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EDITOR'S LETTER

In my many years at *AM*, I have lost count of the number of motor retail executives who told me the biggest challenge their business faces is people.

Retaining the great ones, attracting new good ones, developing their skills and processes, and managing the underperformers – all are critical elements of success in a business where the margins are slim and the pressures are great.

Our industry is working hard to improve outsiders' perception of the behaviours and skills displayed in a modern franchised dealership. More groups than ever have their own academies, or are featured among the UK's best workplaces, and *AM*'s own People Conference and Best UK Dealership To Work For initiatives are signs of the appetite for insight into staffing issues.

Which is why it is so disappointing to see the type of 'mystery shopping' article that *The Daily Mail* delighted in splashing over its front page recently. That it is an awful, obscene newspaper, in my opinion, cannot mitigate an apparent failure of salespeople to follow a proper process, to reflect on what they are promising, to put the customer before their own desire to sell a car.

I hope such cases are in the minority, and the professional practices and controls talked about at the highest level of dealer groups really do percolate through to the hard-working people on the showroom floor. Because if they don't, the industry's perception will continue to be tarnished, and automotive managers will face a real struggle.



MEET THE TEAM



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Mazda



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"THE MEDIA ARE COMING TO THEIR OWN CONCLUSIONS ON PCPs. IF YOU LOOK AT THE UPTAKE OF PCPs, IT COULD BE PERCEIVED AS BEING QUITE SCARY, BUT MUCH OF THE CURRENT REPORTING IS MISSING KEY POINTS SUCH AS THE LOAN BEING ASSET-BACKED AGAINST THE CAR"

**DAKSH GUPTA,
MARSHALL MOTOR
HOLDINGS**



"THE RISK TO PCPs IS RESIDUAL VALUES. MANAGING THOSE RESIDUALS MIGHT INVOLVE THE CAR MANUFACTURERS SHOWING SOME RESTRAINT WITH THE NUMBER OF NEW CARS THEY PUMP INTO THE MARKET"

**KEN SAVAGE, CHAIRMAN,
PERRYS MOTOR SALES**

DEALERS DEFEND PCPs FROM PRESS ATTACKS

Consumers are safe, says industry, but transparency questions remain

PCps (personal contract purchases) and consumer car finance in general have come under attack in recent months as the national press responded to measures taken by the Financial Conduct Authority (FCA) and Bank of England. Many dealers are convinced that headlines such as 'Are cheap car loans the vehicle taking us to the next financial crash?' (*theguardian.com*, June 10); 'Reckless car loan salesmen exposed' (*The Daily Mail*, July 3) or 'Warning signs emerge in the UK car loan market' (*ft.com*, July 9) are a sign of the national media looking in vain for a fire to go with its smoke.

Motor retailers are eager to defend the model that has fuelled record registrations growth in recent years.

Robert Forrester, the chief executive of Vertu Motors, believes the surge of negative publicity surrounding motor finance will "blow

over". He said the issue is the product of a media that is "largely confused and putting a raft of different issues together to make a story".

Daksh Gupta, Marshall Motor Holdings' chief executive, said: "The media are coming to their own conclusions on PCPs."

However, despite industry analysts and trade bodies such as the Finance and Leasing Association (FLA) reiterating that consumers are at little risk because the credit is 'asset-backed' by the car itself, this does not mean there is zero risk to dealers or their finance providers.

'Forgetting the lessons of the past'

Mark Carney, the governor of the Bank of England, expressed his concerns about motor finance when the Bank's financial policy committee announced its intention to force banks to set aside an extra £11.4 billion by November 2018 to guard against potential shocks.

Carney said he feared the system had been "forgetting some of the lessons of the past", with lenders starting to deliver finance to people with weaker credit records.

The Bank estimates "major UK banks' total exposures to UK car finance to be around £20bn".

However, the total amount of car loans being carried by consumers was £58bn last year, meaning most of it is being underwritten by automotive industry finance houses. And the figure is growing – consumer car debt in 2016 was more than double its 2012 level (£28bn).

PCPs 'driving unsecured credit'

Much of this growth is due to the rise of PCPs, which account for nine out of 10 private new car sales.

Frank Brown, from financial services consultancy Bovill, believes "motor finance sales show signs of overheating in the UK".

He said: "PCPs, and the expanding



"I THINK PCP HAS A PLACE IN THE MARKET, BUT HAS BEEN OVER-PUSHED AND WILL PROBABLY DROP BACK TO A MORE NATURAL LEVEL"

**ROBIN LUSCOMBE,
MANAGING DIRECTOR,
LUSCOMBE MOTORS**



"IF THE MARKET WERE TO GO BACK TO SELLING HP OVER 36 MONTHS WITH A 20% DEPOSIT, BE IN NO DOUBT THE MARKET WOULD CRASH, BUT I DON'T SEE THAT HAPPENING"

**PETER SMYTH,
DIRECTOR,
SWANSWAY GARAGES**



"THE MEDIA ARE LIKE A DOG WITH A BONE OVER PCP FINANCING AND DIESEL ISSUES. THEY ARE LARGELY CONFUSED AND PUTTING A RAFT OF DIFFERENT ISSUES TOGETHER TO MAKE A STORY"

**ROBERT FORRESTER,
CHIEF EXECUTIVE,
VERTU MOTORS**

motor finance sector, are driving the growth of unsecured credit.

"The overall unsecured credit market is increasing at the fastest rate in more than 11 years, rising by 11% in the year to November 2016, to £192.2bn. To put that figure in context, in September 2008 – at the time of the Lehman Brothers collapse – UK consumer credit debt peaked at £208bn."

The FCA is investigating "potential conflicts of interest and irresponsible lending in the motor finance industry" and steps including restricting finance to a percentage of an applicant's wage could be imposed.

Proposals to better manage risks of non-compliance in the pay and performance management of finance staff have also been published by the FCA as part of a consultation ending on October 4.

It said it found the combination of incentives, performance management and related controls posed a high or very high risk of customer detriment in 64% of the firms in its sample, whose primary business was not financial services, including retailers selling goods on finance.

Vauxhall and Suzuki have launched independent inquiries into franchisees' finance sales after an undercover investigation by *The Daily Mail* revealed evidence of potential sales malpractice.

The newspaper sent reporters into 22 dealerships and encountered one sales executive who allegedly

suggested manipulating answers in finance applications and another who proposed a £215-a-month PCP to a customer he believed to be unemployed.

Calls for transparency

John Penrose, Conservative MP for Weston, Worle and The Villages, told *The Guardian*: "Unless we have pitiless transparency in the car loans market, with industry standards to measure and report the risks in this fast-growing area, we won't be able to spot problems in advance, or fix them before customers or banks get hurt."

"The finance industry has a great opportunity to show it can be responsible here, and that prevention is better than cure."

Gupta told *AM* that his 100,000-registrations-a-year group rejected "between 8% and 10%" of finance applications. He said the default rate of its main finance provider was 0.7%.

At the start of July, Britain's leading sub-prime car lender, The Car Finance Company, said it had written off £50 million in loans as customers fell behind on repayments – twice the level of a year earlier.

Gupta conceded that while franchised dealers are not involved in sub-prime lending "the effects of an incorrect read-across are obvious".

However, when *AM* asked 20 of the UK's leading motor finance providers – all members of the FLA – for their

default rates, none was forthcoming.

The FLA's head of motor finance, Adrian Dally, told *AM* that the default rates of its membership were "details that the FLA doesn't hold", adding: "It's not as though there is no transparency."

Dally told *AM* that lenders do provide data – to the FCA and the Bank of England's Prudential Regulation Authority (PRA).

"It's an open book, that's mandatory, and the basis of what the FCA, Bank of England and PRA have been saying is from looking at that book."

"The FCA and the Bank have seen all the data, including going back many years, and they have said many positive things about motor finance in recent weeks, about arrears in motor finance being significantly lower than other forms of consumer credit and also being low by historical standards."

When *AM* contacted the FCA, it said it was "unable to provide this information" ahead of the publication of the details of its exploratory review.

Where is the risk?

While Peter Smyth, director at Swansway Garages, defended PCPs, stating that they were a tool that allowed dealers to "fulfil customers' expectations", he did express concern about potential conflicts of interest.

Smyth said the fact manufacturers attach some of the dealers' margin to their PCP renewal rate "could

promote unfair activity as far as the customer is concerned", adding: "The renewals aspect is the bit that puts pressure on the dealer and we are asked to do that by the manufacturer or finance house."

"I think that, in some cases, is forcing customers further and further into a negative equity situation."

Expressing what he saw as the market's reliance on PCPs, Smyth warned: "If the market were to go back to selling hire purchase (HP) over 36 months with a 20% deposit, be in no doubt, the market would crash, but I don't see that happening."

Ken Savage, the chairman of Perrys Motor Sales, said it was clear where the biggest risk lies: "The point (Carney) was making was that PCPs could represent a risk to the banks, not consumers."

While Carney said a 30% fall in used car prices would knock just 0.1 percentage points off the capital ratios of banks, the effects of such a slump on manufacturer-owned finance houses are less clear.

Forrester suggested those who stood to lose out most in this event would be "those with contract hire companies, rental fleets and buy-back commitments".

However, in the absence of a clean bill of health from the FCA or lenders publishing clear and transparent information on the stability of the finance market, it does seem unlikely that media organisations will lose interest in the story. **TOM SHARPE**

ADVERTISING FEATURE

Control the call to sell more cars

Here's how to create a sense of urgency and desire in your customers, says Simon Bowkett of Symco Training



Last month I talked about the basic process of dealing with an incoming telephone enquiry. But what about the customer who calls about a particular car? Especially a specific used vehicle, or a 'hero car' where you only have a limited number of units available.

"Hi," says the customer. "I notice you've got a Q5 in stock, I just want to see if it's still available."

To take control of this kind of enquiry, try this: "Certainly, sir. Where did you see it? On our forecourt, or online? Online? OK, which website? Our own or *AutoTrader*? ... [customer replies] ... OK, let me have a look. What colour was it?"

Notice how I'm still qualifying, and trying to use 'alternatives questions' wherever I can. But we also need a hook phrase. I want to create a sense of urgency and desire in the customer by gently taking the car away from them, and there's a few different ways we can do that.

Hook phrase

This is one of my favourite hooks: "Actually, I was on a day off yesterday and I can normally see that car parked out the front from my window here. But I noticed it's been moved. I've got a funny feeling one of my colleagues may have taken a deposit on it. Now, if that car has sold, what else did you see in our stock that caught your attention?"

Just about 99% of the time they will say: "No, I just want that one," and that is the response you want – because people always want what they think they can't have. You'll be amazed how often, when you come back and say, "hey, great news, it's still available," they are going to want to make an appointment sooner rather than later. Simply because you've created that sense of urgency.

Isn't that great? In 30 seconds or less, you've got a customer saying they want that car.

Alternative word tracks

And that is just one technique. There are plenty more on my new sales training video on the *AM* website (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) this month, that you can adapt to suit your own style and that will help you to secure more appointments.

Visit our website for a free training trial

To find out how our low-cost, IML-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

JUN

19th



APRITE BUYS COLLIERS NISSAN SITE

Aprite acquired Colliers Nissan Birmingham 12 months after Jardine Motors Group took control of Colliers' Land Rover, Honda and Mazda dealerships. Tony Lewis (pictured), managing director of Nissan-owned Aprite, which trades as West Way, said the acquisition takes the dealer group's portfolio to 15 sites.

22nd

WINS FOR WOMEN IN MOTOR RETAIL

TrustFord general manager Lucy Curtis (pictured) was the top performer in the retail and sales category in Autocar's Great British Women in the Car Industry awards. In the Auto Express 'Brit List', Citroën chief executive Linda Jackson was named "the most influential Brit in the global car industry".



28th



PSA OPENS DIGITAL SHOWROOM WITH VR TECHNOLOGY

PSA Retail opened the first of 30 digital showrooms it plans for Europe by 2020. The Paris store uses virtual reality to showcase each of PSA's three brands. On July 7, Volkswagen opened a retail store in Birmingham's Bullring shopping centre in partnership with franchisee Johnsons Cars.

29th

SSANGYONG APPOINTS FIVE DEALERSHIPS

SsangYong UK has announced the appointment of five new dealerships. Chief executive Paul Williams, right, said the anticipated arrival of the new Rexton SUV had been key to attracting Canterbury SsangYong, Duthies of Montrose, FG Barnes Maidstone, Burrows Motor Company in Sheffield and SB Wakefield.



JUL

4th

GROUP 1 ACQUIRES BEADLES GROUP

Group 1 Automotive has bought Beadles Group in a move likely to push the US-owned group further up the AM100. Beadles' turnover of £294 million should see Group 1, currently 10th in the AM100 with £1.5 billion turnover, overtake TrustFord into ninth place. Group 1 now has 43 dealerships in the UK.



VOLVO TARGETS ONE MILLION 'ELECTRIC' CAR SALES BY 2025
Volvo Cars targeted one million electrified car sales by 2025 after announcing that all new products will include an element of EV technology from 2019. Håkan Samuelsson, president and chief executive of Volvo Cars, said the move "marks the end of the solely combustion engine-powered car".

SUPER GROUP BUYS SLOUGH MOTOR CO

Super Group continued its UK expansion with the acquisition of Slough Motor Company (SMC). The South Africa-based group followed its acquisition of Essex Auto Group, in March, with that of the £162 million operation. Bestodeck Limited, the holding company of Hillingdon-based SMC, ranked 86th in this year's AM100.



DEALERS LOSE £17,000 IN MAY
ASE blamed "an increasingly conservative approach to a bonus-based profit structure" as dealers lost an average of £17,000 in May – £7,000 more than May 2016. The result leaves the rolling 12-month return on sales figure a fraction over 1%, with a £180,000 profit down £17,000 on May 2016.

£17K

ST LEONARDS ACQUIRES DINGLES

St Leonards Motors Group has acquired Dingles Motor Group. Ian Wakeford, St Leonards' managing director, said the deal will increase the Sussex-based group's turnover by about 60%, to more than £100 million. It will gain Toyota, Hyundai and Isuzu franchises in Norwich, and a Lexus authorised repairer.



BBC HIGHLIGHTS PROBLEMS WITH VW 'DIESELGATE' FIXES
BBC Watchdog joined forces with Auto Express to highlight UK law firm Marcus Sinclair's investigation into Volkswagen UK's 'dieselgate' fixes. The firm claims that 5,052 of

a sample of 9,500 VW owners reported reduced fuel efficiency or acceleration. VW claimed there was "no systematic problem".

5th

6th

7th

10th

13th

ADVERTISING FEATURE

Make the most of customer video ratings

By Andrew Howells, founder, CitNOW



Customer video ratings soared in June, with almost three times as many car buyers and workshop customers using CitNOW's five-star rating system.

Feedback from dealers' customers about the personal video messages they receive from sales and

aftersales teams has leapt from an average 500 a day to 1,300 since we made the RTV (Rate this Video) feature standard.

Such an incredible response shows we are a nation keen to tell retailers what we think, as long as the process is quick and easy. Recipients of videos select between one and five stars and can include a short comment of up to 140 characters, providing dealers with additional insights.

Understanding how your customers think is vital for developing strategy, delivering exceptional customer service, identifying best practice and highlighting issues that need to be tackled.

RTV best practice

RTV enables you to improve the quality of video and deliver the best customer experience. Here's our seven-point plan to make the most of RTV:

1. Communicate the benefits of RTV to everyone in the business for maximum staff buy-in
2. Encourage sales executives, technicians and service advisers to highlight RTV in every video
3. Tell customers where to find the feature
4. Respond quickly to criticism and take any appropriate action
5. Recognise and reward best practice – a bit of inter-departmental or inter-dealership competition is fun and drives up standards
6. Pay attention to low ratings and tackle them at source – it could be a serial complainer or it could mean more training is necessary
7. Analyse the impact of video over time by using the dashboard to review score changes.

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FOUR OUT OF FIVE BRANDS DOWN IN MARKET BIG DIP

Just eight manufacturers record year-on-year increase in Q2 as consumer spending slows

New car demand dropped for 80% of the UK's car brands in the second quarter of 2017.

Only eight brands managed to record a year-on-year rise in their Q2 registrations. After carmakers applauded themselves for a record March market, during which 28 brands posted Q1 growth as consumer offers and dealer incentives pulled sales forward, the rollercoaster has plunged downwards again to leave Q2 10.4% down on the same period in 2016 (580,270 units vs 647,712 units).

Luxury sports car buyers tried to offset the

market's decline. Aston Martin's registrations were up 75%, or 144 units, as its new DB11 reached showrooms, while demand for Lotus increased 45%, or 24 units, thanks to a revised Elise two-seater and special editions such as the Sprint. A 13% uplift at Porsche, which has a recently refreshed Cayman on a £379 monthly payment PCP offer, equated to an extra 434 units too.

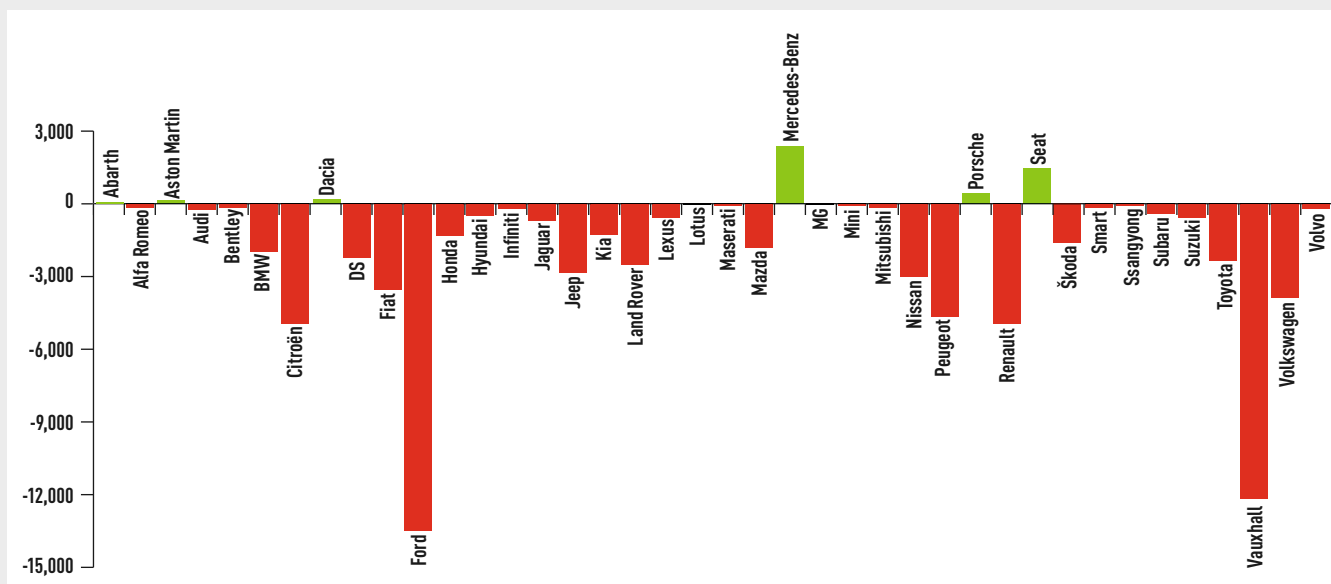
These relatively small successes suggest the new VED regime, which came in at the start of Q2 and ramped up the annual road tax bill for cars priced above £40,000, has not deterred all consumers.

However, many manufacturers have blamed a pull-forward of registrations, plus uncertainty in the build-up to the general election, for a faster-than-expected drop in sales.

Other economic data suggests consumers have begun to rein in their spending – Visa's UK Consumer Spending Index reported that household spending recorded its weakest growth since 2013 in Q2, with outlay on transport, communication and recreation in decline as people shifted spending towards the essentials.

Business advisers PwC warned that consumer spending will continue to be squeezed for at least

Q2 YEAR-ON-YEAR VOLUME CHANGE



WE'LL HELP YOU GET THERE

SPONSOR'S COMMENT



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

I have commented before on the changing consumer dynamics in our industry and

how we need to prepare for them. The most significant of these is the increasing use of digital technology to inform choices and deliver solutions. This is accelerating and will continue to do so as demographics shift.

To harness the existing online information available to customers, I believe we need to:

- Enrich the education materials available for customers online by providing information on the full variety of finance products available, the suitability of each product for them and an understanding of key terms and conditions, much like the "key facts" customers are accustomed to when applying for a bank account or credit card.

- Tailor input to help customers in narrowing their choice, such as affordability assessments, creditworthiness indicators and instant quotes.

- Respond rapidly. If we cannot provide the information a customer needs there and then, we may lose them to a provider who can.

These are crucial steps as customers visit dealerships in a well informed position. In fact, more than 90% of customers have already decided on how they will fund their vehicle before they set foot in a dealership.

Some dealers and finance providers are already making significant investments to support their digital agendas. These are not only in systems and product information but, crucially, in up-skilling staff, particularly those who are customer-facing.

Dealers and finance providers also have a lot to gain from the use of digital technology, as never before have word-of-mouth recommendations been so powerful and so quickly spread. Online reviews and customer feedback can be invaluable to your business. Even negative reviews can help improve the customer experience in the long term, or give you the opportunity to turn a poor experience into a good one based on your response.

The bottom line here is that delivering an effective digital strategy is not optional. It is a tool to ensure dealers remain at the centre of the car-buying journey and that finance providers support customers in achieving the right outcomes for their personal needs.

“FOR THE PAST TWO YEARS, WE HAVE WITNESSED A DECREASE IN THE PERFORMANCE OF THE SERVICES SECTOR, AS WELL AS A REDUCTION IN CONSUMER SPENDING

PETER HEMINGTON, BDO

18 months by falling living standards and creeping inflation, which is running at a near four-year high of 2.6%, according to the Consumer Prices Index.

Credit Suisse has predicted that the UK's economy will enter recession near the end of this year as consumer spending and business investment weakens while the UK's relationship with the European Union remains unclear.

At BDO, whose latest Output Index showed business confidence among businesses falling to a four-year low, partner Peter Hemington said: "Since the financial crisis, the

UK's economic recovery has been reliant on consumer spending and a growing services sector. For the past two years now, we have witnessed both a decrease in the performance of the services sector, as well as a reduction in consumer spending, which has become more pronounced after the devaluation of sterling."

This also coincided with exchange rate shifts during Q2, from €1.18 to the pound to €1.14 by the end of June. This would make a €20,000 car almost £600 more expensive, if national sales companies had no hedging in place.

4X4 BRAND SKIDDING

The worst performer in Q2 was Jeep. Its registrations fell 73% year-on-year, or 2,824 units, and its private market demand has suffered significantly: to date, its private registrations are 1,378 units, or 48%, behind the same period's result last year. That equates to 21 fewer sales per dealership.

To get a fast-start in the second half of the year, Jeep has been offering a £2,250 test drive incentive on top of its existing discounted finance offers for vehicles ordered before the end of July. However, even this does not make it particularly competitive, due to abysmal guaranteed future values. Jeep's website

highlights a representative 48-month PCP on a Renegade at £21,665 list price, which works out at £289 per month with a £5,886 optional balloon payment. However, the same car is available, pre-registered, on Jeep dealer websites for below £15,000, so a buyer on hire purchase could pay perhaps £30 per month more over the same period and own the car at the end of it.

DS is another brand suffering a much faster decline than the overall market, possibly due to a lack of competitive products and offers. According to SMMT data, its Q2 registrations were down 53%, or 2,217 units. The core DS3 hatchback alone was down in retail demand by 42%, or 671 registrations, while the less popular DS4 dropped by 88%, or 534 units, in the fleet market, where it has performed strongest since its launch 18 months ago.

In pure volume terms, the largest drops involved the two brands at the top of the market. Ford achieved 13,503 fewer registrations than it did in Q2 2016, a drop of 17.5%, while Vauxhall suffered similarly, with 12,161 fewer Q2 registrations, a drop of 21%.

A delve into Ford's data shows it was hardest hit in the retail market. Registrations to private customers in Q2 fell back by 22.7% or 7,673, while its fleet orders dropped 13%, or 5,830 units. The market-leading Fiesta, under run-out ahead of its replacement's arrival in July, took a 31.8% hit in volumes in the retail market during the second quarter, and a 9.9% drop in fleet, which has negated Ford's huge push of the supermini back in March.

The picture at Vauxhall was similar, albeit more pronounced. Retail registrations slumped by 27.8% versus Q2 2016 – 6,365 fewer cars – and fleet volumes fell by 16.5% or 5,792 units. Its core Corsa and Astra models both declined in the retail market during Q2, by 29.5% (2,737 units) and 39.3% (1,359 units) respectively. Astra made up for some of the decline with fleet orders, however, which increased by 2,930 units or 24.6%.

Some uplift in fortunes is likely during the third quarter of the year, as manufacturers restore some of the balance, but the market is expected to drop a little further. The Society of Motor Manufacturers predicts the total industry volume will reach 2.62 million cars by the end of this year, which would be 2.6% below the 2016 total. **TIM ROSE**

NEW CAR REGISTRATIONS

Third month of falls leaves H1 down 1.3%

The SMMT reported a third consecutive month of falling new car registrations sales in June, but the market finished the first half of 2017 with a near-record performance.

Registrations were down 4.8%, at 243,454, but SMMT chief executive Mike Hawes emphasised that the slowdown in registrations was less than in the previous two months and this indicated demand was continuing to stabilise following a record first quarter.

Hawes said: "As forecast, demand for new cars has started to cool following five consecutive years of solid growth, but the numbers are still strong and the first half of the year is the second-biggest on record.

"Provided consumer and business confidence holds, we expect demand to remain at a similarly high level over the coming months."

1 NISSAN

It is bucking the downward trend and has taken its market share past 6%. The Qashqai, its core model, is the UK's fourth most popular new car so far this year, with 33,574 registrations – outperforming the Vauxhall Corsa.



2 TOYOTA

Another brand swimming against the tide, with 3.5% growth this year despite a dip in June. Toyota's strength is coming from rising interest in the Rav-4 SUV and the fresh appeal of its new C-HR crossover.

3 SUBARU

A drop in June by 37.9% intensified its already declining new car orders this year. At the half-year point, Subaru registrations were down by 22.8% or 416 units.



June						Year-to-date				
Marque	2017	% market share	2016	% market share	% change	2017	% market share	2016	% market share	% change
Ford	27,095	11.13	30,244	11.82	-10.41	168,316	12.01	171,192	12.05	-1.68
Volkswagen	22,639	9.30	19,196	7.51	17.94	108,027	7.71	109,566	7.71	-1.40
Vauxhall	20,981	8.62	25,578	10.00	-17.97	112,487	8.02	132,947	9.36	-15.39
BMW	19,149	7.87	18,712	7.32	2.34	92,638	6.61	91,610	6.45	1.12
Mercedes-Benz	15,715	6.46	15,566	6.09	0.96	98,557	7.03	88,603	6.24	11.23
Audi	15,081	6.19	14,503	5.67	3.99	89,719	6.40	89,521	6.30	0.22
1 Nissan	13,067	5.37	13,785	5.39	-5.21	85,085	6.07	78,582	5.53	8.28
2 Toyota	9,556	3.93	9,928	3.88	-3.75	56,428	4.03	54,504	3.84	3.53
Mini	9,015	3.70	8,718	3.41	3.41	34,988	2.50	33,963	2.39	3.02
Kia	7,972	3.27	8,403	3.29	-5.13	50,650	3.61	46,343	3.26	9.29
Hyundai	7,965	3.27	8,294	3.24	-3.97	50,100	3.57	48,077	3.38	4.21
Peugeot	7,688	3.16	8,773	3.43	-12.37	47,546	3.39	54,776	3.86	-13.20
Škoda	7,512	3.09	9,035	3.53	-16.86	42,558	3.04	42,233	2.97	0.77
Renault	7,316	3.01	9,156	3.58	-20.10	40,824	2.91	44,570	3.14	-8.40
Land Rover	6,201	2.55	5,669	2.22	9.38	45,675	3.26	42,559	3.00	7.32
Fiat	5,062	2.08	6,442	2.52	-21.42	28,695	2.05	33,324	2.35	-13.89
Honda	5,043	2.07	5,144	2.01	-1.96	29,227	2.08	32,449	2.28	-9.93
Volvo	5,018	2.06	4,824	1.89	4.02	24,519	1.75	22,629	1.59	8.35
Seat	4,901	2.01	4,245	1.66	15.45	29,491	2.10	24,634	1.73	19.72
Citroën	4,685	1.92	6,005	2.35	-21.98	29,849	2.13	37,781	2.66	-20.99
Suzuki	3,486	1.43	3,358	1.31	3.81	21,817	1.56	19,944	1.40	9.39
Mazda	3,255	1.34	4,014	1.57	-18.91	22,561	1.61	26,381	1.86	-14.48
Jaguar	2,960	1.22	2,922	1.14	1.30	20,390	1.45	16,597	1.17	22.85
Dacia	2,845	1.17	1,957	0.77	45.38	14,387	1.03	13,445	0.95	7.01
Mitsubishi	1,361	0.56	1,257	0.49	8.27	8,916	0.64	10,544	0.74	-15.44
Porsche	1,302	0.53	1,002	0.39	29.94	7,557	0.54	6,712	0.47	12.59
Lexus	1,161	0.48	1,370	0.54	-15.26	6,442	0.46	7,416	0.52	-13.13
Smart	881	0.36	1,005	0.39	-12.34	5,987	0.43	5,743	0.40	4.25
DS	872	0.36	1,772	0.69	-50.79	5,146	0.37	9,436	0.66	-45.46
Alfa Romeo	448	0.18	415	0.16	7.95	2,701	0.19	2,705	0.19	-0.15
Abarth	438	0.18	409	0.16	7.09	2,293	0.16	2,005	0.14	14.36
Infiniti	383	0.16	569	0.22	-32.69	2,132	0.15	1,565	0.11	36.23
Jeep	363	0.15	1,473	0.58	-75.36	3,792	0.27	7,600	0.53	-50.11
SsangYong	362	0.15	392	0.15	-7.65	2,276	0.16	2,342	0.16	-2.82
MG	314	0.13	336	0.13	-6.55	1,993	0.14	1,896	0.13	5.12
3 Subaru	202	0.08	325	0.13	-37.85	1,412	0.10	1,828	0.13	-22.76
Bentley	168	0.07	188	0.07	-10.64	968	0.07	961	0.07	0.73
Aston Martin	112	0.05	85	0.03	31.76	982	0.07	467	0.03	110.28
Maserati	107	0.04	162	0.06	-33.95	963	0.07	712	0.05	35.25
McLaren	56	0.02	0	0.00	0.00	264	0.02	0	0.00	0.00
Lotus	46	0.02	9	0.00	411.11	165	0.01	140	0.01	17.86
Chevrolet	7	0.00	0	0.00	0.00	42	0.00	3	0.00	1,300.00
Other British	65	0.03	76	0.03	-14.47	361	0.03	423	0.03	-14.66
Other Imports	599	0.25	450	0.18	33.11	2,885	0.21	1,908	0.13	51.21
Total	243,454		255,766		-4.81	1,401,811		1,420,636		-1.33

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FINANCE OFFERS

Is Peugeot planning a 67-plate push?

Hitting the halfway point in 2017 is a good time to take stock and prepare for the big push in September.

Demand is stabilising after VED changes in April boosted March registrations. Manufacturers' Q3 offers can be used to look at how aggressively they will be looking to claw back market share before the end of September.

The first six months of this year show who is lagging behind, with Vauxhall, Citroën, Subaru, Mitsubishi and Jeep all sustaining double-digit losses.

Peugeot isn't too far behind, with a 13.2% drop in registrations to 47,546 units over the first half of this year, putting it just inside the bottom 10.

While other brands have seen bigger losses, Peugeot is particularly interesting as it is the only manufacturer within AM's finance offer data that has published deals only up until the end of August.

AM asked Peugeot why September's offers had not been published and whether this meant a special push for the plate-change month was being planned. Peugeot declined to comment.

As it stands, Peugeot has no 0% deals for July and August, with its lowest-rate finance so far at 1.9% saved to push its 308 and 308 SW. The majority of Peugeot's offers are actually pretty strong, with nearly all deals under £300 a month. Core models like the 108, 208 and 2008 are available for under £170. It makes it all the more intriguing to see what Peugeot has up its sleeve for the final month in Q3.

Another anomaly that sticks out in the Q3 offers is Honda's decision to run a deal that may make it difficult to shift its previous-generation Civic stock.

Customers can get a 2017 Civic for £189 a month

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
PEUGEOT							
108 Active 1.0L 68 3dr	PCP	£2,052	36	£129	£4,416	4.9%	31/08/2017
108 TOP! Active 1.0L 68 5dr	PCP	£2,116	36	£148.99	£5,189	4.9%	31/08/2017
208 Active 1.2L PureTech 68 5dr	PCP	£2,672	36	£148.98	£4,783	2.9%	31/08/2017
308 Active 1.2L PureTech 110 S&S	PCP	£2,879	36	£229	£6,228	1.9%	31/08/2017
308 SW Active 1.2L PureTech 110 S&S	PCP	£2,597	36	£249	£6,792	1.9%	31/08/2017
New 3008 SUV Active 1.2L PureTech 130 S&S	PCP	£3,541	36	£288.99	£10,896	4.9%	31/08/2017
508 Active 1.6 BlueHdi 120 S&S	PCP	£6,931	36	£348.98	£7,016	4.9%	31/08/2017
508 SW Active 1.6L BlueHdi 120 S&S	PCP	£6,784	36	£378.99	£7,558	4.9%	31/08/2017
HONDA							
2017 Civic SE 129PS VTEC Turbo Manual with solid paint	PCP	£4,371.37	36	£189	£8,469.28	5.9%	30/09/2017
Civic SR DASP 1.6 i-DTEC Manual with metallic paint	PCP	£6,403.62	36	£319	£8,069.59	5.9%	30/09/2017
CR-V Black Edition 2.0 i-VTEC 4WD Manual with metallic paint	PCP	£7,641.55	36	£279	£13,314.41	0.0%	30/09/2017
Jazz EX 1.3 i-VTEC Manual with Solid Paint	PCP	£2,761.06	36	£189	£6,889.89	0.0%	30/09/2017
Civic Tourer SE Plus Navi 1.8 i-VTEC Manual with metallic paint	PCP	£5,010/25	36	£259	£7,595.32	0.0%	30/09/2017
HR-V Black Edition 1.5 i-VTEC Manual with metallic paint	PCP	£5,283.35	36	£239	£11,112.48	0.0%	30/09/2017
JAGUAR							
XE Saloon 2.0 i4p (Ingenium) (200) Prestige Auto	PCP	£5,999	36	£259	£13,785	4.9%	30/09/2017
XF Saloon 2.0i (200PS) Prestige Auto	PCP	£6,499	36	£359	£18,105	4.9%	30/09/2017
XJ Luxury SWB 300PS	PCP	£9,990	36	£499	£20,233	0.0%	30/09/2017
F-Type Coupé R-Dynamic 2.0 300ps Turbo Petrol RWD Auto	PCP	£12,990	36	£499	£28,815	5.9%	30/09/2017
F-Pace 2.0d (163) R-Sport RWD Manual	PCP	£8,999	36	£399	£18,734	6.9%	30/09/2017

and a deposit of £4,371.37, while the older model is £319 a month after a £6,403.62 deposit. The older Civic is of a higher spec and it's a diesel, but it would be very interesting to see how many customers are convinced they would prefer the older model.

Honda is just outside the bottom 10 over the first half of this year, with a 9.9% drop to 29,227 units. The Japanese brand is supporting dealers over the next three months with 0% offers on its Jazz, Civic Tourer, HR-V and CR-V. All four are available for under £300.

Jaguar has seen the most success out of any mainstream brand this year (Maserati and Infiniti and Aston Martin are low-volume by comparison). Its registrations have increased by 22.8% to 20,390

units. While there is still 70,000 units between Jaguar and its premium German rivals, its finance offers have been helping to chip away at that difference.

Jaguar has a range of offers for Q3, with a 0% offer on its luxurious XJ, its XE entry model for under £300 and a relatively high APR of 6.9% to maintain margins on its newest model, the F-Pace. They are not particularly aggressive offers, but perhaps that is a testament to its impressive progress so far this year.

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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

WEST MIDLANDS CHARGES AHEAD IN AFV REGISTRATIONS

Motorists in the West Midlands emerged as the keenest adopters of alternative fuel vehicles (AFVs) as electric car registrations reached their highest-ever levels in H1 2017.

AFV campaign body Go Ultra Low highlighted that more than 22,400 plug-in models were registered between January and June 2017, a rise of 14.3% on 2016 and 53.8% up on the same period in 2015.

June exceeded all previous non-plate-change months with 4,405 new plug-in models sold during the month (33% up on June 2016).

Demand from private buyers has driven growth, with 44.9% more consumers opting for plug-in hybrid and electric power between

January and June 2017, compared with the same period last year.

Transport minister Jesse Norman said: "It is great to see that electric and plug-in hybrid cars are helping more UK motorists to cut fuel costs and emissions.

"The total number of plug-in cars on our roads is at record levels, with the latest figures showing that there are now over 100,000 plug-in cars and vans registered in the UK.

"Our aim is that nearly all cars and vans on our roads are zero-emission by 2050."

The Nissan Leaf was the UK's best selling plug-in car in the first six months of 2017, while BMW's plug-in hybrid 3-Series saloon

was one of the year's biggest growers, rising 79.9% following its launch last year.

Poppy Welch, head of Go Ultra Low, said: "Month after month we're seeing record levels of registrations, demonstrating that the public awareness and appetite for electric and plug-in vehicles is growing."

Some 2,704 of the AFV registrations recorded in the first half of the year were in the West Midlands.

Greater London (2,477) and Cambridgeshire (1,928) also made the top three regions.

Greater London also saw the biggest year-on-year increase in areas registering more than 1,000 plug-in vehicles, with registrations up 68.6% on the first half of 2016. **TOM SHARPE**



VIEWPOINT



SPARE ME SOME CHANGE (AT LEAST FOR A FEW MONTHS)

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

At any management conference, there is usually at least one supposedly inspiring speaker proclaiming the need to embrace the challenge of change.

They extol the merits of 'change management' and suggest that failing to change has led to the extinction of everything from the dinosaurs to any recently closed company. Most such speakers then put forward their own solution, usually involving anything from a four- to an eight-step process, for successful change.

The problem is that even if the speakers are correct, most of us do not believe it.

In actuality, businesses, and we individuals, don't like too much change. This was highlighted in an article in *AM* in June where motor industry leaders were quoted as craving 'stability' in the post-election period.

The uncertainty caused by a hung Parliament was affecting the way business saw the future, with the BBC reporting on an Institute of Directors poll of 700 of its members, saying that business confidence had sunk 'through the floor.'

I suspect politicians, too, are looking for stability, while they try to sort out this self-inflicted mess.

Last month also brought news of another 'disrupter', with reports that Amazon had begun hiring people from the motor retail sector to explore selling cars online. A press release on the story, from an online courier

company, claimed that "the likes of Evans Halshaw and Bristol Street Motors will be taking a deep breath as it (Amazon) accelerates into the world of car sales". Only Messrs Forrester and Finn can comment on whether the arrival of Amazon has altered their breathing patterns, but I suspect they have more immediate issues to address.

Over the years, many organisations have dabbled in the car market – even the big supermarkets explored it and walked away. Car manufacturers themselves are also moving into direct online sales. Will this market be attractive enough to sustain Amazon's interest?

With so many cars being purchased on PCP, it would be possible for Amazon to become a leasing organisation, but this is very different to its current online sales proposition. Amazon has the resources to buy its way into the market without too much trouble and it could manoeuvre where others have failed. The fundamental question is whether it can add value to the car purchase experience in a way that established manufacturers and dealers cannot.

Only time will tell whether the uncertainty currently felt by many is reflected in the way Amazon views the future.

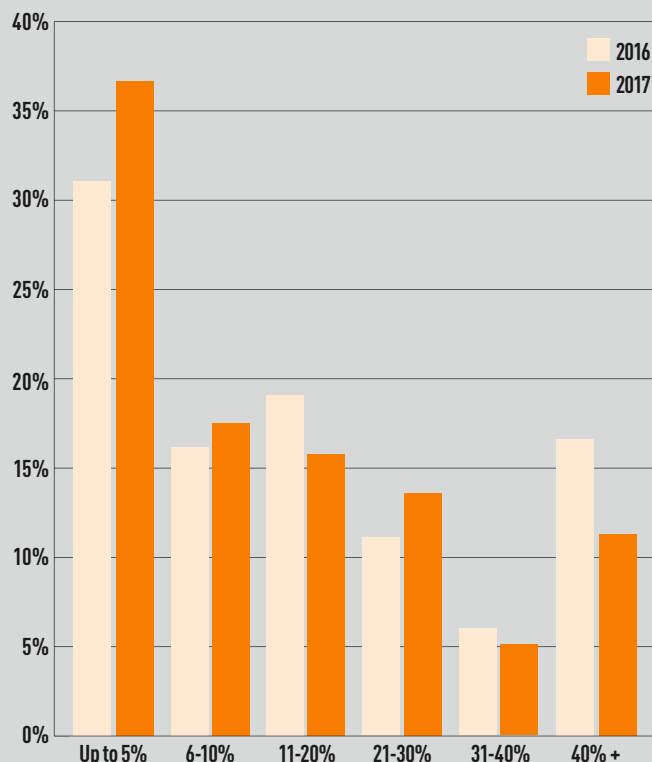
Our sector has been resilient in facing both uncertainty and change, but, for many, a quiet life would be nice, at least over the next few months.

"ONLY FORRESTER AND FINN CAN SAY WHETHER THE ARRIVAL OF AMAZON HAS ALTERED THEIR BREATHING PATTERNS"

AMPOLL

LARGE-SCALE PRE-REGISTRATIONS FALL AS NEW CAR MARKET EASES

WHAT PERCENTAGE OF YOUR NEW CAR BUSINESS EACH MONTH IS PRE-REGISTRATIONS?



The need for franchised dealers to significantly pre-register cars in order to hit ambitious volume targets appears to have lessened in 2017, perhaps as carmakers accept the total industry volume has peaked.

AM has repeated a poll on pre-registrations we first conducted in June 2016, which revealed that almost 34% of participating dealers attributed at least 21% of their new car business to pre-registrations.

Our latest poll found this has dropped to 30% in 2017. However, the proportion of dealers doing a smaller level of pre-registration has risen year-on-year by almost seven percentage points, suggesting the practice is still commonplace.

One voter said: "It's not a large part of our sales. It can be good news if on the correct terms, but usually it's a mortgage." Another said: "It would be more, if we didn't stand firm with the manufacturer."

NEXT MONTH:

HOW DO YOU EXPECT THE CAPITAL INVESTMENT DEMANDS OF YOUR FRANCHISE TO CHANGE BETWEEN NOW AND 2020?

VOTE NOW AT AM-ONLINE.COM/POLLS



PEOPLE CONFERENCE

People – The Key To Success

Held in conjunction with the Institute of the Motor Industry (IMI), the event will once again provide a platform to discuss the challenges and identify solutions to looking after a business's best asset, its people.

The IMI is the industry's only professional body with a membership of 100,000 and 7,000 centres delivering qualifications throughout the sector.

Meanwhile, AM has joined forces with Best Companies Group to produce the first survey of its kind to focus only on automotive retailers covering key metrics including leadership, culture, communications, training, pay and benefits.

The People Conference will build on AM's Best UK Dealerships To Work For campaign which is identifying the UK's top automotive retail employers as designated by employees.

The AM & IMI People Conference will:

- Enhance and promote the professionalism in the automotive sector
- Inform, educate and inspire colleagues
- Draw attention to industry initiatives
- Share best practice among automotive retail professionals
- Recognise the invaluable work of HR directors and their teams
- Explore new opportunities for recruitment and retention
- Understand the issues facing HR teams in the sector and provide potential solutions

What you can expect



Tangible tips and expert insights will provide further signposts for dealers interested in developing their people and extending their candidate reach, helping the sector to meet its recruitment needs and overcome the skills and talent gap currently facing the industry.

"We've set ourselves the task of providing a window on the world of recruitment, retention, staff development and employee engagement to provide dealers with solid information and genuinely helpful insights to enable them to develop a people strategy which leads to improved performance and profitability."

Tim Rose, editor, AM

Book your place

Dealer tickets start from just £149 + VAT for IMI members

September 19, 2017 ■ Whittlebury Hall, Towcester ■ ampeopleconference.co.uk

SPEAKERS

Attracting Millennials and Gen Z to the automotive retail workforce



Steve Nash, CEO, Institute of the Motor Industry (IMI)

The IMI explains its recruitment initiative to attract young people to the automotive retail sector to plug the skills gap and identify talented youngsters who will be the future of the industry. Targeting 18-24 year olds and 14-18 year olds in different campaigns, Nash outlines the project and how dealers can both benefit and become involved.

What are we actually doing to attract talent?



Guy Liddall, managing director, Motor Trade Select

Do we do enough to attract, identify, manage and retain talent? The best operators are busy people, so is your application process easy? Is your assessment process flexible and confidential enough to allow high-flyers to take part? Do you always recruit outside because no one in the organisation has the right skills? Does your manufacturer have the last word, and do you agree with its conclusions? Do we really want the best talent, or are they too much trouble?

Understanding the new apprenticeship levy and new apprenticeships standards

Mark Armitage, head of quality and assessment, IMI

The way apprenticeships are funded and administered is undergoing fundamental change with the introduction of the Government's new levy. Some 11,000 levy-paying employers are still not registered to access funding. Apprenticeship standards require more engagement from bosses and dealers need to be on board to ensure their business is up-to-date.

Initiatives to create a dynamic and diverse workplace



Alison Fisher, group HR director, Cox Automotive

Developing a high performing culture through creating a more diverse and inclusive workplace is essential for business success. This session explores initiatives to develop a dynamic working environment with diversity and inclusion at its heart including Fisher's Women with Drive which supports women in the automotive sector and so far has five events under its belt.

A high performance culture to make your team unstoppable



Dr William Holden, chair of Sewells

Drawing on case studies and hard evidence both inside and outside the automotive sector, business improvement specialists Sewells' chair Holden takes delegates beyond the company vision and values to turn those into behaviours which deliver results. Exploring the ways and means to undertake the journey from where an organisation is today to where its leaders want it to be by creating a culture that inspires its people to achieve.

What makes a firm a best company to work for?

Andrew O'Kelly, director, partnership development Europe Best Companies Group
Having teamed up with AM to find the automotive retail sector's leading employers, Best Companies Group's O'Kelly looks at the characteristics of a great employer. Drawing on experience of identifying the best companies to work for across the globe, this session pinpoints the key elements at work in some of the UK's top workplaces.

Panel debate

The event will also see a panel made up of some of the industry's leading figures from HR and sector academies debate the challenges of training and development, including their own approaches. Topics will include how talent within the business is identified and nurtured and how personal career aspirations are married to the group's overall business objectives.



To book, please visit www.ampeopleconference.co.uk

The event has already seen extensive bookings from top dealer groups and manufacturers. We expect this year's conference to be the biggest and best ever.

**“ WE NEED TO ADD
VALUE. THE
FRANCHISED
DEALER NEEDS TO DELIVER
EXCEPTIONAL SERVICE,
ABOVE AND BEYOND WHAT
AN INDEPENDENT WOULD
NICK VOSPER**



Vospers has been in business for more than seven decades – it is now run by managing director Nick Vosper (left) and chaired by his father, Peter

FACE TO FACE: VOSPERS

'WE NEED A ROAD TO 2% PROFITS'

Chairman Peter Vosper and his son and MD, Nick, believe scale, property management and efficiency will push up margins, but manufacturers need to help, they tell **Tim Rose**

It is in the nature of a franchise contract that it puts most of the power in the hands of vehicle manufacturers – the relationship with the brand is critical. Yet dealer groups are able to carve out their own success with focus, determination and a willingness to test new ideas and concepts. No business leader can afford to sit on their hands and expect it to be 'business as usual' in this century-old industry.

"We have to adapt and change as a business. We need to add value. The franchised dealer needs to deliver exceptional service, above and beyond what an independent would probably deliver," said Nick Vosper, the managing director of Vospers Motor House, the AM100 group founded by his grandfather and now chaired by his father, Peter Vosper.

The family-owned dealer group has heritage – it has been in business since 1946. Over the decades it has become a well recognised brand across Devon and Cornwall, where it operates 14 car and LCV dealerships, three rental depots and two accident repair centres. With 730 staff, it is among the 20 largest employers in the region, so the Vosper family understands that heritage needs careful management. As the motor retail industry faces rapid evolution in the next decade, motor retail will likely need new strategies and models, and the group has to be well positioned to thrive.

Nick Vosper has worked in the group since 1996, but took some time out to complete an MBA (Masters in business administration) at Exeter University before taking the managing director role in 2011. Guided by his example, Vospers has since encouraged – and fully funded – part-time MBA study for a number of its other senior team members, including contact and communications director Mark Haslam, financial director Paul Rogers and group accountant Mike Taylor. In addition to Nick's MBA, Peter Vosper recently received an

honorary doctor of business degree from Plymouth University in recognition of his business expertise.

Vospers believes it is invaluable to have the skills and abilities to step back from day-to-day pressures and to consider strategic elements.

"If they're doing their job day-to-day, they don't get challenged on the macroeconomic basis. They don't see the external factors that can influence the business, Brexit for example. If you don't get challenged in that way, you're not ready for change. I think the MBA training stretches you in a different way," said Nick.

"After they have been through the process, they are different people. It's fantastic to see. We want them to look beyond the motor trade, to learn about other industries, to learn a framework with regards to strategic management and financial management."

Peter Vosper added that dealer group management teams are under considerable pressure, because with the slim profit margins available, a business has to get it right. With talk of new mobility solutions and electric or hydrogen powertrains being part of automotive's future, he is conscious that its service business – traditionally a strong source of profits – may be radically different by 2030.

He and Nick have changed the group

considerably in the past 20 years, turning an operation which was wholly dependent on Ford for three decades into a multi-brand motor retailer, with Italian, French and Japanese mainstream brands in multiple locations. They are convinced that the future will demand a certain scale of motor retailer, able to derive efficiencies from larger sales and service operations and with the capacity to test new ideas on a small scale without upsetting the overall performance.

One such test involved Vospers' Marsh Mills Motor Park in Plymouth. It is a huge site and home to Ford, Nissan, Renault/Dacia, Peugeot, Mazda, Seat, Fiat, Jeep and Alfa Romeo new car sales and service franchises. Its workshop is shared by all the brands, with brand-specific technicians, and in 2011 Vospers brought all the brands' service reception desks into one large space, with a single customer lounge with Wi-Fi and refreshments.

While it appeared to be an efficient way of working, the group found that customers don't like it – some likened it to an airport lounge. There were also no front-end savings, as they still required receptionists for each brand. Gradually the positions have been reintroduced into the respective brands' showrooms.

"We have always been prepared to do things. We don't always get it right," said Peter Vosper. "Not every one of our customers thinks it doesn't work, but the majority prefer to go through the door of the brand that they purchased."

Nick Vosper added: "The brand experience is important to me in my own consumerism, so I do think that it is important to a lot of our customers."

That long-established Vospers brand carries a lot of weight too. It is a large business in the south-west, but it highlights to consumers that it is family-owned, and that members of the family are actively involved in its day-to-day running. Peter and Nick remain heavily involved in local

FACTFILE

TURNOVER £234m (2016)

PROFIT BEFORE TAX £2.7m (2016)

FRANCHISES Ford (8), Ford LCV (3), Fiat (4), Fiat LCV (3), Mazda (3), Nissan (2), Renault/Dacia (2), Jeep (2), Peugeot (2), Peugeot LCV (1), Alfa Romeo (2), Seat (1), Abarth (1)

NUMBER OF STAFF 730

NEW CAR SALES 6,686 (2016)

USED CAR SALES 5,532 (2016)

Causes and sponsorships as the faces of the business, and loyal customers will occasionally ring up requesting to speak with "Mr Vosper" directly and do get through to Nick or Peter.

Peter said: "We want people to look on us as being a good business that solves their motoring problems. You're representing your business. It's amazing to me that I'll be in Sainsbury's and someone will come up and have a conversation with me. I wouldn't be enjoying it if people were to come up and tell me what a useless business I had, but people are happy."

Nick added: "Our customers have been buying vehicles from us for over 70 years and I think that means something."

Both believe the leaders of the business should be open and approachable when it comes to staff relationships too. Since the group has grown in scale, it has become impossible for the directors to know every employee. However, they frequently visit each dealership to speak to employees, to find out about any issues on the ground, and to reward long service. Each December, the Vospers write more than 700 Christmas cards to employees. After the March campaign, Nick Vosper wrote 25 personal thank-you cards to managers.

Those little personal touches, acts of

recognition, demonstrate how Vospers wants staff to feel the benefits of a family business. Honesty and integrity are important to the family, and Nick and Peter are confident that employees know they can raise any issues or make any suggestions without fear.

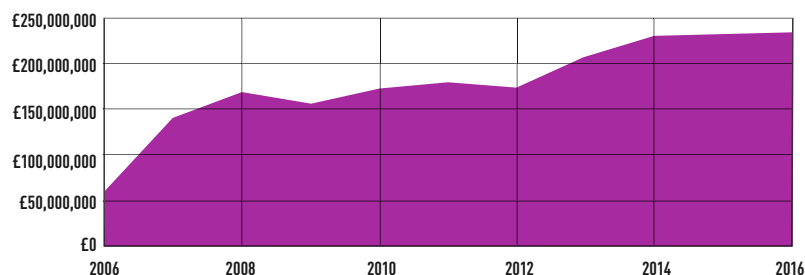
Exit interviews with leavers have highlighted two aspects of employment that trouble them – the desire for more flexible working in sales, to accommodate their home lives, and for a higher basic salary that will help them get on the housing ladder. The motor retail industry as a whole is facing these issues, but Vospers plans to examine them more closely in the future.

Nick Vosper said: "I see people at the school gates because I have a young daughter, and just chatting with the men there shows how the dynamic is changing. If we don't change, I don't think we will get a diverse culture within the business, and then the people that are buying from us won't have any empathy. We need some empathy in our line of business."

SELLING CARS, MANAGING PROPERTIES

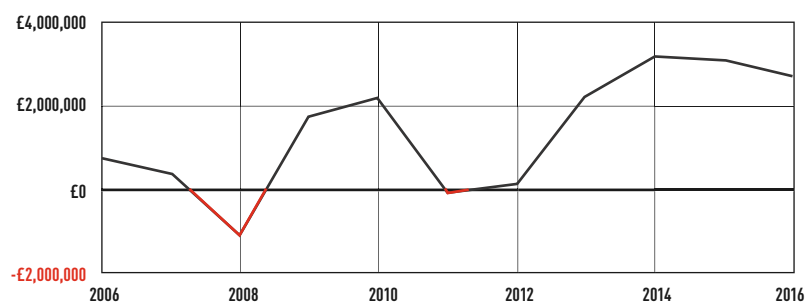
Nick Vosper said: "To be fair, we're changing all the time, and you've got to have the profitability in the model to be able to do that. As an industry, we have to aspire to more than 1.1% or 1.2% return on turnover.

❖ VOSPERS TURNOVER 2006-2016



The addition of scale representation for Fiat, Mazda, Nissan, Renault and Peugeot has enabled Vospers to grow revenues steadily.

❖ VOSPERS PROFIT BEFORE TAX 2006-2016



Having suffered losses in the 2008 recession and fragile recovery, Vospers suggests carmakers should allow them better profitability.

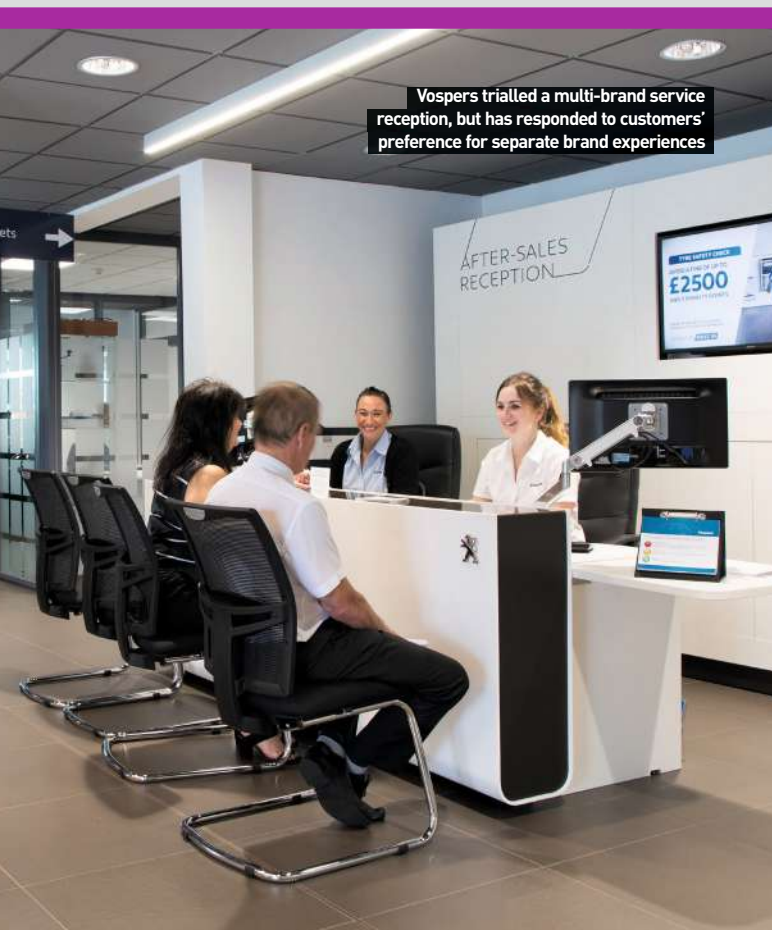


With the investment that is required today, it is not really a sustainable model."

Since 2010, Vospers has spent about £3m refurbishing the Marsh Mills site, and it is now investing more than £12m in a Ford-Store in Exeter on a 9.5-acre piece of land that provides space for expansion or other ventures.

Nick Vosper believes such developments are not to satisfy manufacturers' demand for 'palaces', as some suggest, but will really provide what customers want – updated facilities and as many cars on display as possible. He's supportive of such developments, but with the caveat that manufacturers must allow dealers to make more profit. He suggested that for family-run dealer groups, property is a crucial element of sustainability. It's a point his father elaborates – dealers with freehold property are able to adapt, to reformat, without concerns that there is a landlord who will have to raise the rent to recoup their own investment. In the past, dealers have benefited from selling old sites to supermarket chains as their showrooms relocate and expand.

To that end, Vospers owns a 16-acre piece of land in the northern part of Plymouth, for any future development needs. Asked about the possibility of buying and leasing property operated by other motor retailers, Peter Vosper makes his



Vospers trialled a multi-brand service reception, but has responded to customers' preference for separate brand experiences

lack of interest clear: "We haven't ever done that. I think we would then become more of a property company than a motor dealer."

The group's return on sales has hovered around 1.1% to 1.2% for the past two years. It aspires to 1.3% this year, and Peter Vosper has discussed with Ford the need for a "road to 2%".

Vospers will consolidate some of its other businesses in Cornwall, starting with the closure of Tiverton earlier this year. This will reduce the group's overheads, plus the management team expects sales and customer experience to improve. Its smallest sites have a three-car showroom and only one sales executive. If that executive goes on holiday, someone is moved across from another branch. Such practices don't feature in Vospers' vision for the future of larger 'hubs'.

"When we talk about technology and the way that the business is moving, we cannot deliver an experience in a really small showroom in a small market area," said Nick Vosper.

What does feature, however, is trials of new working methods. Several years ago, the group introduced two shifts at its bodyshops, each of four days on and four off, to increase capacity through using the facilities seven days per week. Now the group plans to trial it in a service workshop. Success is not guaranteed – Peter



WE HAVE ALWAYS BEEN PREPARED TO DO THINGS. WE DON'T ALWAYS GET IT RIGHT
PETER VOSPER



ADVERTISING FEATURE

Aston Barclay Buyer App goes live

By Stewart Ford, group IT director, Aston Barclay



Used vehicle buyers are being encouraged to download our Buyer App to enable them to connect with thousands of used vehicles across the Aston Barclay group via their smartphones.

Our app will enable buyers to locate stock immediately at Chelmsford, Westbury (Wiltshire), Prees Heath (Shropshire), Leeds, and our new Donington Park Mega Centre when it opens in September.

Aston Barclay offers regular stock from vendors such as Mercedes-Benz, Addison Lee, Alphabet, LeasePlan, Zenith and CarGiant.

Phase two of the app, due to launch later this summer, will immediately recognise a buyer when they arrive at one of our branches and flag similar stock coming up in that day's sale based on their previous vehicle-buying patterns.

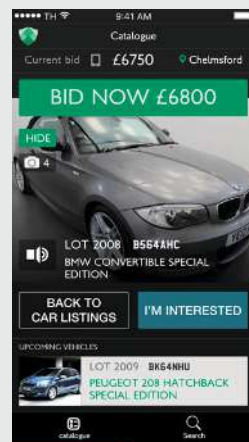
'Digital eagles' are being appointed in each branch to work with buyers to get the best out of the app.

We have reacted to buyers' feedback to help them connect more efficiently with stock across our network of sites.

Initial feedback from buyers has been very positive and our further developments will ensure that the gap between the physical hall and mobile space is well and truly bridged. We believe it is the first time a physical auction business has hooked up buyers and vendors digitally, while still supporting local customers who just want to turn up and buy cars.

In-branch digital pods are being installed, starting with Westbury, to enable buyers to search for stock and check on provisional bids in the halls, while 'Mega Screens' will show the sale's running order and publicise daily vendor offers and incentives.

Search Aston Barclay in the App Store and Google Play today.



◀ Vosper pointed out that a crucial element of its success at bodyshops is that the business controls the process and the customer generally doesn't expect an appointment and return of the car within the same day, as they do with servicing.

Extra capacity is also being released through mobile servicing, with three vans and technicians serving the region, and the Exeter FordStore will include four 'lean servicing' Express Service bays in addition to the standard work bays. Each express bay has two technicians who will aim to complete a service within 41 minutes. If the car also requires brake work, the whole process is completed in an hour.

It requires careful screening at the booking stage to identify the cars most suited to Express Service, because any that need investigation of other maintenance issues would delay the process. However, it could benefit the business as well as the customer, as it avoids the need for a courtesy car.

"We do feel that customers want to be able to enjoy the experience [of visiting Vospers] and that means being able to park easily, seeing a big display of demonstrators, servicing at their convenience and offering new facilities like Express Service," said Nick Vosper.

DIGITAL DEVELOPMENTS

Nick Vosper described the group as being "behind slightly" with its digital strategy, but said major changes are ahead.

Its used-car platform is mobile- and tablet- enabled, and the next stage will be to bring in a completely new platform for the group website, then developing an online car purchase facility.

It already has a parts and accessories e-commerce portal, powered by a



WE HAVE TO ASPIRE TO MORE THAN 1.1% OR 1.2% RETURN ON TURNOVER. WITH THE INVESTMENT REQUIRED TODAY, IT IS NOT REALLY A SUSTAINABLE MODEL

NICK VOSPER

system called Magento, which is forecast to achieve £1m of sales this year, with orders from as far away as Barbados. It offers insight to Vospers' physical showrooms too, as the company has identified that a proportion of Magento's users have bought cars from the group, but clearly were not sold the accessories they desired while still in the showroom.

Consequently, it has analysed the top-selling lines, and conducts specific parts marketing meetings to determine what offers to promote.

"All our showrooms have cars dressed in accessories. You also have to make sure the customer understands that you are competitive, because the perception is always that it will be cheaper at Halfords," said Peter Vosper.

Nick Vosper and parts director Bob Foster are trying to find a way to better fit accessories into the sales process. Vosper is keenly aware that the sales teams already have other products to sell, such as GAP, and that there is a danger of giving the customer "battle fatigue" by the end of the process.

One solution they are considering is an element added at the end of the sale, which gives the customer the opportunity to buy there and then, but also introduces them to the e-commerce portal for deferred purchases. Some

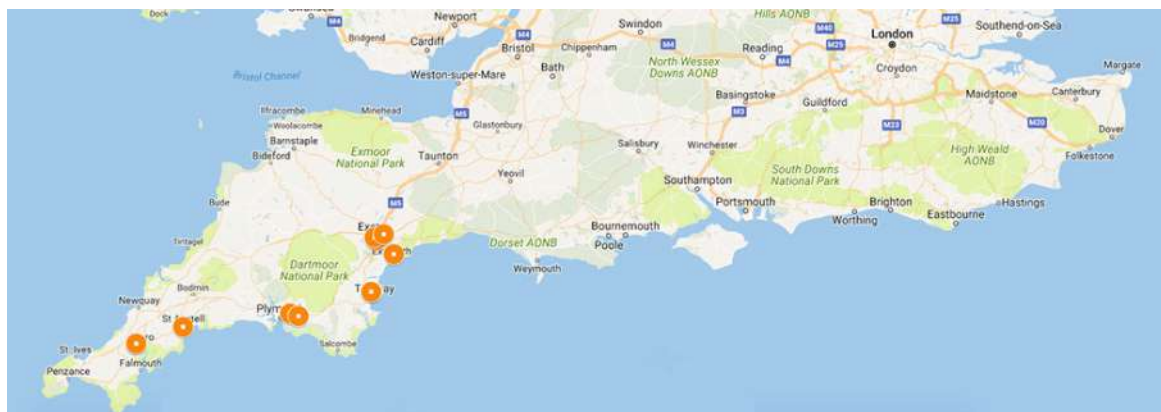
customers won't consider what else they need until after they have bought their car, and Nick Vosper doesn't want them going to Halfords.

The group has always taken trade parts seriously, and its sales of components to independent workshops in the region generates about £25m per year. It supports its field sales representatives and delivery vans – which call on clients two to five times daily – with three professional contact centres at Truro, Plymouth and Exeter, which help to generate sales and ensure customers are satisfied.

One of the issues that Vospers identified with digital retailing is that the dealer is forced to go outside the DMS to get some of what it needs. Integration by the DMS companies seems to move slowly, particularly with APIs (application programming interfaces) such as consumer finance solutions. Nick added: "Being able to sign on an iPad is really where it should be. The systems in this industry are a little bit archaic.

"In the future, we need to be in charge of our data, and we also need to be better at managing customers' data and using it more effectively in our customer journey rather than bombarding them with offers from all our different departments."

➤ VOSPERS LOCATIONS



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ADVERTISING FEATURE

Great service is not impossible

By Neil Addley, managing director,
NFDA Trusted Dealers



Customer service is tough, right? Recent research tells us that consumers expect to find higher quality and better-prepared cars on Trusted Dealers than other classifieds. They also expect a better experience.

Customer service is tough.

Wrong. It's a question of attitude.

I recently checked into two London hotels.

Neither was cheap!

At the first, I arrived and the gentleman behind the counter asked my name. He found it and enquired if I had stayed there before. This is a bit of a pet hate as they have my details on record.

That was it. While he carried on a snatched conversation with his colleague and tap-tapped away on the keyboard, there was zero engagement with me, the guest.

At the second, the woman behind the counter offered me a complimentary upgrade and asked how my day had been. As she enquired about where I was from and what business I had in town, I reciprocated. She was from Turin, she loved serving customers and her dream was one day to own a hotel of her own.

"Mr Addley," she said. "Even the word impossible is 'I'm possible!'"

Shortly after I'd dumped my luggage, she called to check that the room was up to my expectations. I came as a guest, but left as a friend.

One hundred per cent engagement, one customer at a time.

We all have good days and bad, but with the right attitude and a smile we can help everyone we come into contact with have a good day too.

Impossible service? I think not.

■ If you would like more information, please give me a call on 01423 206 272, or email neil@trusteddealers.co.uk.



GET READY FOR GDPR OR RISK A £17.5M FINE

New EU data protection law could cost dealers who are careless with customer information

Dealers may face millions of pounds in fines if they fail to prepare for stricter data protection laws when they come into force next year.

The EU General Data Protection Regulation (GDPR) will give the UK's regulator, the Information Commissioner's Office (ICO), the power to impose fines of up to €20 million (about £17.5m) or 4% of a company's global turnover. The current maximum fine is £500,000.

PKF Cooper Parry will sponsor an 'insight theatre' at AM's Automotive Management Live exhibition on November 9, 2017, at the NEC Birmingham, which will highlight key GDPR compliance issues.

PKF Cooper Parry's director of IT consultancy, Dan Moore, said: "The fact that a dealership may or may not do something that could lead to them or their global parent company facing a fine equivalent to 4% of global turnover has massive implications, which I don't think many companies fully appreciate. And it's not just dealerships and manufacturers who are not fully prepared."

Dealerships have to address four key points, according to Moore:

- Consent to use data must be given freely
- Data must be collected, stored and processed in the right way
- Companies will need to be clear about how data will be used ('marketing purposes' will not be good enough, says Moore)
- Businesses must make clear how data will be protected and continually assessed.

Moore added: "As we understand it, current data is fine to use as long as the same rigorous procedures and checks when managing new data are applied. The difficulty for new dealerships will be proving data was acquired prior to GDPR's introduction."

"There are some examples of companies thinking ahead, such as Wetherspoons [the pub chain], which recently deleted its entire database to start again, secure in the knowledge that its data from now on will be collated in line with GDPR."

"The larger fines are likely to be for data breaches or losses. If a company cannot show they have taken all reasonable measures to protect personal information, they could find themselves facing hefty fines. Recently, the ICO fined one company £60,000 for failing to take adequate steps to protect their data. Under GDPR, that could be up to £17.5m."

"Not all manufacturers have given full guidance to dealers yet. Many dealers have to meet certain data standards and must provide that information to the manufacturer with some incentives paid on delivery. It does not seem right to penalise a dealer financially for failing to provide information which they are legally bound not to disclose."

"In addition, dealers will need to make it clear to customers that they will be sharing their data with the manufacturer and they will have to explain how it will be utilised. The customer will have every right to opt out. Manufacturers will, therefore, need to be very clear with dealers about their intentions and requirements under GDPR."

"Consumers will also be able to request free access to information held on them. (It currently costs £10.) Mechanisms need to be established so those details can be easily identified. Consumers will also be able to request that their details be deleted, so transparent processes need to be securely in place to allow that."

"The vast scale of the implications of this legislation is not yet fully understood and more thought must be given to the way in which the many layers and multiple parties involved in purchasing a vehicle will manage that data under the new rules. We look forward to discussing these issues with delegates at AM Live in November."

DEBBIE KIRLEW



NOVEMBER 9, 2017, NEC BIRMINGHAM
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Access new part-ex vehicles in-group, with our reliable, straightforward system.



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Over 500 fresh cars every day, with an auction ending every 60 seconds.



Appraise-to-Trade App

Upload part-ex vehicles, images, and detailed appraisals in minutes.



Dealer-Auction.com



MINUTES WITH...



Martin Forbes, managing director at
Cox Automotive, Retail, Media & Data Solutions

What is your remit within the wider Cox Automotive organisation, which obviously includes established brands such as Manheim and NextGear Capital?

I look after what is, effectively, the retail division, solutions group and I also look after media, which is Motors.co.uk, then there's the data side.

Manheim and the 'power brands', which we call inventory solutions, are what make the lion's share of the business right now but there is a shift and it will continue to shift.

Our strategy in the UK and globally is that we're not looking to invest in more land for more auctions.

More than 40% of cars now bought wholesale are on a digital channel which we'd expect to top 50% in around 18 months' time. We need to embrace that.

People need to acknowledge that there is that shift. In the US you'll see that there is where they're spending money. Cox Automotive recently bought Dealertrak in a \$4 billion acquisition and that really demonstrates the focus on digital.

What is the biggest challenge presented by your role at Cox Automotive?

Definitely raising awareness of the services we offer across our various brands.

We've ramped up our advertising, so services like Modix, Xtime and Closelt and Incadea are 'out there' now.

In December CarShop had its first senior leadership conference. World Class, it was called. I had a speaking slot. Our chief executive James Dunkley was up there. He gave us a great billing and the opening slide said Martin Forbes, Cox Automotive. I said: "Who in this room is familiar with Cox Automotive?" Two of the 300 people put their hands up.

“YOU CAN PLUG IN ALL THESE DIFFERENT ASPECTS AND WHAT YOU DO IS CREATE THIS SEAMLESS RETAIL OPERATING SYSTEM

I then said: "Okay, who's heard of Manheim?" Every hand went up.

Cox Automotive in the UK has a touch-point with every single franchised dealer, OEM and independent.

Some will work with NextGear, Dealer Auction, some might do something with Closelt but nobody realises Cox is part of the business.

Modix deals with dealers' digital marketing needs. Has it been primed to accommodate an online retailing solution to allow retailers to compete with the OEMs?

Next year the platform will be more focused on digital retailing. That is increasingly becoming a focus of manufacturers, but what we want to do is offer dealers the platform that will allow them to do it themselves.

Even with PSA and Hyundai's systems, we actually power that underneath the surface. We manage the logistics, the valuation, the part-ex.

If OEMs were to talk together in a closed room I'm sure what they would say is 'actually, if we can do all this online ourselves then we will, we don't need the

dealer,' but at the moment they absolutely do need the dealers.

Right now I think OEMs would be foolish to cut the dealer out. Some are arrogant enough to say it, but it's absolute rubbish.

There are other key elements that have been added to the business this year in the form of the Incadea DMS system, which aims to take on CDK. How difficult will be to take on such a dominant rival?

It's a challenge we have with Motors as it takes on clear market leader Auto Trader.

CDK wouldn't allow us to integrate any of our products into their system and that's something we had to overcome, so we decided to introduce Incadea, which is already live in 95 territories and 3,500 rooftops. It's well proven.

What we want to be ultimately is not a DMS but a retail operating system.

Our goal is to have the DMS central part in Incadea, then our aftersales management system, Xtime, plugged in. We've got our specialist CRM and process management solution in Closelt, that's in there. You could plug-in Modix to offer leads along with what we're doing with Motors.

You can plug in all these different aspects and what you do is create this seamless retail operating system. That has to be the holy grail for the dealer and that has to be ours, too.

However, if you don't want that CRM system from us that's fine, you plug in the system you want, but let's create that end-to-end environment for the dealers because it's not there at the moment. It's too fragmented.

Was Incadea designed from scratch by Cox Automotive?

No, we don't actually own the platform.





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COX AUTOMOTIVE®



It's a Microsoft Dynamic platform. All we do is put a skin on it and make it relevant for the automotive industry.

The beauty of it is that it's a familiar system and on a daily basis Microsoft is keeping that platform updated.

Cox Automotive brings together lots of different businesses under one name. How is that breadth of knowledge and influence being exploited?

Back in December we established our new Cox Automotive Data Solutions division now based in Euston, London.

That business does two things which I don't think the dealers do very well. It's all about understanding data and big data and gleaning those insights.

We have data no one else has. BCA has wholesale data, we've got that wholesale data. Auto Trader has retail data, well we've got that retail data and because we have the used vehicle locators and Motors and we've got finance and aftersales data, so we have cradle to grave data.

Cox Automotive Data Solutions will help us make better decisions and enable us to provide products to also help our clients make better decisions.

It should really make the industry and ancillary industries – insurance, banking, etc. – see us as the go-to place for data.

As part of all this we have launched Stock Insight. Auto Trader has i-Control, we have Stock Insight for dealers to understand their stock, pricing, inventory, buying and how they measure up against local rivals.

Are you going to rival Cap and Glass's with this new data?

We have a partnership with Cap and we don't propose to create our own data valuation engines to suddenly compete with Cap.

It is a fundamental partner to all our products. We have said to Cap that we are partnering with them and we see that continuing having recently signed up another three-year contract.

THE AIM FROM AN SEO PERSPECTIVE IS TO BE RIGHT AT THE TOP OF THE RANKINGS

How is Motors.co.uk competing with Auto Trader and the fast-emerging rivals like the Car Gurus business?

Auto Trader has just over nine million unique users per month. Motors network is about five million, so we're about 55% from a reach perspective of Auto Trader. If you look at stock, Auto Trader has around 460,000 and Motors has 360,000.

Car Gurus is tracking behind us but you can't deny they've done a good job coming into the market.

They spend probably five or six times what we would per month to drive traffic, be it PPC or retargeting.

No business can sustain that kind of £200,000 to £300,000 a month outlay.

Where is the real appeal of Motors.co.uk over its rivals?

The aim from an SEO perspective is to be right at the top of the rankings, but also to be most prevalent among the results further down.

I was up with Darren Edwards at Sytner and I showed him an example of if I went in and typed in BMW 1-Series Tamworth they've got one link on that page, Auto Trader's got one link but we have eight.

What I mean by that is that Motors would be on that, you might have Parkers on there but the point being because you start with Motors you go from 10% to almost 90% SEO coverage, which is almost the holy grail.

Pricing is a really sensitive subject so what we have done is change our pricing platform. Auto Trader's fees are high and dealers have started to make some noise about it. We've now created a thing called Lead Actions which is everything

from a phone call, email to detailed page views. What we now focus on with our dealers is how many lead actions can we provide for the money you pay?

Will Motors.co.uk move into new car sales and offer finance?

At some point you'd be foolish not to try to explore and dip your toe into that market.

It is on the radar but we don't believe that we're at that point where we would take our eye off the used car market.

If we did do new we may look at doing it in partnership with somebody rather than think that we can crack every nut.

In terms of finance, NextGear doesn't have any plans as yet to do consumer credit. It's very much a stocking solution and there's no appetite for us to do that.

That goes against everything we try to do in being considered partners with the dealers.

On Motors we did a partnership with Zuto and got a bit of backlash from that.

What we'd rather do is push the dealer's finance and forgo that cheque.

What lessons do you still have to learn about the industry?

Alex Taylor is one of the most senior members of the Cox Automotive hierarchy (he's executive vice-president and chief operating officer of Cox Enterprises) and is part of the Cox family.

This is the richest family in Georgia, with all the trappings of that.

He wanted to find out about Uber. He could have got a top consultant and had a report drawn up. Instead, what he did was to sign up as an Uber driver and go out into Atlanta, picking people up. He wanted to understand the process for drivers, how Uber worked.

You can imagine people getting into his Tesla and he starts asking them about Uber, why they use it and what they thought of it.

You hear stories like that and it blows me away. I aspire to be that kind of leader.

TOM SHARPE

FACT
FILE

COMPANY:
COX AUTOMOTIVE UK

UK TURNOVER:
£320.7m (2015)

BRANDS: COX
AUTOMOTIVE MEDIA
SOLUTIONS,
INCADEA, MODIX,
MOTORS.CO.UK,
XTIME

HEADQUARTERS:
MANCHESTER,
EUSTON, LONDON

STAFF: 250

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Access a wide selection of more than 500 vehicles every day, all available to buy online instantly, at a fixed price.



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MAZDA

It's not all plain sailing, but Mazda UK's Jeremy Thomson is getting on the front foot to deal with political and economic uncertainty, reports **Tom Sharpe**

If "strong and stable leadership" is the hallmark of a successful operation, then Mazda UK managing director Jeremy Thomson is an example to the industry.

Having spent 14 years within Mazda UK, nine of those in his current role, the former Ford sales and marketing man has been at the helm of the brand's UK business since the depths of the 2008 recession. Its aftermath led the exchange rate to tumble from JPY240 to the pound to JPY120 and, by 2012, sales of 50,000 Mazdas fell to 25,000.

When *AM* caught up with him on the eve of the general election, Thomson was all too aware of the headwinds once again prevailing, but his relationship with his dealers and customers does not seem to feature among them.

Fresh from his receipt of an award for Outstanding Leadership at the 2017 Autocar Awards, and with the brand having secured the Manufacturer of the Year trophy at the AM Awards 2017, Thomson's commitment seems to be reaping rewards. Mazda UK was also the top volume brand in the JD Power Survey's Customer Service Index and a creditable sixth overall in the standings of NFDA's Winter Dealer Attitude Survey – its best result in 25 years.

Thomson is keen to see the long-rumoured prospect of a free trade deal between Japan and the UK realised as a result of Brexit negotiations. Currency fluctuations remain the main headache for a brand which imports its entire range – all but the Thailand-built CX-3 enter the UK from Japan.

But, despite a mixed start to the year, he appears to have placed the brand on a solid

“I NEED TO STAND BY THE THINGS I ASK THE BRAND TO DO OVER A NUMBER OF YEARS

JEREMY THOMSON, MAZDA UK



Jeremy Thomson believes his longevity at Mazda UK has helped the brand develop

footing with its recent move to a purpose-built headquarters in Dartford, which brought customer advice operations in-house, and the completion of a £12 million CI upgrade of the 132-strong dealer network, by April.

In it for the long term

Thomson said that the new CI had been designed to be "impactful" but also "cost efficient" and in the NFDA survey dealers gave Mazda a 7.5 score for the "cost required to meet franchised standards" – well above the average 5.5.

"Through the tough times we have deliberately held back from making CI changes and I think the last time it happened

would have been 15 years ago. Smaller brands can't make unreasonable demands," said Thomson.

Thomson suggested that his long-term relationship with the brand and the operators of its UK retailers – around a third of which are solus operators – also had something to do with the affordability of the make-over. He said: "I've been in this position since 2008, the last financial crisis, whereas some manufacturer MDs change every 18 months to two years, and there seems to be a new corporate identity with each one."

"I need to stand by the things I ask the brand to do over a number of years. That requires a very different discipline to the

KEY PRODUCTS



Mazda 2

Sales of 10,582 made the Mazda 2 the brand's second-biggest seller in 2016. Prices start at £12,595 for the 75PS SE spec version but new GT and flagship GT Sport models were added in April.



Mazda 3

The Mazda 3 accounted for 11,229 of Mazda's 46,609 sales in the UK last year. However, a facelift arrived in October in a bid to boost sales, which ended the year 10.94% down on 2015.

way you treat your network in terms of accountability."

Thomson and his management team travel around the UK every six months for "informal and open" meetings with dealers which seem to have paid dividends. The 67 dealers who responded to the NFDA survey scored the brand 8.3 when asked how their manufacturer takes dealers' views and opinions into account against an average 5.9.

Room for improvement

Paying such close attention to the dealer network's opinions and concerns may add pressure at a time when volumes are levelling off and margins slimming.

Mazda dealers are currently achieving an average 1.1% RoS, which is in line with the industry average but "not good enough", Thomson admits.

"We'd aspire to make that better and scale would certainly help," he said.

"We took targets down in May, recognising that it was a rather unexpected downturn in the run-up to the election.

"It's always been my opinion that an unrealistic target becomes a switch-off point. An achievable target will get your network really firing on all cylinders."

In April, Mazda's sales were down 26.97% year-on-year with 1,690 registrations, a situation which left the brand 13.69% down year-to-date by the end of May, delivering a decline in market share from 1.41% to 1.31% over the same period in 2016.

Thomson suggested that the decline was partly because Mazda UK was "running out of cars and completely out of daily rental" and had also reduced its presence in Motability.

Mazda UK's full-year expectation is to achieve 45,000 registrations this year, down from 46,609 last year and 2015's 45,504.

The brand is keen to encourage retailers to embrace the profit potential of aftersales and used cars, both areas it has struggled to support.

Mazda currently feeds 1,000 used cars into its dealer network each year via a closed online auction. Thomson said: "We need much more because that really is the dealerships' bread and butter."

One area where Thomson admits that mistakes were made in the past was in the provision of parts.

Following the 2008 recession, Mazda took the decision to dispense with its UK parts warehouse in a bid to cut costs, instead supplying everything directly from Belgium.



Dealers and customers were left waiting several days for parts in some cases, and issues with the Channel Tunnel – including a fire and the immigration crisis at Calais – galvanised Thomson's desire to return to the old system.

He said: "In April last year I made a huge investment and put a new warehouse back in the UK in a place called Crick, near Northampton.

"Now dealers get overnight deliveries again. We righted what was a wrong in hindsight, but 2008 was a period of really critical decisions that we had to make."

Driving customer care

The move to Dartford, with a new 25,000 sq-ft headquarters at Crossways Business Park, has helped to drive forward Mazda UK's bid to make customer service a key area of appeal.

Handling 10,000 incoming and outgoing calls each month, the new set-up has seen the 20-strong team improve the first-time call resolution rate from 35% to 68%.

Call handlers' affinity for the brand is key to the results, according to Thomson, with loyalty boosted by a company car scheme that sees all Mazda UK's 200 staff driving a vehicle of their choice.

Thomson also has a real affinity with his new team and sees some of Mazda's future managerial talent among the company's new recruits.

He said: "I started work in exactly the same role when I joined Ford in 1989. For me it's come full circle and I'm looking back to that first, nervous step that I made into the automotive industry as a psychology graduate out of university, not knowing anything about the brand."

Mazda's bid to be a champion of customer service is being pushed into dealerships via 'Experience and Retail', a "cultural change" programme reaching more than 800 people across 23 venues.

Supported by consultants in the dealership paid for by Mazda, the programme sees dealer sales and service teams receive training at the new HQ. A margin element focuses on customer experience using dealers' Net Promoter Score.

Thomson said: "That's the first time we have rewarded customer experience to this extent. It's three or four times what it was in previous years."

The changing face of sales

While there are no immediate plans to make the difficult decision of introducing direct online sales, Mazda UK has innovated in its approach to sales with delivery of Mazda MyWay.

Running since July 2015, the programme has 10 "brand champions", which respond to test-drive requests made online at mazdamyway.co.uk, delivering vehicles direct to customers from a



CX-5

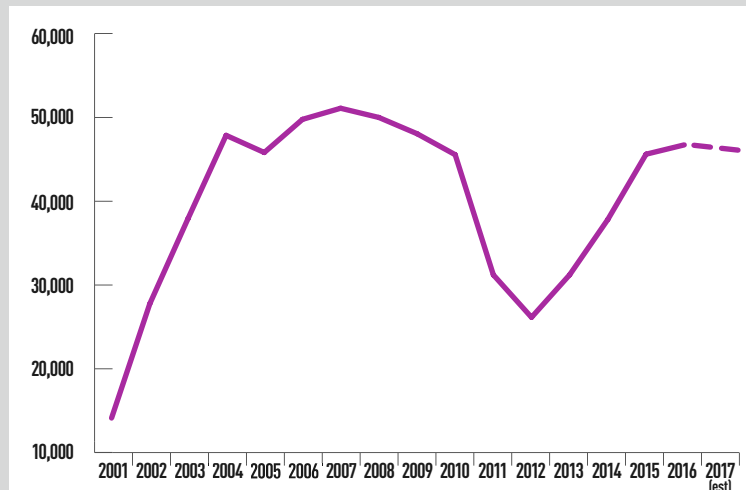
Recently renewed, this SUV is expected to yield 8,000 registrations annually. Prices start at £23,695 for the 165PS SE-L Nav petrol and top-out with the £33,195 175PS AWD Sport Nav.



MX-5

The MX-5 remains class leader in a segment of two, Mazda having teamed up with Fiat to produce the 124 Spider last year. The RF folding hard-top version is the newest addition to AM's long-termers.

MAZDA TOTAL REGISTRATIONS



Mazda UK made a strong recovery from the economic downturn in 2008 but is once again facing choppy waters where sales are concerned. Will Thomson's plan right the ship once more?

C demonstrator stock based in Purfleet, near the new Dartford HQ.

Currently operating in London, MyWay is supported by seven dealerships located around the M25, who receive leads when a customer decides that they want to buy.

Thomson revealed that there had been no staff turnover among the fully salaried staff since they were whittled down from 1,000 applicants 18 months ago, and the 230 sales to date had "made a dent" in the cost of the project. He hopes to see it rolled out to other parts of the UK.

He said: "The showroom will always be important but thinking that the showroom is always going to be the centre of gravity for the sales process is a mistake.

"Customers want to come to showrooms,

our research definitively shows that, but when you are a brand that 98% of people aren't currently choosing, you need to actively reach out to them and you need to do something exceptional. Just waiting for them to come to you is not enough. There's a place for direct online sales too, and one hopes that may well be something that Mazda has as well.

"Some customers are absolutely convinced of what they want, they're used to online purchasing, so why would we stand in the way of that?"

"But I think it misses so many opportunities to give customers a brand experience. We've given them a transactional experience, but not a brand one, so I'm not pushing that as a priority."

NEW PRODUCT AND THE SHAPE OF THINGS TO COME

Mazda has just launched a new CX-5 SUV and next year will bring the first of a seventh-generation of vehicles into showrooms.

The new product will feature SkyActiv2 technology, a development of the SkyActiv model which saw weight cut and normally-aspirated engines honed in the pursuit of greater efficiency – shunning the trend for down-sized, turbocharged engines and hybrid technology.

New chassis, engines and drive-trains are among the SkyActiv2 package and Mazda appears to have softened its stance on AFVs.

Jeremy Thomson said: "In 2019 we'll launch an EV globally and we're looking at the potential of a PHEV in 2021. In addition to that, while some commentators think that diesel is dead, we think it has a long way to go,

in particular the new Euro 6 diesel, and Mazda has been quite lucky or opportunistic, and clever, in that we've always believed in high capacity diesel engines.

"I think a lot of manufacturers have now said that it's the end of the down-sizing era in response to the changes in the NEDC testing regime with WLTP, which would not favour the down-sized engines."

Thomson admits new product "still excites us, it's what we live for." He added: "Many of our dealers will remember when we brought out RX-8 in 2005 and over two years we sold double the number of cars we expected. Most of the dealers were taking full up retail margin on them. That worked incredibly well then and I think cars like RF and future models will provide a lot of opportunity."

MANUFACTURER OF THE YEAR SPONSOR'S COMMENT



**By James Hind,
CEO and
founder
of carwow**

carwow was delighted to

present Peter Allibon, Mazda UK sales director, with the trophy for Manufacturer of the Year at the recent AM Awards. Mazda faced tough competition in the category from BMW, Hyundai, Tesla, Seat and Volvo, many of whom had newer product ranges to boast about.

Mazda's strategy to keep things simple with its dealers and focus on the very basics of providing a great customer experience is clearly paying off.

Mazda's engineering nous has helped it to build a range of versatile vehicles that blend surprisingly sporty handling with family-friendly practicality. Both its CX-3 and CX-5 SUVs have been praised for their poise and drivability – despite their off-road-inspired proportions – while its 2, 3 and 6 hatchbacks and saloons offer a more involving driving experience than many big-name rivals.

The most recent addition to Mazda's fleet is the MX-5 RF – a folding hardtop version of its iconic two-seater convertible that will always strive to put a smile on your face, even when British weather conspires to ruin your drive home.



**YOU NEED TO
REACH OUT AND
DO SOMETHING
EXCEPTIONAL.
JUST WAITING
FOR CUSTOMERS
TO COME TO YOU
IS NOT ENOUGH**
JEREMY THOMSON,
MAZDA

carwow

SPOTLIGHT:

REWARD & RECOGNITION



Measure it to manage it



HOW USEFUL IS CSI?

WHETHER YOU LIKE THEM OR LOATHE
THEM, CUSTOMER SATISFACTION
SURVEYS ARE CHANGING

PAGES 32-33

FINDING FEEDBACK

DEALERS NEED TO LOOK TO THE WIDER
WEB TO MONITOR AND ENGAGE WITH
THEIR CUSTOMERS' OPINIONS

PAGE 36

REWARDING STAFF

CHOOSING THE RIGHT WAY TO
RECOGNISE YOUR EMPLOYEES'
CONTRIBUTION IS VITAL

PAGE 37

On a scale of 1 to 10, how useful is CSI?

Whether a means of controlling dealers or a useful tool to highlight problems, CSI schemes are changing, say the experts

Customer satisfaction index (CSI) schemes are as entrenched in motor retail as volume targets and pre-registrations. And opinions on whether CSI has a positive or negative effect on dealerships can be just as divisive.

While it is safe to assume most businesses consider finding out what their customers think is useful, some industry experts argue that CSI scores are little more than a way for manufacturers to control dealer networks.

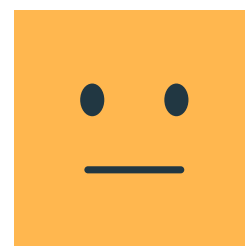
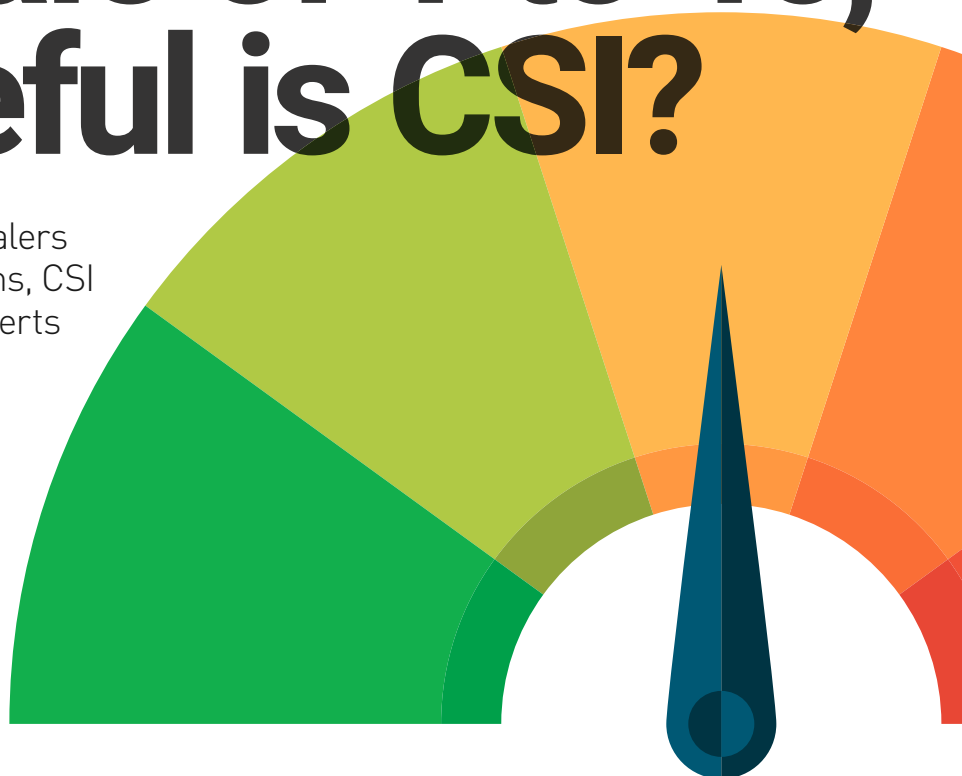
Professor Jim Saker, director of the Centre for Automotive Management at Loughborough University, said: "CSI programmes are a complete waste of time. The industry is wasting millions of pounds measuring dealers with something that doesn't work."

"Satisfaction is a very weak emotion and I'm not sure what the purpose is, other than to reward or punish dealerships."

Saker said he has seen manufacturer presentations that show a dealer whose CSI scores rose 8%, but their sales dropped by 5%. This compares with another dealer at the bottom of the CSI table, but with the highest customer retention out of the entire network.

Darren Williams, former owner of Grants Seat and now a consultant at Elements PRMC, said however cynical dealers may be about CSI, manufacturers believe it is the best way to get them to think about customer service.

However, he said when CSI is used as a way to penalise businesses financially, it can become a negative point of focus: "CSI has become one of the primary drivers of what you earn as a dealership. As soon as you



make it about money, you're driving behaviour with something that is not necessarily customer-focused. You are then looking to drive a result to deliver a specific number and there is a massive disconnect there."

This point alludes to dealers chasing scores of nine, or 10, out of 10 to make sure the dealership will not be financially penalised.

Williams said poor CSI results can lead to manufacturers removing one percentage point from vehicle margins for the quarter. In

an industry with an average return on sales of just 1.09%, this can mean a fine of about £30,000 for some dealerships.

Piers Trenear-Thomas, managing director of TT Automotive Consulting, said the financial value to dealers varies across franchises and even quarters, but it is substantial enough that "you cannot afford not to play the game".

He said: "Manufacturers have latched on to research since the 1980s by the father of CSI, Noriaki Kano, around the fact that customer satisfaction is related to fulfilment."

"The more you please customers, the happier they will be. This has spawned the concept of customer delight, leading to customer loyalty, which, in turn, leads to profits."

However, Trenear-Thomas said manufacturers fail to recognise one of Kano's main elements – satisfaction is just the status quo and dissatisfaction is far more powerful.

He said: "If you go to a hotel and the sheets on the bed are crisp and clean, you are



“CSI PROGRAMMES ARE A COMPLETE WASTE OF TIME. THE INDUSTRY IS WASTING MILLIONS OF POUNDS MEASURING DEALERS WITH SOMETHING THAT DOESN'T WORK

JIM SAKER, LOUGHBOROUGH UNIVERSITY

“DEALERS CAN BE NEGATIVE ABOUT CSI... BUT THEY NEED A CLEAR DIRECTION OF HOW TO FIX AREAS THAT MIGHT NOT BE WORKING

NIGEL COOK, DOUGLAS STAFFORD



wrong, but they need a clear direction of how to fix the areas that might not be working.”

Cook said CSI surveys are not useful if they are viewed in isolation as a box-ticking exercise for the manufacturer. He believes CSI has to be integrated into what the dealership is doing around customer service as a whole.

David Baddeley, Volvo Car UK's operations director, said: “I can see how if you had the choice you would rather no one had an overview of your business, but unfortunately that's not how the franchised system works.”

Baddeley argued that CSI gives customers a genuine opportunity to say what they think in confidence, as they are unlikely to do so when face to face with the dealer.

He said: “Personally, I would rather have a league table of measures to give me some detailed insight before it gets to that ultimate measure, which is ‘will my business survive?’”

Baddeley said Volvo is in a good place with its CSI structure, where “a modest amount” of money is involved at a level where it can spotlight certain areas of the business.

CHASING RATINGS

Saker said dealers spend management time away from the business contacting customers to get a specific rating. He has been asked to give 10 out of 10 following a sale.

He said: “I've also had a letter explaining that due to a computer error only the ‘completely satisfied’ option would register as a response.”

Williams said dealers often make knee-jerk reaction to increase CSI scores if they start to drop, sending out sweets and champagne, but described this as ‘old hat’ now: “Customers see through the little gifts and I don't think it works to help change the culture of the business that is causing the problem.”

Cook doesn't believe dealers mentioning scores is necessarily a negative thing.

He said: “A dealer wouldn't mention it if they thought they had delivered a poor service.”

“It would be a nonsense to ask a customer to rate them a nine or 10 if the dealer already knows the customer had a poor experience.”

Trenear-Thomas and Williams questioned how statistically robust CSI results are.

Trenear-Thomas said: “The sample sizes for feedback can be so small that a 98% is no different to a 58% rate because the pool of responses is so small.”

Williams gave an example of getting eight

responses back from 60 sales. He said: “Suddenly if just one person is a detractor, you're looking at a financial penalty. That's why this is such a contentious issue.”

Cook said CSI scores have to be statistically robust before any feedback is given to dealers.

He said: “If you're looking at 60 sales and only eight respond, then clearly that sample size is not big enough. You need to be looking at hundreds of responses, not tens.”

Cook said the industry is moving away from digital surveys, as phone conversations are better at getting specifics from customers to pass to dealerships. Trenear-Thomas and Saker agreed that comments from customers are a useful element of CSI.

Cook said: “It's a lot easier to dismiss email surveys and people find it much quicker and easier to have a conversation on the phone. As a result, we have doubled our contact team in the last couple of years.”

Williams said good dealers take action and reflect on results, but the time between surveys going out and feedback returning to the dealership can often make it difficult to implement change quickly: “If customers from March were complaining about a specific thing within the valeting team, you're already back-peddalling to sort an issue that may have continued into the next quarter while you were waiting for the feedback.”

Baddeley said manufacturers have to be there in a support role, rather than just measuring and stepping back.

He said: “Dealers are incredibly busy and they are spinning a lot of plates. The help has to be there for businesses.”

THE WAY FORWARD

Saker said CSI programmes will have to change as new compensation models arrive.

He said: “BMW has already set a 30% target for online sales. As the relationship between manufacturers and dealers moves towards agency fees for test drives and handovers [from] volume sales incentives, that could change how manufacturers measure dealers.”

“Although when the industry moves across to an agency-style structure, this will also raise questions around who actually owns that customer relationship.”

Williams suggests one way forward would be to remove financial penalties for bad scores and replace them with a performance review, where a collaborative monthly action plan could be put in place to improve.

He said: “I don't think manufacturers have sufficient faith in their networks to do that. There's too much fear that if they take away the penalty, dealers won't have a vested interest in improving customer service.”

“But if a dealer isn't already invested in improving customer service, they will lose all their customers anyway, so it becomes a self-fulfilling prophecy.” **TOM SEYMOUR**

not delighted. All they have done is met your expectation.

“This means you need to do something thoughtful, personal and customised for each customer, to make them feel valued. Dealers have been forced into sending flowers or champagne to try to delight customers.

“The problem is, whatever you did the last time will just become expected, so it no longer delights the customer.”

Nigel Cook, the chief executive of customer experience consultancy Douglas Stafford, believes there is a link between customer satisfaction and loyalty.

His company works with dealerships and carmakers to measure CSI, as well as carry out mystery shops and “lost sale” interviews.

Cook said: “Dealers can be negative about CSI and I understand that. I think having the data from CSI surveys is one thing, but there has to be a clear objective.

“They can see where they might be going



Keep on top of your customers' opinions

Dealers need to monitor, manage and engage with feedback, wherever it comes from

In a world where consumers sprinkle their opinions like confetti, leaving reviews and comments on multiple sites, it is practically impossible to keep track of comments manually.

The only effective way to track a business's online reputation is using software, including free tools such as Google Analytics. However, dealers should also recognise that communication, feedback and responses are continual and do not take place solely on websites and social media platforms.

Research from review site TrustPilot and the Centre for Economics and Business (Cebr) has predicted that about a fifth of all car sales will be online by 2027. This will make online reviews and comments even more important to buyers – keeping track of them and responding to them will be fundamental for sales and profits.

However, dealers cannot simply focus on review sites. In the same way Amazon invites customers to comment on the product and service they received, motor retail suppliers, aggregators and classified websites are incorporating reviews, creating a more complex commentary landscape.

Langley Steinert was one of the founders of TripAdvisor and has applied much of the same philosophy to his car sales website, CarGurus. Customer searches are not

based on price alone – each is rated a 'great', 'good' or 'fair' deal and overpriced vehicles are flagged – but dealer reviews also affect the car's rating.

Steinert said: "We've found most consumers just want to know they are getting a fair deal from a dealer they can trust. It's why we factor dealer reputation scores in addition to price analytics in our deal ratings algorithm – to provide a level of unbiased transparency on both price and reputation. Our data shows that when a consumer has this transparency, it's a win-win for shoppers and dealers. Consumers are more informed and ready to buy, and dealers sell more cars."

At Carwow, good customer reviews boost a dealer's ratings, said Karen Hilton, head of sales operations.

"The big challenge facing dealers is the myriad sources from which they can receive feedback. Where it's slightly different for those in the Carwow network is the fact that customer reviews directly affect a dealer's visibility on the platform," she said.

"This isn't a vanity metric. The more positive customers are about their experience of buying from you, the more offers Carwow sends out for you – therefore the more cars you're likely to sell."

At Marketing Delivery, managing director Jeremy Evans said dealers need to capture and assess customer feedback throughout the buying lifecycle, not just from buyers: "If you're only listening to the minority who have actually purchased a car, you are inevitably not learning the lessons about why people might choose to go elsewhere."

"It's increasingly challenging for dealers to keep track of every online channel that a customer or prospect might express an opinion on, but it's eminently possible to

improve service levels via the feedback given in real time from a well managed CRM process."

Video communications company CitNOW enables customers to rate and comment on the video messages they receive. Managers can gauge where the technology is being used most effectively and where additional training is needed.

Founder Andrew Howells said: "It's important that the feedback process isn't onerous for the consumer, and doesn't produce too much data for the time-strapped manager to sift through."

For Simon Wadsworth, founder and managing partner of online reputation management firm Igniye, using a sophisticated tracking system to monitor responses is key. However, he said the traditional dealer and manufacturer survey still have their place. He highlighted three areas of focus:

1 Use an online monitoring service so all mentions of your dealerships can be tracked and responded to. Potential customers discovering negative comments are likely to be put off.

2 Social media accounts need dedicated time and resources, to update pages and to respond to customer queries. Don't take on more than you can handle and ensure you join only those channels that are used by your customers.

3 There is often more data, charts and information than the average person knows what to do with. Tracking/ monitoring systems, whether rudimentary systems, such as Google Alerts, or something more complicated, work by looking for a keyword. These tools will then alert you to when and where your keyword has been mentioned so you can evaluate each mention in real time on a case-by-case basis. **DEBBIE KIRLEW**

“THE CHALLENGE FACING DEALERS IS THE MYRIAD SOURCES FROM WHICH THEY CAN RECEIVE FEEDBACK

KAREN HILTON, CARWOW

How to show staff you value them

Bonuses, holidays, or a handwritten note of thanks? Finding the right way to recognise employees' contribution is vital

High Street retail models are often cited by motor retailers, but it seems John Lewis's profit-sharing staff reward system is not something deemed appropriate by many in the sector.

As attempts are increasingly made to shift the balance of reward from commission-based bonuses towards the reward of good customer service, the acknowledgement of staff achievement and, in certain cases, a level of empowerment seems to be key.

"Any 'reward' scheme has to be very carefully managed, because as soon as you introduce a financial incentive, behaviour changes and it tends to be to the wrong behaviour," said John Kiff, a coach at the Lean Auto Retail consultancy and senior adviser at ICDP.

"There's always a debate about sales staff – whether they should receive a large salary and a small commission, or vice versa – but might they want to sell new vehicles, rather than pre-owned, if they'll get a bigger bonus?"

Kiff prefers rewards that accrue to departments or teams, particularly given the long-term issues related to time-saved bonuses, where a technician is rewarded if they 'beat' the time for a job.

He said: "The likely result is that some people regularly pick up larger bonuses, when others in the same team do not. That can only be divisive.

"If you want to recognise and reward people, and make them feel good about what they do, then immediate congratulations, allied to team bonuses, is a much better and fairer model."

At Vertu Motors, an array of recognition and reward schemes has been embedded into the group's culture by chief executive Robert Forrester.

He blogs to all 5,500 staff every 48 hours, sends an email and updated 'league tables' to every sales team on Saturday nights, and hand-writes letters to those deserving particular praise on Monday mornings.

Forrester also takes personal charge of a sophisticated structure of conferences, social events and dealership visits during the



“[SINCE] WE INTRODUCED A FORMAL ‘RECOGNITION AND REWARD’ SYSTEM, IT’S CLEAR THAT PRODUCTIVITY HAS IMPROVED

EDDIE HAWTHORNE, ARNOLD CLARK



“FOR CONTINUOUS SERVICE, WE HIGHLIGHT THEIR ACHIEVEMENT. IF IT’S A BIG ANNIVERSARY, WE TAKE THEM AWAY WITH THEIR PARTNERS

ROBERT FORRESTER, VERTU MOTORS



“TO RECOGNISE AND REWARD PEOPLE... CONGRATULATIONS, ALLIED TO TEAM BONUSES, IS A BETTER AND FAIRER MODEL

JOHN KIFF, LEAN AUTO RETAIL

year, culminating in its CEO Awards every November.

With about 200 general managers in the group, competition is fierce and the reward – a holiday in the Maldives – is much-prized, but Vertu takes care to highlight and reward achievements throughout its organisation.

Apprentice technicians, valeters and telephone receptionists are among the recipients of 30 awards and there's no restriction on the same award going to the same dealership in successive years.

"The team at Sunderland has won the Motability award six years in a row, and the Chingford team has picked up several awards too," said Forrester.

"When someone hits an anniversary for continuous service, we highlight their achievement and if it's a big anniversary, we'll take them away with their partner and it gives me an opportunity to meet them."

Forrester also spends significant amounts of time visiting Vertu sites. In early July, he made a week-long tour of 25 dealerships.

Eddie Hawthorne, chief executive and managing director of Arnold Clark, also regularly engages in "management by walkabout" in an attempt to empower employees.

Three years ago, Arnold Clark established



its Think Customer initiative, which introduces a Think Customer champion, voted for by their colleagues, in each branch.

Think Customer meetings involving sales, admin, servicing, parts, accounts and valeting, but no site management, have resulted in thousands of ideas to improve customer satisfaction, many of which have been implemented.

Hawthorne said: "We also introduced a formal 'recognition and reward' system, and it's clear that productivity has improved and that our business practices and processes are working more efficiently."

Arnold Clark scrapped its traditional time-saved bonus structure, introducing a technician improved performance (TIP) pay rate related to skill level or acquired qualifications.

Hawthorne said the TIP structure had been "easy to implement and to monitor, which wasn't the case for the old bonus system".

He added: "We've always had long-service awards in place, and although we've all put our heart and soul into looking at how to further enhance our recognition and reward programme, we think the current systems work well – for the benefit of the business, of the staff and most importantly of all, of the customers." **IAN HALSTEAD**

Facing future challenges and opportunities together

The Insight Theatre will run throughout the day with expert speakers focusing on topics which are creating challenges for the industry. The Insight Theatre explores Data – the new General Data Protection Regulations (GDPR) which come into force next year; F&I – including exploring what's on the horizon and the regulator's forthcoming review; and Used Cars – how the market is likely to play as 2017 closes and what's in store for next year.

Insight Theatre speakers confirmed so far...



F&I seminar

Exploring the 2018 Financial Conduct Authority Review and what could be on the regulator's agenda



Andrew Smith, consumer credit director, Compliance Services, FCA compliance consultancy

Focusing on the 2018 Financial Conduct Authority (FCA) review into motor finance, the main issues on the regulator's agenda, the likely outcome and next steps based on similar reviews which have taken place in other sectors. Exploring the

measures which need to be put in place and how dealer groups can best prepare, Smith also asks whether the sector has made the culture shift needed to perform in a highly regulated environment. He also intends to bust myths following media reports of the so-called 'mis-selling' of PCP.

GDPR seminar

Sponsored by PKF Cooper Parry

How the digital landscape is changing – focus on cybercrime and GDPR

Exploring some of the practices to aid GDPR compliance



Dan Moore, director of IT consultancy, PKF Cooper Parry

Sponsors of the Data Insight Theatre, PKF Cooper Parry, will host a session that will look at how the digital landscape is changing, with a particular focus on cybercrime and GDPR. It will investigate how criminals are trying to damage your business and how you can protect your systems against cyberattack. PKF Cooper Parry will also examine how GDPR will change the way dealerships will have to collect, store and process data in the future.



Jenai Nissim, legal director, data protection and privacy, TLT

GDPR introduces new accountability and compliance requirements for all organisations that process personal data together with an increase in the level of fines for non-compliance of the regulations. Discover some of the practices which dealers need to have in place now; exploring ways dealers can ensure they are on the road to compliance. This session offers some practical guidance, raises questions about dealers' current approach to GDPR and identifies areas of focus.

Register for your free ticket at automotivemanagementlive.co.uk

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Used car seminar Sponsored by TRUSTPILOT

The importance of trust
in the used car market

TRUSTPILOT

Research from review site TRUSTPILOT and the Centre for Economics and Business (Cebr) predicts around a fifth of all cars will be sold online by 2027. Reviews are already an all-important stage in the buyer's journey and their relevance will increase as more of the buying process takes place online. This session explores consumer attitudes to reviews and trends while also providing guidance on ways to monitor, manage and respond to consumer comment.

Opportunities and challenges
in the used car market



*Philip Nothard,
retail and consumer
specialist, cap hpi*

With 2016 a record
year for used car
sales and 2017

expected to see further gains, this session explores some of the opportunities which have arisen and those which could come such as growing ULEV popularity and the move away from diesel. This session also discusses what's on the horizon and the increased use of sophisticated analysis influencing the understanding of the used car market and consumer buying behaviours plus the diversification of sales channels.

November 9, 2017 NEC, Birmingham



Exhibitors confirmed so far

Absolute Result
ASE
Autoweb Design
Auto Service Finance
Buyacar
Broadplace Advertising
Call it Automotive
Calltracks
CBW Design
CitNOW
Codeweavers
Contact At Once!
Copeland Select
Cox Automotive
Credit Card Keys
Dealer Auction
Diamondbrite
Dura
eDynamix
EMaC
Fuchs Lubricants
GardX International
Gemini Computer Systems
GMD People
Hitachi Capital Consumer Finance
Incadea
Inductus
Insurethat
Interactive Marketing
Isuzu
iVendi
Judge Service
Key Tracker
Mallard Vehicle Finance
Manheim
Marketing Delivery
MFG Group
Modix
Moneypenny
Motors.co.uk
MotorSpecs
Movex
NextGear Capital
NFDA
Paintseal Europe
PIXX Now
PKF Cooper Parry
Premia Solutions
Pro Driver
Reputation.com
Rhino Events
Ridecell
RMS Automotive
Sound Marketing
Steele-Dixon
Subaru
Supagard
Startline Motor Finance
Titan DMS
TRACS Solutions
TRUSTPILOT
Visitor Chat
Warranty Administration Services
xtime

Insight Theatre sponsors



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1

Presenting and fully explaining product choice online

The Financial Conduct Authority (FCA) stipulates that car dealer's financial promotions and adverts must be fair, clear and not misleading.

In this vein, Spencer Halil, director of Alphera Financial Services UK, said dealers need to present product choice simply and transparently. This can include, he said, FAQs, comparison tables, images and descriptive explanations, as well as videos, in the future possibly extending to live chat.

"The critical point is there should be no bias or agenda in the explanations – let the customer choose what is right for them, not what works best for the dealer or lender," he said.

Ivendi's chief executive James Tew said finance should be brought into the process as early as possible. "We offer a choice of products including PCH, PCP and HP that allow the customer to compare products against each other," he said.

Simon Cadbury, head of strategy and innovation at Intelligent Environments, said calculators, ratings and reviews were another useful tool in helping the customer to choose the right product. "It's about simplifying the buying process through using more conversational tools that let the customer complete the application more quickly because they are personalised and only ask the relevant questions," he said.

2

Selling the benefits of the online finance calculator

Online finance calculators can be a useful tool to help the customer to determine the likelihood of being approved for finance without completing the full application, said Tew.

"Ten times more people will check the likelihood of being approved than go down the full application route to see if they are going to be able to get the product they want, as well as a choice of other products they are eligible for," he said.

With this in mind, Shaun Harris, sales director at Codeweavers, said that dealers need to make their calculators as easy to use and informative as possible.

"Dealers need to make it easy to distinguish the features and benefits of the products that might be offered, whether it's hire purchase or PCP, as well as which one might be the most relevant to their situation," he said.

Raphael Finance's deputy head of lending Darren Greenyer said that, whichever method of payment they choose, the finance calculator should be as accurate as possible to give the customer an indication of the affordability of the vehicle.

Auto Trader's head of motor finance Paul Harrison added that given most buyers start their research with a monthly payment in mind, a finance calculator can help them understand how to achieve this over a set term, with a certain deposit.

"Empowering customers with accurate information is a very effective way in which to build all-important trust," he said.

SEVEN ONLINE F

The internet is now one of the dealer's most powerful tools. But it should also be used to show consumers how effective – and FCA-compliant – dealers' specialist motor finance can be. [Alex Wright](#) reports



TIPS TO BOOST FINANCE

3

Informing prospective customers which finance providers they use – and their commercial relationship

Under FCA rules, a credit broker must disclose any commission, fee or other remuneration they earn where knowledge of the commission or the amount received could affect their impartiality, or materially impact on a customer's decision.

They must also disclose the amount of any commission or fee if requested by the customer, states the regulator.

Halil said that dealers must also inform the customer which finance providers they use and that they only use a selection of providers.

"This should also be extended to the showroom and be part of the document handling process, whether online or face-to-face," he said.

Louise Wallis, head of business management at the National Franchised Dealers Association, said that dealers should provide downloadable documents with key facts that include all of the details of the finance providers with which they work, and their relationship with them.

"They need to convey this clearly in a particular section on their website, near where people are looking at those products to buy," she said. "A bigger problem actually is getting people to read that information."

At the same time, dealers should focus on selling their expertise to the customer, said Steve Nash, CEO of the Institute of the Motor Industry.

"Consumers need to know that they are dealing with professionally qualified people who understand the different products on offer," he said. "At the IMI, we provide the higher level F&I Accreditation that equips dealers with the knowledge to help the customer make an informed decision about the product they choose."



COMMERCIAL PARTNER COMMENT

By James Tew, CEO, iVendi



There is some debate in the industry about whether many genuinely online used car sales are taking place, but some new research we have just completed helps to throw some much-needed light on the subject.

From a sample of 12,500 motor finance transactions that took place through our iVendi Platform, we have identified that more than one in three (35%) were sold without the need for any dealer contact – requiring no part exchange, being sold at the vehicle's windscreen price and using the dealer's online finance.

In fact, around one in 20 (5.6%) purchases in the sample were fundamentally completed entirely online, in the sense that there was no e-mail, phone or physical contact with the dealer until the final step, when the car was collected or delivered.

These customers followed a structured, online buying process – they found their own vehicle, they did not haggle and they didn't have a part exchange. They were perhaps the easiest-to-handle customers that their supplying dealers ever had.

There are some people in the industry who believe that there are few online used car sales occurring, or even none at all. This analysis suggests that viewpoint simply isn't true and that, where customers are given the technology, a significant proportion will complete as much of the sale online as possible.

The iVendi Platform provides a complete online motor finance solution for dealers, motor finance providers, car portals and manufacturers. To find out more visit ivendi.com, e-mail enquiries@ivendi.com or call 0345 226 0503.



iVendi is a commercial partner of our Dealer Masterclass programme, and will be sharing more inspiration at Automotive Management Live on November 16.

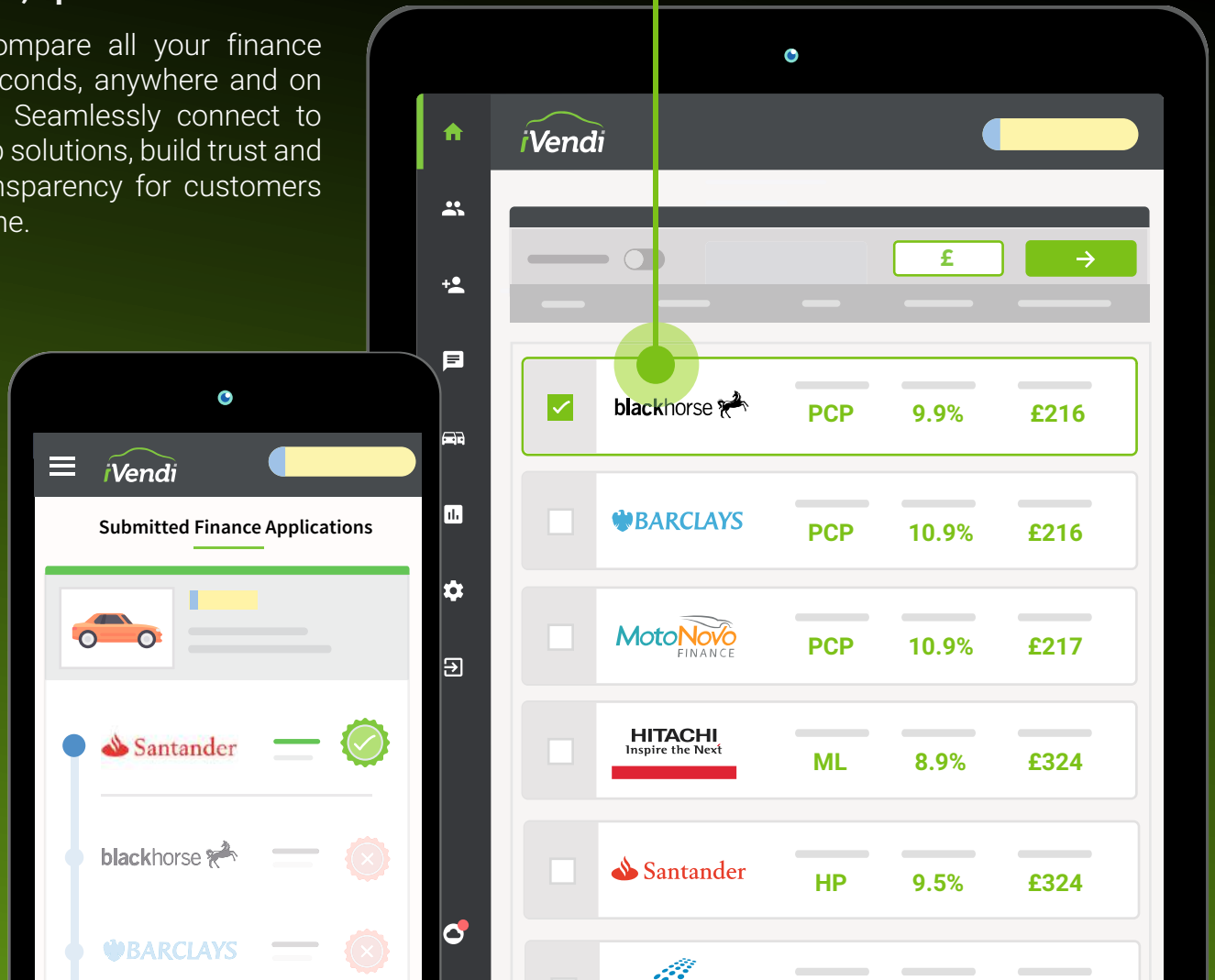
Next issue's dealer masterclass: websites and digital



MULTI-LENDER QUOTING & SUBMISSION

One unique solution to manage quoting, applications, updates and decisions.

Quote & compare all your finance offers in seconds, anywhere and on any device. Seamlessly connect to iVendi's web solutions, build trust and provide transparency for customers on and offline.



To see the product in action, contact us on

0345 226 0503

tellmemore@ivendi.com

ivendi.com



4

Using social media to promote finance deals and representative examples

When using social media, the FCA recommends signposting a product or service with a link to more comprehensive information, or to use images for a more general promotion.

Tew said that the best way to promote finance deals through social media is by using an image with a link to the dealer's website that is first vetted by the compliance department to make sure it meets FCA rules.

"Using an image is a safe way to promote your finance deal on social media and then tweak it accordingly, depending on which platform you are using, provided it has been thoroughly vetted by compliance beforehand," he said.

Harrison said that social media should be used to start the conversation rather than promoting the full finance proposition because of the difficulty in conveying a monthly payment where a rate of interest is attached.

Halil also believes that social media is a tool that should be used carefully.

"Social media is a very different medium to traditional marketing and it needs to be engaged with in a different way – smaller 'snackable' chunks of information, more personal insights into our business and people, references to items and stories that interest us and reflect Alpha's personality," he said. "Once we have created an interesting pattern of content that is worthy of a follow or like, then we can try to point our followers in the direction of more traditional media with those offers and examples."



SOCIAL MEDIA IS A DIFFERENT MEDIUM TO TRADITIONAL MEDIA AND IT NEEDS TO BE ENGAGED WITH IN A DIFFERENT WAY

SPENCER HALIL, ALPHERA

6

Helping the customer to buy online and protect them against the risk of fraud

The electronic signature should be used as one component of a wider buying process that is easy for the consumer to complete and meets the lender's compliance and legal requirements, said DealFlo's MD Abe Smith.

"A simple electronic signature alone adds risk to lenders' businesses – such as risk of fraud and risk of non-compliance which can leave lenders with agreements that are not enforceable," he said. "To mitigate against these risks, lenders must consider other steps in the agreement process such as ID-verification, evidence capture and secure vaulting."

Smith said that device ID and geolocation, as well as a full identity audit trail, can also be used to prove the customer exists and was in control of the device that the agreement was signed with.

"Lenders need to be able to prove that the customer is who they say they are through authentication tools such as document identification, biometrics, one-time passwords, knowledge-based authentication or a combination thereof, depending on underlying risks," he said.

Harrison said that because consumers have varying degrees of confidence when committing to buying a car online, they should be equipped with the tools to enable them to progress as far in the process as they feel comfortable.

Wallis added that, above all, dealers need to work with their finance providers to ensure a robust process is in place that prevents fraud and safeguards both the customer and themselves.

5

Better communicating the hurdles of consumer credit regulation

The FCA has published extensive guidelines on consumer credit requirements to which customers must adhere when buying a car.

In this respect, Halil said dealers need to communicate all the relevant aspects of the regulation simply, clearly and fully in order to inform the customer and help them to make a decision.

He added that descriptions of products should be unbiased and accompanied by alternatives, allowing the customer to evaluate their options and make an informed choice.

"Videos work well online and are better than pages of text," he said. "FAQs are good but live chat is an inevitable evolution of this and a better option if it can be resourced appropriately."

Harris said that dealers need to explain all of the finance terms in plain English on their website.

"They need to use plain language to explain what each plan means, such as what's a representative APR, what's an option to purchase fee, what's a guaranteed future value," he said. "Make it easy for them to break down the quote and understand it."

7

Keeping online finance data safe and valued

Tew said that dealers need to explain to the customer where their data is being stored and who is storing it, as well as the regulatory standards to which they must adhere.

Greenyer said that dealers should explain to the customer not only who their financing relationship is with, but also who they are sending their data to.

"Dealers are very good at this in terms of making sure that if a customer applies for finance, that application goes directly to the funder that is going to give them the best outcome, which is generally the best product at the best rate," he said.

Nash added that dealers must inform the customer where they can get the relevant information they need to keep their data safe, and to work closely with their finance partners and take guidance from them on data protection and security.



30-day contracts are the way forward for dealer technology

Codeweavers calls on other software vendors to follow its lead on short-term agreements

Removing the barrier of long-term 'lock-in' contracts has helped more dealers to switch onto game-changing finance technology. Shifting to a 30-day contract is, according to Codeweavers sales director Shaun Harris, "a statement of confidence that our products are highly effective – and, if we are not on the top of our game consistently, dealers can simply leave us. If we are honest, that is how it should be."

Long-term contracts provide vendors with an assured income stream, but they may hamper investment and development. On the other hand, a vendor on a 30-day contract has to be on their toes continuously. From a dealer customer perspective, the appeal of the latter is very evident. It is why Codeweavers is calling on other software vendors to follow its lead and give dealers the opportunity to leverage state-of-the-art technology, free of legacy long-term contracts.

Short-term contracts support long-term visions

Dealers need to be able to react, adjust and innovate continuously in what is a highly dynamic market. To reflect this, software providers need to provide technology that can deliver measurable results in a short length of time, rather than persuading dealer buyers that a lengthy contract is the route to providing the evidence that the return is worth the investment.

Codeweavers' thinking is very straightforward; short-term contracts should support long-term success.

Harris says: "In today's dynamic market, dealers need to have access to innovative technology that is relevant to current market needs and which evolves based on behavioural changes in car buying.

"Technology that is seen as fast, flexible and reactive should have the capacity to be superseded by a better option, as it becomes available. This is the way dealers operate and in a customer-centric market, this is what software vendors need to deliver."

Flexibility is key

The absence of a long-term contract and associated financial commitment is



10-Point software review

All too often, technology can be used passively and may seldom, if ever, be reviewed. Answer this 10-point review to provide a quick guide to ensuring your technology is fit for purpose:

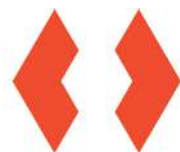
1. To what extent is the technology being used still relevant?
2. Is the technology being duplicated?
3. Is security still up to date?
4. What is the contract length/notice period?
5. What data protection provisions are in place in light of GDPR?
6. What, if any, shared data provisions are in place?
7. What, if any, clauses are in place that could generate unexpected fees or limit your usage rights?
8. What are the extent and limitation of support services?
9. How effectively is the vendor at developing its software and its support to your business?
10. Benchmark the software to ensure you have the optimal tools available.

clearly encouraging more dealers to try Codeweavers' technology and thereby start benefitting. The experience to date demonstrates that dealers have enjoyed the flexibility of a short-term contracts and the capacity to switch between Codeweavers' range of calculators and lead generation tools to determine what suits their website.

Dealers are in control.

"Dealers should question the value of long-term IT contracts, which can constrain their need for a nimble, entrepreneurial approach. With just a one-month exit clause, we have to be

adding value to our dealer community and adding customers at the same time. A 30-day contract is a built-in incentive that keeps us on our toes and keeps us closer to our dealers," concludes Harris.



CODEWEAVERS



EXCELLENCE IN CUSTOMER SERVICE

Ten pages of best-practice advice from AM's commercial partners on how to get the most from every interaction between your car buyers, your dealerships and your staff



FEATURING DEALER MASTERCLASS COMMERCIAL PARTNERS



How digital tools can boost your customer service

Make your customers feel more valued with these tips on websites and digital marketing

At Autoweb Design, we have put our heads together to discuss how dealerships can best use their website and digital marketing channels to assist their customer service efforts. Here are our thoughts on the best steps to take to ensure that customers trust your brand, and they feel happy and valued.

Website user experience

Firstly, your website needs to have a layout that is both visually attractive and user-friendly. The journey through your site must be seamless and easily navigable. To support great customer service, users must be able to easily find your contact details – no one wants to rummage around your site for your phone number. Your website must also be optimised for mobile devices. If the mobile user experience is negative, this could lead to a loss in sales.

By providing your clients with an FAQ avoids an unnecessary amount of time spent on answering any questions that repeat on a regular basis. In addition to an FAQ, it could be seen as beneficial to have a complaints policy that is easy for

customers to find if they need it. This will provide the help that customers need and may avoid them taking to social media with negative comments.

Social media

At Autoweb Design, we recommend that you should either have an agency or a designated employee to check social notifications and messages so that no one is left for a long time period.

Setting up Messenger 'bots' that can automatically reply to users when they message you outside of opening hours can be very beneficial. The messages can be personalised, including the customer's name and your alternative contact details. An automated reply lets customers know

that you are away, instead of potentially thinking that you are ignoring them.

Reviews

Review platforms enable potential customers to view others' experiences. Positive reviews help to encourage people to purchase a car with you as they are objective testaments to the business. We highly recommend that you acknowledge or answer ALL reviews.

Live chat

Users like live chat on a website as it's a quick and easy alternative to sending an email. It is especially useful for answering any questions from users. Once you engage in a live chat conversation, users tend not to leave the site until their questions have been answered, thus making it instantaneous for feedback. Users like it because they obtain responses within seconds and their problems or issues are solved within one conversation.

Text messaging

Conversing via texts has become more and more popular, as they are much more 'on-the-go' friendly; they are direct, private, concise and the user can save your number.

Email marketing

Emails that provide customers with useful information about their vehicle can add the personal touch to your service and make the customer feel valued and appreciated. Thus increasing the likelihood that they will purchase from your dealership again.

It's a good idea to segment your customers into multiple audiences in order to send personalised campaigns to them. Also, you need to be able to respond to enquiries quickly. If you tend to take a while to reply, you may be considered unreliable by prospects. Let them know you and your business are on top of things by responding immediately.

**“ NO ONE WANTS
TO RUMMAGE
AROUND YOUR
SITE IN SEARCH OF
YOUR PHONE NUMBER**



For more information on how you can use your website and digital marketing activities to provide great customer service, contact one of our experts today or subscribe to our webinars at AutowebDesign.co.uk



First impressions are still vital in your showrooms

Alphera shares its insight into achieving tip-top customer service success

ALPHERA Financial Services UK, embodies the belief that people can achieve anything they set out to, provided they are given the right environment and coaching along the way. With this in mind, Spencer Halil, Alphera's director, discusses ways in which car dealers can enhance their customer service offering:

"It is sometimes the things we take for granted with customer service that can make the real difference, and ultimately decide whether the customer completes the purchase, or goes elsewhere.

"That all-important first impression is as vital today as it was 20 years ago. Yes, consumers will have probably conducted substantial research into the various finance options before they enter a dealership, but they will still want further clarification and to fully understand the benefits of different finance solutions. This means it is vital salespeople are approachable and knowledgeable, with the patience and ability to clearly explain the various finance options in a clear and transparent way.

"Technology has also come on in leaps and bounds, and dealers should be taking full advantage of everything available to help walk customers through the finance process in the most convenient, accessible and easy to understand manner.

"Indeed, by allocating sufficient time to complete applications and explain all of



the jargon – without going overboard and taking up a whole afternoon – the consumer is likely to feel much more at ease in the showroom.

"Engaging people in the finance process and walking them through every stage of the application helps them to take ownership of the agreement and is likely

to lead to far fewer complaints in the long term. Technology is there to facilitate the process of finance, not to overshadow, or lockstep the finance process."

Alphera actively encourages its partners to engage in the process and refine their customer service best practice. This is no more evident than with the publication of the Financing the Car of the Future report, which brought together academics, industry bodies and Alphera's partners to share best practice and shine a light on the car finance sector as a whole.

Based in Farnborough, Hampshire, Alphera operates across the F&I sector with franchised dealers, independents and brokers for all marques (except BMW), providing wholesale and retail finance packages and insurance products for new and used vehicles.



**“IT IS VITAL
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AND TRANSPARENT WAY**

SPENCER HALIL, ALPHERA

To find out more, visit www.alphera.co.uk, e-mail info@alphera.co.uk, call 0370 505 0137, or find us on Twitter @AlpheraFS

With aftersales systems, less is definitely more

Moving to a single application improves customer (and staff) satisfaction as well as revenue

As a company, eDynamix is dynamic and nimble, forward-thinking and innovative. We have the expertise and systems that can help add value, not just in terms of revenue, but also in terms of experience and overall satisfaction from users and customers alike.

Experience

Blending industry knowledge, technology, and the business experience, eDynamix delivers services that consistently meet client expectations and deliver measurable results.

Going beyond our experience in aftersales retention products, eDynamix brings clients innovative solutions and delivery models. Our solutions and implementation methodologies are built on leading practices and our extensive capabilities in systems design, deployment and support.

Connected aftersales solutions

Often, users will have multiple applications open on their desktop, each required to help complete their day jobs. By using one supplier with one login, our solutions provide a more efficient and more cost-effective option for customers than using separate systems for each function. This helps to improve productivity and staff engagement, while boosting staff morale and profitability.

Support and training

Having one point of contact for all the core aftersales systems, from one supplier, simplifies the support process and helps reduce fault-to-fix times, because employees know exactly who to contact.

Training new and existing employees

proves more effective and at the same time, reduces staff turnover as users feel more confident in their day-to-day job role. This also results in an increase of customer satisfaction and, ultimately, retention.

Recognised market leader

Customers, manufacturers and partners recognise us as a market leader. We have a deep knowledge and experience of the automotive industry and have a proven track record of progress. We have delivered many successful implementations and have maintained close relationships with our clients, with many follow-on projects.

Organisational change excellence

The cornerstone of the eDynamix service offering is a robust and well established management strategy. It is essential that our business development managers and client services team

become extremely familiar with the system requirements and the business it will be deployed into, know each of the stakeholder and end user groups and their specific needs, and evaluate the readiness of each group to absorb the proposed installations.

With in-depth knowledge of these three areas, our team can develop an implementation and training plan tailored to each audience's needs and expectations.

Consultative approach

Our people thrive on getting to know a customer's business, sharing our experience and specialisation and thinking through issues and best approaches in a collaborative manner to deliver a solution that works. Our breadth and depth of skills allow us to bring thought leadership and delivery capabilities

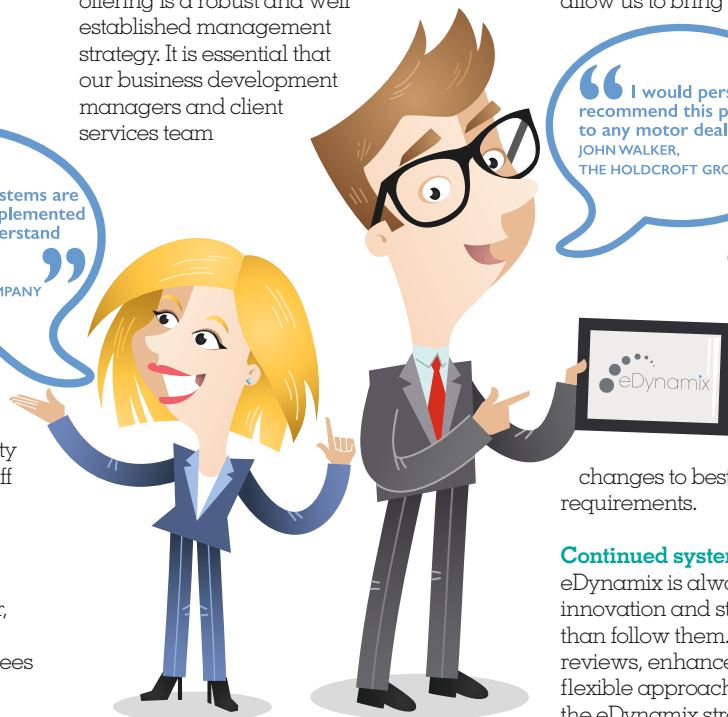
to customers covering a wide range of topics: from planning to solution delivery, performance measurement and revenue enhancement. Through regular reviews, consultations, analysis and sharing of best practices, customers can make informed decisions, modify system parameters and implement process changes to best suit their own business requirements.

Continued systems development

eDynamix is always evolving through innovation and strives to set standards rather than follow them. Ongoing, regular system reviews, enhancement requests, and a flexible approach to suggestions are key to the eDynamix strategy.

“eDynamix systems are perfect for us, complemented by people who understand our business.”
DEBBIE PALFREYMAN,
BURROWS MOTOR COMPANY

“I would personally recommend this platform to any motor dealer.”
JOHN WALKER,
THE HOLDCROFT GROUP



To find out more about eDynamix, contact us on 0845 413 0000, email enquiries@edynamix.com or visit edynamix.com



How messaging gives a 'friction-free' experience that consumers love

Turn car shoppers' frowns upside down, one seamless experience at a time

Selling cars is not always about your stock, prices or advertising effectiveness. Sometimes the difference between making the sale or not is that initial experience – what the shopper runs into as they interact with your dealership. A poor experience here may cause people to assume lack-lustre service throughout the process.

To keep shoppers engaged and encourage recommendations, study every consumer interaction point at your dealership. Where do shoppers run into friction? How could you smooth the purchase path?

Here is how messaging, from live chat to text/SMS, can help you to eliminate several potential frustrations.

Messaging for friction-free sales

Online research plays a large role in buying a car, and several manufacturers have already implemented digital car-buying platforms. Whether your brand offers this or not, adding convenience to your sales process with messaging is smart:

■ **Convenient way to engage** Instead of filling out forms (a pain on mobile devices) or finding time to call during the work day, shoppers can click to chat or text about their questions on models, availability and so on.

STUDY EVERY INTERACTION POINT. WHERE DO SHOPPERS RUN INTO FRICTION? HOW COULD YOU SMOOTH THE PURCHASE PATH?

It is discreet, saves time and is easily done on mobile or desktop.

■ **Personal approach** With messaging, you can customise each shopper's experience by chatting or texting pictures or videos of the exact car or feature they are most interested in.

■ **Keeps the buying process moving** Messaging ensures buyers have an easy way to get help if they are ever confused about a certain part of the process (otherwise, they may abandon it completely). Product experts can hop on a chat or text conversation and guide a potential buyer through the next steps.

■ **Seamless experience** Certain messaging platforms can provide this 'at-your-service' sales experience beyond your dealership website, from classified adverts to Google searches, Facebook and manufacturer sites. Shoppers can chat or text at every shopping moment.

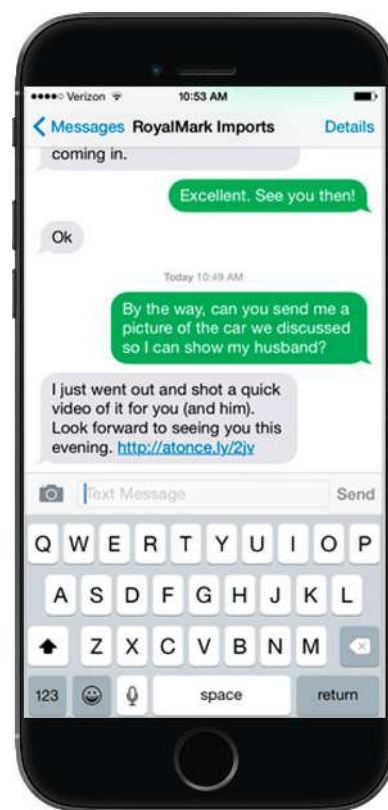
Messaging for friction-free service

Why stop at a better sales experience?

Messaging can also reduce the hassle owners experience when servicing cars:

■ **Scheduling convenience** Drivers often forget to make service appointments, so let them chat or text in the request the moment they remember – no need to be where they can talk or even at a computer.

■ **Quick and transparent service updates** Imagine changing oil and finding that something unexpected needs to be replaced. Instead of having to call or find the driver in the waiting room, you can simply record and text a video of the issue, explaining what's wrong and how much it will cost to fix. The customer feels in control because she can see the needed repair, making her more likely to approve it.



In other words, you can use mobile messaging to build a sales-to-service network of convenience (and satisfaction) for each buyer. They will always be able to send a message and get the help they need the way they want it, and you will have all that data in one place with all the tracking, compliance and support your business needs.

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

Building social advocacy through your digital marketing

Dealers should use their social media channels to broadcast customers' positive experiences

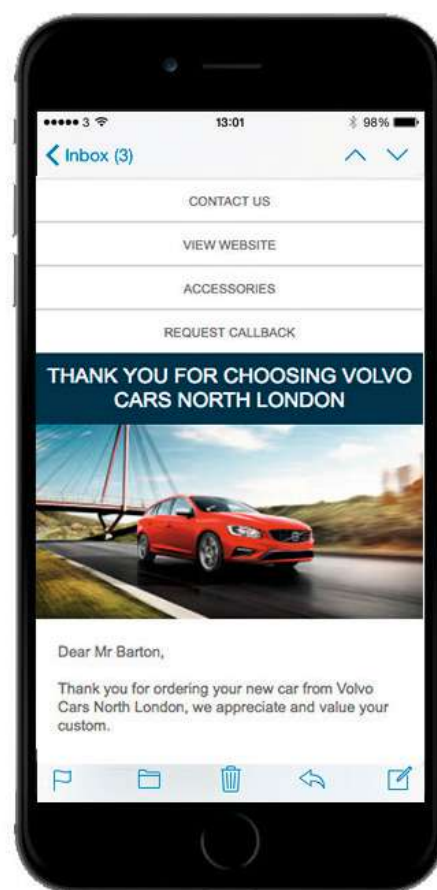
Have you ever lost business because of a negative review on Google? Or because of customers reporting bad experiences to friends and family on Facebook? If you are not proactively managing your online reputation, then a small number of disgruntled customers could be all it takes to have a significant impact.

After direct recommendations from friends and family, online reviews are consistently cited by customers as their most trusted source of information. Marketing Delivery works closely with its dealer group clients to ensure that positive feedback is captured, shared and promoted, to help shape their online reputation among prospects.

Even from the first enquiry, a tailored communication programme helps to give customers a great experience. From the tone of voice used in responses, to the timing of follow-up emails and the personalised marketing offers – all have an impact on how the customer perceives your business.

Sales staff who struggle to keep on top of enquiries can make customers feel neglected or unwanted, and that can easily manifest in negative online reviews. Comments such as "They weren't interested in finding a car for me", or "They didn't bother to contact me", are all too common. Our own research shows that while 64% of leads are typically marked as 'lost' by sales staff, about 40% of these prospects are still ready and able to buy a car. It's easy to see how these customers can be undervalued.

In this respect, our Car Alerts system can act as a 'silent salesperson' that follows up with leads, automatically promoting new stock to existing prospects. This tailored communication is a great way of managing



customer expectations, and, in turn, boosting their opinion of your organisation. The return on investment can also be significant: two of the top-performing franchised dealers sold a combined 86 approved used cars to apparently 'lost'

A HANDFUL OF CRITICAL REVIEWS COULD BE ENOUGH TO DAMAGE YOUR ONLINE REPUTATION

prospects over their first three months of using Marketing Delivery's system.

Customer testimonials should also be a core element of a dealer's Facebook page. We know from extensive testing with our clients that the Facebook audience is far more interested in 'local' content connected to the dealership, rather than generic marketing messages for particular car brands or models. Marketing Delivery can help dealers shape their reputation on these pages by automatically posting feedback extracted from its eCRM system. Dealers who survey customers solely to generate a Net Promoter Score are missing a valuable opportunity to share positive comments more widely.

Bolstering your business's reputation across independent review sites and search engines is also crucial. You could have hundreds of five-star reviews on your website, but if there are just a handful of critical reviews on Google or Facebook, that could be enough to seriously damage your online reputation.

Marketing Delivery is already working to strengthen its clients' ratings across third-party platforms. On Auto Trader, online reviews gathered from dealer customer surveys can now be automatically posted to their stock pages. This helps to ensure that the overall star rating reflects the views of all of its customers – not just an unhappy few.

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Marketing Delivery
DATA DRIVEN MARKETING

JudgeService – get a clear view of your business

To accurately improve your customers' dealership experience, measure it first!

Part of the problem with measuring your customer services process and customer satisfaction is that the areas that lead to dissatisfied customers are often subtle and difficult for staff to pinpoint.

For example, perhaps a customer was disappointed by what they received in part-exchange, or perhaps a particular turn of phrase used by the salesperson was taken the wrong way. One particular mistake dealership staff often make is failing to follow up on a lead, due to having assumed the process was concluded, when the customer may have been waiting for a call.

None of these problems are necessarily serious, but they have the potential to snowball and turn into ongoing problems for the business if not dealt with. The mistake above, for example, could be rectified by just getting back in touch with the customer.

We have found that genuine used car loyalty is, on average, only 14%. Yet some retailers can achieve double this. How? It is partly down to delivering first-class customer service, but it is also about just keeping in touch and, ideally independently, checking on how the customer is feeling about the experience.

You will inevitably get the occasional disgruntled customer who just cannot be pleased. That happens to every business at some point. Fortunately, JudgeService helps you to place such negative feedback in context, so you can see whether it is actually indicative of a larger trend.

Our tools help your dealerships to identify areas where your customer service can be improved, and where you are doing well. It's all too easy to spot people making mistakes, but it is more powerful – whether it is based on observation or using reporting tools from JudgeService – to catch people doing a great job and congratulate them for it. This can increase motivation among your staff and drive your business forward.

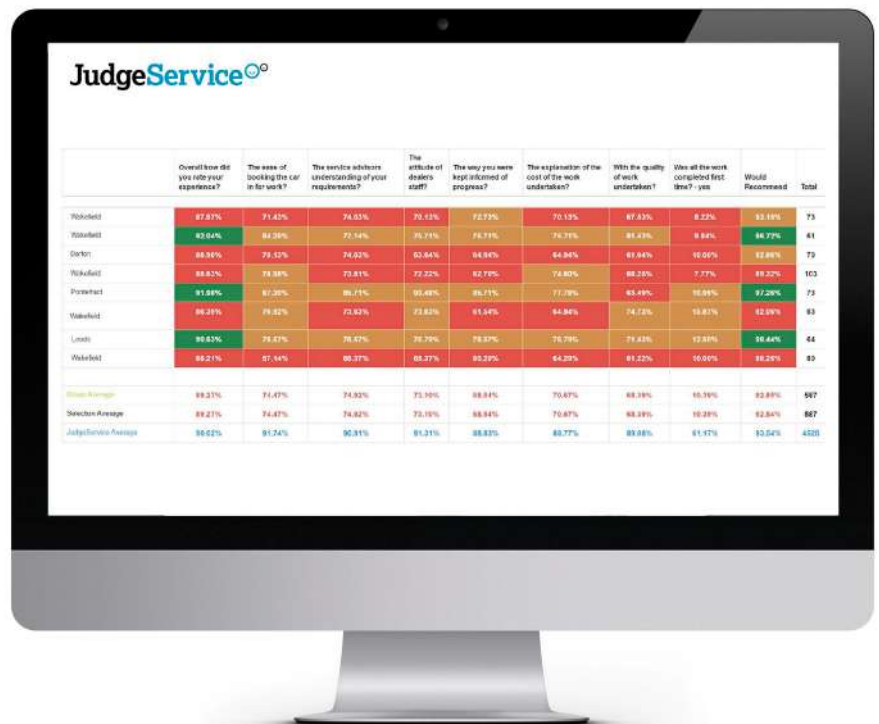
Independent reviews provide you with

unbiased feedback about your customers' experience. This provides the opportunity to act on the results, to resolve general issues in training programmes, pinpoint and rectify a specific problem on a particular site or recognise good performance. Also, showcasing *all* independent customer testimonials, satisfaction and recommendation scores online is known to boost website traffic, accessibility, engagement, visitors and sales. Showing any negative feedback and a positive outcome online demonstrates commitment to customer service for all to see.

JudgeService specialises in automotive

surveys that provide business intelligence critical to effective sales process and performance management. Our knowledge and solutions support more than 1,000 automotive companies in enhancing customer satisfaction, gaining competitive advantage, increasing sales and retaining existing customers.

We are all about providing the tools to measure your customers' dealership experience and improving your customer service. As a result, you will get a very clear view of your business, so problems can be dealt with rather than swept under the carpet or overlooked.



The depth of reporting options to help highlight areas for improvement is unparalleled in the industry

To find out more about how JudgeService can help you, and why we are able to boast more than 750,000 reviews, visit www.judgeservice.com or email sales-enquiry@judgeservice.com

JudgeService 

Customer service needs a multi-layered approach

CitNOW strives to ensure the end users of its videos are as satisfied as its dealer customers



The customer experience is now king whether your business is B2B or B2C, but, for automotive suppliers, the two are inextricably linked.

Understanding the changing behaviour of car buyers and owners is essential and demands a multi-layered approach. Not only do suppliers need to provide exemplary customer service to their clients, the dealers, but often the service itself is customer-facing so it needs to deliver twice.

Take video. Customers love it, but for dealers it needs to be simple and easy to produce, as well as providing accurate reporting. For the viewer, the clip needs to be engaging and informative.

Getting started

Delivering exceptional customer care in the sector is dependent on how well the company grasps the automotive retail landscape. CitNOW works with 94 of the top AM100 dealer groups, reflecting the sector's confidence in the company.

CitNOW's starting point in getting a new subscription up and running efficiently are the internal SLAs (service level agreements) to ensure the video solution is set up correctly for your dealership within the appropriate timeframe. Once set up, CitNOW sets itself apart with its Academy team, who deliver on-site training so that video positively impacts your dealership from day one.

Integration is also key, so working with third parties, such as eVHC suppliers or classified websites such as Motors.co.uk and Auto Trader, means dealers only have to upload a video and the rest is automated.

Ongoing and online support

Delivering a lifetime of support, the first port of call is CitNOW's intuitive and easy-to-use dashboard, where information is readily accessible. Dealers can also contact the UK-based frontline help desk for more specific technical enquiries; the team resolves 96.7% of queries within a two-hour timeframe.

The best way to further develop video skills is to share best practice through CitNOW's free regional masterclass events. Academy services are also available and can be tailored to meet the demands of the user community at all levels.

In addition, 'how-to' video information and eLearning modules are available 24/7 via the CitNOW online dashboard.

Delivering a first-class experience to the dealer's customer

Founder, Andrew Howells, said: "The customer service we deliver is as much about the end user as it is the dealers themselves. Ultimately, if the customer is impressed by the video they are viewing, they are more likely to purchase, agree to amber or red work or make an enquiry."

One of the ways CitNOW measures customer response is through its five-star rating system, whereby recipients can rate the video and add a short comment.

Known as 'rate this video' or RTV, the feature is part of the standard subscription and last year 15,278 sales and 23,912 workshop videos received the top, five stars.

To increase understanding of consumer opinion of video in a retail context, CitNOW is currently undertaking wide-reaching research that will be published soon.

Recognising the best

As well as its own seminars, CitNOW shares its knowledge and best-practice insights at AM events, such as the forthcoming Automotive Management Live expo, where it will reveal findings from its new consumer research in its seminar session.

The CitNOW Awards also recognises the best video-takers in automotive retail. With a record number of entries exceeding 800 this year and the quality the best ever, the winners of the eight categories were announced on July 12 at the home of film, BAFTA, London Piccadilly.

Call: 0118 997 7740
Email: reply@citnow.com
Web: www.citnow.co.uk



The fastest way to generate motor finance quotes

Quick Quote gives customers choice and allows dealers to sell flexibly and compliantly

Dealers are adopting a motor finance tool, believed to be the fastest and easiest to use available today, to drive up customer service standards.

iVendi's Quick Quote works on smartphones, tablets and PCs and requires just three pieces of information – registration, mileage and cash price – to generate a quote.

The company says it has quickly become an invaluable showroom tool since its launch last year, allowing dealership staff to quote on a car while the customer is looking at the vehicle or on a test drive.

James Tew, CEO at iVendi, said: "This is a fully featured finance-quoting tool that works with the dealer's full range of finance products from their panel of lenders, but is much, much simpler to use than anything else on the market.

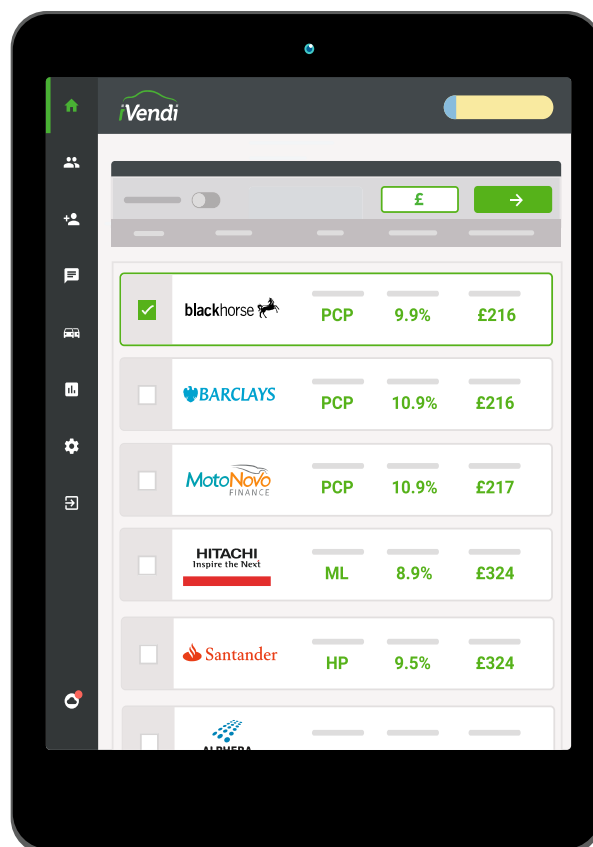
"Its portability – the fact that you can quote for the customer as they walk around the showroom looking at different vehicles – opens up a world of possibilities. You can underline the affordability of a car on the move.

"Dealer staff can even propose via their phone or save quotes and other information to the central iVendi Platform, removing the need for rekeying."

Quick Quote forms part of the new generation of the iVendi Platform, which uses an events-driven architecture to make the sales process transparent, allowing the dealer to provide choice to the consumer.

"The Platform creates an infrastructure within which dealers can completely change the way they sell finance to both online and in-showroom customers, helping to fundamentally change and improve the whole motor finance process.

"It is designed to provide the means to manage all of a dealer's motor finance activity and contains a number of genuine



innovations, including Quick Quote, an in-showroom micro-comparator and a finance pre-qualifier.

"Once a customer has been taken through quotes on an initial basis with Quick Quote, they can use the Platform to generate multi-source quotations, identifying the lender that meets their particular needs. Having made a decision, they can use the pre-qualifier to see the likelihood of being approved for their chosen lender and others."

Tew added that all of this can be done by the dealer alongside the customer or, more radically, by the customer themselves

**“YOU CAN
QUOTE FOR
THE
CUSTOMER
AS THEY
WALK
AROUND THE
SHOWROOM
LOOKING AT
DIFFERENT
VEHICLES**

JAMES TEW, IVENDI

on a 'self-serve' basis within the showroom.

"We believe that self-serve will become one of the key in-showroom motor finance trends of the next few years. Everyone intuitively understands how self-service works online outside the showroom, but it is the in-showroom aspect that is perhaps the most exciting. It really puts the customer in control of their own choices.

"In a post-FCA motor industry, there is a realisation that placing as much of the motor finance process as possible in the hands of the customer works well for all parties."

ABOUT iVENDI

With offices in Manchester and Colwyn Bay, 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 finance solution for dealers, motor finance providers, car portals and manufacturers.

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



Help your customers to help their customers

Make sure your products and services benefit your clients as well as their end-users

When it comes to customer service, today's customers expect more and more of it to be digital. Management consultancy McKinsey recently reported that even telecommunications companies – who (among other things) facilitate telephone calls – now receive about 70% of their retail sales either partly or completely online, as well as about 90% of their service bookings and requests.

Social media is becoming an increasingly popular and prominent platform for customers to share their experiences, good or bad, with their connected audiences. The ability to "tag" other people and/or companies in a post on Twitter, for example, gives us as a chance to intercept such messages and deal with issues of which we would otherwise be unaware.

We had such an incident recently where a customer tweeted their displeasure at the quality of workmanship by a dealer during the valeting/cleaning of their vehicle. Our social media team identified the person involved as a Supagard customer and immediately made contact with them.

We then engaged with the customer to understand their issue and, as a car enthusiast, they gratefully received our offer of some relevant customer products that they could use at home to rectify their issue. The culmination of our efforts was a very happy customer and a further tweet



WHAT DO OUR CUSTOMERS WANT FROM US, AND WHAT DO THEIR CUSTOMERS WANT FROM THEM?

from them stating, "what fantastic customer service, can't thank you enough for your help. You have been great. Thank you".

At Supagard, we will always try to assist our customers, whether their challenge is directly related to us or, as in the above case, just a Supagard customer whom we were able to assist.

Customer service also relates to our B2B customers, such as dealers and manufacturers. A key pillar for us is the ability to meet the needs of our B2B customers and to identify and customise the specific product or service required.

One of the ways we do this is by offering

a range of paint sealant options that allows you, our customer, to select the variant most suitable and appropriate – whether that's based on application time, application ease, longevity or the level of gloss finish. This enables our team to take a consultative approach with our customers and identify the best option to suit everyone.

"What do our customers want from us, and what do their customers want from them?" is something we ask internally more and more often in an effort to ensure we are:

a) identifying what is actually wanted in the market (not just what we think is wanted),
b) channelling our R&D investment in the correct way to meet future demands, and
c) optimising performance for all parties involved in the chain.

The launch of our new Bionic range this year has been one such example of listening to feedback from our customers, evolving our offering and delivering some market-leading benefits both for dealers and end consumers.



**Supagard, 19-29 Gavinton Street,
Muirend, Glasgow, G44 3EF
Tel: 0141 633 5933 www.supagard.com**


BIONIC
TECHNOLOGY



Never let another sales call slip through the net

A telephone answering service can take your customer care from average to outstanding

A telephone answering service can take a retailer's level of customer service from average to outstanding by adding an additional layer of care and attention to customers that many retailers want to provide, but may not have the time or expertise to do.

Having a person you know and trust to professionally handle customer telephone enquires gives you peace of mind that every customer gets exceptional care and no call goes unanswered, regardless of how busy the showroom is. Here's how a leading telephone answering service can transform the customer service of any dealership.

Make sure every call is answered

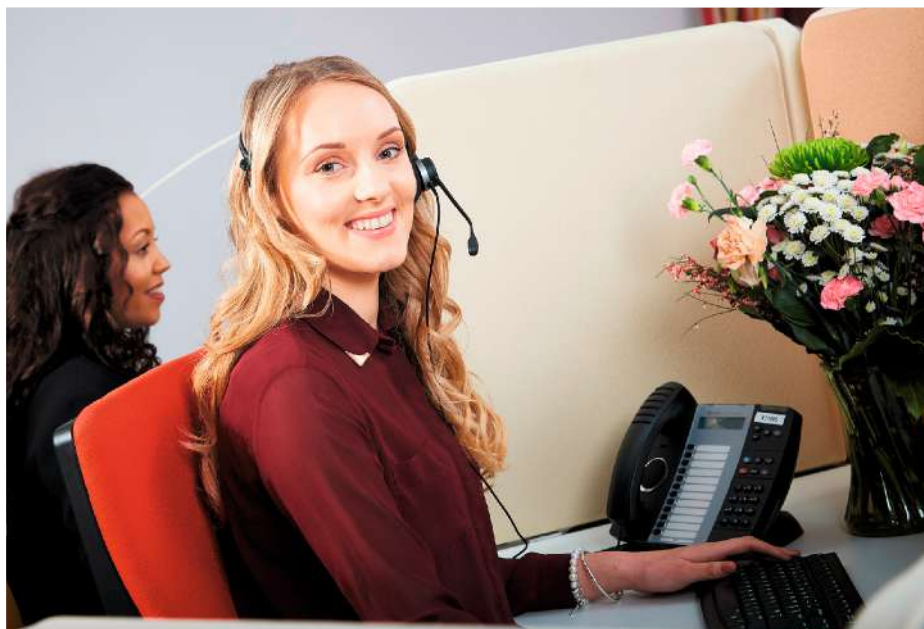
There is no way a salesperson would leave a showroom unattended, and if a customer walked onto the forecourt they would be dealt with immediately. However, many salespeople are perfectly happy to walk away from their desk leaving the phone to ring out. Every call is a potential sale. If salespeople are too busy to answer the phone, the answering service can ensure no call slips through the net.

Ready when they are

A retailer's doors may only be open during working hours, but customers often have to call the dealership around these times. First thing in the morning and last thing in the afternoon are particularly busy with both visitors and callers. A telephone answering service makes sure that not only are calls dealt with, but opening hours are extended if need be.

A customer-focused mindset

Business-winning customer service starts before a person has made the first contact with a dealership. It starts with the mindset of everyone who handles customers. Everyone answering the phone should treat the caller like a celebrity – that way, you will



“EVERYONE ANSWERING THE PHONE SHOULD TREAT THE CALLER LIKE A CELEBRITY – THAT WAY, YOU WILL ALWAYS BE READY TO GIVE THEM THE BEST SERVICE

always be absolutely ready to give them the best service.

Check who is representing the dealership

A dealership will seldom have anyone but the best salespeople in the showroom dealing with customers. But how do they perform on the phone? Here is where many good salespeople fall short. It takes a certain

skill in delivering excellent customer service over the phone. Every enquiry is important, so don't demean the value of those enquiries by letting anyone but the best handle calls. First impressions will last throughout the duration of the customer journey. It literally pays to get this right.

Crafting the quality of calls

The best salespeople understand that the conversations they have with their customers are crucial to securing sales. They let their customers do a great deal of the talking and they actively listen to them, as it makes the customer feel important. During a phone call, it's all too easy to zone out and suggest they simply visit the showroom. However, rushing a person at this stage of the customer journey may put them off. A telephone answering service helps a retailer give their customers the quality time and attention they need without hurrying them.

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



MAZDA CX-5: PUSH TOWARDS PREMIUM W



Mazda expects most CX-5 registrations to be in the retail market

Mazda benefited from the SUV boom thanks to the introduction of the first-generation CX-5 in 2012.

Jeremy Thomson, Mazda UK managing director, recalls the model as an instant hit, requiring no marketing for the first four years of a life cycle that amassed 34,664 sales. It accounted for 20% of Mazda's UK sales in 2017.

The manufacturer has a more aggressive launch plan this time around, as the new CX-5 takes on rivals such as the Peugeot 3008, Volkswagen Tiguan and Kia Sportage.

A TV-led marketing campaign is under way and an introductory PCP offer sees a three-year, 5.9% APR offer deliver an entry-level CX-5 2.0 petrol SE-L Nav (£23,695) for £298 a month with a 20% deposit.

A 0% APR conditional sale offer delivers a £329-per-month rate – dependent on a 50% deposit – until the end of September.

Mazda launched its SkyActiv programme

with the CX-5, shunning turbocharged small capacity engines and hybrids in favour of weight savings.

This time the brand has added 50kg back into the car to improve refinement.

Changes to the exterior are subtle. Sleeker, more assertive headlights and a bolder grille are the most noticeable alterations.

Inside, a soft-touch dashboard sits above elongated hexagonal vents. The cabin's horizontal lines emphasise its width, while a broad centre console contains a now-familiar rotary controller for the seven-inch touchscreen infotainment and satnav system standard in all new CX-5s.

The system boosts the SUV's connectivity, with Twitter and Facebook compatibility and the ability to dictate SMS messages.

Prices for the two-grade range start at £23,695 for the 165PS two-litre petrol SE-L Nav. LED headlights, power-folding mirrors, dual-zone climate control and a DAB radio are among the standard equipment.

“

THIS YEAR THE CX-5 WILL BE OUR BEST-SELLING CAR, AROUND 8,000 UNITS, SLIGHTLY AHEAD OF MAZDA3

JEREMY THOMSON, MAZDA UK

Highlights of the Sport Nav (£26,695) include leather seats, 19-inch alloys, a reversing camera, powered tailgate, traffic sign recognition, a head-up display, keyless entry and a Bose sound system.

The lower-powered of two turbo diesels – a 150PS two-litre unit – costs from £25,695 (SE-L Nav) and has automatic gearbox and all-wheel-drive options. The range-topping 175PS, 2.2-litre turbodiesel-engined Sport Nav Auto is priced at £33,195.

Mazda aims to entertain with its driving dynamics and while the CX-5 does elicit slight roll in sharper corners and has a tendency towards understeer, it offers better composure than many class rivals.

Torque vectoring allows the CX-5 to channel power to improve cornering accuracy while i-ActiveSense radar technology (£800) provides adaptive cruise control, even at crawling speeds.

Cabin space is a CX-5 strong suit, with good leg- and headroom, but a 503-litre boot does

ALL DELIVER BESTSELLER, SAYS CARMAKER



Mazda has improved the quality of the interior



The new CX-5 is 50kg heavier than the last, to improve refinement



£23,695 -
£33,195



2.0-LITRE 165PS
PETROL; 2.2-LITRE
150PS & 175PS
DIESEL



0-62MPH
9-10.4 SECONDS;
TOP SPEED 122-
129MPH



6SP MANUAL
OR 6SP AUTO



44.1-56.5MPG



132-152G/KM CO₂

Q&A



JEREMY
THOMSON,
MAZDA UK
MANAGING
DIRECTOR

After a tough start to the year (Mazda's registrations were down more than 13% to the end of May) what are your expectations for the rest of the year?

Looking at the full calendar year, our expectation is that we'll do 45,000 units. That compares with 46,500 last year so that's in line with the anticipated decline in the overall industry.

Within that [is] a move towards more retail and core fleet and a lot less, if any, of the very high-end cost of fleet and quite a bit less Motability.

The reality is quite a lot of that is exchange rate-driven.

How important is CX-5 in arresting this year's decline in registrations?

This year the CX-5 will be our best-selling car, around 8,000 units, slightly ahead of Mazda3, so it is a crucial car and it is vital that it is well received.

The thing that gives me great confidence is that after we launched the car in 2012, it created quite an unexpected bow wave of customer pull, not manufacturer push.

We didn't have to promote it for four years and for the first two years we

didn't even have a consumer offer. It's fair to say it was a great-looking car in what was not a great-looking segment.

The styling has been changed, but where else are the key changes?

The premium-ness of the car is very different – if you drive them back-to-back it's quite apparent. Refinement has been improved, 50kg has been put back into the car, partially to improve NVH levels, and the interior quality is also improved.

Pricing is from the heartland of the Qashqai into the premium part of the sector. We had to up our game with the new CX-5. It now sits between its volume and premium rivals.

Apart from new rivals, what are the key challenges for the new CX-5?

Our challenge, as ever as a manufacturer around 1.5% overall market share, is to make sure enough people know about the new CX-5.

A really strong TV advert will be screened from early July and we have some strong introductory finance offers as well.

Thankfully we also have the benefit of five years of consumer knowledge on our side this time around, so we'll send dealers leads when a customer has tipped into a positive equity position.

That's supporting the dealer network and pro-actively helping them have a positive conversation about getting customers into a new car.

fall behind the 3008 and Tiguan, however.

The 2.2-litre turbodiesel offers the best balance of performance and economy.

It's relatively quiet and will rev freely, but stay smooth and Mazda claims 56.5mpg fuel economy for the manual, two-wheel-drive derivative, along with 132g/km CO₂ emissions, 0-62mph in 9.4 seconds and a top speed of 127mph.

The two-litre petrol version boasts more power, but less torque (210Nm versus 380Nm). While refined, it did require the odd down-shift to tackle inclines.

Mazda claims the petrol unit is good for 44.1mpg in the same guise, along with 149g/km CO₂ emissions alongside 0-62mph in 10.4 seconds and a top speed of 125mph.

The brand predicts 84% of UK sales will be diesel, 67% will be front-wheel-drive and 78% with a manual transmission. The Sport Nav trim will account for 59% of sales. Fleet sales will account for 46% of a projected 8,000-unit annual volume. **TOM SHARPE**

≈ KEY RIVALS



Peugeot 3008



STRIKING INTERIOR/
EXTERIOR STYLING,
TRIM QUALITY



NO AWD OPTION



Volkswagen Tiguan



INTERIOR QUALITY,
VARIED ENGINE/
GEARBOX OPTIONS



SOLD ON R-LINE
TRIM'S STRIKING
APPEARANCE



Kia Sportage



AFFORDABLE
ENTRY-LEVEL OFFERS,
VISUAL IMPACT



PERCEIVED INTERIOR
QUALITY, RELATIVELY
SMALL BOOT

≈ REVIEW RATINGS

WHAT CAR?



AUTO EXPRESS



DAILY EXPRESS



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- Parts
- Accounts
- Marketing
- Vehicle Admin
- Hubs
- Website



A LOT MORE DMS FOR
A LOT LESS THAN YOU THINK

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Visit mentorsystems.co.uk or call **0333 323 1083** for more information.

MAZDA MX-5 RF 2.0-LITRE SPORT NAV

REPORT
PROGRESS



GOING TOPLESS IN THE MX-5 IS ALMOST SURE TO STOP TRAFFIC

According to colleagues in the office I've become "that bloke" who likes to show off his car's electrically folding roof when crawling in heavy traffic or entering a car park. I think they're simply envious that I can make the most of England's brief summer sunshine.

In my defence, the way that the MX-5 RF's roof and rear screen tuck away, leaving the B-pillars exposed in 'Targa' fashion is pretty impressive. I'd even argue that it's a tougher-looking model than the MX-5s that went before it, which ought to boost its appeal to male buyers.

Nevertheless, raising the roof while travelling is not a hugely comfortable

task in the MX-5 RF. The button, across to the left of the centre console, must remain pressed for the duration of the operation – sensible really, to avoid the risk of someone getting in the way. But at the same time, you must concentrate on keeping your speed below 6mph, and pray that red light ahead doesn't quickly turn to green.

Contrast that with more premium rivals, which allow the driver to raise or lower the roof at speeds which enable them to keep up with city traffic.

With the RF, I conclude it's simplest and less stressful to pull over and stop before operating the roof.

TIM ROSE

	Speed of operation	Maximum driving speed while roof in operation
Mazda MX-5 RF	13 seconds	6mph
Mercedes-Benz SLC	16 seconds	25mph
BMW Z4	19 seconds	25mph
Audi TT Roadster	10 seconds	31mph



IT'S A SUN-TRAP ON WHEELS



LIMITED STORAGE SPACE

CURRENT MILEAGE 0 4 0 0 4

START MILEAGE 0 0 8 7 0

SUZUKI BALENO BOOSTERJET SZ5 AUTO

REPORT
PROGRESS



SUZUKI MADE A SALES SUCCESS OF THE SURPRISING BALENO

The Baleno was only available to AM for a short sprint, and after two previous write-ups this final one sees us saying goodbye three months after we took delivery.

I took the opportunity to contact the Suzuki UK press office to gain some statistical insight on the Baleno's performance to date and how the brand saw the car's ability to compete in the busy small car segment.

The car was launched in June 2016 and the sales volume to the end of May was 2,990 units in total, with 1,320 registered so far this year, won from the Škoda Fabia, Hyundai i20, Vauxhall Corsa and Citroën C3, identified by Suzuki as the Baleno's key competitors.

The model taking most of those sales is the SZ-T.

It was given a head start by being one of two models available at launch (alongside the SZ5). They

have since been joined by the SZ3.

The fact that all models are fitted with air conditioning, DAB radio, Bluetooth and six airbags as standard, that CO2 emissions start at 98g/km, and that the Baleno offers five seats and a larger boot than many competitors from £11,999, equips showroom sales staff with powerful arguments to win over customers.

Suzuki supports these efforts with finance offers at 5.9%, with a £750 saving on all models.

"Baleno is included in our three years' road fund licence offer, competitive finance offers will continue, plus there is the Boosterjet turbo 1.0-litre engine and a 'mild' hybrid option [the SHVS petrol-electric] for even better fuel economy," said a Suzuki spokesman, summarising the factors that will maintain the Baleno's appeal.

JEREMY BENNETT



SURPRISINGLY WELL EQUIPPED AND SATISFYING IN PERFORMANCE



AS WE SAY GOODBYE, MY NEXT TEST CAR IS UNLIKELY TO BE AS SURPRISING

CURRENT MILEAGE 0 4 1 9 0

START MILEAGE 0 1 5 1 0

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Jonathan Sloan, head of business development at Pendragon, correctly named the Toyota Urban Cruiser.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, August 11.



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.

VALETING

Ready to retail within 72 hours

By Martin Peters, sales director, Autoclenz Group



Imagine a world where your used stock could be appraised, SMART/Bodyshop, valeted and imaged within 72 hours of arriving on site.

This is a reality with Autoclenz and its fully managed outsource solution. With its specialist operational management and IT systems Autoclenz can create efficient

workflows, processes and transparent financial control.

The Autoclenz PVMS (paperless vehicle management system) is the ultimate tool in controlling the movement of stock through the valet, preparation and imaging process while controlling the spend.

Autoclenz can set spend limits via the 'Gatekeeper' platform to prepare on budget. PVMS is live showing jobs awaiting, progressing and completed through the valet bay. This also helps resourcing the process through busy times.

SMART Repair through the company's on-site SMARTshop solution bridges the gap between typical SMART Repair and Bodyshop, ensuring any stock stays on site and can be processed efficiently.

Imaging, linked with partners platform Autos on Show, also progress through PVMS giving complete transparency to the full process of refurbishment through to ready-to-retail and live for sale on your website at a controlled spend.

Link PVMS with AutoclenzMI which launched earlier this year to evidence the company's service delivery and account management and you have the best IT to manage efficient vehicle preparation on budget, on time and to the right quality.

■ To find out more about the difference at Autoclenz, please call Lucy on 01283 554 682.



AUCTIONS

Information is king in remarketing sector

By Simon Henstock, BCA chief operating officer, UK remarketing



Sellers are always looking to improve their remarketing activity, whether in sale conversions, time to sale or price achieved. Professional buyers want access to accurately appraised and realistically valued stock so they can trade profitably. In short, information is king in remarketing.

Remarketing is about bringing these two groups together to balance supply and demand in the marketplace and increasingly the sector is turning to data analytics to make that happen. The use of such data is revolutionising remarketing.

BCA utilises cutting edge cloud technology and machine-learning techniques to analyse and interpret vast amounts of historic and current market data.

It can assist vendors in their prime goal of turning their asset into cash as quickly as possible. The company has introduced new methods to analyse and deliver strategic information back to sellers that helps improve conversion rates, average selling values and time to sale, while generating maximum exposure with buyers for available stock.

BCA looks at a wider range of data to inform reserve price setting, such as condition-adjusted vehicle valuations drawn from its unique database, vehicle demand data (which channel the vehicle might best sell in, which sales to enter it in) and utilising consumer data such as retail market pricing and demand information.

Real-time access to this data improves first time conversions and makes sure provisional bids are dealt with using the most up-to-date information.

It may be a quiet revolution, but data analytics is changing the way the remarketing sector operates.



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



PEOPLE

Seven effective ways to manage your boss

By Nigel Banister, director, GMD People



Managing upwards is a key skill if you want to do well. Whether you have a new boss or have been working for someone for a while, it is never too late to make a few changes to help improve your relationship.

Here are seven ways to help you manage upwards more effectively:

1. Get to know your boss's working style – what is their preferred way of communicating, for example?
2. Proactively update your boss on your progress – it is better to communicate more often than they may need and much better than being chased for updates.
3. Warn your boss early of any potential tricky situations that may occur. It is better if they hear from you, rather than via an indirect route.
4. Ask for feedback – don't wait for the formal review process to ask for feedback and advice. Be proactive to show that you respect their opinion and that you care about your performance.
5. Consistently demonstrate your ability to achieve results with minimal direction – own the issue that you have been delegated and update them on key milestones.
6. Understand your boss on a personal level – find out what they are interested in outside of work and if there is something of mutual interest, nurture it. Don't stalk them, though!
7. Thank your boss – if they have helped you develop a new skill or recommended you for a great project for example, then saying thank you goes a long way.

■ Visit our website for our previous AM articles at www.gmdpeople.com, or contact us on 01327 831 371. Also, come see us in person at Automotive Management Live at the Birmingham NEC on November 9 – automotivemanagementlive.co.uk.



VIDEO

Speed is key to success in a digital economy

By Adam Price, MD and founder, AutosOnShow.tv



In a digital economy the speed at which a business can place its products in front of a customer is key to success.

This is underlined for companies with high value assets which tie up capital and, in the case of vehicles, depreciate.

Put simply, the faster you can move a vehicle from defleet centre to dealer forecourt the better it is for both vendor and buyer.

This thinking underpinned the investment and innovation in the new AutosOnShow turntable solution which enables the operator to take a video and images and load them to a website in six minutes. The high resolution external and internal digital assets feed wholesale platforms and dealer retail websites with customer-ready information.

If a picture is worth a thousand words, then a video is worth a thousand pictures. The power of video to engage and inspire through the sales process is well documented, but wider benefits exist for the retailer.

High-quality video content will benefit search engine optimisation (SEO) by attracting links naturally over time, driving the retailer's site up Google rankings and promoting traffic. While a lot of brands use video content in their online marketing, often SEO experts don't prioritise it. Consumers are increasingly ignoring banner ads, and video is a format that attracts attention.

Great videos and high quality imagery can also be seeded across the online purchase process. Done effectively, it will drive new and used sales, alongside building service department revenue. It also adds value to the marketing mix to drive more buyers to the forecourt.

The AutosOnShow platform is being rolled out across major dealer groups in the UK and now in Europe.

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



HOW TO RECRUIT AND RETAIN UNIVERSITY GRADUATES

Degree-educated workers are in demand – dealers should do more to woo them

With more than 400,000 new graduates on the job market this summer, franchised dealerships may be wondering how best to grab some highly qualified recruits.

The good news is there are lots of talented young people out there looking for jobs. The bad news is there are lots of vacancies, so employers have to work hard to find the right person.

Stephen Isherwood, the chief executive of the Association of Graduate Recruiters, said: "There are lots of employers trying to get graduates, so a franchised dealership is going into a very competitive market."

Charlie Ball, head of higher education intelligence at graduate employment specialists Prospects, agreed.

"Many industries are saying that they are struggling to recruit graduates – and, more importantly, retain graduates – in sales roles," he said.

"The good graduates, especially with good sales and communications skills, are in a lot of demand – and they know it."

The secret for dealerships is to work out exactly what they want from a graduate, according to Isherwood. He said: "If a business wants to hire a graduate, it needs to be quite clear what that role is, what skill levels are required and then thinking how best to pitch."

"Once you've done that, it's a matter of understanding where the sources of those talents are."



"WE OFFER OUR GRADUATES SUPPORT AND MENTORING THAT WILL HELP THEM TO MOVE FORWARD WITH THEIR CAREERS"

TREVOR FINN, PENDRAGON

Isherwood suggests targeting specific universities, talking to the careers services there and getting a feel for how best to reach graduates, whether by placing ads on the careers site, holding presentations, or taking a stand at a careers fair.

Ball added: "Work experience is really effective. A lot of students will be paying their way through university, so get a few of them on-board to work in dealerships during term time and holiday time, to see how they like it and, if they are offered a good experience, they will come back."

Pendragon, which has its own graduate scheme, has successfully taken this approach, with former undergraduate placement students proving to be rich source of talent.

Using undergraduate placements

Pendragon chief executive Trevor Finn said: "The first place we will look is those who have already spent time working with us as undergraduates. As well as already knowing the business, they have a bond with other team members and we know they will be a good fit."

"We have a lot of our undergraduates rejoining the company when they have finished at university, and they in turn make great mentors for new graduates once they have progressed to leadership roles themselves."

"What we are trying to do is offer more than an incentive to apply – we think long-term. People join our graduate scheme because we are a big name and there is room to progress, so we make sure they can do just that. We offer our graduates support and mentoring that will help them to move forward with their careers."

This opportunity for career development is key for today's graduates, with Ball



explaining that most graduates are looking for "the opportunity to progress in their career, training and the ability to add to their skills, and a good working environment – these are all at least as important, once initial salary expectations are met".

VW Group's graduate scheme offers attractive career development. Graduates – who receive about £30,000 a year, a company car, plus benefits package – work for a year on a specific project, followed by two six-month placements, after which they can apply for internal jobs.

It recruits via its careers website, LinkedIn and from universities, via its Bright Futures societies. It also offers 40 undergraduate placements a year.

Heather Davies, HR manager at VW Group, said: "One interesting challenge is attracting people who don't think they want to work in the automotive industry. We need people who are innovative, who can embrace future challenges in mobility, who are great with customers and ready to work in an industry that will look really different in a few years' time."

CRAIG THOMAS

RESOURCES

RECRUITMENT BEST PRACTICE

Run in conjunction with *The Times*, learn about how other companies recruit graduates successfully. top100graduateemployers.com



WHAT STUDENTS WANT

The representative organisation for Britain's universities, it is a good source of insight into what students and graduates expect from the workplace. universitiesuk.ac.uk



STUDY THE GRADUATE LABOUR POOL

The AGR does annual research into student recruitment, salaries, internships and more. agr.org.uk



TALENT ON THE MOVE

ADVERTISING FEATURE

Launching the iVendi dealer council

By James Tew, CEO, iVendi



Recently, we held the inaugural meeting of the iVendi dealer council, which has been created to share best practice and new thinking about online motor retail. It included representatives from half-a-dozen of our users and was one of the most fascinating days I have spent in a long time.

Because online motor retail is a relatively new area, these dealers are at different stages of development when it comes to selling cars online. However, it is fair to say that no one seems to have an overall lead. Instead, different dealers are good at different things.

One message came through loud and clear, which was that all of them recognise online vehicle sales are crucial to the current and future success of their business. This was true from specialist one-site independents to major franchised groups.

This thinking was echoed in some new statistics we produced this month. They showed that, from a random sample of 12,500 car sales processed through our platform, 35% could have been completely sold online – there was no part-exchange, they were retailed at the vehicle's windscreen price and used the dealer's online finance. In fact, about one in seven of these cars was already effectively sold this way.

To us, this shows the enormous potential that exists by maximising the online journey. Time and again, we see that where dealers offer sophisticated online motor retail tools, customers use them to buy cars. It is that simple.

Towards the end of the year, the dealer council will meet again and, with the speed of progression we are seeing in the sector, they should have many new developments to talk about. I am very much looking forward to hearing what they have to say.

■ The iVendi Platform provides a complete online motor finance solution for dealers, motor finance providers, car portals and manufacturers. To find out more, visit ivendi.com, e-mail enquiries@ivendi.com or call 0345 226 0503.



**STUART FOULDS,
CHAIRMAN AND
CEO AT TRUSTFORD**

TrustFord has appointed former Pendragon executive Stuart Foulds as its chairman and chief executive officer.

He has taken over from Steve Hood, who took the permanent post as vice-president of marketing sales and service at Changan Ford in China. Hood had been operating as vice-president of sales, Asia Pacific, alongside his post within TrustFord since October last year.

Foulds was the former managing director of Pendragon's Evans Halshaw Ford Group and has been the longest-standing member of the Ford Dealer Council.

He assumes responsibility for leading the TrustFord business, which covers 60 dealer sites across the UK and Channel Islands, and includes TrustFirst Parts.

"I am delighted to join the TrustFord team at what is a very exciting and transformational time for the industry," he said.

"TrustFord is a fantastic dealer group with a clear track record of delivering exceptional results, and I look forward to continuing the momentum set by Steve and the team."

The company currently occupies ninth position in the AM100 with an annual turnover of more than £1.6 billion.

Roelant de Waard, vice-president marketing sales and service, Ford of Europe, said: "We are delighted to welcome Stuart to the Ford team after a great track record of leadership within the dealer body and many years of service at Evans Halshaw, and his help and counsel on the FDC.

"We have future plans for TrustFord and are excited to see Stuart driving those forward."



**JOHN SEDGWICK,
SIMON BAILES
PEUGEOT**

Simon Bailes Peugeot has appointed John Sedgwick as its managing director, tasked with delivering strategic growth. Business owner Simon Bailes is remaining in the business, but focused on projects.

Sedgwick brings more than 23 years' experience to the role.

Before joining Simon Bailes Peugeot, Sedgwick was group sales director at SG Petch.

He has also held the roles of general manager at Reg Vardy and regional director at Pendragon's division Evans Halshaw.



**TIM WARD,
HENDY GROUP**

Hendy Group has appointed Tim Ward as finance and insurance manager.

He has more than 20 years' experience in finance.

The appointment follows the announcement of plans for upgraded facilities across the group.

Ward said: "I have dealt with the group since I joined the industry in 1997 and have always admired the way in which it has grown, looks after staff and has a total commitment to customer satisfaction."



**MATT HATTERSLEY,
ŠKODA**

Škoda has employed Matt Hattersley as national fleet sales manager as it aims to grow its presence within true fleet.

Hattersley will report to Henry Williams, Škoda's head of fleet, with responsibility for the coordination of the corporate fleet sales team, driving the sales volume with existing customers and expanding into new sectors.

Hattersley has worked in a number of key senior positions in VW Group for the past six years.

'DATA PROTECTION LEGISLATION EVERYBODY NEEDS TO UNDERSTAND'

Wide-ranging data protection legislation is about to come into force, but what are its implications? A big-hitting panel discussed what it means for everyone in the industry

Experts discuss new rules surrounding personal data



A highlight of the AM Digitech Conference was a panel discussion about data and the incoming General Data Protection Regulation (GDPR).

Panelists were: Martin Hickley (MH), director of data protection and privacy at GO DPO; Professor Jim Saker (JS), director of Loughborough University's centre for automotive management; Penny Searles (PS), chief executive of SmartDriverClub; Nick Gill (NG), automotive chairman at CapGemini; and Chris Poulson (CP), CRM director at THREE60 CRM.

What is GDPR?

MH: When they brought in the data protection directive that we have now, Mark Zuckerberg (Facebook's founder) was nine years old. It's clearly got out of date. So the GDPR is to replace that with a modern regulation to allow digital and e-commerce to take place within the European Union. It also features heavily on the rights and

BRIEF INSIGHTS

HELP BUYERS 'HOP'



Dealers and carmakers that facilitate consumers "hopping" when buying a car will be the winners in the future. Hedley Aylott, chief executive of

Summit, which helped PSA establish 'Order Online By Peugeot', which let online customers buy a car in 30 minutes via 'Order Online by Peugeot', cited Google data showing 900 digital touchpoints in a typical three-month buying process. The consumer's mantra was now 'help me, near me, convert me'. Critical to success was providing the support seamlessly between on and offline.

RECORD AND REVIEW



Dealers need to take a holistic view when judging the effectiveness of their online marketing activity to accurately

understand consumers' path to purchase if they are to tailor their marketing budget effectively. They should also establish and record website conversions, those actions that the business defines as being of value, from direct online enquiries to a user looking at a vehicle detail page, said Martin Dew, Autoweb Design's head of operations.

MAKE A GAME OF ONLINE



The gamification of the online car transaction could be part of the path to realising the potential of online car retail, according to iVendi

chief executive James Tew. Tew cited Domino's Pizza as an example of how to empower customers through an online process, such as with discount offers. Only 52% of used car customers are now prepared to negotiate over the price of a vehicle, according to evidence drawn from 12,500 applications processed by the online finance specialist.

freedoms of the data subjects, and I believe now the cost of compliance has become less than the cost of non-compliance.

What are the sanctions under GDPR if you get it wrong?

MH: There are a range of sanctions. There will be fines – 2% (of annual global turnover for specified failings, such as not notifying a data breach within 72 hours) and 4% (of annual global turnover for rights and freedoms failures, such as not being able to show that consent was given) – and five bands, and you'll be put into one of the bands depending on what you did wrong. The fines aren't really what you need to worry about. What you should really be worried about is 'stop orders'. The ICO has backdated their current guidance so it can give you an enforcement order to bring your processes into line with the GDPR within six months. Then, when they come back, if they find out you haven't done it they're allowed to give you a stop order, to stop processing that data, temporarily or permanently. So it's close the shop. The ICO has already done it to people. So the worst threat is business continuity and business reputational damage. To show you what's happening in the European market, the Italian data protection authority has fined several companies quite large amounts. It is using a figure of 10,000 euros per customer involved in a personal data breach. One case involving 584 customers cost a company 5.8 million euros.

How well prepared are dealers for GDPR?

NG: Some of the larger multinationals are probably more prepared because they have deeper pockets, but the legislation is going to have almost equal impact across large and small.

CP: GDPR gives the industry a fantastic opportunity to up its game. It puts the consumer more in control of their data and how they experience that relationship with the dealer and the manufacturer.

MH: If you do two things, get your data privacy

notice done correctly, saying you consent to your data being processed, and get a joiners' and leavers' policy for people with access to data. It's so crucial. We know from cyber leaks, it's internally where things go wrong now. The information commissioner is not looking for people to be compliant by May 25 2018 – that's an impossibility. She's expecting people to be on the journey to it and demonstrating mitigating activities. The main one is collecting and lawfully processing data – your data privacy notice and either getting consent or running under a single contract or legitimate purposes.

How do we ensure customer-facing staff are able to explain the implications of data capture and sharing with a customer?

PS: Remember we're in an industry where the majority of transactions take place on a face-to-face basis, and in order to monitor and measure that, it has taken the financial services industry 25 years, and we're expecting dealerships to suddenly come into this place. I think that if a business is compliant with ICO and Data Protection Act, we shouldn't start fearmongering in the industry or a whole industry of consultants will spring out of this. It is a very important issue, but if you're confident in DPA compliance at the moment, then evaluate the gap between that and the new, and establish what needs to change from a security, control and communication perspective, so that the business and the consumer is protected.

JS: Everybody in the dealership needs to understand this piece of legislation. If they understand it there's a fighting chance they'll be compliant with it, if they don't they won't. That's a critical issue.

What role do third party suppliers need to play to support dealers?

JS: I do a lot of work on the cyber-security aspect of industry, and many of these companies say there's a bigger risk of someone inside getting information out than someone

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RECIPE FOR SUCCESS



Insight director Nick King revealed Auto Trader analysis of the recipe for a successful franchised dealership operation. Two-thirds of companies identified as being the most successful had been in business for less than five years – compared to 20% of the less successful ones – indicating a lack of evolution among more established operations. And successful dealers were embracing everything as an opportunity, were less adversarial and built better relationships. King said that a "focus on the customer" approach, stealing good ideas from other retail sectors and opening lines of communication, were all key, along with "empowerment" of customers and staff.

REPUTATION COUNTS IN SEARCH



Dealers need greater awareness of the impact of reviews they may not even be fully aware of.

75% of consumers use an app owned by Facebook – including Messenger,

WhatsApp, Instagram and Facebook itself. And Facebook will have created a page for your business, even if you haven't, so there is lots of unknown feedback out there, said Charlie Roberts, enterprise business manager of Reputation.com.

Similarly Google now lets top rated businesses come higher in map search results. "No matter how much you spend on SEO, it's the local reputation that's key," said Roberts.

FACEBOOK AS A CRM TOOL



Facebook advertising can be used as the next step in marketing, said Jeremy Evans, Marketing Delivery managing director. Understand the four

customer types on Facebook – custom audience (a dealer's audience), look-alikes (similar to the custom audience that can be targeted on preferences, demographics and location), pixel (your website visitors that can be targeted using the Facebook pixel depending on the content they viewed) and the micro audience, driven by dealership data. Tailor content accordingly, he said.

UNDERSTAND HABITS FROM ONLINE DATA

Dealer staff must understand car buying habits are resilient to political events, but are impacted by the clamour over diesel, said Karen Hilton, Carwow's head of sales operations. Data showed Carwow users' interest in diesel since October to April had fallen from 50% to 33%, following reports of possible financial penalties for driving a diesel car.

"Diesel is definitely suffering from its media demonisation," she said. There have been headlines such as 'Four major cities to ban diesel vehicles by 2025' and 'Will the diesel car you are driving be worthless in five years' time?'

As production cannot change overnight, the industry has a role in ensuring customers are properly educated – for many, diesel will remain preferable for years yet, Hilton said.

The impact on diesel and the lack of impact from political events were among five emerging consumer trends identified by Carwow data.

The other three were: customer promiscuity (average shoppers now consider five models across three brands, then contact two or three dealers) the expectation is of unbiased advice and an unwillingness to wait.

TECHNOLOGY IS SET TO CHANGE THE DEALER'S WORLD

Technology such as mobility apps and autonomous cars will pose a challenge to the UK dealer's traditions. KPMG expects car ownership to begin to fall from 2025, and believes annual new car sales could be 20% to 40% lower than current levels by 2030. By then, an electrified mobility scheme will be significantly cheaper than owning a car, said John Leech, head of automotive, KPMG. "A shift to people not wanting to own cars but to consume a mobility service will be a hard-headed, clear-eyed, economic rational decision."

There will be three new opportunities created for companies, he said. There will be some managing fleets of autonomous cars, some 'experience aggregators', who will ensure a consistent in-vehicle experience as people move from different vehicles on a regular basis,



and some data aggregators who collect the data and help mobility providers better tailor their services.

Somewhere, franchised dealers need to find their place in this, he said. Urban workshops will be busier, there will be a need for energy provision, and finance streams will move to funding the fleet rather than the consumer.

"Because these cars will be used more, the total downstream market will be 10 times what it is today. That's a fundamental difference which will impact business models substantially," he said.



outside getting in. To me, the connected car could be one of the biggest issues that could potentially lead to data loss. Manufacturers are spending trillions preventing the car from being hacked from outside while it is in operation. But isn't the car at its most vulnerable when it's being serviced, when the technician has access to almost everything about the car and its owner? And we don't even do background checks on technicians. That data becomes valuable.

NG: GDPR is a legislation across all industries, and puts the burden of proof onto the company now rather than the individual. But legislation is often a time to get the house in order, and we've a year to do so.

How can dealers capitalise on the connected car?

MH: Connected car is very interesting. The trouble is, when you bring an awful lot of data together, you need to secure it. A connected car will require a lot more security. And the onus is on the organisation to demonstrate compliance to the GDPR, so you have to be able to show you've got the customer's consent.

PS: I've worked with connected cars for eight years with manufacturers and consumers. The vehicle is simply the device collecting the data, and the good thing about the new act is it has a lot more on profiling of driving behaviour and how that can be used. If you've made it clear to your

consumer you're collecting data from the car, and stipulate how it will be used and shared, either named or anonymised, with their consent, I believe you will be compliant. If the consumer is getting something back for that data they're much happier to share.

NG: Our consumer study shows people are not prepared to pay for connectivity. We've not seen many cases where people are making a lot of money monetising data.

How good are dealers at making use of data?

CP: There's a vast array, because the bigger dealer groups have the departments and the resources to do it. Manufacturers are getting

smarter now with data and we will see a lot more control from them of the customer's journey and how that data is used in future. Dealers are getting good at capturing lots of data now but it's not all of a particular quality. Working with one OEM, we see 15% of MOT dates captured by the network are wrong by more than a month, so you can start to see the financial implications of not getting the right data.

NG: There are still too many discussions about who owns the data. This is not about dealers, nor OEMs, they should both work together to explore areas. We've not had much customer data in the past, and very little vehicle data, but if you start to mesh these together you have huge amounts of data and very little understanding. We've all got to work together on this to discover the gold.

“THE CONNECTED CAR COULD BE ONE OF THE BIGGEST ISSUES THAT COULD LEAD TO DATA LOSS
JIM SAKER

UPDATE YOUR INFRASTRUCTURE

Expanding and updating dealer groups could fall foul of data storage regulations or hackers unless a swiftly installed secure IT infrastructure is in place, warned Richard Buxton, Node4's head of unified communications, and Shane Dove, head of commercial sales. Outdated systems could leave

dealerships vulnerable to varied risks. Node4 believes there will be an increased need in car dealerships for wireless data transfer – for remote vehicle evaluation. Dove added: “In the automotive industry, technology has traditionally been introduced on a piecemeal basis.”



Richard Buxton (right) and Shane Dove

APPETITE FOR CHANGE

Technology start-ups are more focused on learning about the market and how they can change it, rather than immediately making money from it. That was the message from Julian Wheway, product director at Cox Automotive UK. It's about tracking how consumer and industry processes work, and

implementing technology that can streamline those processes, such as through online self-serve, shopping centre store experiences. The question for the traditional parts of the industry is whether they have appetite to change voluntarily, said Wheway. “The role of the dealership will evolve,” he added.

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'CARMAKERS ARE NOT GOING TO THRIVE UNLESS YOU THRIVE'

It is in brand owners' interests to treat their franchisees well, but dealers still need to be aware of the potential disruptors to their business models

DAVID WILD DOMINO'S PIZZA GROUP

Car dealers must maintain perspective about their vital role in the automotive sector as they face threats from online sales and "disruptors", according to Domino's Pizza Group boss David Wild.

Formerly the chief executive of Tesco and Halfords, Wild moved into the franchised retail space when the fast-growing fast food chain named him as its chief executive in April 2014. He has quickly established an appreciation of his retail partners and the need to treat them well.

Speaking to guests at the AM Executive Breakfast Club at The Savoy Hotel, London, Wild related the key lessons he has learned in retail and how he understands that Dominos' quest for fast food domination relies on the profitability and commitment of his UK franchisees.

Seeking to reassure car retailers experiencing a barrage of potential threats to their business model, Wild said: "Without you, the brand owners don't have a route to market. Unless you're thriving, they're not going to thrive either."

Domino's Pizza Group is a US franchise owned by Dominos Inc. which appoints master franchisees for the UK and Ireland.

Wild acknowledged that he initially saw the prospect of appointing master franchisees to deliver the

Domino's product as "quite an unsettling position", made more complicated by the fact that the business is a FTSE-listed company that made about £86 million profit in 2016.

He said: "One of the first things Dominos said to me is 'Are your franchises making a profit?'. This shocked me, having not worked in a franchise before."

"If our franchises aren't making money, they are not going to invest in the brand like they should."

"Profitability is a really important factor for us because we want to be the number one pizza brand, not just globally, but in every neighbourhood. We want stores to be opened everywhere. For people to do that, we need to make them profitable."

"Last year, we added 81 new stores from just 40 a year [in 2014] and we are currently opening two new stores a week. The tool that liberates that pace of growth is profitability."

Domino's Pizza Group makes its money from the production and sale of ingredients to its franchisees, who are not allowed to set up a business



“
**IF OUR FRANCHISES
AREN'T MAKING
MONEY, THEY ARE
NOT GOING TO INVEST
IN THE BRAND LIKE
THEY SHOULD**

**DAVID WILD
DOMINO'S PIZZA GROUP**

with a rival fast food brand – in contrast to the motor retail model.

Wild said the Domino's model dictated that there was no large-group domination, with franchisees required to have a hands-on approach to each site's operation.

Over the past 10 years, the business has overseen the opening of 500 UK stores, taking its total presence to a thousand as sales rose from £300m to £1 billion and profits multiplied by a factor of five, Wild revealed.

While his faith in the franchised model is strong, Wild is all too aware of the potential impact of "disruptors" and said he has had to develop a "purview" to identify and embrace new technology innovations.

He said: "Ten years ago, 10% of our orders were online. Now it's 74.5%. Our business on mobiles has gone from £4m to £450m. Investment in tech is core to the profitability of our network."

Wild said consumers are now "channel-agnostic" and highlighted Domino's engagement with its sector's disruptors. He said: "Just Eat – 27,000 restaurants have signed up to that. Deliveroo – you see them in action all over London. We have been on the front foot. We said if they have a good idea we'll happily steal it, so we are all over their websites. We are driven by ease of use. We have to make the customer feel in control."

TOM SHARPE

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EIGHT QUESTIONS TO...

A GROUP HR MANAGER

Jennings Motor Group's Julia Bradford on how good HR needs a feel for all parts of a business and why she dreams of the Good Life



What are the main responsibilities of your role?

BRADFORD: I head up a small team who deal with all of the HR issues for the group. We have just more than 500 staff based in 12 sites across the north-east of England. Jennings Motor Group was formed more than 100 years ago and although it has been a Ford dealer through much of its life, over recent years the business has expanded to include other franchises such as Mazda, Kia and Seat, and now motorbikes, with two Harley-Davidson dealerships, as well as a property division and a Subway sandwich store. It's a very diverse workforce.

The managing director, Nas Khan, who himself started as a sales executive at Jennings more than 30 years ago, is very keen for all of his key managers to get involved in all aspects of the business, whether or not it would fall naturally into your remit. For me, this is great, as key to any successful HR department is for you to be able to understand the business and why things matter in any given area of it, which, as a consequence, allows us to make good decisions.

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

BRADFORD: Along with many businesses, the way people buy has changed dramatically. Due to the internet, customers are much more informed before they enter the showroom or aftersales departments. They can very quickly compare prices and check out reviews online. Customers are becoming more demanding and less willing to accept it if you don't get it right.

How might these challenges be overcome?

BRADFORD: The only way to actually make a difference and stand out from the crowd is to ensure that whenever we get the opportunity to interact with a customer it has to be outstanding. We have got some great products, and we need people who have the ability to sell their passion over the phone and internet as well as face to face. This obviously has an impact, not only on training of existing staff, but what we look for when recruiting staff and also making sure that the infrastructure is there to support this.

We have always had a policy of recruiting from within

where possible, so the development and identification of our future leaders is also another area that is paramount to ensure our future success in a very competitive marketplace.

What attracted you to HR?

BRADFORD: The diversity of the role. I've always stayed in an operational HR environment, so you really don't know what you are going to be dealing with next. There are never two days the same. As a HR manager, I also believe there is a real opportunity to make a difference to the way a company operates and thinks, and the decisions that are made about employment issues have a direct impact on the culture of the company and its reputation.

What is the most important thing you have learned in your career?

BRADFORD: The first thing I was told all those years ago when I first began my career in HR, is that people are your most important asset, and this still applies today. Looking after your employees, giving them a good place to work, listening to what they have to say.

MATT DE PREZ

QUICK-FIRE QUESTIONS

What drives you?

Being part of a successful business and helping make it a success. I've seen the business grow and diversify and that's very rewarding.

What's your favourite app?

Spotify. I have a very eclectic play list.

How do you relax?

I play golf – not always particularly relaxing. I've also just bought a greenhouse. I'm not quite self-sufficient but definitely beginning to enjoy the 'Good Life' (if you're old enough to remember that TV sitcom!).

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What is your favourite board game and why?

EDITORIAL

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► **Draughts** – I can still beat my children at it

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► **Scrabble** – it helps my daughter to spell

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► **Battleship**. It added drama to family narrowboating holidays

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► **Out of office**

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► **Monopoly**. I used to play it every Christmas with my grandparents

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► **Backgammon** – because it is cruel

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► **Operation**. I didn't mind losing as I liked to set the buzzer off

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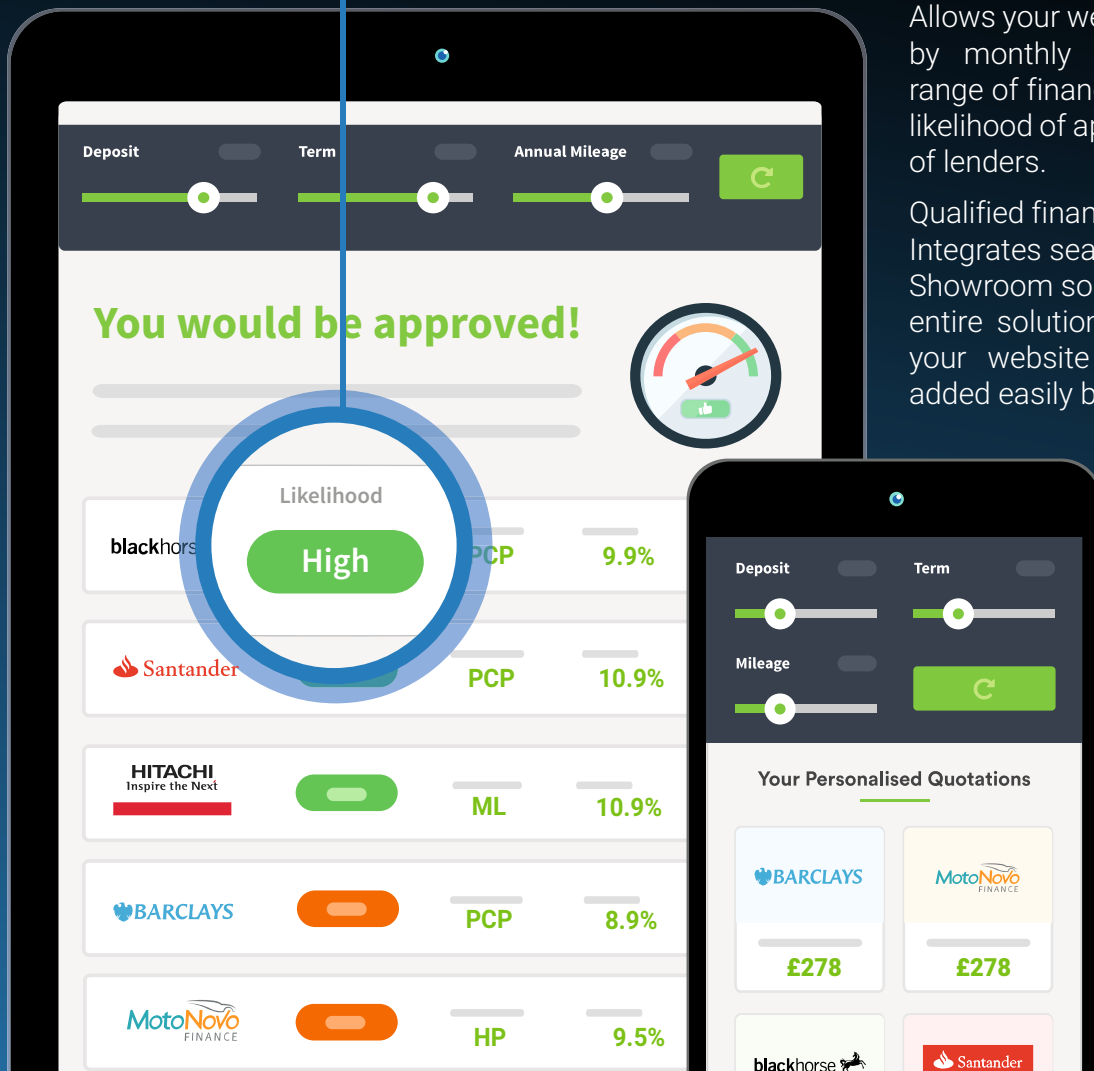


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