8%.

Demand for petrol cars increased by 2.7%. However, this was not enough to offset a -17.1% decline in diesel registrations - with negative headlines about diesel and the potential for tax

increases causing buyers to hesitate. The SMMT's current forecast is predicting a 5.4% drop in new car registrations in 2018 to a market of 2.426 million units (See our news insight on page 6). Diesel's share of the market is expected to continue to fall, to 40.7% of the total car market.

THE WINNERS

The stand-out performer for 2017 was Seat, with an increase in registrations of 18.28%, to 56,130.

This impressive increase was largely due to huge gains in the fleet market, up 33.7% to 31,951 units, making it the second-best performance in fleet growth last year after Suzuki.

New model launches can always help to lift a manufacturer's fortunes and Seat has seen strong demand from its Ateca SUV, launching the brand into a new segment.

The Ateca has helped Seat grow in the fleet market as it was previously reliant on the Leon. Order books also opened for its new Arona small SUV in October last year and the brand also launched a revised Leon and new Ibiza within the space of 12 months.

Fleet initiatives included four-day test drives to convince user-choosers and fleet managers and a £12,000 annual incentive for dealers that met a new set of fleet sales standards. Part of this additional incentive included hitting 100 fleet deals a year.

In terms of sheer volume, Mercedes-Benz stands out for growth of 6.56%, or 11,142 units, to a total of 180,970 last year. This makes Mercedes the biggest premium brand in the UK and puts it almost 6,000 units clear of rivals BMW and Audi, which both had a flat 2017.

Mercedes grew its fleet volumes by 13.94% in 2017, to 93,128 units. This compares with a 2.4% drop in retail volumes, down to 74,859 units.

The A-Class was Mercedes' most successful fleet model last year, up 20.32% to 29,114 units. This helped to offset the 6.15% drop in fleet sales of the C-Class, which still represented the second-biggest chunk of Mercedes' fleet registrations at 25,563 units.

The biggest growth segment for Mercedes was its G/GLE/GLC Class products, up 45.3% in the fleet market to 10,136 units.

Suzuki also had a strong 2017, with total registrations up by 40,343 units, bolstered by gains in the fleet market of 52.96%, to 14,426 units. This was helped by the strong growth from Vitara with fleets, up 79.38% to 5,733 units.

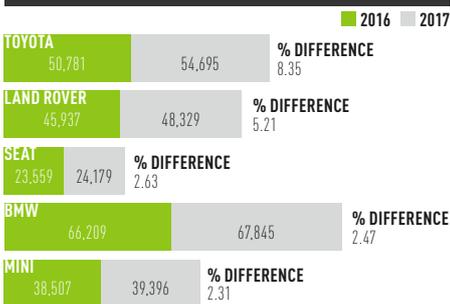
Suzuki actually recorded gains in the fleet market across its entire model range, with the new Swift and SX4 S-Cross turning in particularly strong performances, up 29.09% and 28.54% respectively.

THE LOSERS

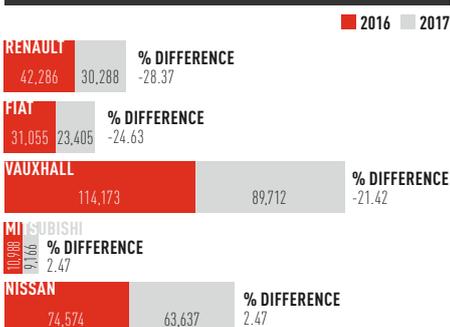
While Jeep, DS and Fiat had a torrid 2017 with big losses, it was Vauxhall that had a devastating total fall in volumes of 22.24%, or 55,818 units. While Ford also suffered a drop of 9.71%, or 30,920 units, Vauxhall saw demand drop off evenly across fleet and retail. As a result, Vauxhall's total market share dropped from 9.32% to 7.68%.

The fall in Vauxhall's fleet volume (22.92% year-

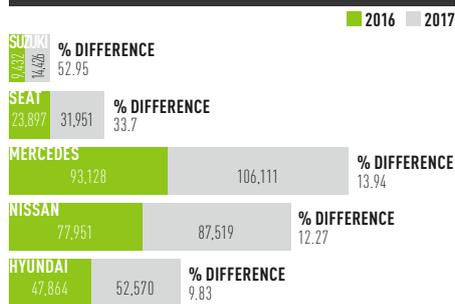
TOP 5 BRANDS FOR % RETAIL GROWTH



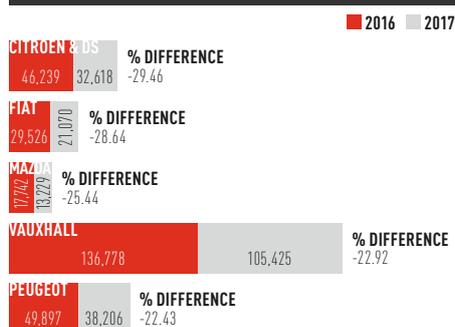
BOTTOM 5 BRANDS FOR % RETAIL GROWTH



TOP 5 BRANDS FOR % FLEET GROWTH



BOTTOM 5 BRANDS FOR % FLEET GROWTH



WE'LL HELP YOU GET THERE

SPONSOR'S COMMENT



By Richard Jones, managing director, Black Horse

After nine straight months of declining new car registrations, the SMMT confirmed that overall annual demand

fell 5.7% last year. We need to look at 2017 in the context of five prior years of consecutive growth, where the market rose to above average long-term trends.

I believe this correction in demand is reasonable and is likely to continue into H1 2018. This means we will be in a long-term sustainable marketplace and it will help to avoid extra downward pressure on used car values, which would be bad for a market where residual value stability is so important.

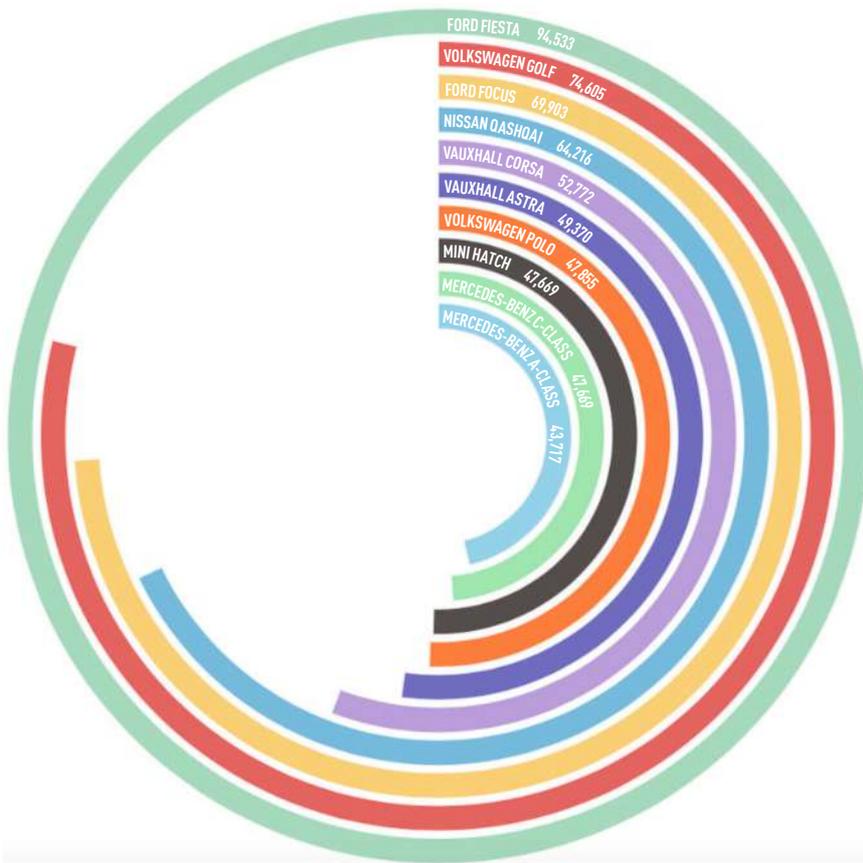
The SMMT also published annual emissions data in January, reporting that the UK average new car CO₂ figure for 2017 rose for the first time in two decades, up 0.8% on 2016. This is where I feel core problems remain for our industry, as it demonstrates that consumers are confused by the various fuel options available to them and confused by the Government's strategies on both fuel and air quality.

A mass switch in the market from diesel to alternative fuel vehicles (AFVs) is not currently an option. The AFV marketplace is small, still developing and costly for consumers – there are many challenges to overcome before we have a national infrastructure that could support AFVs at scale.

For most, the purchase of an AFV is at least three car-purchasing cycles away, supported by even the most optimistic forecasts on AFV adoption. Another potential near-term scenario is therefore a mass switch to petrol. This also would be flawed from an economic and environmental perspective, and would risk the UK's CO₂ emissions reduction targets.

The only way forward is to continue to support customers to develop a better understanding of fuel types available, taking into consideration how they will use their vehicle before making the purchase. Across the industry, we all have a role to play in supporting our customers to make better-informed choices – petrol and diesel both remain core options. The important distinction we have to instil in customers' minds is considerations of old technology versus new, not traditional fuels versus AFVs.

➤ **BEST-SELLING NEW CARS 2017**



on-year) was slightly more pronounced than in the retail market (down 21.42%), but the brand is having demand issues across its range.

Corsa volumes in the fleet market were hit particularly hard, down 45.84% to 16,066 units, and the Insignia saloon fell 41.73% to 13,604 units. While they represent lower fleet volumes in total, the Astra GTC and Meriva fell by 67.61%, or 888, units and 70.92%, or 844, units respectively.

Retail volume losses were led by models such as Vauxhall's Corsa, down 22.63% to 36,706 units and Mokka, down 19.89% to 15,366 units. Despite Vauxhall's big losses, the Corsa and the Astra still made it into the top 10 best-sellers list for last year (see the graph above).

The other brands in the extended PSA Group family, Peugeot and Citroën, are facing their own woes. All of PSA's brands, including DS, feature in the top 10 worst performers of 2017 by volume reduction.

Peugeot volumes fell 16.55% last year, to 82,226 units, led by losses in the fleet market,

where the brand saw a reduction of 22.43%, to 38,206 units. In the retail market, it lost 9.48%, to 44,020 units.

There was a huge year-on-year drop in fleet demand for the 5008, since replaced, down 86.89% to just 212 units, and Peugeot saw double-digit falls on every model except the 3008 last year. Its biggest model by fleet volume was the 2008, but it had a flat year, with volume down 1.03%, to 9,497 units. Its 208 and 508 models fell 50% each in fleet demand, to 6,415 units and 324 units respectively.

Citroën's retail volumes were down 14.49% last year and its fleet numbers fell 29.46%. The drops in retail were led by a 54.38% fall in demand for the C4 and a 21.99% drop for its volume-seller, the C1 city car.

The C3 enjoyed good growth in the fleet market, up from 2,081 units to an impressive 10,748, to make it Citroën's top fleet-seller, but this couldn't offset big losses from the C1 (-74.42%), C4 Cactus (-61.05%) and the C4 Picasso (-32.12%). **TOM SEYMOUR**

NEW CAR REGISTRATIONS

Dismal December was still good for some

December's new car market was the lowest since 2012. Registrations totalled 152,473 units after dealers reported that many manufacturers had downgraded their volume targets and eased back on their weighty consumer incentives. The result was a 14.4% decline on December 2016's 178,022 units, but well ahead of December 2012's 123,557 volume.

The month's private registrations were down 15.9% to 56,917 units, and the market share achieved dropped to 37.3%. There were 90,217 fleet registrations, a drop of 11.7%, but accounting for a 59.2% share, and business registrations totalled 5,339, a 35.3% drop.

Three major mainstream brands were mostly responsible for December ending in the red year-on-year. Ford's volume dropped by 5,200 units (25% down), Vauxhall's by 3,771 (22% down) and Nissan's by 2,869 (27% down). They weren't helped by a 47% slump at Renault, which lost 2,864 registrations from last year.

Nevertheless, almost a dozen brands ended on a high. These included:

1 TOYOTA

A 5,188 result was 12%, or 546 units, ahead of December 2016. It trebled last December's registrations of its new C-HR crossover SUV, and Prius volumes rose by a third.



2 SEAT

With 3,848 December registrations, the Spanish brand was 16%, or 500 units, up. Its Ateca SUV is doing well, but it is the Leon hatchback that continues to sell most strongly, accounting for one in three sales.

3 MITSUBISHI

It has endured a tough year now the Outlander PHEV has strong competition, however its December registrations were up 16%, or 168 units. The ASX, its compact SUV, had a £3,000 'scrappage' discount.

Marque	December					Year-to-date				
	2017	% market share	2016	% market share	% change	2017	% market share	2016	% market share	% change
Ford	15,541	10.19	20,741	11.65	-25.07	287,396	11.31	318,316	11.82	-9.71
Volkswagen	15,345	10.06	15,634	8.78	-1.85	208,462	8.21	207,028	7.69	0.69
Vauxhall	13,303	8.72	17,074	9.59	-22.09	195,137	7.68	250,955	9.32	-22.24
Mercedes-Benz	10,427	6.84	10,220	5.74	2.03	180,970	7.12	169,828	6.31	6.56
BMW	13,471	8.84	15,066	8.46	-10.59	175,101	6.89	182,593	6.78	-4.10
Audi	10,671	7.00	11,319	6.36	-5.72	174,982	6.89	177,304	6.58	-1.31
Nissan	7,759	5.09	10,628	5.97	-26.99	151,156	5.95	152,525	5.66	-0.90
1 Toyota	5,188	3.40	4,642	2.61	11.76	101,985	4.01	96,746	3.59	5.42
Hyundai	5,026	3.30	5,625	3.16	-10.65	93,403	3.68	92,419	3.43	1.06
Kia	3,773	2.47	3,788	2.13	-0.40	93,222	3.67	89,364	3.32	4.32
Land Rover	4,186	2.75	4,967	2.79	-15.72	82,653	3.25	79,534	2.95	3.92
Peugeot	4,134	2.71	5,753	3.23	-28.14	82,226	3.24	98,529	3.66	-16.55
Škoda	6,433	4.22	5,657	3.18	13.72	79,758	3.14	80,372	2.98	-0.76
Renault	3,194	2.09	6,058	3.40	-47.28	69,110	2.72	85,102	3.16	-18.79
Mini	7,127	4.67	7,383	4.15	-3.47	68,166	2.68	68,984	2.56	-1.19
2 Seat	3,848	2.52	3,348	1.88	14.93	56,130	2.21	47,456	1.76	18.28
Honda	2,632	1.73	3,294	1.85	-20.10	53,901	2.12	59,106	2.19	-8.81
Citroën	2,180	1.43	2,653	1.49	-17.83	51,455	2.03	62,991	2.34	-18.31
Volvo	3,195	2.10	3,736	2.10	-14.48	46,139	1.82	46,696	1.73	-1.19
Fiat	1,645	1.08	3,929	2.21	-58.13	44,475	1.75	60,581	2.25	-26.59
Suzuki	2,329	1.53	2,264	1.27	2.87	40,343	1.59	38,167	1.42	5.70
Mazda	1,569	1.03	2,111	1.19	-25.68	39,092	1.54	46,609	1.73	-16.13
Jaguar	2,009	1.32	2,520	1.42	-20.28	35,544	1.40	34,822	1.29	2.07
Dacia	983	0.64	1,891	1.06	-48.02	25,149	0.99	26,499	0.98	-5.09
3 Mitsubishi	1,227	0.80	1,059	0.59	15.86	16,092	0.63	18,237	0.68	-11.76
Porsche	1,036	0.68	1,264	0.71	-18.04	14,051	0.55	13,097	0.49	7.28
Lexus	772	0.51	750	0.42	2.93	12,670	0.50	13,915	0.52	-8.95
Smart	456	0.30	848	0.48	-46.23	10,323	0.41	12,020	0.45	-14.12
DS	277	0.18	580	0.33	-52.24	9,082	0.36	15,898	0.59	-42.87
Jeep	261	0.17	813	0.46	-67.90	6,380	0.25	14,090	0.52	-54.72
Alfa Romeo	304	0.20	292	0.16	4.11	4,997	0.20	4,881	0.18	2.38
Abarth	272	0.18	276	0.16	-1.45	4,441	0.17	3,966	0.15	11.98
MG	454	0.30	367	0.21	23.71	4,441	0.17	4,192	0.16	5.94
SsangYong	141	0.09	174	0.10	-18.97	3,590	0.14	4,444	0.17	-19.22
Infiniti	59	0.04	78	0.04	-24.36	3,515	0.14	2,891	0.11	21.58
Subaru	246	0.16	330	0.19	-25.45	2,679	0.11	3,612	0.13	-25.83
Bentley	122	0.08	128	0.07	-4.69	1,753	0.07	1,948	0.07	-10.01
Maserati	125	0.08	150	0.08	-16.67	1,701	0.07	1,435	0.05	18.54
Aston Martin	78	0.05	107	0.06	-27.10	1,471	0.06	906	0.03	62.36
McLaren	23	0.02	18	0.01	27.78	567	0.02	18	0.00	3,050.00
Lotus	11	0.01	5	0.00	120.00	279	0.01	339	0.01	-17.70
Chevrolet	4	0.00	0	0.00	0.00	70	0.00	4	0.00	1,650.00
Other British	45	0.03	55	0.03	-18.18	700	0.03	825	0.03	-15.15
Other Imports	592	0.39	427	0.24	38.64	5,860	0.23	3,542	0.13	65.44
Total	152,473		178,022		-14.35	2,540,617		2,692,786		-5.65

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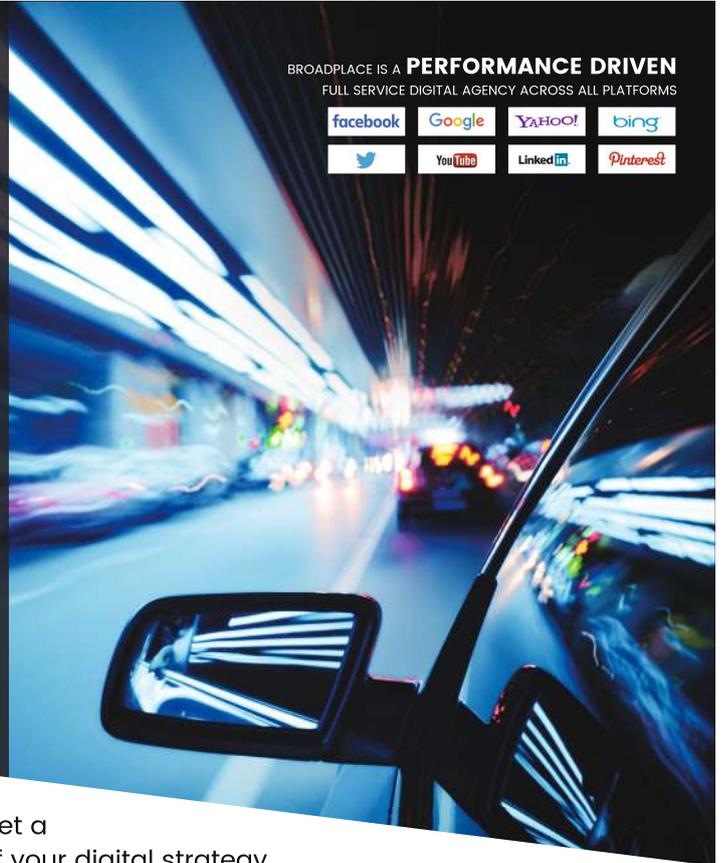
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DATE

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EVENT ITINERARY

Champagne Reception: 18:45

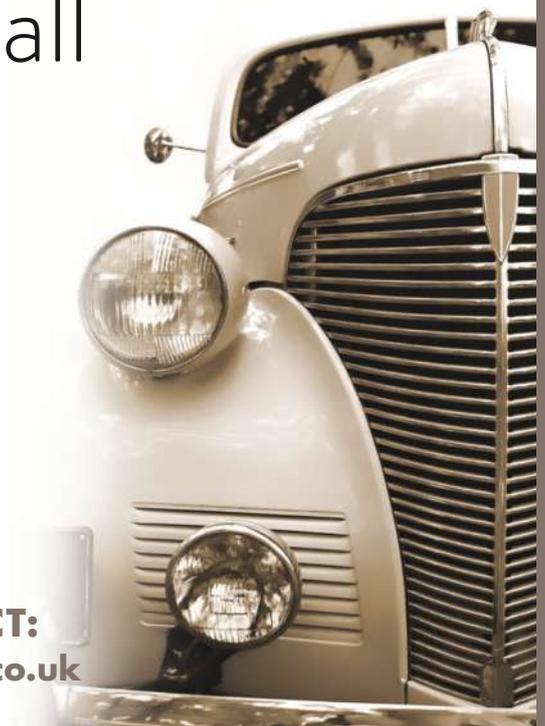
Dinner: 20:00

Entertainment: 22:00 - 00:00

Dress: Black Tie

FOR MORE INFORMATION CONTACT:

☎ **01788 538332** ✉ louise.woods@rmif.co.uk



FINANCE OFFERS

Manufacturers seek jump start with 2018 offers

Following disappointing performances in 2017, the first quarter of this year is a chance for dealers to dust themselves off and push forward for what is likely to be another challenging 12 months.

AM's finance offer data shows that of the 36 brands whose representative examples were collated, 10 are changing their offers at the end of January in the run up to the March plate-change.

Manufacturers are still trying to alleviate the current swing away from diesel with the continuation of scrappage schemes until the end of Q1.

Volume brands' registrations took the brunt of 2017 losses, with Vauxhall swallowing a drop of 22.2%. AM will look at Vauxhall's incentives in the next issue as they are due to be updated in February in the run-up to plate-change.

Fiat's 2017 fall was even more dramatic, with registrations down by 26.6% in 2017. While it doesn't have 0% deals for Q1, deposit levels across the model range have been kept low and every example shown is below £300 a month.

It's always interesting to keep track of Ford's plan, as it's the largest player by volume in the UK.

Ford has 0% deals across its entire model range in Q1 and customers can drive any model for under £270 a month. That's a pretty clear proposition for any customer considering a new car on PCP.

Seat was the success story of last year, with 18.3% growth, but again, its deals are not due to be updated until January 22.

Mercedes-Benz also had a strong year in 2017, with growth of 6.6%. While the German premium brand has only slightly adjusted the APR rate from 5.1% down to 5% year-on-year for its Q1 offers, the monthly payments have been reduced on core models to make them more affordable, such as the A-Class (£299 down to £199 this year), B-Class (£309 down slightly to

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Ford							
Fiesta Titanium 1.0 100PS 5dr	PCP	£5,401	24	£165	£8,379	0%	31/03/2018
B-Max Titanium Navigator 1.0 EcoBoost 100PS	PCP	£5,830	24	£169	£7,054	0%	31/03/2018
EcoSport ST-Line 1.0 125PS	PCP	£6,573	24	£180	£9,647	0%	31/03/2018
Focus Titanium 1.0 EcoBoost 100PS	PCP	£5,916	24	£209	£8,178	0%	31/03/2018
Focus ST-3 2.0 EcoBoost 250PS	PCP	£7,353	24	£229	£14,391	0%	31/03/2018
C-Max Zetec 1.0 EcoBoost 100PS	PCP	£6,686	24	£209	£8,217	0%	31/03/2018
Grand C-Max Zetec 1.0 EcoBoost 125PS	PCP	£7,696	24	£230	£8,803	0%	31/03/2018
Tourneo Connect Titanium 1.5 TDCi 100PS	PCP	£6,999	24	£179	£8,835	0%	31/03/2018
Kuga ST-Line 2.0 TDCi 150PS FWD	PCP	£9,378	24	£239	£12,551	0%	31/03/2018
Mondeo Titanium Edition 2.0 TDCi 150PS	PCP	£7,364	24	£219	£11,070	0%	31/03/2018
S-Max ST-Line 2.0 TDCi 180PS	PCP	£9,103	24	£249	£14,511	0%	31/03/2018
Galaxy Titanium X 2.0 TDCi 150PS	PCP	£10,924	24	£269	£14,960	0%	31/03/2018
Edge Titanium 2.0 Duratorq TDCi 180PS	PCP	£10,687	24	£249	£16,727	0%	31/03/2018
Tourneo Custom Titanium L1 H1 2.0 TDCi 130PS	PCP	£9,270	24	£259	£14,284	0%	31/03/2018
Ranger Wildtrak 3.2 TDCi 200PS	PCP	£11,309.63	24	£269	£12,111	0%	31/03/2018
Fiat							
500 Lounge 1.2 70PS	PCP	£819	48	£179	£4,326	3.80%	31/03/2018
500C Pop 1.2 70PS	PCP	£840	48	£195	£4,103	3.80%	31/03/2018
124 Lusso 1.4 MultiAir Turbo 140PS	PCP	£3,985	37	£229	£9,567	2.40%	31/03/2018
500X Pop 1.6 E-Torq 110PS City Look	PCP	£2,905	48	£189	£3,284	5.50%	31/03/2018
500L 1.4 Pop Star 5dr 2018	PCP	£1,789	48	£199	£4,517	6.00%	31/03/2018
Tipo Easy 1.4 95PS	PCP	£1,435	48	£199	£4,028	5.90%	31/03/2018
Tipo Station Wagon Easy 1.4 95PS	PCP	£1,425	48	£219	£4,240	5.90%	31/03/2018
Panda Easy 1.2 70PS	PCP	£1,550	48	£139	£2,289	5.90%	31/03/2018
Mercedes-Benz							
A-Class 160 Sport	PCP	£3,999	48	£199	£8,000	5.00%	31/03/2018
B-Class 180d SE	PCP	£3,959.55	48	£299	£7,200	5.00%	31/03/2018
C-Class 200d SE saloon	PCP	£5,999	48	£299	£8,675	5.00%	31/03/2018
E-Class saloon 220d SE	PCP	£6,499	48	£389	£14,450	5.00%	31/03/2018
CLA Shooting Brake 200d Sport	PCP	£3,999	48	£309	£11,300	5.00%	31/03/2018
C-Class estate 200d SE	PCP	£5,999	48	£299	£9,200	5.00%	31/03/2018
GLA 200d Sport	PCP	£3,999	48	£289	£11,850	5.00%	31/03/2018
GLC 220d 4MATIC AMG Line	PCP	£7,454.43	48	£349	£16,200	5.70%	31/03/2018
CLA Coupe 200d Sport	PCP	£3,999	48	£309	£11,150	5.00%	31/03/2018
C-Class Coupe 220 AMG Line	PCP	£5,888	48	£359	£12,850	5.00%	31/03/2018
C-Class Cabriolet 200 AMG Line	PCP	£6,499	48	£399	£14,625	5.00%	31/03/2018
E-Class Coupe 220d AMG Line	PCP	£5,105.93	48	£499	£17,875	5.70%	31/03/2018
E-Class Cabriolet 220d AMG Line	PCP	£7,339.48	48	£519	£19,625	5.70%	31/03/2018

£299) and C-Class (£355 down to £299).

Looking across the board, Volkswagen is offering an extra £500 deposit contribution until the end of January, Seat is discounting by £1,000, Kia is offering free servicing on SUVs and Renault and Vauxhall are both offering reductions to kick sales off to a good start.

Alex Rose, Carwow's head of trading, said some manufacturers were doing some fast-start stock clearing in January and the business had noted greater finance incentives on diesel products and SUVs in particular.

This may be to help convince customers with concerns about the state of diesel in the future.

The incentives on offer from BMW in particular differ by as much as £3,000 between petrol and diesel equivalent products on certain models and trims.

Manufacturers doing the same on selected models include Jaguar, Mercedes, Vauxhall, Mitsubishi and Ford. The difference, diesel vs petrol, can be as low as £500 or it can be more than £3,000.

Manufacturers are also increasing deposit contributions on SUVs and crossovers.

This has been the case on: Mazda CX-5, Mercedes GLC, Volvo XC60, Kia Niro, Audi Q2, Kia Stonic, Mercedes GLA, Audi Q5 and Mercedes GLE. Two new models, the Vauxhall Grandland X and VW Tiguan Allspace, have four-figure finance incentives more or less from launch.

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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

**ALEX ROSE,
CARWOW'S
HEAD OF
TRADING, SAID SOME
MANUFACTURERS WERE
DOING SOME FAST-
START STOCK CLEARING
IN JANUARY**



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December	30%	£1.00	£1.55
January	20%	£1.15	£1.75
February	10%	£1.25	£1.95
March	0%	£1.40	£2.15

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VIEWPOINT



THERE IS A HARD BORDER ON IRISH DEALERS' OPINIONS OF DIESEL

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years

It was Gustave de Beaumont, the French prison reformer and travel writer, who said "Ireland is a little country which raises all the great questions". As the UK Government has discovered in the Brexit negotiations, there are a number of questions that Ireland can raise, some of which require a great deal of insight and understanding to overcome.

At the end of last year, I was invited to speak at two dealer events in Ireland, one in Dublin and one in Belfast. In discussion with the Irish dealers, I came to the conclusion that even in the retail motor industry there were very different 'Irish' perspectives that needed to be understood.

We were talking about the future of the industry and discussing the issue of the potential different powertrains that were likely to come to the forefront over the next few years. It was fascinating that in Northern Ireland, the views reflected the general view in AM's 'Outlook 2018 Survey', that the sale of new diesel cars would fall in the new year and there would likely be a transition to primarily hybrid and electric vehicles.

When discussing the issue in the Republic, the situation was very different. The dealers in the North saw themselves existing in what they described as a relatively small country, so range anxiety with EVs was not considered a major issue. By contrast, the

dealers in the Republic saw themselves as operating in a large country.

The issue for them was that market penetration for diesel vehicles is currently about 74%. When I suggested, as many commentators have, that 'diesel is dead' I was greeted with a number of looks that made me think maybe I didn't understand either Ireland or the Irish.

For there to be a switch from diesel in the Republic, it would require a massive shift in buyer behaviour and the dealers felt customers would not be that interested in switching.

The issue of the high density of emissions was dismissed with a laugh - they suggested that there may be one street in Dublin where if all the buses got caught in a traffic jam there might be a slight problem, but for the rest of the country it was not an issue. The potential for EVs was also rejected as being of little interest.

Finally, I suggested that as the Republic was going to remain in the EU, there might be some pressure from Brussels for them to move away from diesel.

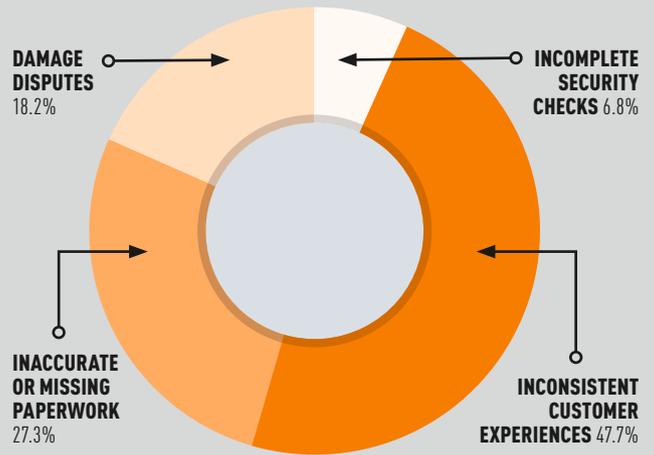
This too was greeted with humour and a clarification that the EU may pass regulations and guidelines, but the Irish Government would decide how they were implemented. As one dealer from the Republic put it: "In the west, the question isn't about EV or diesel. It is more likely to be about what colour the diesel will be."

"DEALERS IN THE REPUBLIC OF IRELAND FELT CUSTOMERS WERE NOT INTERESTED IN SWITCHING [FROM DIESEL]"

AMPOLL

FAILING CUSTOMER EXPECTATIONS IS DEALERS' BIGGEST LOAN CAR BUGBEAR

WHAT WOULD YOU MOST LIKE TO CHANGE ABOUT YOUR CURRENT LOAN CAR HANDOVER PROCESS?



Automotive managers appear unhappy about the variable quality of processes for handing over loan cars in this sector. In such a crucial aspect to an aftersales customer's satisfaction, the respondents to the latest AM Poll demand a more consistent process to ensure every customer gets the right experience. Best practice suggests the customer should be taken to the vehicle, shown around it and explained the rules and responsibilities, including highlighting top-up points for fuel, water, oil and washer fluid where the customer is expected to be in the loan car for an extended period while their own vehicle is being repaired.

One respondent stated: "Consistency, be it sales or aftersales, is key as the customer 'expectation' is more liable to be met with no ups and downs."

The administration required to arrange a loan car can also be a burden for staff, and one in four respondents highlighted their frustration with inaccurate or missing paperwork. If the business does not have robust records of aspects such as mileage out and in, fuel levels out and in, any damage and the presence of removable items such as tools, spare wheel and wheel trims, then it can be problematic for the business to apply recharges to the user without entering into a dispute.

Incomplete security checks are of little concern to most respondents. Perhaps this is due to online services making it easier than ever to verify a customer's driving licence.

NEXT MONTH: DO YOU EXPECT THE SIZE OF YOUR BRAND'S DEALER NETWORK TO GROW, SHRINK OR REMAIN THE SAME IN 2018?

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FACE TO FACE: GLYN HOPKIN

EXPANDING INTO EXCELLENCE

A focus on exceeding customer expectations from a centralised management allowed the group to keep standards and profits high as it grew, MD Fraser Cohen tells **Tim Rose**

Trust is a building block in any dealer's relationship with their customers. At Glyn Hopkin, there is an understanding that if customers trust you, and are satisfied with the value they get from you, then you have a strong chance they will not stray.

The AM100 dealer group's desire to "meet and exceed customer needs and expectations" has led to it trying to better set those expectations in sales and aftersales.

Fraser Cohen, the managing director of Glyn Hopkin, said: "In service, our pledge is, your car will be ready. If you haven't made any contact with us by phone or email, you've trusted us. So if you turn up and for whatever reason your car isn't ready, your next service is free."

Cohen said that before the company introduced the pledge two years ago, it found half the calls it received each afternoon were from service customers wanting to be reassured that they could collect their car on time.

The pledge has significantly reduced such time-consuming calls, and the occasions when it has had to provide free services are now very rare, said Cohen. The group also added an online progress system, which customers can log into to track their vehicle through the workshop.

Glyn Hopkin's philosophy is to keep customers happy and secure their future custom. Cohen said without its "meet and exceed" mantra, the group would not have been able to expand as it did while keeping its dealerships performing well. Since the last recession, it has consistently delivered returns above the industry average from a portfolio of franchises that, Nissan aside, lack segment-leading products.

Achieving that takes strong controls, motivated people and an ambition for efficiency and consistency. That led the company to remove receptionists from its dealerships in favour of controlling incoming phone calls through its central

contact centre. Cohen said it ensures customers in the dealership get uninterrupted service, and managers can check that phone enquiries passed on to their teams are being handled appropriately.

"You know how easy it is for a salesperson to take a call and say they'll ring someone back, and not do it. Whereas here, the minute someone makes an enquiry they're logged onto our Contact Advantage system and enter a chain of contacts ensuring they are followed through at various points in the customer journey. We can only do that because everything comes through one central point," he added.

Service bookings are handled in the same way, with the contact centre ensuring relevant add-ons are offered to the customer in a consistent way.

Administration takes a similar approach. Sales invoices and vehicle taxation are managed centrally, and delivery vans shuttle out from headquarters daily with the documents each dealership requires for its handovers.

"We're getting massive benefits, because we used to have an administrator and an accounts person at each dealership, then with holidays and sickness we'd have problems, also they would all operate in different ways. By controlling it here, we get consistency and cover, and because all our directors are here we can see what's happening because what they do has a massive impact on the financials," said Cohen.

At dealership level, he sees each site as

following the Glyn Hopkin 'blueprint', with some elements modified in line with franchise demands.

"If you went into any Glyn Hopkin dealership, hopefully you'd find the same experience, the same set-up, the same core values and approach," he said.

The system provides the group with flexibility and simplicity – if it needs to move a manager from one brand to another, the systems and the processes are the same so the manager can quickly settle and learn the nuances of the new brand.

Likewise, its acquisition strategy has benefited – two or three employees will move into the acquired dealership to begin to implement the group's culture and processes as quickly as the signage can be changed.

"I think one of our outstanding achievements, if you look at when we have expanded over 25 years, is we have managed to achieve phenomenal results and expand at the same time. Expansion seems to happen as part of the process. That's a testament to good staff, promoted from within, who know the company, know what we're looking to achieve, and are able to keep the plates spinning."

GROWING THE GROUP

Since 2010, the group has tripled in size by turnover, added Alfa Romeo, Honda, Jeep, Mitsubishi, Renault/Dacia and Suzuki franchises, and completed acquisitions that have spread its reach into Cambridgeshire and Bedfordshire from its Greater London and Essex heartland.

The company will mark its 25th anniversary in 2018 with some showroom-based events and competitions throughout the year to keep the milestone in the minds of employees and customers. Cohen credits Glyn Hopkin's eponymous founder for starting as an ambitious 30-something dealer principal with one Nissan site and building up a large group, still with the Japanese brand as its major

FACTFILE

TURNOVER £455.6m (2016 accounts)

PROFIT BEFORE TAX £7.4m

STAFF 800

FRANCHISES Abarth, Alfa Romeo, Fiat, Honda, Jeep, Mitsubishi, Nissan, Renault/Dacia, Suzuki



Partner across 14 locations. Its second-largest partner, Fiat, has been on board since 2000 and occupies 10 sites.

Cohen said there is a strong sense of loyalty across the business, and it has stuck with many partners through their ups and downs. He believes this brings mutual benefits, including spreading PR messages about the strength of its partnerships, such as being the dealer to deliver the UK's first Nissan Leaf electric car.

"When you go through difficult times in the broader economy, part of the success of your business is not just from your staff and customers, it's also having the backing of institutions and suppliers that know we can still give you the level of service that's in line with expectations," he said.

"I think chopping and changing of representation happens all too often as companies get taken over. We have always tried to be as loyal as we can to everyone we deal with. We get approached, but unless there's a real material reason for

I THINK MANUFACTURERS LIKE THE FACT THAT, WHETHER THEY'RE OUR BIGGEST PARTNER OR NOT, THEY HAVE A BRAND HEAD WHO IS ONLY INTERESTED IN THEM

FRASER COHEN, GLYN HOPKIN

change we prefer to stick with who we're with."

The company has banked with RBS since it started, and still uses the same advertising agency. Cohen said some suppliers are keen to help it mark the anniversary.

At the end of 2017, it still had 36 employees with more than 20 years of service, including Cohen, and 108 with 10 to 20 years' service. On reaching 20 years with the company, staff receive a loyalty cash bonus from the company and an engraved Mont Blanc pen and card from the directors, all presented to them by Hopkin, who remains chairman.

Cohen and fellow directors recognise employees' own milestone birthdays with a gift card and handwritten personal message thanking them for making the difference at Glyn Hopkin.

"It's amazing how that is received by the staff, that we've remembered them out of 800-odd staff," said Cohen.

Company policy has been to provide staff with a career path, should they wish to progress. Cohen and most of his fellow directors have come up through the business, and he believes providing career opportunities, including through acquiring businesses, help the group retain its staff.

Glyn Hopkin has expanded significantly beyond its base in Essex (Romford Fiat, right)

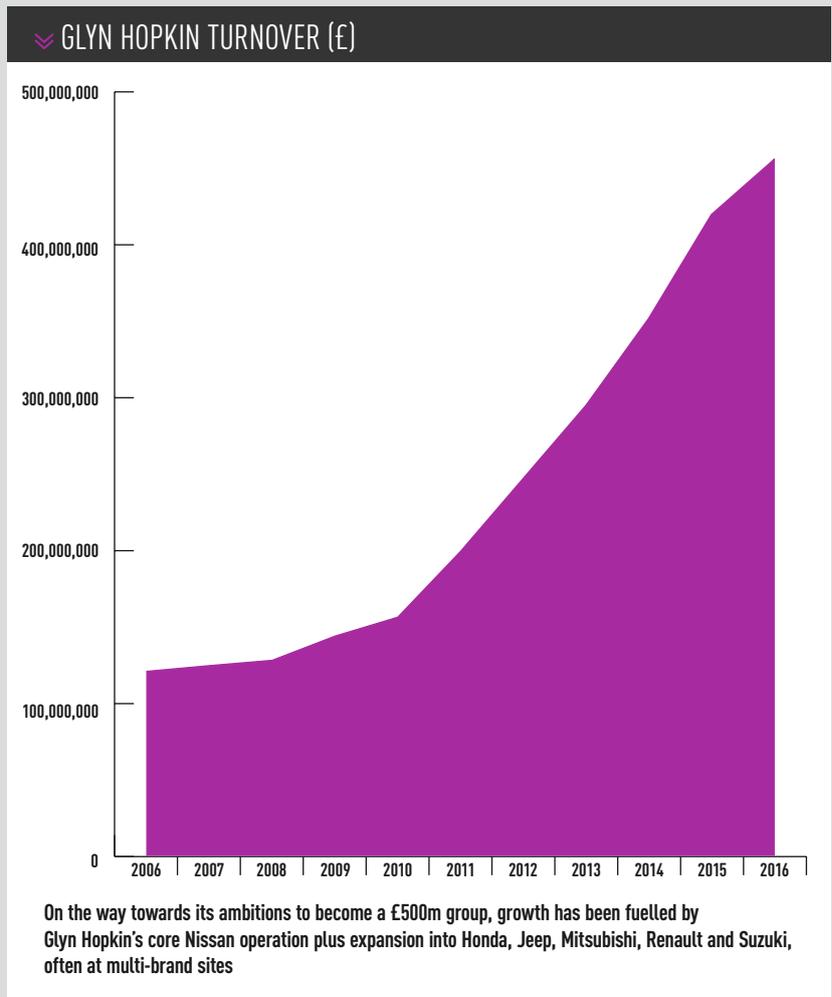


New recruits are sought through traditional channels plus a new programme of 'open days', where interested job seekers can have an informal chat with recent recruits and long-servers before deciding whether to lodge an application.

Those selected are inducted about every six weeks, and receive a presentation at headquarters then meet the directors for a coffee and Q&A session, so they can find out about the business and its culture, and understand the scale of the business.

Occasionally they will meet Hopkin himself if he has come into the office, but Cohen said the chairman is not generally involved in the day-to-day operations – since promoting Cohen to managing director in 2003, he has trusted the management team to run the business and provide daily figures, and he now has other ventures, including part-ownership of Dagenham & Redbridge Football Club and the Glyn Hopkin Charitable Trust, which helps autism sufferers find employment locally.

The group has been structured to ease



the flow of information and help each brand get the right amount of attention.

Sites do not have general managers. Instead, sales managers based at the dealerships report to a respective brand head, each of whom is answerable to Cohen and Stuart Hodson, his operations director. In aftersales, a director and two regional managers oversee performance across the business and report to Hodson. There are also deputies in the sales management and regional management functions, to support and provide potential successors.

Cohen said this arrangement is a pillar of Glyn Hopkin's financial performance.

"General managers usually have more experience in one side or the other (sales or aftersales), and in my experience you'll find a branch that is very good at one, but not the other. We get a balanced approach with dedicated focus on both. It's also allowed us economies of scale, clear lines of communication and a common group approach.

"I think manufacturers like the fact that, whether they're our biggest partner or not,

they have a brand head who is only interested in them, who knows the product campaigns and ensures it's all dealt with and controlled.

"Everything gets reported daily back to head office, so we know where we are, and it has really worked for us."

'IT HAS ALWAYS BEEN TARGET-RELATED'

Industry talk about higher basic pay and five-day working weeks for sales staff hasn't convinced Cohen that franchised dealers can change employee rewards without adversely affecting the business. The group has built a reputation for demanding a lot but paying well, he said, and he believes it is important for staff to know that those who work hard will earn good money and have a career path.

"It has always been a target-related business where you need individuals that are hungry for success. From some of the businesses we've been involved in, if it's the other way there's nothing really to drive them on. It's about finding that happy medium.

"If people don't want to work

“weekends, they probably have to accept they don’t want to be in a retail environment.”

Customers who consider a car, but want to return with their children for a test drive won’t want to be limited to when their sales executive is available, he added.

Like many dealer groups faced with a declining new car market, Glyn Hopkin wants to sell more used cars in 2018. Cohen sees benefits here from the group’s scale in its franchises, as the dealerships can sell used stock held across the group. About 99% are cars from the brands held, because the group has confidence in what will sell well.

“We have a really good used car profile, with a good age spread. Because we have been going a long while and because we are very good at retaining customers, we always have plenty of part-exchanges,” he said.

Suitable service customers’ cars are routinely prospected to move them into a new model and secure their part-ex for stock, which then gives the business a stronger marketing message for the used car because it was supplied by Glyn Hopkin from new, he said. Used cars are also sourced from Motability and the manufacturers’ programmes.

Cohen is less enthusiastic about non-brand used cars. He said the group has tried trade centres in the past, selling older cars and non-franchise models, but

“WE CAN’T CHANGE THE ECONOMY, WE’VE JUST GOT TO MAKE SURE WE ARE RUNNING AS EFFICIENTLY AS POSSIBLE

FRASER COHEN, GLYN HOPKIN



it was not successful. The group is not prepared to suffer the loss when stock doesn’t sell: “You make a bit on some, and the others lose almost as much as you’ve made, plus you’re tying up capital all the time.”

All part-exchanges not suitable for stock are sent to Glyn Hopkin’s remarketing partner, BCA Enfield, via BCA’s Dealer Pro system, which arranges collection and entry into an auction every Saturday.

“If you do it properly and manage it well it’s a very lucrative part of the business. We have 200 to 400 cars every week in there,” said Cohen.

The group recognised it had to maximise its profits from part-exchanges,

so in 2017 appointed a used car director, Sally Germain, who was promoted from group used stock control manager. She also ensures the information about the cars sent to auction is correct, to prevent a car being “undersold” because trade bidders are unaware of some important features.

The board has ruled out separate used car sites for now, because they would need to be away from its franchised dealerships’ territories to avoid “cannibalising your own opportunity”, said Cohen. This would make controlling the operation difficult and the benefit hard to predict, he said. Other groups have typically done so fairly cheaply to utilise empty properties left after showroom relocations, he said, which is not the case with Glyn Hopkin.

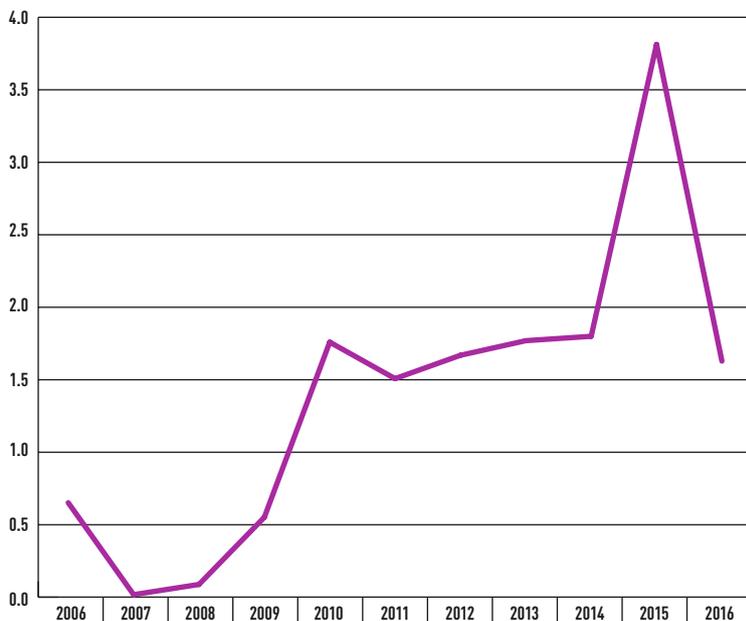
“We’ve always been a company that wants to do the best we can in the environment we’re in. We can’t change the economy, we’ve just got to make sure we are running as efficiently as possible and looking at everything to see if there are things we could improve.”

It closed its only Infiniti franchise last autumn and is redeveloping the multi-franchise site at St Albans to expand the Renault and Dacia operation there, create a new workshop, and to add Renault’s Alpine performance car franchise this year. The group also has Alfa Romeo and Abarth businesses at St Albans, so Cohen is hopeful the three brands will complement one another in the affluent area. That desire for scale presence comes into play again.

However, the group is happy with the brands it represents, and further acquisitions will be to reinforce that scale representation. Meanwhile, the existing businesses will not be allowed to stand still.

Cohen said: “We’re our biggest critics. We don’t need anyone to raise the bar for us, we’re always raising it ourselves.”

GLYN HOPKIN RETURN-ON-SALES (%)



Glyn Hopkin’s returns have outperformed the industry consistently since 2010. In 2015, a property sale doubled profits, but this has been used since to buy freeholds of some of its leased showrooms



MINUTES WITH...

Jeremy Evans, managing director, Marketing Delivery



How is the General Data Protection Regulation (GDPR) affecting you?

We have to be compliant as a data processor and we are going through ISO 27001 [the standard for best-practice information security processes] to ensure we have the highest standards of cyber-security in place.

What are dealers' biggest concerns with the GDPR?

The biggest concern is 'what do we do with our existing data? Do we stop using it because we can't demonstrate consent to a GDPR level?'

We believe most dealers can use 'legitimate interest' to continue to communicate with existing customers. Once they have engaged with you [using legitimate interest], you will have to gain consent to the higher standard.

Legitimate interest is a legal basis as long as you are sensible and fair. It has to be a balance of interest between consent and the company's reasons for making contact. If the balance is skewed toward marketing and a complaint is made to the Information Commissioner's Office (ICO), it runs the risk of being upheld.

However, if it is a reasonable amount of contact with a reasonable amount of relevance and that assessment can be shown to have taken place, we think the ICO won't have a problem. What is still open for debate is how long we can use that [legitimate interest] and what is considered a reasonable amount of time.

How do dealers utilise 'legitimate interest' under GDPR?

We think all sorts of communications can be covered by legitimate interest, such as end of warranty, MOT and service reminders and even some sales promotions. The level and the relevance would need to be thought through, so you can't bombard your entire database, but if you can show your data has been carefully segmented and is based on personal preference then it's likely to be OK.

How are dealers managing consent?

Collection of consent is the big area, but that needs to be tackled by the front-end suppliers such as web providers, digital agencies and makers of showroom systems. There's a lot of silence and confusion about how it will operate. There needs to be more dialogue between dealers and the system providers.

What's your advice to dealers preparing for the GDPR?

The important message is relevancy and timing, plus having the documentation to assess the people you are communicating with. There's no need to throw away the old database, it can be used legally. Everyone is talking about consent, but there are other legal bases you can use.

How does integrating social channels and customer communications aid dealers?

We use the same data for Facebook and CRM. For customers targeted through

both CRM and social, our clients achieve sales conversion rates in the mid-30s compared with those customers whose data is not collected properly, where conversion rates are about 19%.

How good are dealers at data capture?

We actively show how many contacts are processed through our system compared with the amount of customers who have been logged. We report daily to some clients – the better the data capture, the more our activity works.

We have seen some massive improvements over the past five years among the dealers working with us. In the past two years, we have seen a much higher standard of data quality than we were seeing five years ago when clients first came on board.

How will customer communications continue to develop?

Marketing is becoming more personalised, segmented and sharper. There is much less of a scattergun approach – personalised messages are delivered at the right time. We are looking at what technology consumers are using and figuring out how we can put clients' information to them using more diverse channels.

Manufacturers are taking an ever closer interest in customer communications. We can see manufacturers getting more involved in data handling, segmentation and marketing channels.

DEBBIE KIRLEW

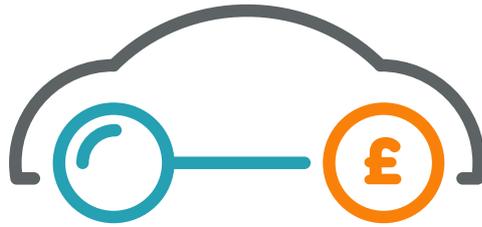
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VOLKSWAGEN

The battle for EVs will change the shape and size of VW retailers, but not its network, brand director Alison Jones tells **Tom Sharpe**

It feels appropriate that AM should catch up with Volkswagen UK in an office above Chargemaster's EV Centre in Milton Keynes.

Located just a few miles from the German manufacturer's UK base, the setting – a store specialising in the promotion of electric vehicles in the city's MK One shopping centre – feels like the new battleground for the VW brand as it looks to move on from the 'dieseltgate' emissions-cheating scandal.

VW had taken over the Chargemaster facility, which usually features vehicles from several partner manufacturers, to showcase its range of EV and plug-in hybrid vehicles, which now includes the e-Up, e-Golf, Golf GTE and Passat GTE.

"Electric cars are coming. It changes how [dealers] earn their money. You've got to be ready," said brand director Alison Jones, who took over the role in July 2016 following the departure of Alex Smith to Nissan.

"The combustion engines side will be very much the bulk of the business for at least the next 10 years," she said. "That's why we are now looking out 10/15 years, so that we are ready to adapt."

Some of that adaptation may come in the form of changes to Volkswagen's 190-site UK network.

Is VW shrinking its UK dealer network?

Jürgen Stackmann, a member of Volkswagen's board of management for sales, marketing and aftersales, told Reuters in October 2017 that as much as 10% of the brand's 3,000-strong European dealer network could go as part of a Europe-wide attempt to deliver efficiency improvements worth £3.2 billion a year by 2020.

Although Volkswagen UK rebutted suggestions that its UK network could

shrink, Jones said there may be scope for a more varied mix of sites of various sizes.

"We will always have retailers, but the physical size and shape over the next decade will change," she said.

"We're really open to new formats that stay relevant to customers, but help reduce the cost base over the next five to 10 years.

"We have been really open about that with our retailers and our investors, that's part of the ongoing conversations. We want to work with them to say, 'What does it need to look like in the next decade?'"

The answer to that question may already be in the UK. Johnson Cars opened Volkswagen's first retail store in Birmingham's Bullring shopping complex last summer (see panel on page 35) and Paul Tanner, the managing director of Alan Day Group – which has three large VW retail sites inside the M25 – has told AM that the make-up of city-oriented operations such as his would have to embrace a smaller and, ultimately, cheaper model.

"We know our model needs to change," said Tanner.

A significant part of that change comes as a result of Volkswagen Group's "Roadmap E" plan, announced at the start of September 2017, to introduce 80 new EV or hybrid models by 2025. Intended to help the brand regain its environmental credentials, the



ELECTRIC CARS ARE COMING. IT CHANGES HOW (DEALERS) EARN THEIR MONEY. YOU'VE GOT TO BE READY

ALISON JONES, VOLKSWAGEN UK



Johnson Cars opened a VW retail store in Birmingham's Bullring last summer

plan proposes vehicles capable of covering 600km after half an hour of charging by 2022 and envisages VW selling one million EV and plug-in hybrid models a year in Europe by 2025 (out of about six million global sales).

However, Roadmap E will also require retailers to adapt their sales and aftersales practices. That is almost certain to place further investment demands on dealers, who have recently completed a corporate identity makeover. Staff training and further investment in rapid-charge facilities are also on the horizon.

Although Tanner said such changes were "the sort of thing that will make a difference in consumers' eyes – seeing Volkswagen in a totally new light, as a true market leader in EVs" he did express concern about the need for high-voltage electricity substations at certain dealerships to facilitate rapid charging.

KEY PRODUCTS



Polo

Updated with a new model in 2017, the new Polo still cannot command the same registrations as the Fiesta or Corsa, with 47,855 in 2017. A flagship GTI will join the line-up in 2018.



T-Roc

The T-Roc arrived in showrooms in early 2018, allowing Volkswagen to compete with the Nissan Juke and Renault Captur for the first time. Prices start at £18,950.



Jones conceded that substations had been a sticking point, with some retail partners responding: "It's one thing having a charger, but if I need a substation..."

However, she added: "We then need to look across the UK in terms of what we can require within our retailers."

Outperforming the market

Volkswagen was in a celebratory mood at the start of 2018 after outperforming many of its volume rivals to achieve growth (0.7%) during 2017 (against an overall market fall of 5.7%) and becoming the UK's second-best-selling car brand, ahead of a faltering Vauxhall (see graphs on page 35).

The result marks an important turnaround in a difficult trading environment after 2016 brought the brand's first decline in sales – of 7.5%, from 223,784 to 207,028 – since 2009, in the wake of 2015's dieselgate revelations.

The new Golf hatchback was the UK's second-biggest-selling car in 2017 with 74,605 registrations, following the Ford Fiesta on 94,533. The new Polo generated 47,855 sales to finish seventh.

Golf and Polo sales helped Volkswagen to perform best among the top three UK brands in terms of maintaining volume, with sales of 208,462 representing a rise in market share from 7.69% to 8.21%.

Ford's new car registrations fell by 9.71% to 287,396 – its market share fell from 11.82% to 11.31% – as volume rival Vauxhall saw its registrations plunge 22.24% to 195,137, its market share falling to 7.68% from 9.32% in 2016.

Despite BMW ending 2017 down 4.1%, with 175,101 registrations, the premium sector did generate growth – with Mercedes-Benz (180,970) up 6.56% rise and Jaguar (35,544) and Land Rover (82,653) up 2.07% and 3.92% – and Volkswagen has

attempted to stake a claim to this segment with the arrival of the Arteon saloon in 2017.

The successor to the Passat CC, the newcomer aims to rival cars such as the Mercedes-Benz C-Class and Jaguar XE. Prices starting at £31,095 also offer dealers the promise of more high-margin sales.

In 2017, VW dealers benefited from the first full year of sales of the new Tiguan and the introduction of the new Golf, Polo and the T-Roc SUV, with the Tiguan Allspace – a larger version of the SUV offering seven seats, with prices starting at £29,370 – arriving at the end of Q1 2018.

The spectre of dieselgate

While VW's UK market performance has recovered, dieselgate still hangs over the brand and the wider Volkswagen Group. In December, Volkswagen compliance executive Oliver Schmidt received a seven-year jail sentence after pleading guilty



Golf

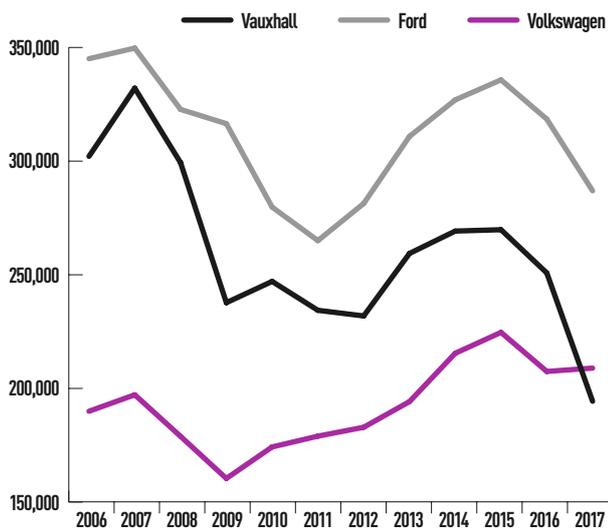
The UK's second-best selling car, a new Golf arrived in 2017 and immediately hit its stride with 74,605 sales. The new e-Golf also arrived last year, with a 124-mile range.



Tiguan

Launched in 2016, the current Tiguan had its first full year of sales in the UK in 2017 and achieved 29,131 registrations. An AllSpace version will introduce a seven-seat option later this year.

∨ TOTAL NEW CAR REGISTRATIONS (SOURCE: SMMT)



Volkswagen was celebrating in the new year after returning to registrations growth – albeit by just 0.69% – in 2017. However, its biggest gains came in market share after Ford and Vauxhall both lost sales, the latter slipping down a place among the UK's three top-selling brands as Volkswagen moved into second place

∨ DEALER ATTITUDE SURVEY RESULTS (SOURCE: NFDA)



Retail partners of Volkswagen UK were at a low ebb following the dieselgate scandal of 2015 and the brand slumped to new lows in the NFDA Dealer Attitude Survey early last year. However, Jones said an emphasis on closer communication and the arrival of new products have helped to create a more positive outlook

to his part in the scandal in the US. His guilty pleas, to one count of conspiracy to defraud the US and another of violating the Clean Air Act, attracted the longest possible sentence at a court hearing in Detroit.

Of more concern to UK retailers, however, will have been Volkswagen VW Group (UK) director Paul Willis's admission to Lilian Greenwood MP, the Transport Committee chair, that 16,900 complaints related to the dieselgate technical solution had been received from customers during the final few months of 2017.

The Volkswagen Diesel Customer Forum (DCF) claimed owners have been plagued with breakdowns and poor vehicle performance after the update was carried out.

In his letter to Greenwood, Willis said the technical measures had been implemented in more than six million vehicles across Europe, adding: "The vast majority of customers have been satisfied with the technical measures."

CI updates and dealer satisfaction

Jones emphasised the effect of a trip to Berlin in which VW dealers were shown forthcoming vehicles last summer as the CI makeover drew to its conclusion.

She said the event had been a catalyst for "more positive conversations" with stakeholders, stating: "We took our retailers to Berlin in the middle of the year and [Oliver] Stegmann, our global head of sales and marketing, said: 'You invest over a 10-15 year horizon, we want to show you what the future looks like over the next 10 years'.

"He showed a lot of EV product, showing the SEV (super-efficient vehicle) line-up

∨ BUILDING A NEW TYPE OF VOLKSWAGEN STORE

Johnsons Cars became the first retail group to trial the new Volkswagen Store concept with a manufacturer-supported opening at Birmingham's Bullring shopping centre last summer.

The Redditch-based AM100 group operates the site and supports the facility with staff and aftersales provision at its facility less than three miles away at Lawley Middleway.

However, Jones said Volkswagen had worked with a retail consultant to develop the store, which attracted 70,000 visitors in its first three months following its July opening. Volkswagen UK funded much of the development.

On the choice of location and network partner, Jones said: "We wanted to partner with a retailer so that it was in their area, so that you could see how it could work in combination with a traditional dealership as well. They run and staff [the store] and

it's their team driving the commercial aspect of it, so it's a real test.

"Because it's a trial, Johnsons and us collectively have said 'This is what we want to see in terms of sales', but we don't know. You can't set a traditional sales target because you're testing it."

Jones said Volkswagen was keen to learn how customers made use of the new facility, whether they simply paid a visit and then headed to a nearby dealership to progress their interest or were willing to complete the whole buying journey there.

There is also a desire to see how a car's presence in the store – which accommodates three cars, with a range of six available for test drives nearby – affected its sales.

"It's not that we're going to roll it out and expect people to do it as a marketing ploy," she added.

"It's got to stand up commercially."

that's coming, and we have continued that in the UK. There are more positive conversations, which is great."

Among the major investments was the creation of Inchcape's Volkswagen West London facility in April 2016, a showcase for many of Volkswagen's customer-oriented CI developments.

The dealership features a number of 140-inch video walls, which allow sales staff to project images directly onto the big screen to "bring the cars to life in a truly

innovative way", Volkswagen said.

Meanwhile, web-enabled touchscreens allow customers to search Inchcape's 2,000-strong nationwide stock of used Volkswagen vehicles and staff can demonstrate vehicle features via iPads.

The roll-out of CI investments during a period which has seen dealers working to process more than 820,000 dieselgate recalls through their workshops has been among the influences on the brand's recent NFDA Dealer Attitude Survey results.

“SOME OF OUR LARGER DEALER GROUPS HAVE GREAT SALES TRAINING... WE'RE LOOKING TO SEE IF WE CAN THEN ACCREDIT THEM FOR OUR QUALIFICATIONS

ALISON JONES, VOLKSWAGEN UK

However, Jones said the realisation of that investment and stabilising sales performance had improved the mood among dealers.

In the Winter 2016 survey, Volkswagen retailers rated the brand 3.9 out of 10 overall (average: 6.1), just ahead of last-placed Citroën (3.8).

At the time, dealers rated the future profit return presented by the brand as 3.5 (average: 5.6), leaving it bottom of the pile.

In the latest results, published in the NFDA's Summer 2017 survey, Volkswagen's overall rating rose to 5.3 (average: 5.6) with the prospects of future profit return boosted to a 5 (average: 5.2).

"We have moved right up into the middle of the pack and I think that's a fair reflection of where we are," said Jones.

"Network profitability was a key focus area for us and that's improved both in current profitability, but also the future profitability results improved dramatically."

Jones said she immediately set about building closer ties with Volkswagen's retail partners when she took the reins last year and sandwiched her interview with *AM* in Milton Keynes between trips to see partners in Glasgow and Edinburgh.

She claimed that retailers' feedback is becoming more positive, stating that the NFDA results "reflect what the network are saying to me".

Used car demands

Along with Volkswagen's corporate identity demands come dealer standards related to used cars and aftersales.

At a time when many retailers are keen to grow their used car operations, Jones was sticking to the brand's policies on maintaining a Volkswagen-dominant mix on the forecourts.

Jones said its Das Welt Auto approved-used scheme demanded retailers had a Volkswagen-only stock of used cars.

Volkswagen UK's official remarketing channels made up about a fifth of its retailers' overall stock sourcing, according to Jones, who conceded that some dealers had questioned its cost.

She said: "It's a good source of stock, but it has to commercially stand up and I've been really clear with my team about that."

Volkswagen dealers have told *AM* how their aftersales operations were affected by the dieselgate recalls.

They intimated that while bolstering profits with a steady stream of warranty work, such large "recalls" can compromise the satisfaction of retail customers.

Jones praised Volkswagen's retail

network for its work to redress the dieselgate situation, stating that the recall process was "75% complete".

She said the brand had placed a new emphasis on attracting aftersales work for retailers whose workshops had become more efficient as a result of accommodating the additional volume of aftersales business.

"It's been our focus since the middle of the year, Q3 and Q4 saying 'okay, how do we get new customers in? How do we get that business retailers were seeing (through warranty work) back again' and focused on it."

Volkswagen embarked on a marketing push emphasising fixed prices and promise of while-you-wait servicing in mid-2017, Jones said, adding that it was also in the process of completing a redesign of its website to make online service booking easier and extend live chat to all pages.

In Germany, the brand recently completed the launch of its new customer portal "Volkswagen We", a platform which allows customers to book servicing appointments directly using a smartphone for the first time.

New dealer contracts

Among the other changes Volkswagen will make to its UK network in 2018 are a comprehensive training package and changes to dealer contracts.

Jones said the franchise's contracts were in a constant state of appraisal, but said she would aim to "remove complexities and bureaucracy" in 2018. However, she refused to comment on the detail of the changes.

The brand will seek to partner with larger retail groups in order to deliver efficiencies in the training of staff as the brand moves towards EVs, placing new pressures on the Volkswagen Group's National Learning Centre in Milton Keynes.

A new programme of e-learning has been introduced to help reduce the number of days staff members have to spend away from their respective employers for training.

Jones added: "We also recognise dealer group training. Some of our larger dealer groups have great sales training. One of our dealer groups, in particular, has a really big academy of their own and we're looking to see if we can then accredit them for our qualifications."

Perhaps most important for Jones and her retail partners is the profitability of the network. She said: "We need to be profitable for our retailers".

Asked what 2018 held for the brand and its partners, Jones said: "Growth, definitely growth". Whether that growth is in sales, profitability or market share, however, she would not say.

ADVERTISING FEATURE

Is 2018 the year of the online used car retailer?

By James Tew, CEO, iVendi



To date, most of the headlines about online motor retailing have been prompted by the involvement of major manufacturers selling new cars. However, their impact has been limited, with just a few sales.

The key issue here is a structural one that is based in the politics of manufacturers and their franchised dealers. In a market where virtually every new car is available at a substantial discount from a dealer or broker, those sold online by manufacturers are offered at list price. Unlike any other online retail model you can think of, it is almost certainly more expensive to buy a new car online direct from the manufacturer than to pop out to your local retailer.

Instead, we at iVendi believe that 2018 is likely to be the year when used car dealers pick up the baton and really make the running in online motor retail. Car supermarkets, independents and the used operations of franchised dealers are free to price how they see fit and, for them, the issues surrounding the adoption of a comprehensive online model are all about practical decisions. These may include their preferred method of handling part-exchanges, which lenders to include within their offering, and the sale of value-added products. While some of these are tricky decisions, they are localised managerial choices.

We deal with a wide range of types of dealer and, really, it is the used car operations that appear best placed to take online motor retail to the next level. They have a high level of digital awareness and a pragmatic attitude towards delivering sales – and we are watching their development during 2018 very closely indeed.

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SPOTLIGHT:
CUSTOMER SERVICE

BUILDING TRUST WITH CUSTOMERS



BUILDING TRUST IN THE COMMUNITY

FROM SPONSORING SPORTS TEAMS TO RAISING MONEY FOR CHARITY, DEALERS WHO 'GIVE BACK' SAY THE REWARDS GO FAR BEYOND THE COMMERCIAL

PAGES 40-41

HOW TO DEFUSE A CUSTOMER CRISIS

ANY CUSTOMER ISSUE CAN DAMAGE YOUR STANDING IF MISMANAGED, BUT HANDLED WELL IT CAN ACTUALLY ENHANCE YOUR REPUTATION

PAGES 42-45

From sponsoring sports teams to raising money for charity, dealers who 'give back' to their local areas say the rewards go far beyond the commercial

BUILDING

TRUS

IN THE LOCAL COMMUNITY

Car dealerships are often strongly associated with helping community sports clubs and fundraising for charitable causes. But is being a part of the local community helpful for building trust with customers?

While most customers are likely to say a charitable and socially engaged business is a good thing, would they acknowledge that it would be a factor in determining whether they found a business more or less trustworthy?

For Grant Long, the managing director of Norfolk Motor Group, (NMG) being a family-owned business and part of the local community go hand-in hand.

"We try to spread ourselves across as many marketing channels as possible. But getting involved in the community isn't about money-grabbing," he said.

"I have gone along to school competitions and ended up in the local paper, although that wasn't the intention.

"We're a family business and I think supporting the local community comes hand-in-hand with that."

The local community often approaches NMG for help, said Long, and the group sponsors local sports clubs, school projects and fundraising events. He said the idea is not to make them opportunities to sell, but the brand awareness is an added bonus.

"If a mum or dad happened to see our logo on their child's football kit, maybe they'll get a warm feeling and think about how we've helped out the local club and consider us in the future," he said.

"These things are actually a pretty good investment for the business in terms of advertising. I could spend the same amount for one weekend in the newspaper versus a full football or cricket season of sponsorship, so I think you're getting much better value."

NMG's sponsorship of a local cricket club, or supplying a vehicle for the local gym manager, brings the opportunity to display cars as additional advertising.

Long said budgets have been diverted from things such as newspaper advertising to sponsorship and digital media to keep the business's marketing relevant.

I COULD SPEND THE SAME AMOUNT FOR ONE WEEKEND IN THE NEWSPAPER VERSUS A FULL FOOTBALL OR CRICKET SEASON

GRANT LONG, NMG



He said sponsorship decisions are usually based on the type of request and whether it's in NMG's immediate market area for its franchises. This is to make sure sponsorship opportunities are taken away from other dealers that represent that market area.

Some manufacturers run national community campaigns that are then delivered by dealers on a local level.

One of NMG's franchises, Kia, sponsors cricket at The Oval. As part of that campaign, it introduced a national "Gift of Kit" initiative to support grass-roots cricket. Each of Kia's dealerships was tasked with supporting a minimum of three cricket teams and NMG now supports seven.

Managers at NMG's Kia business are required to put a quarterly marketing plan together. This has to feature a spread of marketing and events activities, with a proportion involving the local community.

As part of its 'Gift of Kit' to Brooke & District's under-19 cricket club, NMG and Kia also supplied a cricket bat signed by former England cricket captain Alec Stewart OBE for the club to auction at its annual sponsors' event.

Graeme Potts, the chief executive of Eden Motor Group, said getting involved with the local community is totally separate to commercial motivations.

Eden donates to Ben, the automotive



industry charity, through its pound per car sold scheme, but this isn't something that's promoted. Eden also supports Macmillan through fundraising coffee mornings.

General managers at Eden are given autonomy over decisions such as donating kits to football clubs. Larger sponsorship decisions or donations are handled by either Potts or the financial director.

Potts said: "Nine times out of 10, we'll just say yes. If we're paying a bit of money for some kit for a school, that's fine. We try very hard to say yes."

Potts said there is definitely an expectation from local organisations that a dealership should be involved in the local community, but in terms of this being a factor for developing trust with customers, he's not so sure.

He said: "Car buying, for the majority of customers, is driven by financial factors. For us, local community support is just totally separate in my mind from what we're doing commercially."

Potts said if a dealership has a good marketing strategy, incorporating digital media, there should already be visibility in the local market.

He said: "The marketing return on something like a local football team sponsorship wouldn't be as high, so we would just be doing it purely because it's the right thing to do."

HOW WILL GDPR AFFECT DEALER-COMMUNITY COMMUNICATION?

Some of NMG's previous sponsorship deals involved clubs sharing their mailing databases with the group in cases where a fan or follower of the club had indicated they were happy to share their details.

This approach will have to change under the forthcoming General Data Protection Regulation (GDPR) as NMG will need to seek new permissions to contact those customers.

Long said: "I used to write to the cricket club once a year, I would never bombard them with marketing messages. But that approach will have to change under GDPR, so it's another element of it to think about."

Jane Whyman, marketing and customer relationship manager, Luscombe Suzuki & Mitsubishi Leeds, said building trust online has been helped with reviews, which the business openly embraces.

Robin Luscombe, the business's owner, is also featured in a lot of the business' marketing, putting a face to the business. This includes videos on Luscombe's YouTube channel with messages about cars, advice about vehicles and updates on the business and the team that works there.

Potts said building trust online requires an unscripted approach.

He said: "It's informal, but professional. You can develop trust online but it has to be people dealing with people, rather than something more corporate or robotic."

"I think if we're approached on social media and what is being said is on display to the wider world, customers expect you to take the time to acknowledge, explain and engage, otherwise you can be seen as defensive."

NMG doesn't employ an agency or digital marketing manager, so social media and digital responses are taken on by the wider team. Again, a personable rather than corporate approach is taken.

Long said: "Social media and live chat has become so essential in terms of building trust and a conversation with customers."

"We actually incentivise sales executives now so they get a little bit extra if they answer a customer contact query when it's out of hours."

Handling complaints through social media or online reviews can also build trust through transparency. Kia's partnership with Reevo displays all negative reviews. Either Long or a manager can respond to any customer issues with alerts to their mobile and they will respond personally, rather than with a canned corporate response.

Paul Woodhouse, Vindis Group's head of marketing, decided to centralise the company's community engagement and make it more strategic about two years ago.

He said: "Before that, we were doing a lot of little things, which is great, but we wanted to make sure we were working towards an end goal that would actually make a difference to the community."

Under the old system, letters seeking donations and approaches for support in the form of cars or financial help would be sent to each dealership, but now these are forwarded to Vindis' head office.

Woodhouse said: "I think the hardest thing to come to terms with is that you just can't say yes to everything. Of course we want to help as much we can, but we wanted to think about things a bit more strategically."

Vindis partnered with Macmillan Cancer Support to raise funds towards a central goal. Since September 2015, the group has been raising money to help fund nurses in the Cambridgeshire and Bedfordshire areas (locations where Vindis Group operates).

The business has raised £52,000 for charity through events such as the Three Peaks Challenge, which members of the senior management team also get involved with.

Woodhouse said: "There's definitely an expectation from customers that you should be involved in the local community and give something back."

"We look at our corporate social responsibility and there's a big focus on that as a family-run and -owned company. We feel there's a need to keep a link with the local community as it's also somewhere our staff live and work."

While Woodhouse said charitable work or sponsorship deals with local clubs cannot be viewed solely by what the business can get out of it, it does have to play some part.

He said: "You have to keep in mind your business objectives and I think charities and clubs are definitely sympathetic to that. They know that it's not going to be unreasonable for there to be some sort of benefit to the company too, whether that's getting the name out there or some PR."

ALEX WRIGHT

How to defuse a customer crisis

Any customer issue, from a simple finance complaint to a nationwide recall, can damage your standing if mismanaged, but handled well it can actually enhance your reputation

A crisis can often make or break a car dealership. Dealt with badly, it can shatter a customer's trust and goodwill. But managed well, it can reinforce that dealer's reputation.

Take for example Suzuki's February 2015 launch of the Celerio, which it was forced to recall because of brake failure. The problem was dealt with swiftly, with Suzuki immediately informing all affected parties and fixing their recalled vehicles.

In contrast, Volkswagen was hit by the biggest scandal in its 81-year history after the US Environmental Protection Agency found that many of its American sold diesel engine cars carried a "defeat device" capable of cheating emissions tests (see our interview with Volkswagen UK brand director Alison Jones on page 32). But it was the company's poor handling of events in the aftermath of the scandal that really risked customers' trust in the brand.

With customer complaints on the rise year-on-year, dealers need to be more prepared than ever. The Motor Ombudsman had received 39,400 enquiries year-to-date as of November 2017, up 30% from 28,800 the previous year.

Issues with the quality of a vehicle at point of purchase made up the majority of enquiries, at 12,000. Work completed on a car, but not agreed beforehand by the customer, accounted for almost 6,000; and full terms and conditions of a warranty not being included within an advert about 4,500.

The Financial Ombudsman Service also received 2,655 new complaints about hire purchase between April and September last year, of which it upheld 35% in favour of the consumer. A further 701 complaints about hiring, leasing and renting were also reported, 28% of which were upheld.

"As an industry we talk a lot about the importance of dealers adhering to best-practice principles, but this really does need

to be a fundamental part of the dealer's brand and company culture, not just lip service," said Karl Davis, managing director of Coachworks Consulting.

"If a dealer has these guiding principles in place, then, in our experience, the chances of them being prepared for a crisis and managing it successfully are a lot higher than if they are simply being reactive."

Davis said it was key for dealers to be prepared for potential crises and to have a contingency plan so staff understand the importance of taking ownership of problems and putting the customer first. Alongside this, he said dealers need to keep the customer in the loop at all times.

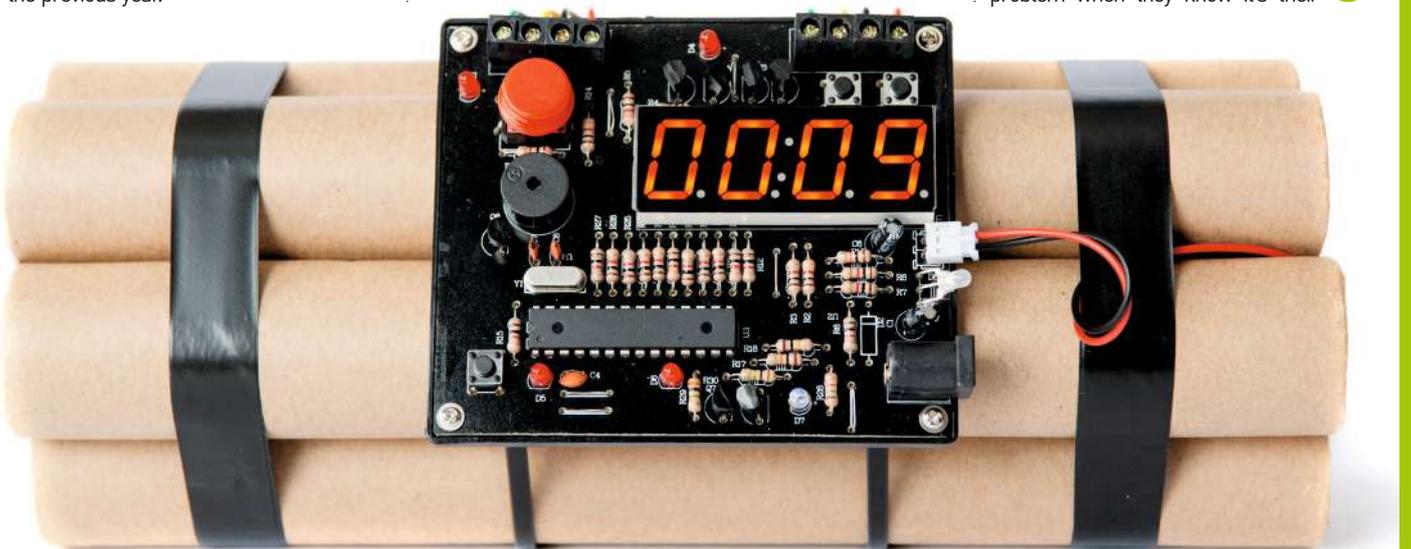
"If a dealer operates a policy of trust and transparency and genuinely puts the customer first, then it will be a lot easier for them to resolve a crisis once it has happened," he said.

"Customers know when a dealer has pulled out the stops and are more likely to be advocates of the dealership to family, friends and on social media, and that can be good for business."

Davis added that it is important for the dealer to admit responsibility for a problem when they know it's their

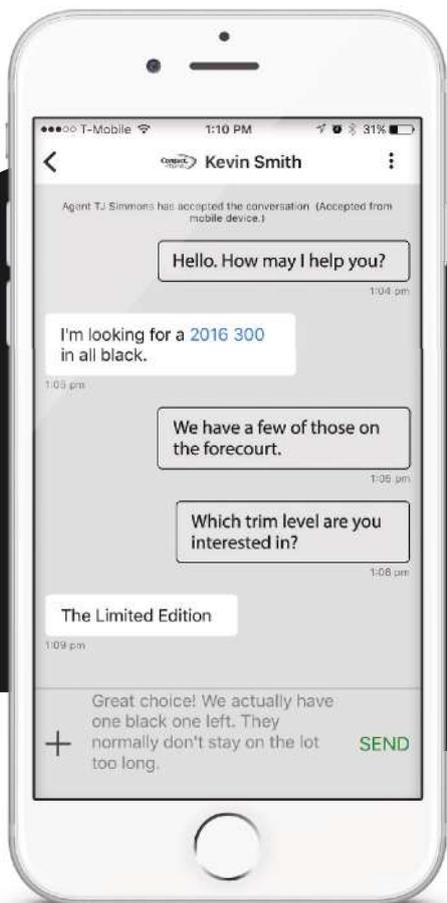
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KARL DAVIS, COACHWORKS CONSULTING



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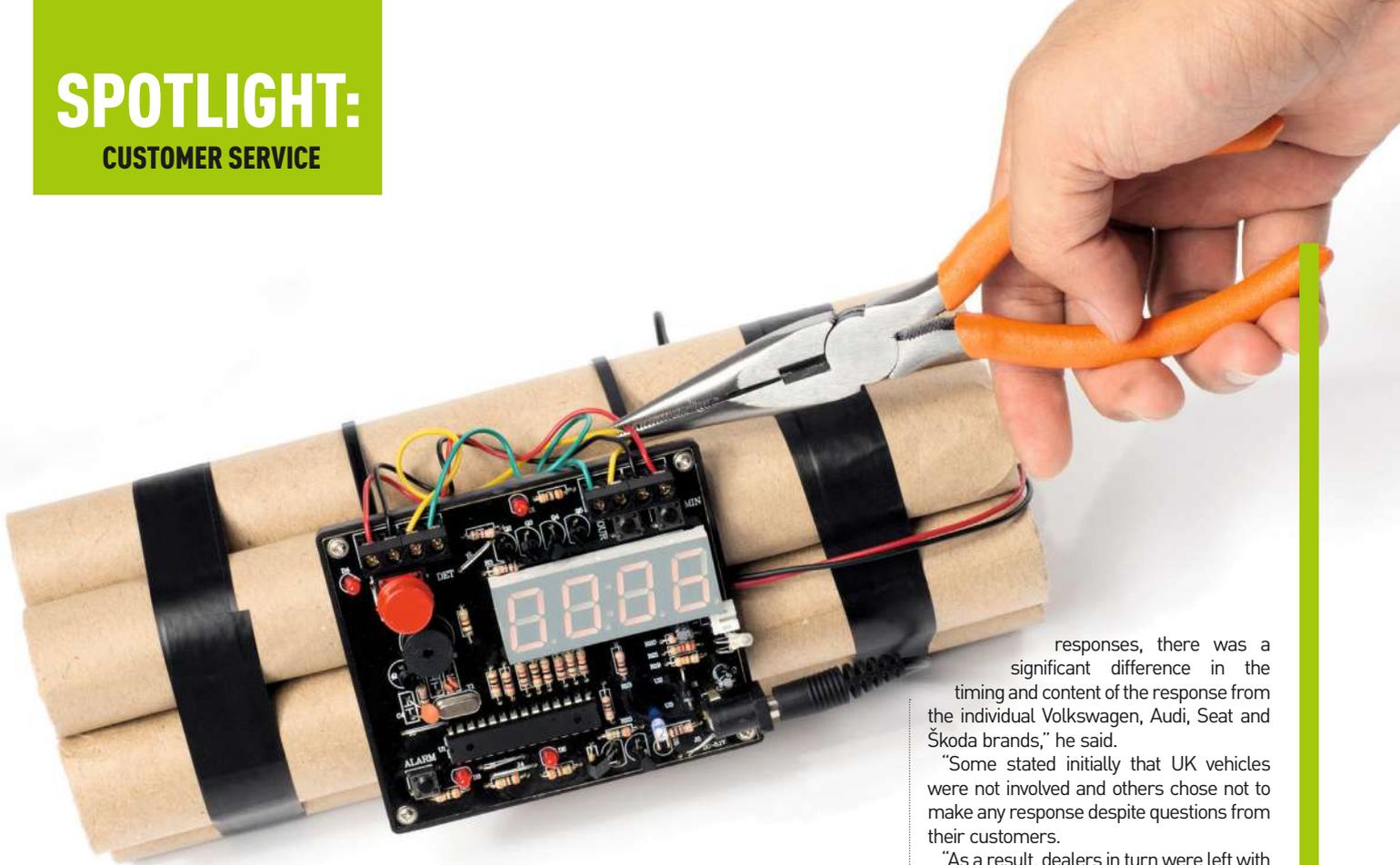
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fault. Often, taking a short-term hit is not as bad as losing customer goodwill and loyalty in the long run, he said.

"More often than not, a customer experiencing a problem just wants it resolved as quickly as possible without resorting to any escalation," he said.

"Politeness, transparency and flexibility all play vital roles; if there is bad news and the problem is your fault, then it needs to be shared immediately, along with suggestions on how and when it will be remedied."

Niall Quinn, managing director of the Reputations Agency, said the dealer needs to first identify key risk areas and have an action plan should a problem occur. This should include identifying key stakeholders and the most effective way of reaching them, he said.

"Once a crisis has occurred, you need to deal with the totality of the issue all at once if you can and provide reassurance where possible and demonstrate that you are in control," he said.

"Post-crisis is also an often forgotten area in terms of dealing with the underlying issue that caused the problem. Sometimes, organisations are so relieved they have got through a crisis that they don't tackle the fundamental reason why it occurred."

Dominic Threlfall, the managing director of Suzuki and Hyundai dealer Pebley Beach Group, said when an issue arises, dealers need to be proactive in informing the customer. Then they need to get to the bottom of the problem as soon as possible.

"The last thing a customer wants is to have to call up and find out about a problem," he said. "So you need to tackle the issue head-on and ensure that they are at the heart of the process."

SOMETIMES, ORGANISATIONS ARE SO RELIEVED THEY HAVE GOT THROUGH A CRISIS THEY DON'T TACKLE WHY IT OCCURRED

NIALL QUINN, THE REPUTATIONS AGENCY

Andrew Bye, principal consultant – automotive at crisis management specialist RQA Group, said once a problem has occurred, dealers need to gather as much information as possible and risk-assess the scale of the issue. Then they need to allocate clear roles and responsibilities to key staff, agree regular meetings and, if necessary, obtain outside professional help, he said.

"After that, they need to identify a spokesperson to address the media and make sure that all employees are fully briefed," he said. "You also need to be open and honest, ensure your crisis plan includes how and when you will inform your customers and suppliers, and identify someone to regularly monitor social media."

When the problem is the fault of the manufacturer or the product itself, the dealer needs to be just as proactive.

Darren Williams, director at Elements PRMC, said although there may be a strong brand affiliation, the trust that supports that ongoing customer loyalty is determined by the dealer's actions. A prime example of consumer trust being fully tested was the VW dieselgate scandal, he said.

"Firstly, if we look at the brands'

responses, there was a significant difference in the timing and content of the response from the individual Volkswagen, Audi, Seat and Škoda brands," he said.

"Some stated initially that UK vehicles were not involved and others chose not to make any response despite questions from their customers."

"As a result, dealers in turn were left with either no information or vague information that did little to support the trust relationship that they had worked hard to build over the prior years."

"If, however, we look at the network, what became apparent very quickly is the customers of some dealers and groups were less perturbed than others simply because their dealer was as open, honest and transparent as possible immediately after the story broke."

Williams cited Toyota as an example of best practice. It issues a full brief on any problem and what caused it, as well as the solution, how it wants dealers to communicate with their customers and offers compensation, often in the form of tanks of fuel or winter kits.

Alun Parry, head of press and PR for Suzuki GB and Ireland's automobile division, said any dealer in its network can contact the director of automobile or aftersales in the event of a problem, while full support is provided through its regional sales and aftersales teams as well as customer service, marketing and PR assistance. Advice is also given on potential social media issues, he said.

Jonathan Hemus, managing director of Insignia, a crisis management consultancy, said the same principles apply regardless of who is responsible for the problem. The focus needs to be on doing what is right for the customer, he added.

"Emerging from a crisis with your reputation enhanced is possible," he said. "Just like dealing with customer complaints, it relies upon owning and rectifying the problem quickly, communicating effectively and exceeding customer expectations with your response." **TOM SEYMOUR**



INSTITUTE OF THE
MOTOR INDUSTRY



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ContactAtOnce!
A VERIFICATION COMPANY

 **enquiryMAX**

 **iVendi**

Marketing Delivery
DATA DRIVEN MARKETING

 **moneypenny**

 **C NOW** SMART VIDEO

JudgeService
★★★★★

Insight, analysis and

Maximise your dealerships' sales and profits with *AM's* Dealer Masterclass

The *AM* Dealer Masterclass is designed to deliver advice and knowledge to franchised dealer management on a range of key topics that will assist them with the efficient and effective running of their sales and aftersales operations.

Launched in 2016 as the Best Practice Programme, the new Dealer Masterclass programme will run throughout 2018 across *AM's* magazine, website and events, with 8 commercial partners providing best practice advice for their sectors.

It will play a key role in achieving the *AM* brand

objective of providing franchised dealers with insight, analysis and proven working methods to enable them to maximise their sales and profits.

Each partner will provide insight into major areas of franchised dealer operations, to give decision-makers new ideas, possible solutions to long-standing challenges and help to spark some alternative thinking.

As the business of running a franchised dealership in the 21st century continues to evolve, these partners will help companies to stay in the vanguard of new developments as they come to market during 2018.

IMPORTANT DATES TO WATCH OUT FOR

FROM MARCH 1

The commercial partners in our Dealer Masterclass programme will begin posting top tips on their specialist subject areas in a dedicated area on *AM's* website – am-online.com/best-practice-2018 – which will be updated with fresh tips every month. Meanwhile, each issue of *AM* magazine will carry an article focused on sharing knowledge and best practice related to one of the subject areas.

APRIL 27

In a special section of the magazine entitled 'Dealer Health', each partner will offer two pages of key advice on how dealers can improve costs, profits and efficiencies across their topic area. Published in the May issue of *AM*.

JULY 27

A special section will look at 'The Future of Retailing'. What can the last 30-40 years teach us about the next 30? Dealer Masterclass partners will each have a full page advertorial to showcase their thoughts on their industry sector. Published in the August issue of *AM*.

NOVEMBER 8

Eight topics will each be the subject of a masterclass at Automotive Management Live, our flagship event at Birmingham NEC. See automotivemanagementlive.co.uk for details.

AM editor Tim Rose said: "The *AM* Dealer Masterclass programme taps into the knowledge of respected industry suppliers to provide our readers with insight and best practice that they can take away and utilise in their own day-to-day operations.

"The areas selected will be relevant to everyone with responsibility for revenues and profits at a dealership or dealer group level and will give nuggets of information usually only available as part of a supplier consultation."

OUR COMMERCIAL PARTNERS



**AUTOWEB
DESIGN**

Autoweb Design – supplier of website design and digital marketing solutions – making your website your online showroom

➔ P50

ContactAtOnce!

A  LIVESPERSON COMPANY

ContactAtOnce – an all-in-one messaging platform that puts you in touch with car buyers at any time and on any device

➔ P51

 enquiry**MAX**

eDynamix – its integrated, web-based applications allow dealers to manage a customer through the service lifecycle

➔ P52

 iVendi

iVendi – its e-commerce solutions make vehicle-selling easier for dealers, and vehicle-buying easier for consumers

➔ P53

tips for dealers



**DEALER
MASTERCLASS**
POWERED BY AM

WEBSITES & DIGITAL



JudgeService 

★★★★★

JudgeService – it helps good dealers stand out and supports them in improving their customer experience

 **P54**



**DEALER
MASTERCLASS**
POWERED BY AM

CUSTOMER REVIEWS



**DEALER
MASTERCLASS**
POWERED BY AM

MESSAGING



Marketing Delivery

DATA DRIVEN MARKETING

Marketing Delivery – this eCRM specialist helps dealers to improve their customer communications and retention

 **P55**



**DEALER
MASTERCLASS**
POWERED BY AM

SOCIAL MEDIA



**DEALER
MASTERCLASS**
POWERED BY AM

LEAD MANAGEMENT



moneypenny

Moneypenny – its provision of a remote PA or switchboard service helps the motor retailer to capture every call

 **P56**



**DEALER
MASTERCLASS**
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CUSTOMER SERVICE



**DEALER
MASTERCLASS**
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ONLINE VEHICLE RETAILING



CIT NOW | SMART VIDEO

CitNow – a personal video presentation service that gives dealers the opportunity to sell cars and parts more profitably

 **P57**



**DEALER
MASTERCLASS**
POWERED BY AM

VIDEO

Generate more online sales and enquiries with Autoweb Design

Autoweb Design's conversion-led websites and digital marketing solutions for dealerships and manufacturers encourage sales and generate leads on desktop and mobile devices

As a company that has served and been involved in the sales and marketing sectors of the automotive industry for more than 10 years, we know how important the online channel is for dealerships, dealer groups and manufacturers. In an environment where automotive consumers rely on the internet for their information, having a website that converts and delivers a good user experience is of the utmost importance.

Autoweb Design works with independent dealers small and large, franchised dealerships and dealer groups, as well as vehicle manufacturers. Our experience in the motor industry has given us a unique understanding of what works online, to ensure your website and digital marketing channels form an integral, important part of your wider online marketing strategy to generate more sales and enquiries.

We build websites with a mobile-first response, so that your customers can access a consistent, easy-to-use website across all their mobile devices. We also build websites that are optimised for desktop viewing, because despite the push towards mobile, dealerships and vehicle manufacturers still generate high levels of desktop traffic.

We focus on enquiry and conversion rate optimisation for each device separately, to maximise sales and leads from your website across all devices.

Our websites are SEO-friendly out of the box. We set them up so they are readable and indexable by all search engines. We also provide ongoing search engine optimisation, both organic and paid, as a service for our clients. Crucially, our websites are designed to convert. Our conversion rate optimisation techniques, which include split testing and heat



WE FOCUS ON ENQUIRY AND CONVERSION RATE OPTIMISATION FOR EACH DEVICE SEPARATELY, TO MAXIMISE SALES AND LEADS FROM YOUR WEBSITE ACROSS ALL DEVICES

mapping, ensure your website continues to generate the sales leads it was designed to.

Since your website will generate visits through a variety of channels (search, referral, and social to name a few), our digital marketing experts will optimise them to adapt to recent trends and shifts in visitor behaviour. Our PPC (pay-per-click) experts can reduce your cost per lead while delivering instant, high-quality traffic to your website, and our social media experts can transform your profiles into lead-generation machines to maximise ROI.

We also look at different attribution models, to see which channels are assisting conversions, so you can make informed

decisions about where to spend your marketing budget. Our reporting gives you actionable insights about the online activities that are working and those that are not.

We pride ourselves on offering outstanding customer service and excellent web services – so you know you're in safe hands with us.

This year, we will run masterclasses at both the AM Digitech and AM Live events. Our masterclasses are a great opportunity to learn more about conversion rate optimisation, attribution models and website design. Make sure you join us at our masterclasses to find out more. To sign up for updates or to make a sales enquiry, visit our website or contact us using the details provided below.



To find out more, visit AutowebDesign.co.uk, email marketing@autoweb.co.uk, or call us on 01757 801 926.
Autoweb Design, 4 The Crescent, Selby, North Yorkshire, YO8 4PU



Connect with messaging and build relationships with consumers

Consumers want to connect in the moment, says Contact At Once!, leading provider of automotive messaging platforms

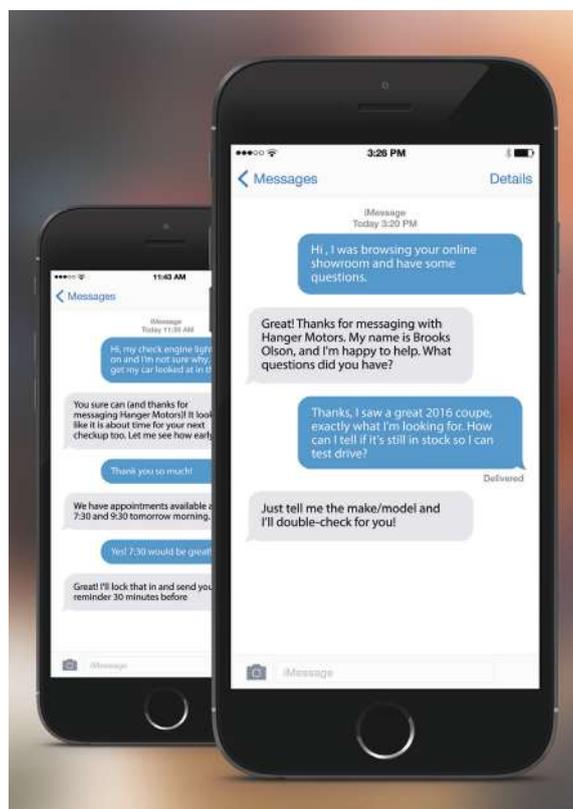
The majority of car shoppers (six out of 10) enter the market unsure of which car to buy. Your best chance to influence those buyer decisions comes during the hundreds of ‘micro-moments’ that make up consumers’ research – when we turn to computers and, increasingly, our smartphones to find information.

You will gain awareness and trust by providing the right information in the right place at the right time. You will get an edge by making it easy to take the next step, especially if you connect one-on-one through messaging (such as live chat and SMS).

Contact At Once!, a LivePerson company, asked 1,000 consumers – who either recently bought a car or planned to buy one soon – about messaging with dealerships. The study highlights a positive impact in almost every phase of the buying and owning process – including 98% of those who messaged with a dealership saying it enhanced their car-buying experience.

For the utmost effectiveness, though, chat and text calls-to-action should not be limited to your website. Remember: Google followed one car shopper over three months and 900+ digital interactions (71% of which occurred on a mobile device). Let’s say that before a consumer like that visits your website, she...

- Clicks on your stock advert while browsing car search websites
 - Searches Google for information on a specific model, a local dealership or “car repair near me”
 - Sees your Facebook newsfeed ad.
- Can a consumer click to chat or tap to



“ THE QUESTION IS NOT IF YOU SHOULD BE MESSAGING. THE QUESTION NOW IS HOW TO DO IT BEST ”

message directly with your team... from any of those locations? By leaving even one “unconnected,” you could miss chances to start conversations and influence leads or potential service customers.

That is why a messaging network like the Contact At Once! platform is so vital. Instead of thinking about live chat as a communications tool for your website, think of the value of messaging everywhere consumers are available to connect.

Encouraging them to chat and text from your sites, advertising listings (Autotrader.co.uk, Motors.co.uk, etc.), Facebook Messenger and Google search results can help to increase sales engagements and drive down the costs and complexities involved with using messaging technologies. Automotive-trained professional messaging experts can even manage the resulting conversations on your behalf, up to 24/7, keeping you connected with consumers on their schedule. This all-in-one approach is already enabling more than 17,000 businesses to interact directly with consumers in all the moments that matter... without overwhelming their sales or service teams.

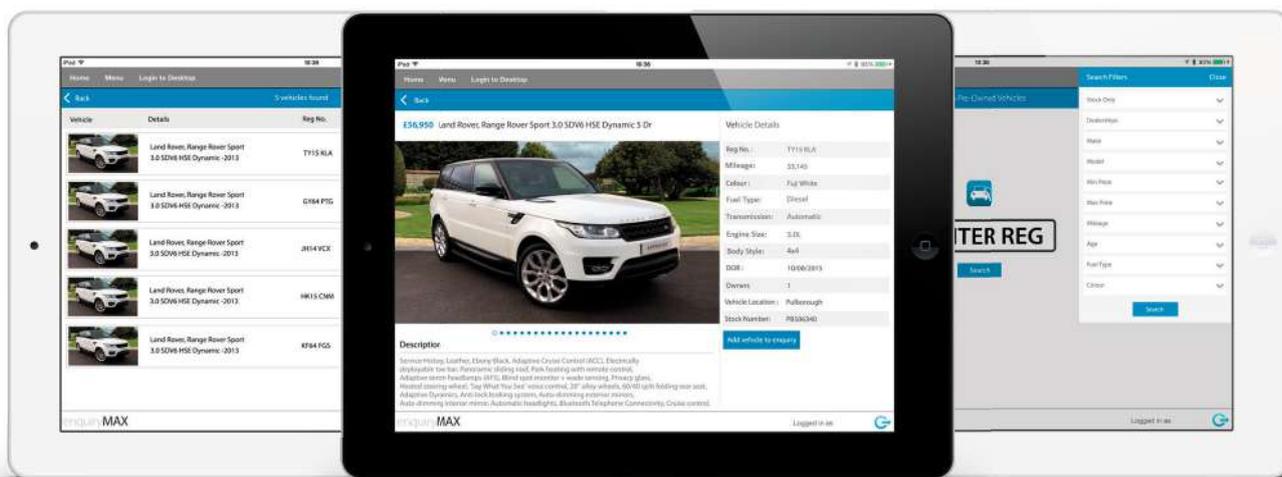
Consumers’ mobile convenience expectations are only going to grow, so the question is not if you *should* be messaging. The question now is how to do it best. Contact At Once! can help develop your messaging strategy, from choosing the right implementation to creating consistent experiences across a variety of consumer touchpoints.

To learn more and start building your own chat and text messaging plan, just reach out: Text 020 3095 7289 / marketing@contactatonce.com / contactatonce.com/dealer

ContactAtOnce!
A LIVEPERSON COMPANY

Unlock a sales-focused culture with enquiryMAX

Helping your team to create a data-led environment could boost your sales by 20%



In a continually changing market, a relentless focus on sales is key to moving the business forward. An efficient sales team needs the technology and data to support a high-performance culture, and enquiryMAX has designed a streamlined and straightforward lead management platform to enable optimal team performance.

The customer journey has never been more complicated and the window to close a sale is getting smaller, with a 14% rise in the number of people buying on their first visit to a dealership, according to the latest data from enquiryMAX.

In the next couple of years, the industry will see some seismic changes with new entrants to the retail market and new ways to own a vehicle. If dealers want to hang on to their customers, they need to put them at the heart of high-performance, data-rich culture.

The experienced team at enquiryMAX recognises the market changes and continuously innovates to make sure its lead management platform is one of the most advanced on the market.

An advanced cloud-based system allows for rapid deployment and regular updates to meet the changing needs of the market. It is optimised for mobile devices to ensure it can be used anywhere at any time.

In a recent development, dealers can now obtain finance quotes from leading providers in the enquiryMAX system, making it quicker and easier to close a sale. Customers will enjoy a swift and seamless experience with access to leading lenders, including Black Horse, Santander and VW Financial Services. Because users can complete the quote in the enquiryMAX system, FCA compliance under Treating Customers Fairly is supported.

David Boyce, managing director of enquiryMAX said: "While the latest technology will provide software that will track the sales process and report the numbers, a successful sales team will build a culture where they live the numbers. When everyone from the CEO to the sales trainee lives the same numbers, it is remarkable how sales performance can be transformed.

"The most successful companies embrace

the idea that they are first and foremost a sales organisation. The focus on the customer and the sales data that each customer creates must come from the top and be lived by everyone in the team."

Boyce believes data will support transparency and communication across a team. The tools that enquiryMAX builds are available online and on mobile platforms for a reason. Users need to use them and believe in the process. It needs to be easy, or people won't use it.

enquiryMAX provides sales lead management software and retail consultancy to more than 700 dealers in the UK. It supports individual dealerships, dealer groups and manufacturers to sell more vehicles and operate more profitably. Customers use cloud-based sales lead management to help implement a structured sales process, disciplines and display best practices.

On average, teams that create a data-led sales culture see a 20% uplift in sales. It is clear that data empowers a team to hit their goals.

Phone: 0113 280 6770
Email: sales@enquiryMAX.com
Web: www.enquiryMAX.com



The complete online motor retail solution

Giving dealers the benefits of a digital 'buy' button, but for a fraction of the price of building their own platform

This year, iVendi will claim a world first – a complete online motor retailing platform.

This innovation will allow motor retailers, from major dealer groups to small independents, to simply plug in the solution to their existing websites – and start using it straightaway.

James Tew, iVendi's CEO, said: "This is very much the holy grail of online motor retailing. Buying a car online is not like buying a pair of jeans. It is a process that requires everything from handling a part-exchange to motor finance.

"Over the eight years that iVendi has been in existence, we have been working on each of the key elements of the process and soon will be in a position to deliver a complete solution to dealers and others.

"We are now at the stage where we can incorporate a simple but important feature into the platform – a 'buy' button. Getting to this point has been a long journey, but we are confident that this product is absolutely right for this moment.

"In the same way as a High Street retailer might move into online sales by using e-commerce technology like Shopify on their website, dealers will now be able to use iVendi. It really is a genuine step change."

Up to 500 dealers have been using a trial version of the platform since spring 2017 and it is currently handling sales of more than £2 million a month.

Tew said: "To anyone who still says that online motor finance doesn't have a role to play, we can point at this very substantial figure, one which is growing month-on-month. This is a genuine market satisfying genuine customers."

An important feature of the platform will



**“ WE ARE NOW
AT THE STAGE
WHERE WE CAN
INCORPORATE A SIMPLE
BUT IMPORTANT FEATURE
– A 'BUY' BUTTON**

be that it can handle continual switching back and forth from online to in-showroom sales for each individual customer.

Tew explained: "Our view is that there are a handful of completely online sales and a handful of completely offline sales. However, in the real world, most customers will, for example, look at stock online, try out online finance options, call the dealer to ask some questions, play with the finance some more, go for a test drive, and so on.

"The developed platform offers complete flexibility in this respect, with each potential sale saved in an individual account so it can be revisited and modified by customer

and dealer as their preferences and needs dictate on and offline."

Tew said the platform offered all the advantages of online retailing, from finance to added-value products to 24-hour retailing and more, but for a tiny fraction of the price of developing a bespoke solution.

"For most dealers, creating something this flexible, comprehensive and effective would be out of the question. It would cost millions upon millions of pounds and take years. Instead, we will be able to soon deliver this at a very attractive price."

ABOUT iVENDI

With offices in Manchester and Abergelge, and more than 7,000 connected dealers across the UK, iVendi is the UK market leader in online motor finance technology. The iVendi Platform provides a complete online motor retailing solution for dealers, motor finance providers, car portals and manufacturers.

To find out more, visit ivendi.com, email enquiries@ivendi.com or call 0345 226 0503



Turn your customers into 'raving fans' with reviews

Happy consumers boost your business and unhappy ones can show you what to fix

JudgeService Research prides itself on offering the most comprehensive customer satisfaction and review tools in the sector. As an automotive specialist, its reporting and account management is geared towards helping dealers understand opportunities to improve their service, as well as to promote reviews.

Neil Addley, Judge Service's managing director, said: "We believe that automotive retailers who improve the experience of their customers will benefit from long-term improvements in customer satisfaction and therefore get better reviews and rankings.

"For us, we continue to evolve a secret recipe to help support our clients and it is as much about the quality of the ingredients as it is the quality of the chef."

Uniquely, JudgeService conducts its surveys by email, text, post and telephone, and its reviews are verified as genuine.

Offering consumers multiple ways to submit means JudgeService has class-leading response rates and its interface ensures very low drop-off rates.

"From the beginning, we have tried to make completing the surveys as game-like and rewarding as possible," said Addley. "That means people don't mind answering the more specific, granular and even



bespoke questions that we are able to offer."

JudgeService clients value that granularity, as it lets them identify areas to celebrate or improve at both retailer and individual sales executive level. Every finished survey is mailed to the retailer and all the data is added to the management information reports and individual dealer dashboards on the JudgeService reporting system.

Dale Woodley, sales director, said: "There is nothing better than turning up to a customer meeting and being told how much they like using our service to create a genuine improvement in their business.

"With new products such as Snap 'n' Share for photographing and sharing

handovers, and our Quick Fix surveys to generate marketing permissions and test drives or service bookings, we have plenty more to offer our customers in 2018."

JudgeService offers feedback from lost sales, post-sale, servicing and long-term follow-up to provide a comprehensive suite of products to retailers.

"Integrity has to be the corner stone of our business, so we publish every post-transaction review once it has been moderated. Our house rules are clear and simple," said Addley.

These reviews are then displayed on dealers' websites using JudgeService's widget or API, and on the JudgeService website, as well as Auto Trader, Motors.co.uk and NFDA Trusted Dealers. The reviews also rank well in Google searches.

Addley said: "JudgeService is all about creating raving fans – customers who are so pleased with the experience that they become advocates and even defenders of your brand. When you get this right, you can double the level of repeat business, and honestly, who doesn't want to work for a business they are proud of?"



JudgeService Research Ltd, 11 Cardale Court
Cardale Park, Harrogate, HG3 1RY
01423 225 166 sales@judgeservice.com
www.judgeservice.com/business

JudgeService 
★★★★★

A highly targeted social strategy will pay the greatest dividends

Dealers should concentrate on generating high-quality rather than high-volume traffic in 2018

It's easy to think of social media as a numbers game, with the broad objective of attracting ever larger numbers of followers. However, when it comes to a dealer's bottom line, a targeted approach – identifying and reaching out to relevant individual users – pays the greatest dividends.

Dealers should focus less on simply generating higher volumes of traffic in 2018, and more on increasing the quality of traffic – particularly through more effective use of social media.

While data deficiencies represent a limiting factor for many dealer groups in their digital marketing activity, a lack of time is typically more significant when it comes to social media – we often hear dealers say it is just too resource-intensive to manage properly. Another common gripe is that the tools readily available for corporate social media activity are too broad, and do little to make dealers' lives easier.

Over the past year, Marketing Delivery has been developing new products and processes to combat these obstacles, and to streamline social media marketing for dealers. We work with our clients to deliver a localised social strategy, resisting the temptation to seek large numbers of followers for the sake of it, and instead aiming to capture a very local, relevant and highly engaged audience for each of their sites.

Through tracking and targeted tools, we can help to identify prospects looking for particular marques and models, and deliver uniquely personalised marketing through social media. In 2017, we launched the LeadBox product, which enhances automated data capture procedures by synchronising leads from social media into

a dealer's existing CRM process. Leads can then be followed up directly by the sales team, and subsequently progressed through the dealer's digital marketing programme.

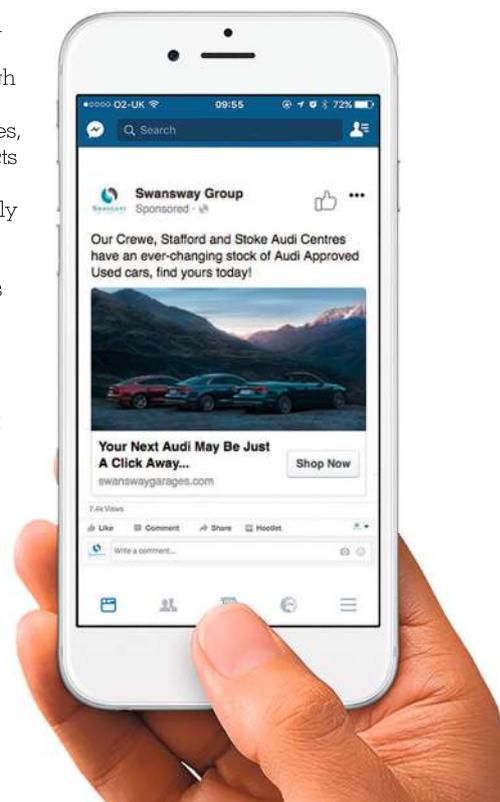
By leveraging data from dealers' websites, we use Facebook Pixel to retarget prospects through that platform, which enables marketing and sales staff to more effectively track and pursue leads as they switch between different channels.

For showroom staff, Marketing Delivery's system activates as soon as a lead is captured and logged in the dealership system. Our 'Car Alerts' product can act as a 'silent salesperson', automatically following up and promoting new stock via email and social media.

**A STRONG
SOCIAL
PRESENCE IS
CRITICAL FOR DEALERS**

In 2017, Marketing Delivery launched a new service for car dealers – VoiceBox – which is designed to significantly reduce the burden of managing a full social media programme across a distributed, multi-marque group. Rather than adapting existing software, we built a suite of tools from the ground up, specifically with dealers in mind.

The VoiceBox platform has been conceived to underpin our recommended social media content strategy, and integrates a range of publishing tools as well as detailed statistics for rapid review and analysis. It is optimised to deliver the best results when combined with our Social Relationship Management (SRM) programmes, and aims to give



dealer groups unparalleled speed and flexibility when it comes to social media communications.

At the heart of our SRM programmes is the knowledge that a strong social presence is critical for dealers. As we said in this feature last year, it's now entirely possible for a prospect to begin and end their customer journey on social media. The question is: are you ready for them?

www.marketingdelivery.co.uk
01892 599 913
get.in.touch@marketingdelivery.co.uk

Marketing Delivery
DATA DRIVEN MARKETING

Free your staff to deliver the best service

Knowledgeable receptionists, as and when you need them, allows your staff to focus on the customers in your dealership rather than worrying about those trying to get in touch

As a retailer, customer service is one of your highest priorities. You know you need to make your customers feel that they are the most important people in the world and that when they are in the showroom, they receive your best treatment. But what happens when they are not? How can you ensure they still receive exceptional service?

Since 2000, Moneyppenny has been leading the way in telephone answering, live chat, outsourced switchboard, and customer contact solutions. In that time, we've learnt a thing or two about what makes truly great service for customers when they are not in your showroom. Here are just a few things that make Moneyppenny different.

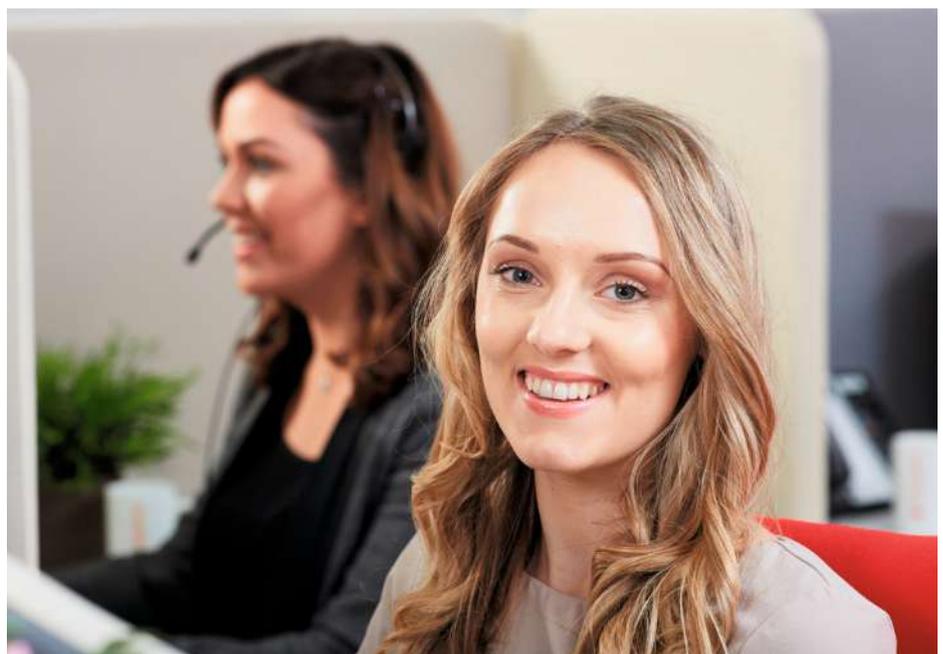
Real, knowledgeable people

A key ingredient of Moneyppenny's secret sauce is the incredible people who make up our automotive team. Our dedicated team of Moneyppenny receptionists are knowledgeable about the automotive industry, and are hired specifically because they offer key traits of excellent customer service – they are friendly, personable, bright and efficient.

Our automotive clients have one receptionist, who sits in a small team, and gets to know them and their business. This means they are able to answer and handle calls exactly as if based in their client's dealership – and callers never know they have come through to Moneyppenny. Clients love the fact they know exactly who handles their customer calls and chats.

Available when needed

Some clients require help with their calls and live chat handling all of the time. Others are able to manage them during quieter moments, but need assistance when their dealerships become busy with customers. Moneyppenny works with



“ WHEN STAFF BECOME PARTICULARLY BUSY, CALLS AND CHATS ARE ROUTED SEAMLESSLY TO MONEYPENNY

clients whatever their needs. When staff in the dealership become particularly busy, calls and chats are routed seamlessly to Moneyppenny.

The dealership team can focus on the customers in front of them without worrying about those who are trying to get in touch. The difference this makes to overall customer service is astonishing, and means dealership staff can concentrate on what they do best.

Information-sharing Live Chat

We understand how important it is for clients to give up-to-date information to customers. That's why we've made information-sharing as straightforward as possible with our Moneyppenny Live Chat portal. This easy-to-use portal allows Moneyppenny Live Chat clients to quickly add or edit any information or shortcut responses they need, e.g. changes to opening times, model availability, etc.

We have found that our automotive clients love the control this gives them, and our team loves being able to provide real-time support.

The result is a team that can confidently give the most accurate information and our clients can update their Moneyppenny Live Chat team as suits them.

To discuss your needs, as well as find out more about Moneyppenny's no-obligation trial, please contact:
0333 202 1005 / hello@moneyppenny.co.uk / moneyppenny.co.uk



A decade of effective video communications

CitNOW celebrates 10 years of boosting customer engagement and dealer profits with video

Celebrating its 10th anniversary in 2018, CitNOW is a leading provider of automotive video services, enabling retailers and manufacturers to communicate effectively with customers and would-be car buyers through its suite of video-based apps.

With most research into a vehicle purchase taking place online, one-to-one communications need to reflect this as well. Video is a familiar medium in other aspects of life and CitNOW video enables consumers to view a vehicle at leisure from the comfort of their sofa and to see work required (or a clean bill of health) when their car is in the workshop.

It's easy, transparent and delivers results. Customers love it because it enhances their experience and creates immediate emotional engagement. Dealers love it because customer satisfaction scores are boosted, sales increase and inevitably higher profits follow.

The consumer vision of video

CitNOW data shows video communications result in more lead conversions. According to the CitNOW Vision Report*, which questioned 2,000 UK motorists:

- A fifth who had purchased a new car in the past 12 months had used video
- Almost three quarters (74%) who had received a video of the car felt more confident about buying
- Almost half (49%) regularly use video to support purchasing choices
- 78% of over-55s had already used or were willing to receive video to help choose their next car or approve work
- 52% of 18- to 24-year-olds would use video for their next car purchase.

Results from this research will be explored in future Dealer Masterclass articles. The full report can be downloaded at: www.citnow.co.uk/citnow-vision-report-2017

CitNOW smart video products and services



CitNOW Sales

The easy way to shoot, edit and distribute personal videos of vehicles in response to an individual enquiry. It provides a virtual way to view the car and allows the sales executive to build a relationship with the consumer before they set foot inside the showroom.



CitNOW Workshop

Technicians are trained to make one-minute customer videos explaining work required. Reporting the facts, they are not selling anything, but deliver good service which empowers service advisers to upsell red and amber work.



CitNOW Web and Smart Image

This app incorporates still images alongside video to create all the visual assets required to market used car stock as soon as it is retail-ready. Integrated with dealers' own websites and used-vehicle locators, brand-approved still images and video can be uploaded in minutes.



CitNOW Bodyshop

Video builds trust, engages customers, increases retail work conversions and sells more labour and parts more profitably, while providing an unequivocal condition assessment record.



CitNOW Dashboard

All CitNOW users have access to a dashboard – a management tool that provides real-time data to monitor activity across all products in use and provides groups and brands with performance analysis across their network.



CitNOW Academy

A dedicated training team ensures dealer employees learn how to best use video and can continually brush up or enhance their skills.

* CitNOW, 'Consumer Opinion on Automotive Video' survey, April 2017.



DEALERS LOVE VIDEO BECAUSE CUSTOMER SATISFACTION SCORES ARE BOOSTED, SALES INCREASE AND INEVITABLY HIGHER PROFITS FOLLOW

Call: 0118 997 7740
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Peugeot is targeting the family market with its spacious seven-seater



PEUGEOT 5008: LION KEEPS PACE (AND SEVEN SEATS) IN SWITCH FROM MPV TO SUV

Peugeot has middle-class families in its sights as it launches the 5008, the largest SUV in its range.

The addition in January, which follows successful launches of the 3008 and facelifted 2008 in 2017, replaces the now off-trend MPV that bore the 5008 nameplate from 2009 until last year.

While sensible, boxy people-carriers are being widely abandoned in the rush to get behind the wheel of a 4x4-alike, Peugeot has done well to ensure the 5008 SUV is still available with seven seats and bags of space. For that, buyers can thank not only the size of the car, but the clever design of the seats. The rearmost row, for example, can fold down into the floor to give a generous amount of boot space. However, Peugeot has designed them to be completely removable too, providing buyers can manage their 11kg weight, creating yet more room for luggage if needed.

Customers can also fold the second row of seats and the front passenger seat to carry loads up to 3.2 metres long. In-car storage is excellent and even with all seats in place there's enough room in the boot for a few bags of shopping.

At 4.6 metres long, the 5008 will feel more compact to manoeuvre for customers trading in a full-size MPV such as the Ford S-Max or Vauxhall Zafira. However, it is a

large car, and the standard rear parking sensors are a necessity, while the 360-degree camera 'visio park' option is certainly worth demonstrating to prospects.

Peugeot wants drivers to feel cosseted and premium, so the 5008 has the latest version of what it calls 'i-cockpit', including a small steering wheel, an eight-inch touch screen and a 12.3-inch digital instrument panel that owners can customise and configure. Top-end models have adjustable interior lighting and massage functions within the seats. The 5008 can even diffuse a range of exclusive fragrances with very pretentious names, which could lead owners to request a top-up of 'cosmic cuir' or 'aerodrive' when they book the 5008's annual service.

The range starts with Active, which includes dual-zone climate control, automatic lights and wipers and a leather steering wheel. Allure adds TomTom navigation, SOS telematics, front parking sensors and reversing camera, more safety systems and child-friendly tray tables and window blinds. Customers wanting more can choose between two high-end models: the GT Line and the GT. Both are distinguished from the mainstream cars by styling details such as a chequered front grille, contrasting door mirrors, twin exhausts and neat approach lights hidden in the door



£24,495-
£35,895



1.2 130PS, 1.6
165PS, 1.6HDI
100PS/120PS,
2.0HDI 180PS



0-62MPH
9.1-13.6 SECS;
TOP SPEED 108-
134MPH



5 SP MANUAL, 6 SP
MAN, 6 SP AUTO,
8 SP AUTO



48.7-67.3MPG



108-133G/KM CO2

KEY RIVALS



Škoda Kodiaq



GREAT DIESEL ENGINES



A BRAND MANY STILL CANNOT ACCEPT



Hyundai Santa Fe



STYLISH, FIVE-YEAR WARRANTY



SLOPPY BODY CONTROL



Range Rover Sport



PRESTIGE BRAND, GENUINE OFF-ROAD CAPABILITY



PRICEY TO BUY, RUNNING COSTS, TIGHT FOR SPACE

REVIEW RATINGS

PARKERS



AUTO EXPRESS



AUTOCAR



I CAN SEE SLIGHTLY YOUNGER BUYERS COMING INTO THE NEW 5008 THAN THE OLD CAR

SIMON BROOME,
PEUGEOT UK



Clever design has allowed the 5008 to retain seven seats and lots of space



The 5008's 'i-cockpit' has a small steering wheel, touchscreen and digital instrument panel

mirrors that shine Peugeot's lion emblem on the floor. The GT adds more luxuries, such as a motorised tailgate that opens and closes when activated by a foot motion sensor, plus keyless entry and start.

Premium-orientated options include a 10-speaker Focal audio system (£590), adaptive cruise control (£400), park assist (£450) and a panoramic opening glass roof (£870, but standard fit on GT).

Buyers of the 5008 won't go off-road, except perhaps onto a grass car park or campsite, so all-wheel drive is not on offer. However, certain models can specify the optional advanced grip control system (£470) with hill descent control. Helped by 18in mud and snow tyres, this allows the driver to select modes for snow, mud, or sand using a dial on the centre console.

The engine line-up includes a 1.6-litre diesel (100PS or 120PS formats), and two petrols: 1.2-litre (130PS) and 1.6-litre (165PS). A 2.0-litre diesel (180PS) with eight-speed automatic transmission is exclusive to the top-of-the-range GT version. All are front-wheel drive, which helps to keep the CO₂ emissions and fuel

“ WE HAVE WRITTEN IN 5,500 UNITS FOR OUR 2018 PLAN [FOR THE 5008]. WE HAVE HIGH HOPES FOR THIS CAR BECAUSE IT APPEALS TO MORE PEOPLE

**SIMON BROOME,
PEUGEOT UK**

Q&A



**SIMON BROOME,
PRODUCT MANAGER FOR
5008, PEUGEOT UK**

How have you built up to the launch of this SUV?
To raise our profile, we started an SUV marketing campaign on October 9, which focused on the SUV range of the 2008, 3008 and the first glimpse of the 5008. We held the UK press event in late September, so people will have read about the car, then dealer training and preview events within dealerships for the early 'hand-raisers', for example people who thought the 3008 was a bit too small for them. Then our full TV campaign started around Christmas.

What is the target market for 5008?
We try to pigeon-hole cars into demographics – we are saying mid-30s and families – but to be honest, it's so diverse, from active people to disabled people and elderly people, because it's easy to get in and out of. We've seen from the 3008 that it can pull in people from every demographic. I can see slightly younger buyers coming into the new 5008 than the old car, which was traditionally favoured by a more mature customer, families and was also popular with Motability because of its ease of access and height-adjustable seats. While we expect to do well with Motability with this new car too, we are more focused on retail sales, with PCPs based on a strong RV (launch offers included a £318-a-month representative example, based on 5.9% APR, for the 1.2-litre petrol Active model).

What sales volume do you expect?
We have written in 5,500 units for our 2018 plan. The outgoing car was doing about 2,000 units in its last year, and 20,000 over its seven-year run, but we have high hopes for this car because it appeals to more people. It is a bit of an unknown entity, however, because you could also walk a customer out of a 3008 into a new 5008 very comfortably.

What have you learned from the early success of the 3008?
With the 3008 we originally wrote in 16,000 units (into our 2017 plan) and we thought we were ambitious because the old 3008 did 12,000 in its best year, but we did that by September so we rewrote that to around 19,000 for the year. The other thing that shocked us with the 3008, and we expect similar with this car, was the mix. We planned for 25% of the 3008 to be level 2 grade (Active) but we sold about 5%, the rest were all higher-level cars. With the 5008, the level 3 and level 4 cars (Allure and GT Line) will be the best-sellers. It's great for us because you get more excellent-looking ones out on the road.

What will be the best-selling 5008 combination overall?
We expect it to be the 1.2-litre petrol Puretech 130 manual in Allure trim. Allure has a very comprehensive spec, with class-leading driver assistance systems, all of which are chargeable options on equivalent competitors' cars, so I see this as a bit of a sweet spot.

Why petrol?
It's due to the swing from diesel. We originally forecast 7% petrol in new 5008, but now we expect 40% to be petrol.

efficiency of this sizeable vehicle to reasonable levels (between 108 and 133g/km). This is critical as Peugeot UK expects about 44% of sales to be in the fleet market.

Peugeot has thrown everything at the 5008 because it aspires to move the brand

upmarket. In reality, it is simply keeping pace in the mainstream, as true premium brands eat its lunch, and it is unlikely to make the mighty German trio tremble. That aside, the 5008 is a very compelling proposition and shows that seven-seat SUVs can look impressive. **TIM ROSE**

MERCEDES-BENZ C200D SPORT ESTATE

REPORT
PROGRESS



C-CLASS STILL HAS A HILL TO CLIMB AGAINST GERMAN RIVALS

The Mercedes-Benz C-Class was the ninth most popular new car of 2017, with 45,912 registrations. Rivals BMW and Audi didn't make the top 10.

However, the C-Class still has a hill to climb in the used car market. On AutoTrader in 2017, there were 24.5 million searches for the C-Class and 11.4m for the Audi A4, but 40.2m for the BMW 3 Series.

It's a sign of the 3 Series's long-standing brand appeal because, of the three German rivals, BMW's approved used scheme offers marginally less value to the customer. It lacks the key

insurance, which Audi and Mercedes both provide, and Mercedes even promises a no-cost service if a car's service indicator light comes on within three months or 3,000 miles.

It's probably not enough alone to win over an undecided buyer. Ultimately, buyers' decisions may come down to preference for brand and styling, and the offer available at the time.

What Mercedes must do is continue the marketing campaign, because with almost 12,000 miles under its belt, our C-Class is proving its worth as a classy, upmarket family car.

TIM ROSE

	Audi A4 Avant Sport 2.0TDI 190PS Ultra	BMW 320d Sport Touring	Mercedes-Benz C220d Estate
Approved used scheme features	12-month warranty, roadside assistance, MOT insurance, key insurance	12-month warranty, roadside assistance, MOT insurance	12-month warranty, roadside assistance, MOT insurance, key insurance, free service if due within three months/3,000 miles
MPG	68.9	62.8	64.2
CO ₂ g/km	106	118	114
0-62mph (secs)	7.9	7.6	7.5
Cargo seats up (l)	505	495	490
Seats down (l)	1510	1500	1510

EFFORTLESS ACCESS THANKS TO KEYLESS ENTRY AND ITS POWERED TAILGATE

OVER-SENSITIVE TOUCHPAD

CURRENT MILEAGE 1 3 3 6 7 START MILEAGE 1 1 1 8 7

MAZDA MX-5 RF 2.0-LITRE SPORT NAV

REPORT
PROGRESS



CAN YOU SUCCESSFULLY SELL A SPORTS CAR ALL YEAR ROUND?

How do you sell a 'summer car' such as the MX-5 in the bleak mid-winter? It looks like a challenge based on the Society of Motor Manufacturers and Traders' monthly registration figures: In July, 384 of the roadsters were sold. In November? Just 146.

In July, it led the Sport segment in year-to-date market share, its 35% beating the VW Scirocco on 30%. But in November the positions were reversed, with the VW on 34% and the MX-5 on 33%.

However, a Mazda spokesman said dealers do not ignore the MX-5 in the gloomier months: "The RF, with its hard roof, is an all-weather car.

"Dealers do not sell it as a seasonal car, but one that can be enjoyed all year round. And even the soft top has

a sturdy roof to it, which will make it a suitable winter car.

"So the pleasure of driving a responsive, fun, economically sound vehicle should be an all-year-round sales proposition for our dealers."

On the battle between the MX-5 and the Scirocco, a switched-on sales executive will wax lyrical on the appeal of driving a rear-wheel drive sports car with the bonus of getting the roof down in the summer months.

"Even in winter, dropping the roof can blow away the cobwebs," Mazda's spokesman said.

Mazda said it doesn't need to soften its PCP offers at this time of year to generate more interest and advertising is modest: "The car sells itself."

JEREMY BENNETT

REGISTRATIONS
(2017): 4,698
(SOURCE: SMMT)

PCP PAYMENT
£3,575 DEPOSIT, £339 MONTHLY
PAYMENT (37 MONTHS), 3.9%
APR, 9,000 MILES, EXCESS 14.9P
(MX-5 RF 131PS SE-L NAV)

SEGMENT SHARE
22.8%
(SOURCE: SMMT)

BETWEEN THE PASSENGER SEAT AND THE BOOT, I CAN SQUEEZE MY BAND GEAR IN

THERE'S NO ROOM FOR A GROUPIE JOINING ME AT A GIG

CURRENT MILEAGE 0 7 7 7 5 START MILEAGE 0 0 8 7 0

≡ GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Douglas Lawson, sales manager at Vantage Skoda Morecambe, correctly identified the Maserati Bora last month.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, February 9.



ADVERTISING FEATURE EXECUTIVE PANEL

Industry professionals share

Knowledge is power, and businesses need as much expert advice and insight as possible to succeed. For senior managers in franchised dealerships, who are ultimately responsible for a multi-faceted service, retail and business-to-business operation, that need is even more pronounced. This is where AM's Executive Panel can be of real help. The Executive Panel is made up of AM commercial partners who are all experts in their key industry segment – segments that can have a major influence on a motor retail business's bottom-line profitability and customer experience.

FINANCE

Coffee drinkers guide car-buying's future

By Shaun Harris, sales director, Codeweavers



Codeweavers, which specialises in finance sales technology and has supplied specialist software products to the automotive sector for more than 15 years, is researching the views and experiences of consumers in coffee shops across the UK as it develops its next-generation technology for car

finance and e-retailing.

The company's user experience (UX) team is conducting a series of short, sharp sessions with consumers in cafés on their car-buying and financing views.

The process is proving to be remarkably insightful. Short of time and free of the car-buying or focus group-type thinking, we are gaining some very candid and useful insights about car-buying motivators, tools and processes that customers would value and those which they find frustrating.

We found a significant gap between industry and users' expectations, and by using a human-centred design approach, we can shape products that can satisfy both industry and user needs.

As well as consumer feedback, the UX team gained first-hand insights into a customer-facing environment, its peaks and troughs of activity and the importance of speed, stylish delivery, customer care and different ways to manage customer satisfaction issues.

This was a great exercise for all of us. It is so easy to be locked into your own role and business and overlook the challenges and experiences people face every day. This means helping to make car-buying and financing easier, more personalised and more enjoyable.



VIDEO

Leap in consumers' use of video

By Adam Price, founder, AutosOnShow.tv



How people shop for a new or used car continues to evolve quickly and it is essential for dealers to ensure their marketing strategies are aligned with the customer purchase journey if sales are to be maximised.

Understanding the customer journey will also help to get the most from marketing budgets and support the brand values of the dealer and relevant manufacturer.

The latest information from Google shows that people are making decisions more quickly, with a third of consumers gathering all the information they need and making a purchase within two weeks.

In this small window, it's important that dealers have the appropriate content available to influence buyers. Google data shows that one third of users search on YouTube for information on vehicles. More than 60% of all automotive searches come from a mobile device and some of the top mobile searches are related to dealerships.

AutosOnShow data shows that nearly one in five people view a video of a vehicle five or more times. The average car is viewed eight times, and zoom gallery views are becoming increasingly popular. The trend points to buyers becoming increasingly comfortable doing their research online before walking onto a forecourt to do a deal.

AutosOnShow is continuing to invest in innovations to make it easier for dealers to integrate video into their sales and marketing platforms. Experience shows that the easier a technology platform is to use, the more impact it will have on a business.

■ To find out how AutosOnShow can help you, visit AutosOnShow.tv.



FOR THE LATEST INFORMATION FROM
DEALER SUPPLIERS VISIT:
am-online.com/news/supplier-news/



VALETING

Ready to retail in 72 hours

By Martin Peters, sales director, Autoclenz Group



This month, for the fourth year running, Autoclenz will sponsor the "Best Used Car Performance" category at the AM Awards in Birmingham.

Having an outsourcing partner that can just "valet" the car is not making the most of the best in the marketplace. Used cars are where the margin

and growth is in 2018, so let Autoclenz show you a better way.

A slick, transparent process is required to ensure maximum profit can be realised through every unit. Autoclenz can manage this from SMART repair, valet and imaging, through the right IT and management processes to ensure this happens every time. Using our Paperless Vehicle Management System (PVMS), after appraisal a used car can be booked into SMART with a controlled cost, monitored on the system and then passed in valet with a controlled cost, and finally imaged and uploaded at a controlled cost.

This is the ultimate "ready to retail" solution at a controlled and transparent cost. It is all completely visible in real time with the ability to interrogate and report on any aspect of the process through our IT system.

Set your budget, subject to your used car profile, and let Autoclenz manage this process within 72 hours to have a slick used car process to maximise profits in this area.

We look forward to seeing you at the AM Awards, come and say hello.

■ For more information on the difference that Autoclenz can make to your business, contact Lucy Duggins on 01283 554682 or visit our website at www.autoclenz.co.uk

AUCTIONS

Getting a great deal on part-exchanges

By Simon Henstock, BCA chief operating officer,
UK remarketing



With the March plate change nearly upon us, dealers should be planning for all the additional activity this inevitably brings.

Volumes typically rise substantially in the wholesale markets and stock levels traditionally remain high until at least early May.

The dynamics of the wholesale market change as a result and, from the dealer's perspective, now is a great time to appraise any over-age stock and get it sold, clearing the decks as it were. While there will still be plenty of demand for the best, retail-quality cars, vehicles that are in poorer condition, lower-spec or higher mileage must be valued to sell in line with market sentiment.

BCA's Dealer Pro tool can help, bringing clarity and objectivity to the appraisal and valuation process. Dealer Pro also improves the customer's experience, increasing confidence with a professional appraisal process that they can see and understand, and giving credibility to the part-exchange value they are quoted.

Incoming part-exchange vehicles can be processed fluidly, and allocated to retail or trade as appropriate. Dealer Pro also integrates with other dealer systems, such as lead management and provenance systems, to improve overall dealer efficiency, and enables all data captured to be used in any sales channel.

All stock appraised on the system can be revalued at the press of a button, using real-time, condition-adjusted market values based on industry-leading data. With fewer customers stepping through dealership doors these days, it's important for dealers to be able to offer a quick and efficient valuation process on a part-exchange vehicle and this is where BCA Dealer Pro delivers real benefits.





Key players wanted.

Following significant business wins, we are looking for a number of talented automotive experts to join our team.

If you have a strong automotive sales background, excellent interpersonal and presentation skills plus a passion for training and development then we'd love to hear from you. In return we can offer a highly competitive remuneration package and a chance to travel the world.

If you've got what it takes then let us know why via jobs@mfg-group.co.uk.

PROSPECTING | TRAINING | CONSULTANCY
MFG-GROUP.CO.UK



mfg

USE NEW PAY RULES TO CLOSE GENDER GAPS, DEALERS URGED

Businesses have till April 4 to display difference in what they pay men and women

Franchised dealer groups and manufacturers' national sales companies have until April 4 to begin displaying the differences in pay between male and female employees.

New gender pay reporting regulations oblige companies with more than 250 staff to report the figures annually, which over time will show whether businesses are making progress in enabling staff of any gender to further their careers and rewards equally.

Steve Le Bas, business assurance partner at BDO and a member of its motor retail team, said: "It is important to note that gender pay reporting is not about equal pay for equal work. It's a global issue about the progression of women – that there are more men in senior roles and more women in junior roles."

Motor retail's gender imbalance

In motor retail, it is generally accepted that there is a gender imbalance across all levels. An AM-online poll in early 2017 found that two thirds of respondents had a workforce that was less than 30% female.

In recent years, a number of dealer groups have been active in considering how they can encourage women to consider a career in dealerships. The UK Automotive 30% Club was established in 2016 to work towards a goal of having women in 30% of key leadership positions by 2030. It believes 30% is the 'tipping point' at which the minority in a group gets a voice and begins to influence change. Members include Lookers, Jardine Motors Group, Toyota GB and Volkswagen Group UK.

Le Bas added: "In an industry dominated by men, it will be interesting to see the

results in the reporting and how the industry fares against other industries in the UK.

"There are many reasons for gender pay gaps. The principal reasons can be described as the 'motherhood penalty' and are linked to taking maternity leave, career breaks, childcare and part-time work."

The 250 employee test is per employing company or entity. It is not assessed on a group-wide basis. For groups of companies, it will be necessary to look at each group member individually to determine whether that entity has a reporting obligation, said BDO.



GENDER PAY REPORTING IS NOT ABOUT EQUAL PAY FOR EQUAL WORK. IT'S A GLOBAL ISSUE ABOUT THE PROGRESSION OF WOMEN



STEVE LE BAS, BDO

Groups covered by gender pay reporting legislation must analyse their data by reference to a "snapshot date" of April 5 each year and then report within 12 months of the snapshot date. The first snapshot date is April 5, 2017, with a reporting deadline of April 4, 2018.

Roxanne Bradley, a legal adviser at Lawgistics, has urged dealers to look at updating any policies to help address gender pay gaps, such as flexible working, people development and enhanced paternity leave and equal shared parental leave entitlement.

Reporting must include the median salary – the value which half of salaries fall below and half above – and the mean salary, the total of all salaries for each

gender divided by the number of employees. This is because highly paid senior people and board members don't affect the median, but can increase the mean. By examining both, observers and analysts can identify where there is a lack of highly paid female employees.

Meeting the challenge head-on

Top 10 AM100 dealer group Arnold Clark Automobiles is one of the few motor retailers to have already published its gender pay gap report. Its workforce is 76% male, and the data shows that women's hourly rate is lower than men's by 14.6% (mean) and 10.8% (median).

In the publication, Eddie Hawthorne, Arnold Clark's chief executive, said it aims to recruit more than 500 more women over the next three years, and it aims to create more flexible roles, operate a five-day working week for sales staff, and challenge gender stereotypes and traditional perceptions. In the past four years, the number of women in its sales teams has doubled, and in aftersales has risen by 25%.

"Our business has more males at senior level and as such our average male salary is higher. This pay gap will continue to exist until we achieve a fair representation of men and women at all levels, which is something we are working hard to achieve," states its report.

The Department of Education, which includes the office responsible for the gender pay gap portal, said employers were legally required to report accurate gender pay gap data.

"Any evidence that employers are breaching the law can be investigated, and they risk being subject to enforcement by the Equality and Human Rights Commission," the department said. **TIM ROSE**

RESOURCES

BDO'S PRACTICAL GUIDE

Download this free guide, which includes advice for employers on how to communicate the results to their employees and other key stakeholders. www.bdo.co.uk/en-gb/insights/tax/human-capital/gender-pay-reporting-a-practical-guide



OVERVIEW FOR EMPLOYERS

Official information from ACAS and the Government Equalities Office www.gov.uk/guidance/gender-pay-gap-reporting-overview

UK AUTOMOTIVE 30% CLUB

Non-profit organisation addressing the gender imbalance in the motor industry <http://automotive30club.co.uk/>

TALENT ON THE MOVE



Paul Goodwin has been appointed managing director of Arbury Group.

The former operations director has taken the top job after David Stenning moved into an executive director role. Goodwin will be tasked with increasing Arbury's return-on-sales figure to 2.5% and adding four new franchised outlets.

Goodwin also has ambitions to grow profitability: "There are areas in which we can cut costs, I've challenged my team to save £100,000 across the year – which amounts to just over £1,000 per site or £250 per department, per month – and I think that's achievable simply through looking at basic cost-cutting measures such as energy usage.

"There is profitability in paint protection and other add-ons which can also make a huge difference.

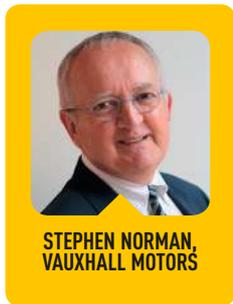
"I'm confident that we can push 2.5% return on sales in 2018."



Škoda UK brand director Duncan Movassaghi has been moved to VW's US operation as senior vice-president of sales.

Movassaghi, who was interviewed for the January 2018 edition of *AM*, joined Škoda in 2010 after holding a number of senior management roles the pharmaceutical retail and banking sectors.

Rod McLeod will take up the top Škoda UK job from February 1. Patrick McGillycuddy will fill McLeod's former post as head of sales operations, Volkswagen Passenger Cars.



PSA's Stephen Norman has been appointed as managing director for Vauxhall Motors and Opel Ireland.

He takes the helm after Rory Harvey elected to leave the business at the end of February.

Norman will report to Peter Christian Kuespert, the sales, marketing and aftersales managing director of Opel/Vauxhall.

Norman joined PSA in May 2014 as chief marketing officer and was appointed senior vice-president, chief sales and marketing officer in 2016.



SsangYong Motor UK has named Nick Laird as its new managing director.

He will lead SsangYong's UK operations, having served as acting managing director since October after joining the Luton-based business as its interim chief operating officer.

Laird spent a decade in finance and marketing roles at Ford between 1988 and 1998.

He said he looked forward to implementing SsangYong's UK plans in what he called a "genuinely exciting time for the brand in the UK".



Fiat Chrysler Automobiles in the UK and Ireland has appointed Arnaud Leclerc as its new managing director.

Leclerc takes up the role with immediate effect after his predecessor, Ashley Andrew, left the business following less than 17 months in the post.

Leclerc, a former deputy director-general at the PSA Group in the UK and DS brand development director in the UK, reports directly to Alfredo Altavilla, FCA Group's regional chief operating officer.

ADVERTISING FEATURE

Michaela, the queen of clean!

By Michaela Gunney,
UK sales director, Secure Group



I started my career in the motor industry more than 15 years ago, introducing Secure Valeting's vehicle preparation services to the top 100 franchised dealer groups and independent dealers across the UK.

From my initial position in the tele-sales team, I began to develop relationships with key people in the industry and very quickly became national sales manager for Secure Valeting – and ultimately sales director for the group.

I have overseen the development of Secure Automotive Support from purely car valeting to a total support services company for the industry.

I am passionate about the business. Clean cars are critical to the success of retail vehicle sales and over the 20 years of our growth, we have added to Secure's preparation service a complete automotive support package to include imaging, video, digital backdrops, driving and appraisal services – all managed by our unique progress-chaser portal.



Our Secure Online/Auto Imaging progress-chaser technology can streamline the preparation of used vehicles for sale, remove manual processes / data entry and provide live updates to improve efficiencies for line management.

The great advantage on offer is that all valeting, photography, video production, digital backdrops and uploading happen at the same time.

Secure Online's technology integrates seamlessly with dealer management systems and is provided free to clients. More and more of the top 100 groups are taking advantage of the systems and flexibility Secure can offer.

The choice is yours, from vehicle valeting and imaging to complete automotive support services using cutting-edge technology.

Call now on 01480 216 700 to take away the headache of manual processes and data entry.
www.secureplc.com / www.autoimaging.co.uk / info@secureplc.com



Manage your online reputation for sales success

More and higher-quality reviews help more customers to find your business

In today's digital marketplace, how can you ensure your dealership is the one where prospects will come to buy their next car?

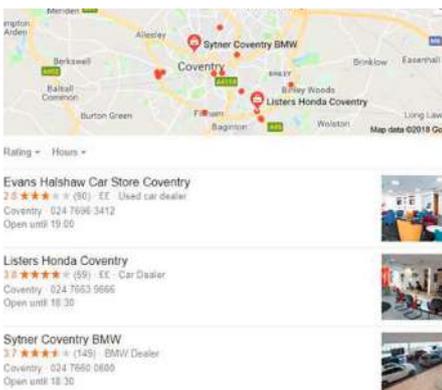
In 2018, customer experience professionals are embracing online reputation management (ORM) as a fundamental strategy to understand today's customer journey. But what results and revenue increase can you expect from ORM?

Generate more and better reviews

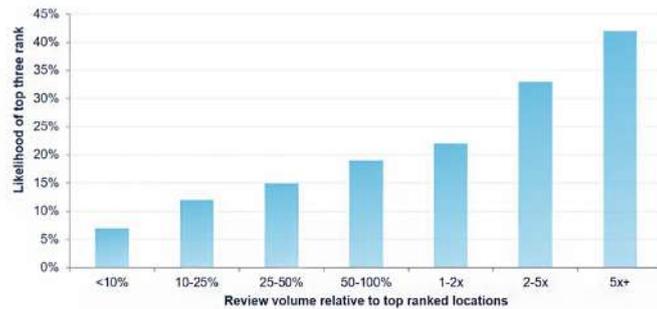
In a recent survey, J.D. Power's New Autoshopper Study found more than half of new vehicle shoppers use a mobile device to research the car they want, their price point and the best place to buy.

Consumers can find information about your business on Google and Facebook, and sites such as TrustPilot, JudgeService and AutoTrader.

ORM gives you greater control over what is said online about your business. A Reputation.com survey shows that by using the right tool, dealerships requesting reviews from all their customers increase review volume, but, more importantly, see the average customer sentiment rise by more than 20%. A higher star rating is achieved by prompting every customer to leave feedback, as happy clients often don't post positive reviews without being asked.



Likelihood of top three rank by review volume



Having a competitive volume of reviews makes you significantly more likely to RANK IN THE GOOGLE LOCAL 3-PACK

“More, better and visible reviews have a direct impact on search engine optimisation”

Improve search results and traffic

A higher volume of positive reviews has a direct impact on search engine optimisation as explained in detail in Moz's 2017 Local Search Ranking Factors¹.

To make the most of customer feedback, streaming online reviews directly to your website improves homepages ranking on category search results by 1.7 places, and over a few weeks these pages are 50% more likely to show up on page one. Your website's SEO will benefit from organic, unique content posted by genuine customers.

To reach the coveted top three results, also called Google Local 3-Packs (left), you need a larger review volume than your local competition. As shown in the graph above, with twice as much volume as the competition, you are 30% more likely to appear in the Local 3-Pack on category search (i.e. 'car dealer near me').

Increase sales by managing your online reputation

Generating a competitive volume of genuine positive reviews and managing business listings will bring your dealership to the forefront of customers' online searches. But does this result in more car sales?

As a leader of ORM, Reputation.com developed the patented Reputation Score² and supports more than two million customers worldwide. This data allows for the study of car sales and Reputation Score correlation over thousands of locations and over three years. The study revealed that locations with higher online reputation scores experience higher car sales.

Comparing dealerships that actively manage all aspects of their online reputation with those that don't, the study found online sales grew 24% faster for the former. Overall, this resulted in 2.4 more vehicles sold a month, or an estimated profit of £70,000+ a year directly attributable to ORM. Dealerships with large Reputation Score increases saw sales rise 6% over six months.

Learn more about ORM and test drive one of the leading solutions available in the market at Reputation.com.

¹ <https://moz.com/local-search-ranking-factors>; ² Reputation Score: Patented measure of a business' online reputation performance. More information on reputation.com

GDPR SEMINAR



Standing room only at the
Automotive Management
Live GDPR seminar

DATA IS AT THE CORE OF DEALERS' CONCERNS FOR 2018

GDPR was the stand-out topic at this year's Automotive Management Live, but speakers also had plenty to say about F&I, digital selling and the growth of the used car market



JENAI NISSIM
LEGAL DIRECTOR, DATA
PROTECTION AND PRIVACY,
TLT

There is no 'one size fits all' solution to General Data Protection Regulation (GDPR) compliance. Instead, dealers need to thoroughly review the personal data they possess and understand how it is collected and used.

These are essential first steps in avoiding a GDPR breach that could amount to a maximum fine of €20 million or up to 4% of annual global turnover:

Data review

Outlining the key steps to ensure GDPR compliance, Nissim said once an employee had

been assigned as a project leader (they could be someone in IT accustomed to handling data or someone from a compliance background), a data review was the first goal in understanding your risk exposure.

The most sensitive personal data a dealer will be holding is not customers' financial information, but that of its employees.

Nissim said there was widespread confusion about what constituted sensitive personal data: "Financial information allowing you to process card payments is personal, but not to the same degree as an employee's health information."

The second question to answer is who collected the personal data and why, as it will come from a number of sources – customers, manufacturers and finance companies, for example – and what you are doing with it.

"It doesn't matter what you're doing with the data.

You need to tell individuals that you are processing personal data and how it is being processed."

Personal devices used for work

If staff use tablets, laptops or mobile phones for work, an employer must tell them if they are being monitored and to what extent. Not doing so will violate their data protection and human rights. Nissim said employees have left organisations and asked for messages sent on work phones about them by fellow staff because of a grievance issue.

The next step is to think about the legal basis for processing data. "When you process data, you cannot just do anything with it," she said.

"The GDPR sets out six requirements for processing personal data and another 10 for sensitive data. So ensure that what you're doing meets these requirements."

**MADELEINE ANSBRO,
HEAD OF COMPLIANCE,
MARSHALL MOTOR GROUP**



GDPR compliance should not be the responsibility of one person in a dealer group. Delegation and the 'chunking down' of information are important steps in ensuring total business compliance, said Ansbro, as she explained how the AM100 group had been preparing for the new data rules since June.

It set up a working party and each member was encouraged to gather as much information on GDPR as possible, with the ICO website (ico.org.uk) being a primary source.

"Compliance affects the entire business, so delegation is critical, involving HR, IT, operations, marketing, anyone that can support you and make a difference," she said. Involving the entire business also ensures compliance is kept on the management board's agenda.

"Then chunk it down as the work involved can seem overwhelming. Break the work down into segments and, for example, what should be achieved by the end of the year."

The exchange of ideas between others in the industry will also help.

Marshall's practical steps to compliance include:

- a data-mapping exercise
- contract review
- ensuring processes to obtain, record and retrieve consent
- a privacy notice ("one of GDPR's cornerstone documents") specific to the organisation that is easy to read and written with legal advice
- data security measures
- procedures to allow for subject access request, data erasure and portability.

"Before the May 25 GDPR implementation date, carry out test procedures. Make your mistakes before May. Don't wait to find you have problems when a customer asks for a data access or erasure request," said Ansbro.

**DAN MOORE,
DIRECTOR OF IT CONSULTANCY,
PKF COOPER PARRY**



Regular training and awareness-building should combine with IT measures to ensure the threats from hackers are countered and GDPR compliance is guaranteed.

Moore said IT measures such as penetration testing (an authorised simulated attack on a computer system looking for security

flaws) and two-factor authentication (asking for two pieces of evidence before giving a user access), should go hand-in-hand with training and awareness. Testing of the rules and risks are essential, with refreshers every six months.

"Does your finance team know what to look out for? Have you put processes in place to stop staff sending bank transfer details in reply to an email that has come out of the blue that might look like it has come from a senior manager in the business, but is actually a phishing email from someone looking to exploit weaknesses in your system to do you financial and reputational harm?"

A data audit and the creation of an asset register was essential to understanding if what you hold on your network is secure and the way it's being used is compliant.

Moore cited Wetherspoons and its decision in July following a data breach to delete contact details for almost 700,000 customers as an extreme example of a data audit.

"Wetherspoons knew it didn't have consent to contact all these people. The delete decision was made for two reasons. Firstly, if the company no longer had the data it couldn't be used by accident. And it wasn't information it needed anymore, having made the decision to use social media as a means of reaching out to customers," said Moore.

"Hackers will try the locks on your doors in their attempts to cause you financial and reputational damage. The Information Commissioners Office will be looking for evidence of due diligence and that you tried everything to avoid data misuse," he said.

Marketing

Do not delete your data where you don't have consent to contact individuals. Consent is one way to permit compliant contact, but previously selling products and services to individuals and telling them in terms and conditions that you will use their data for marketing purposes provides an exemption called a soft opt-in, said Nissim. However, dealers should get legal advice on this before they proceed.

Sharing personal data

Sharing data across a dealer group between separate legal entities and dealerships, as well as insurance companies, manufacturers, solicitors and IT providers is classed as passing information between third parties. You must tell individuals their data will be passed between companies in your group as well as with third parties.

Contracts between the third parties – and this includes manufacturer franchise agreements – will have to be updated to acknowledge GDPR.

Data subject rights

One of the biggest changes in individuals' rights and the most difficult for dealers to deal with is data subject rights and a data access request, where an individual can ask for a copy of all personal data processed by the business.

An employee can ask for it without giving a reason and the business would have to search IT systems, including email. A business has one month to comply once the request has been made. While there are exemptions, including one of disproportionate effort, saying you don't have the resource or time is not going to be a sufficient objection in the eyes of the Information Commissioner's Office (ICO).

Right to data portability

The second of numerous rights under GDPR is portability, the freedom for an individual to have their data passed on to a competitor. A customer could ask part-way through a financial agreement for their data to be passed from a dealer's finance

provider directly to a high street bank. Consider how you would extract that data, advised Nissim.

Right to erase data

This is not an absolute right for a consumer. A dealer may need to retain certain information under Financial Conduct Authority regulations, for example a credit eligibility assessment.

Personal data breaches

The ICO and FCA should be informed of breaches. It is important to be able to identify a breach, log it and know how to respond. This can include the loss of a mobile phone or laptop that is not encrypted and sending an email address.

If you are sharing data with a third party and it suffers a breach, it is your responsibility, said Nissim: "You can't outsource compliance."

■ **FIND OUT MORE: AM's data protection and GDPR event takes place at the Hilton Doubletree, Milton Keynes, on February 22**



F&I SEMINAR

Reports into a PCP-prompted crisis in motor finance may be the result of a media “clutching at straws to get a story”, but there is still work to be done to ensure retailers remain compliant.

Andrew Smith, consumer credit director at FCA compliance consultancy Compliancy Services, told delegates at Automotive Management Live that while regulators had suggested the sector is more robust than expected, retailers need to be more conscientious than ever to avoid the consequences of mis-selling.

Presenting his F&I seminar at the event’s Insight Theatre, Smith said: “The FCA recently said that they don’t see the risk as being as high in motor finance as they originally perceived. That goes on to support what I presently believe, that the press really are clutching at straws to get a story. Largely the reports are inaccurate, the terminology is wrong and the figures just don’t stack up.”

Smith said mortgages, insurance and investment companies had been regulated for “a



“THE FCA SAID THEY DON’T SEE THE RISK AS HIGH IN MOTOR FINANCE AS THEY ORIGINALLY PERCEIVED... THE PRESS REALLY ARE CLUTCHING AT STRAWS

ANDREW SMITH, COMPLIANCY SERVICES

very long time” and were still going through similar regulation scrutiny and evolution to the motor finance sector, adding: “The key is to look 12 to 18 months ahead and not rest on your laurels.”

The findings of an FCA review into the motor finance sector are likely to be published in Q2 of this year, according to Smith, but many of the actions that car dealers would have to keep a close eye on had already been made clear in documents published by the body.

He said it remains the case that there is no substitute for documentary proof of a customers’ understanding of every step of their finance journey.

Highlighting two recent cases that reached the Financial Ombudsman Service (FOS), Smith spoke of one customer who argued that they were not aware of the terms of their PCP mileage agreement. The FOS upheld the complaint – resulting in a £600 settlement – after documentation showed the mileage agreement had not been signed.

In a separate complaint, however, a customer successfully argued that they had not been aware of the agreement despite having signed the form.

The case resulted in the refund of a PCP agreement deposit and repayment of 8% interest accrued during the period the finance was in place.

AFTERSALES



The majority of consumers want to trade and interact with retailers that are not necessarily the cheapest, but make their lives

easier. These consumers want to interact in real-time, and seek immediate responses where a promised response “within an hour” seems like an eternity.

Citing research by Salesforce and CDK, Nick Horton, managing director of Profit Box, the training partner for the web-based solutions provider eDynamix, challenged dealers on how equipped their businesses were to satisfy the ‘now’ consumer.

“The automotive industry suffers in comparison to Amazon and Apple and their slick efficiency,” said Horton.

His suggested solutions included:

- 1** Online bookings – complete the process, including booking a courtesy car, while providing the dealer the opportunity to improve customer service and business opportunities, for example offering a car valuation when the customer is at the dealership.
- 2** Online service plan – customers can receive a quote and soon will be able to execute the plan through the eDynamix platform
- 3** Follow-up reminders for MOT and service work, with the

consumer also invited to reconsider the red and amber work they declined previously, and then book an appointment

4 Use video to give the technician a voice in a two-minute commercial video that lands in the customer’s palm, creating the trust, confidence and value sufficient to convince them to buy now

5 The Automate app eDynamix is launching in quarter one 2018 offering 32 channels of motor-related information including VOSA-sourced MoT history, service booking, vehicle health checks, dealer retail stock lists and telematics function.

“It will mean customers can fulfil their needs instantly and without speaking to you.”

The General Data Protection Regulation, due to come into force on May 25, also reflects consumers’ wishes for greater control and self-service by giving them more control over how dealers use their data.

A typical aftersales department could have between three to five systems (for example service plans, video, DMS and vehicle health checks) each with a privacy policy, and it is essential each is consistently accurate and compliant.

“It is worth considering having one decentralised privacy policy that a consumer can be directed to,” Horton said.



Smith said: "I'm not saying that I agree with it, but this is a real case that was upheld and it is there to see, published on the Finance Ombudsman's website."

"This really does underline (the FCA's) thinking and the lengths that have to be gone to in order to ensure customers are made aware of the contract they are entering into every step of the way."

Smith said one instance of good practice was demonstrated by a car retailer who emailed finance agreements to customers to read through and consider before signing, leaving an evidence trail.

He also said dealers responding to Motor Ombudsman complaints must be conscious of the documentary evidence they hand over.

Large, disorganised files are likely to result in upheld complaints, he said, as retailers should not place an onus on the authority to sift through documents to prove their case.

"A piece of work I recently undertook with a major banking group saw the cleaning up of the files they handed to the Financial Ombudsman to evidence their side of a complaint case resulted in a 50% reduction in successful claims," he said.

Smith showed data from the FLA that indicated a clear rise in the volume of motor finance from 2011, adding that while its worth currently stood at around £30 billion it had been estimated to rise to £40bn to £50bn by 2020/21.

He said: "That's a significant increase, hence the fact that we need to be sure that we're dotting all our 'i's and crossing all our 't's, preventing unwanted attention from the media and claim management companies looking for something to go after following the end of the PPI deadline."

Considering what the FCA will be looking at to

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CUSTOMER REVIEWS



"The salesperson is absolutely core to customer satisfaction," Neil Addley, the managing director of JudgeService, told delegates.

JudgeService works with 1,000 dealerships and has generated half-a-million customer surveys over six years. The results revealed that "the customer's experience of the salesperson is 10% more significant than the deal itself".

The key drivers to high levels of customer satisfaction are the promise of response and the speed with which questions are handled. As

one customer said: "Sales advisers should be able to make financial decisions, rather than leaving customers sat for an hour waiting on the price of a car."

Addley suggested the key to unlocking customer loyalty was to empower the sales team with product training and offering test drives, alongside focusing on 'lost sales'.

"45% of lost sales contacted by JudgeService's Harrogate call centre are still in the market to buy," he said.

He revealed 'secret' figures from Vertu Motors, which he said has seen customer satisfaction levels rise by 10%, and complaints reduce by 50% in four years working with JudgeService.

ensure lending is being carried out in a responsible fashion, Smith said affordability checks and the relationships between finance providers and retailers – commissions, in particular – would be key.

Those offering finance need to be sure they ask themselves whether there could be any conflicts of interest arising from commission arrangements between them and the lender and, if so, how is that managed to avoid harm to customers.

Smith said the roles of 'appointed representatives' (individuals authorised to discuss and sell finance products on a retailer's behalf) and 'introducer-

appointed representatives (IAR)' (those only qualified to refer business) would come under close scrutiny from the FCA in 2018.

He warned: "We are coming across situations where the IAR is actually producing quotations, completing fact-finds and sending fully packaged cases through to their broker."

"This poses a significant risk. If that customer complains and it's identified that the introduction was made incorrectly, that credit agreement could be ruled unenforceable and the funder may not be able to recover that debt."

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FINANCE ONLINE



The process of shifting car retailing to 'truly online' is complex, according to James Tew, iVendi's chief executive.

"We are not advocating a change in a dealer's business model, but we are advocating an enhancement of the business model [through online retailing]," said Tew.

He advised dealerships not to rely on online sales, but instead try to implement an 'omni-channel' style of selling.

"We want to evolve online sales so the consumer can do the majority online, before completing the handover in the showroom. It is not a seismic shift."

There are still some grey areas around how certain processes will transition from face-to-face to online, such as the selling of add-ons, financial products and trade-in deals.

"We need to be able to give instant decisions back to the consumer to take them off the market. The ability to have two-way deal-making and negotiations is key," said Tew.

However, he remains optimistic that technology will advance and that 'fence-sitters' will be left behind.

"Are you an early adopter or a fence-sitter? You must make the choice. If you don't adapt some of these processes, then the consumer will migrate to other solutions."

"The technology may be holding you back today, but everything else is geared up for dealers to retail online."

LIVE CHAT



Everyone has become used to texting or messaging friends and colleagues on their mobile devices, and they expect to be able to do so with businesses too.

But Ed Parkinson, international sales development director at ContactAtOnce, believes many dealers do not take messaging seriously enough. On a visit to a dealership he saw a keen sales executive poised by the window to get first sight of any buyers. Yet after his three-hour visit, Parkinson found 134 people had viewed the dealer's website during that time.

The most successful dealers are present at the precise moment when a prospective customer wants them, he said. The path to buying something is comprised of numerous 'micro-moments', such as when someone needs a piece of information or views a car page, and messaging is a suitable technology to deal with these micro-moments.

"Email has been broken since it was put on a website, because you take a customer with 'right now' intentions and disconnect them to re-engage later. We know that almost 30% of emails never get responded to."

ContactAtOnce's data shows two thirds of online chats occur outside business hours, mostly on mobile devices. "Do you have a digital strategy to connect, and reconnect, with consumers through mobile devices? The chances are you don't."

USED CAR SEMINAR



The rapid slowdown in diesel car demand and changes to the way consumers are buying used cars ensured delegates had plenty to learn at the used car seminar.

The used car market is in a constant state of flux as a result of both Brexit and the unprecedented shift in fuel types seen in 2017.

"It's critical to make sure that buying decisions are based on today's market rather than the market at the beginning of the month," said James Dower, editor of Black Book at Cap HPI. He said the instability is due to the uncertainty in the market, especially around fuel types.

"The change in consumer fuel choice has been remarkable," said Dower. "What we can say is most people have decided wholeheartedly that their alternative to diesel is petrol rather than alternative fuelled vehicles (AFVs)."

Sales of new diesel vehicles fell by 15% last year, while petrol grew by 2.9%, making it the most popular fuel. AFV sales were up by 34.8% to almost 120,000 units and this was largely driven by the fleet market where low benefit-in-kind rates attract company car drivers.

In the used market, the impact has been less severe, said Dower: "Diesel used values have been weaker in the first half of the year, but we've seen a real recovery in the second half of the year. People just have to think more carefully about what fuel they really need."



MOST PEOPLE HAVE DECIDED THAT THEIR ALTERNATIVE TO DIESEL IS PETROL RATHER THAN AFVs

JAMES DOWER, CAP HPI

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NEW CAR PROFIT PER UNIT



Add-on products must be integral to any digital offer if dealers want to maximise their sales success.

While car dealers in the UK are among the best in Europe for the promotion and sale of add-on products, the evolving digital world means those practices must now be included online.

Chris Benham, UK key account manager at Supagard, explained: "One of the biggest challenges we find when looking at the online presence of most dealers is that the online purchasing is aimed squarely at the vehicle – customers turn up prepared with their information and don't account for extras such as GAP insurance or add-ons."

He explained that when a customer is loaded with expectations based on their online research, they are far less likely to agree to add-on sales as they

have already made their spending decision.

"Rarely do we see add-on products offered from the outset. It hinders the customers' ability to realise the benefits of add-on products and services," said Benham.

By making add-on sales prominent throughout the online journey, buyers are more likely to commit to purchasing them when they arrive in the showroom.

If add-on sales are not successful at the point of sale, the use of an integrated digital system can allow dealers to re-target customers after the sale or during aftersales visits.

Benham recommends a customer club, offering discounts and deals to existing customers as an additional way to target add-on sales and boost retention.

He said: "People like being part of something exclusive and rewarding. Loyalty can be very cost-effective."

He explained that the problem with used AFVs is there is no incentive for buyers as all the Government schemes and grants are focused on the new buyer.

"It's important to try and understand how to route these cars back to the retail market once they come off fleet," said Dower.

With a strongly weighted balance of supply and demand, petrol cars are retaining stronger values, he said: "There is strength in petrol. Petrol and diesel are starting to operate in similar performances in the wholesale market."

He warned that with more fleet drivers moving to plug-in hybrids, there will be more of them coming back into the used market.

"Manufacturers have a real focus on pushing electrified models in the coming years. It's a small part of the market at the moment, but will occupy a huge part," said Dower.

In a sign of how strategic some used car dealers are becoming at marketing their stock, Nathan Quayle, group marketing manager at Fords of Winsford, outlined how the used car supermarket group has used digital and conventional channels to boost its customer base and increase sales.

"A digital marketing strategy doesn't have to be sophisticated or complicated," said Quayle.

In car sales, customers get different touchpoints from lots of different platforms, both physical and digital – this is different to a traditional sales funnel.



SOCIAL MEDIA



"Social media is becoming even more important, especially when owned by the manufacturer or dealers," said

Jeremy Evans, the managing director of Marketing Delivery.

He reminded delegates of the social media platforms available and advised dealers on how to maximise their engagement.

"Instagram is increasing fast," said Evans. "Top brands on the platform are seeing an engagement rate of 4.21%, which is 58 times higher than Facebook and 120 times higher than Twitter."

He highlighted video's rising popularity on social media, but told dealers to consider whether it is optimised for mobile usage.

He also reminded delegates that 85% of video footage is

watched without sound, and that subtitles should be considered for higher levels of engagement.

Evans advised that digitally engaged customers display greater loyalty and that Facebook (and its connected networks) provide the biggest audience and the best tools.

"We recommend a blend of organic and paid-for content. Relevant paid-for advertising increases engagement with pages, which means a better organic reach.

"There are 70 million Facebook business pages, but only 60% of users will actually 'like' the page. Paid advertising is the only way to reach the additional 40%.

"The more you spend, the greater your exposure will be. It is the same with any type of advertising, but Facebook can target specific demographics."

VIDEO



As consumers spend less time visiting showrooms and more time online, video is enabling

dealers to maintain crucial contact with prospective customers.

In a recent survey carried out by CitNow, 75% of consumers said they were more confident about making a purchase after seeing a video.

Alistair Horsburgh, CitNow's chief executive, said: "Customers already want accurate data and digital media. Reserve and buy online is coming next and you will need a strong digital presence to support that."

CitNow's consumer research found 10% of buyers would be happy to purchase on the

strength of the video alone.

"You can get yourself into a position where you can ask for an order or ask for a deposit a lot earlier," Horsburgh said.

He advised delegates to think carefully when choosing a supplier for imagery, stating that many dealers are using legacy systems from 20 years ago.

Franchised dealers may need to adhere to manufacturer brand standards and photos may need to be uploaded to a number of sources in varied formats.

CitNow's advice: Keep it simple. "Make sure you have an easy-to-use solution that integrates with all the outlets you use and make sure performance is measurable," said Horsburgh.

"If it's not easy for the sales guy or the valet to take images or video and upload them, it won't work," he added.

"You need to work out who your customers are first, so you can be there for them at the right times. Once you identify different groups of people you can market to them in the most suitable way," said Quayle.

Dealers can use online reviews, CRM data, Google Analytics and even traditional customer research to establish who is likely to buy from them.

Quayle told delegates: "Once we know who our customers are, we put them into pockets. We segment them into groups that we can market to more effectively."

To target first-time drivers, for example, Quayle uses social media, as he knows this is the best platform to engage with them.

"They are young and have disposable income, but

not a lot of savings. So we push great finance deals on small cars, with low deposits.

"It's about hitting the right person, at the right time, with the right offer, on the right platform," he said.

Traditional media outlets such as television and radio can also be great tools and should be used to activate your digital media platforms.

To make the most of this, Quayle said dealers should tailor their messages to the channels being used.

Customers finding your business through Google search should be presented with lots of information about your business.

Local adverts on radio, TV or in newspapers should focus on how easy you are to get to.

If customers find you on classified sites, then you need to show them why they should buy from you and why they trust you.

"Don't get caught up focusing on traffic," said Quayle. "It is far more important to maximise the number of positive leads you generate."

Kristian Wheeler, sales team lead at Trustpilot, outlined research showing that in a changing online sales environment, consumers are increasingly relying on reviews when deciding where to buy their next car. Its data showed 92% of consumers admit to reading reviews before they make a purchase.

Wheeler said: "Companies are now marketing themselves on the strength of their 



reviews. It is not necessarily about being the cheapest, but proving that you are the best for customer service."

Auto Trader implemented TrustPilot reviews into its website to showcase how it has helped its customers successfully sell their car.

It has now collaborated with TrustPilot in order to share reviews of dealers, allowing the consumer to make a more informed judgement before visiting the site.

Wheeler said the average number of dealer visits by a consumer has fallen from three to one as they spend more time researching online.

"Millennials aren't walking into dealerships – they go online, they do their research, they know everything about what they want before they turn up," he explained.

Engaging with reviews will give dealers a much greater chance of attracting that customer into the showroom.

Wheeler added: "Generally they are looking to simply test drive and buy, as they will already have decided if the car is right for them long before they arrived in the showroom."

Using an independent agent to collect the reviews is crucial too, he said.

"You can't put reviews online that you collect yourself, people won't trust them," Wheeler said.

TrustPilot was founded 10 years ago and hosts more than 14 million reviews in the UK alone.

Increasingly, dealer groups and independents are adopting the review model and Wheeler said reviews will be even more important when car sales are completed entirely online.

He advised delegates not to adopt reviews in the short term: "There must be consistency to provide confidence to the consumer."

Not all reviews will be positive, but Wheeler said: "Bad reviews are okay. They help to validate the positive ones. People want to read negative reviews to see how the issue was resolved."

REPORTING BY JEREMY BENNETT,
MATT DE PREZ, ELIZABETH HOWLETT,
TIM ROSE & TOM SHARPE

AML MASTERCLASS

WEBSITES & DIGITAL



Prioritising the search methods used by customers to optimise the functionality of car dealer websites will be key to online success in 2018, Autoweb Design told attendees to its masterclass session.

Martin Dew, head of operations at the website developer, highlighted the key areas on which car retailers need to focus to ensure their websites meet customers' needs and channel leads into the business.

Following the rise of voice-activated devices such as Amazon Alexa and Google Home, Dew said voice now accounted for about 20% of online searches, but suggested that the key developments for car retailers lay in text-based software.

"For 2018, the big development is likely to come in chatbots," he said. "The best out there will learn from conversations and soon be able to respond to customer queries and refer enquiries to the appropriate department. Call-handling companies should be looking over their shoulders."

Car retailers looking to ensure their websites respond to voice search, however, were advised to incorporate question-and-answer-style sections to their site, mimicking the wording that consumers may use when speaking to devices.

Dew said sprinkling a website

with key words was "not the best solution."

In a change to the way websites are ranked online, Dew said Google would soon be rolling out its mobile-first index, with smartphone-optimised pages gaining greater online prominence.

Retailers should be 100% sure that their sites are ready for the switch-over, which is likely to happen later this year, he said.

However, key barometers of a website's success must be monitored in other ways too.

"Speed is becoming a greater factor in a website's success and is something that you must keep an eye on," said Dew, who advised that many of the most accurate and useful tests of website performance can now be carried out via free online assets.

Autoweb Design not only employs A-B testing to ensure that its clients' website updates perform well – running two sites with and without an update for a period to compare the success of each – but also uses "heat mapping", Dew said.

The method allows developers to see which part of a web page attracts the most attention, through tracking of cursor movements.

Dew said: "The amount of analysis that can be done now is pretty amazing. Most tools and data can be accessed for free online, but you still need to be able to interpret your findings correctly."



AM AWARDS: 2018

Welcome to this year's AM Awards sponsor

Preparations for the 2018 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 8, 2018.

There are 22 award categories, plus the Best Fleet Operation award.

This year: **Santander Consumer Finance is sponsoring Best Fleet Operation**

We are delighted to receive the support of Santander Consumer Finance for this key award category at what promises to be an industry highlight of 2018.



For more information on the AM Awards and details of how to book tables, go to www.am-awards.co.uk



www.ceauto.co.uk

ACCOUNTANCY

12550	Snr Banking Accts Clerk	London	To £30k pa
12545	Dealership Accountant	Essex	£40k pa Neg
12535	Dealership Accountant	Hertfordshire	£50k pa + ++
12530	Dealership Accountant	Norfolk	£37500 + +
12529	Management Accountant	Berkshire	£36k pa + +
12527	Management Accountant	Essex	£35k + +
12519	Assistant Accountant	Bucks	£24k pa
12507	Systems Accountant	Bucks	£Neg + +
12503	Assistant Accountant	West Yorkshire	To £28k
12502	Management Accountant	Lincolnshire	£30k pa + ++
12491	Management Accountant	Lincolnshire	£40k pa + Car
12484	Dealership Accountant	Surrey	To £60k pa + +
12478	Financial Controller	Northampton	OTE £65k

OPERATIONAL

12552	Showroom Mgr	Bedfordshire	£45k OTE
12551	Showroom Bus Mgr	Somerset	OTE £45k
12549	Aftersales Mgr	Cumbria	£37k pa +
12547	Sales Mgr	London	£70k OTE
12543	Regional Mgr	Tyne & Wear	£46 + +
12542	Sales Executive	London	£45k OTE
12539	Diagnostic Technician	London	£37500
12537	Cust Relation Sales Exec	Gtr Manchester	£30.5K
12531	Sales Mgr	Hampshire	£26k + OTE
12528	Aftersales Mgr	Wiltshire	£70k OTE
12526	Aftersales Mgr	West Midlands	£ 45k + +
12517	Aftersales Mgr	Gtr London	OTE £69k
12499	Regional Mgr	Hemel Hempstead	OTE £46K

The talent's out there
The trick is finding it!

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Visitors can also sign up for our daily newsletter and Saturday news digest to catch up on the most important stories from the week.

VISIT WWW.AM-ONLINE.COM

The screenshot shows the AM ONLINE website interface. At the top, there's a navigation bar with 'AM ONLINE' logo and 'AUTOMOTIVE MANAGEMENT' text. Below that, a 'carwow' banner reads 'Take control in 2018...'. The main content area is divided into several sections: 'NEWS' with a featured article about Vauxhall's new managing director; 'CAR DEALER NEWS' with articles on vehicle sales growth and dealership acquisitions; 'ACQUISITIONS AND DEALS' with news about Milers Oils Ltd; 'USED CARS' with an article on online sales leads; 'DIGITAL MARKETING' with an article on vehicle sales growth; and 'AFTERSALES' with an article on fuel additive science. On the right side, there are 'MOST READ' and 'MOST SHARED' sections, and a 'Newsletter' sign-up form at the bottom right.

SIGN UP TO AM'S FREE NEWSLETTERS AT: WWW.AM-ONLINE.COM/NEWSLETTER

Automotive management

Brought to you by
AM **NFDA**
NATIONAL FRANCHISE DEALER ASSOCIATION

LIVE

2018

After a hugely successful event in 2017, AM can announce that Automotive Management Live 2018 will stay at Birmingham's NEC, widely regarded as the home of Britain's biggest and best exhibitions.

With 10 months to go, we have already signed up 18 automotive suppliers to display in the exhibition hall, and we expect dozens more to book stands in the coming months. Last year's space was sold out, and we welcomed 703 visitors through the doors.

New features for 2018 include Strategy Sessions, tackling specific topics facing the executives running dealer groups, plus a zone looking at the future of the industry.

Our tried-and-tested Best Practice Sessions will return, to help dealers run their operations more effectively, and the Insight Theatre will host even more expert advisers.

The event will also celebrate the 2018 winners of the AM Best Dealerships To Work For programme.



THURSDAY, NOVEMBER 8, 2018,



“ GREAT NETWORKING WITH SOME FANTASTIC PEOPLE AND A TON OF GREAT INFORMATION FROM THE BEST PRACTICE SESSIONS AND THE INSIGHT THEATRE. PLUS, COULDN'T HAVE BEEN MORE IMPRESSED WITH THE EXHIBITORS WHO HAD PUT SO MUCH EFFORT INTO MAKING THEMSELVES AVAILABLE BUT WITH A VERY RELAXED APPROACH

NATHAN TOMLINSON, DIRECTOR, DEVONSHIRE MOTORS

“ I COME TO AM LIVE EVERY YEAR, THE SEMINARS ARE AMAZING. IT IS VITAL TO COME TO KEEP UP-TO-DATE WITH PEERS AND TO FIND OUT WHAT IS GOING ON IN THE INDUSTRY

ROBERT LUCAS, MANAGING DIRECTOR, ATAC

“ THERE IS PLENTY OF OPPORTUNITY TO TALK TO PEOPLE, WHICH IS BETTER THAN SOME OTHER EXHIBITIONS WHERE THERE IS LIMITED NETWORKING. THE LOCATION IS GOOD TOO

NICK ALLEN, DEALER PRINCIPAL, SPORTIF SUZUKI

IF YOU ARE A DEALER OR MANUFACTURER INTERESTED IN REGISTERING FOR A FREE PLACE OR A SUPPLIER REQUIRING MORE INFORMATION ABOUT HOW TO BECOME PART OF AML, VISIT AUTOMOTIVEMANAGEMENTLIVE.CO.UK OR CALL SHERYL GRAHAM ON 01733 468256



NEC, BIRMINGHAM



VITAL STATISTICS FROM LAST YEAR'S EVENT

703 VISITORS
(UP 55% YOY)*

100% OF VISITORS ARE LIKELY TO ATTEND IN 2018

46% VISITED THE SHOW TO KEEP UP TO DATE WITH RETAILING BEST PRACTICE

67% OF VISITORS SPENT MORE THAN THREE HOURS AT THE SHOW

*TAKEN FROM EVENT EXIT SURVEY OF 69. INDEPENDENTLY AUDITED BY THE BPA

2018 EXHIBITORS BOOKED SO FAR

AutosOnShow.tv
VIDEO IMAGERY SOLUTIONS

traka
ASSA ABLOY

AUTOWEB DESIGN
Automotive Digital Solutions

broadplace.com

calltracks®

IT NOW. | SMART VIDEO

CODEWEAVERS

Diamondbrite
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EMaC
THE SERVICE PLAN THAT REALLY WORKS...

JudgeService®
★★★★★

KEY TRACKER®

Marketing Delivery
DATA DRIVEN MARKETING

mentor
Dealer Management Systems

mfg

reputation.com®

startline
MOTOR FINANCE

Supagard®

CrystalClear Warranty

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tablespoons of salt. To taste**

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► **Stilton and broccoli**

Production editor Finbarr O'Reilly 01733 468267

► **Cream of tomato**

Senior designer Erika Small 01733 468312

► **My mum's turkey and dumpling soup,
made with the leftover Christmas turkey**

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EIGHT QUESTIONS TO...

A FLEET AND USED CAR MANAGER

Isuzu's Sean Smith on why sharing in-depth product knowledge is vital and why he gets his me-time at the gym



What are the main responsibilities of your role?

SMITH: I am the office-based point of contact for all things fleet, from quotation through to delivery and the agreement of terms with all our customers and dealers.

I also manage our used vehicle and ex-management stock, which is then sold mainly within the dealer network. This also includes all car scheme and company-owned vehicles.

We don't currently have a large fleet operation and it's more efficient for all fleet operations to come through me and one other colleague. Dependent on our fleet operations in the next year, we are looking to potentially grow our team in parallel with the growth of our operations.

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

SMITH: The changing perceptions of diesel engines and manual transmissions. We are seeing the results of a biased campaign against diesel engines, which doesn't necessarily consider the jumps made in modern technology and diesel economy.

Another challenge is communicating with our customers regarding the common misconceptions with our brands, giving them the facts and highlighting our USPs. This is more important than ever for both of our brands (Isuzu and Subaru).

Naturally we will see a number of diesel vehicle sales being deflected in the coming year, as a result of newer alternative engine variants being introduced to the global market.

How might these challenges be overcome?

SMITH: We liaise directly with our European colleagues to feed back what the UK market needs and what our customers want.

We are always planning and focusing on finding alternative engine variants to offer a diverse range for our customers and prospects.

Residuals are highly affected by the quality of vehicle, which, for both brands, we believe is high.

We are still seeing a demand for the diesel variants as some customers aren't deterred by the negative stories. Although residual values have dropped for

diesel vehicles, the competitive fuel economy and drive still appeal to prospective buyers.

What attracted you to this area of expertise?

SMITH: I started work as a business apprentice and by pure coincidence I secured a placement at Mercedes-Benz Bus and Coach.

Now 13 years into my automotive career, I haven't looked back since. I always had a knack for being well organised and fleet management just came naturally to me, especially when you are given the chance to represent brands which appeal to you, then it certainly helps.

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

SMITH: My background in the automotive industry is varied, having worked in different sectors such as rental and fleet for several automotive manufacturers and having worked in the world of research and development. I would say the most important thing I've learned is that product knowledge is key. Devoting as much time as possible to understanding the product and the USPs is of paramount importance.

MATT DE PREZ

QUICK-FIRE QUESTIONS

What drives you?

Being able to contribute to a successful business, and using my competitive streak to give 100% effort in everything I do. My family are my biggest driver – setting a good example to my children is always at the forefront of my mind.

What's your favourite app?

MyFitnessPal.

How do you relax?

My three young children tend to keep me busy, so relaxing isn't much of an option! My hobby is going to the gym regularly for my me-time.

Reward and recognition that extends beyond one evening

Bringing together the best of the motor retail industry, the AM Awards will honour the finest individuals and teams. As well as acknowledging the best in the business, the night offers an unparalleled opportunity to network and catch up with old friends, whilst also making new contacts. Book now to ensure you don't miss out.

To book your table, please visit www.am-awards.co.uk



AM

AWARDS: 2018

February 8 2018: The ICC, Birmingham

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CHANCE
TO BOOK

Sponsors



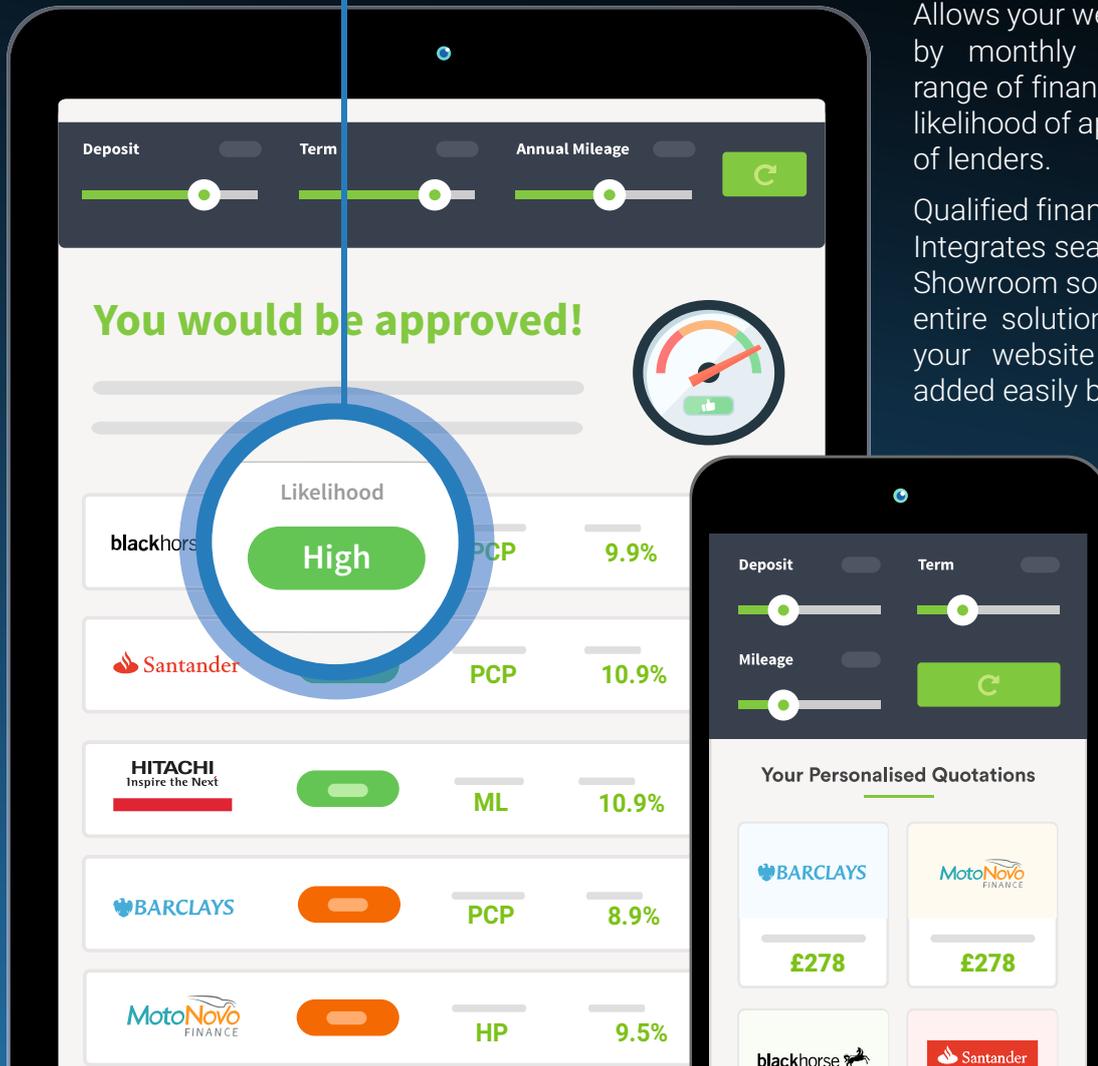
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