

# AM

AUTOMOTIVE MANAGEMENT

HARRATTS / P28

MD Shaun Harratt on his  
group's road to recovery



MCLAREN AUTOMOTIVE / P24

## PUMPING UP THE VOLUME

Sales director Jolyon Nash explains how new  
supercars, expanded production and a  
focus on aftersales will boost dealer profits



AM AWARDS / P20

Are you in the  
running? Full  
shortlist inside

DIGITAL DEALING / P41

Experts identify the  
essential elements of  
a motor retail website







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# Aiming to smash records in 2016? Don't ignore digital

**2**015 was marked by the biggest new car market the UK has ever seen. The motorist's desire for a premium brand on the drive shows no sign of abating, with Mercedes-Benz, BMW, Land Rover, Mini and Audi all growing volumes significantly, as our observations of the annual market on page 13 show.

The pace doesn't seem likely to slacken. Some industry experts predict that registrations will increase further in 2016, to more than 2.7 million. Of course, daily rental and retailer pack deals will feature, but more company car fleets are changing their vehicles sooner, and private motorists have welcomed the PCP and PCH as an opportunity to change their car more often and more easily.

The maintenance of a record total industry volume is a positive for the dealers who have had to expand their sales forces and upscale their facilities to meet manufacturers' demands. The market figures suggest it has been a necessary investment.

Yet for too many motor retailers that investment still has not reached their digital operations sufficiently. Our insights into dealer websites and digital teams, starting on page 41, reveal many best practice processes and tools are yet to be fully embraced. Do so, or be left behind by your peers as well as your customers.



The days are counting down to the AM Awards, our annual celebration of the good and the great in UK motor retail. I was part of the judging panel for the first time and I was struck by the volume of entries we received and the diversity of the industry's strong performers. Turn to page 20 to see which companies made it to the final shortlist. AM's editor-in-chief, Stephen Briers, and I look forward to seeing many of you at the AM Awards gala dinner on February 11 at Birmingham's International Convention Centre.



**Tim Rose**  
Managing editor

## OUR EXPERT CONTRIBUTORS



"Women do not like the lack of price transparency"

**Prof Jim Saker: P34**



"A wider choice and higher volumes will perpetuate the shift from a 'vendor' to a 'buyer' market"

**Rupert Pontin: P36**

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## HARRATTS

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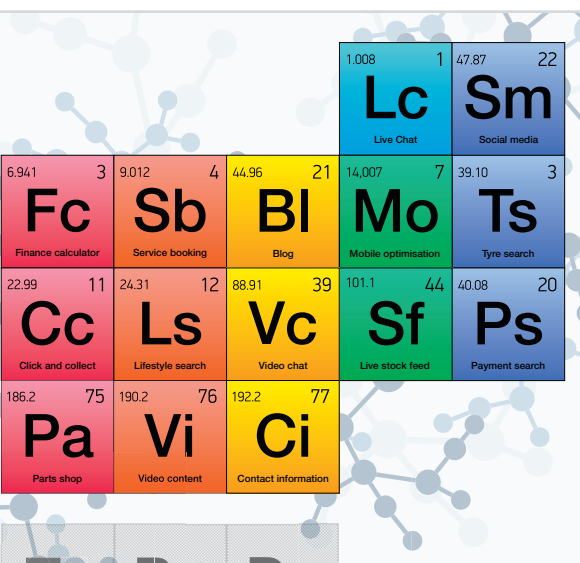
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**MCLAREN  
AUTOMOTIVE**  
HOW THE  
SUPERCAR  
MAKER  
PLANS TO  
DOUBLE ITS  
SALES, BUT  
RETAIN ITS  
'EXCLUSIVITY'





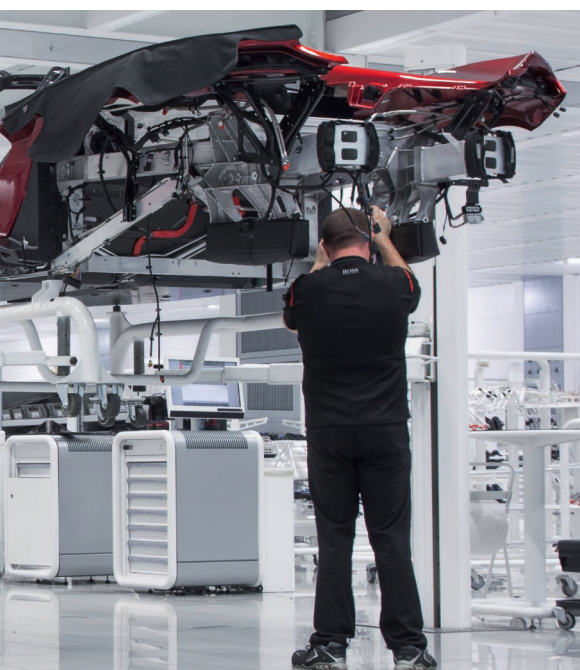
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DRIVER'S  
BOXES



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**AM**  
**AWARDS: 2016**

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All the winners from this year's AM Awards; Operations director Paul Hegarty on how Subaru UK has clawed its way back into growth; and the Nissan Leaf reviewed.



# Digital will matter even more in 2016

41% of car dealers are increasing their digital marketing budget for 2016. **Will you be left behind?**



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## Dealer pay

The average remuneration package increased 2.6% from £38,000 in 2014 to £39,000 in 2015, excluding chief executives.

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## VAT overpayments case

Resolving compound interest claims may take 'longer than expected' after HMRC was given leave to appeal the Littlewoods case at the Supreme Court.

## VANTAGE

# Vantage buys Lexus and Toyota sites from Lookers

**Vantage Motor Group has acquired one Lexus and two Toyota dealerships from Lookers for £12.7 million.**

The sale of Toyota and Lexus businesses in Leeds and a Toyota site in Wakefield to Meridian Motor Group, which trades as Vantage, was concluded last month.

Lookers gained the sites when it took over Benfield motor group last autumn. The sale leaves Lookers with two Lexus dealerships, in Belfast and Hatfield, and its Northern Ireland Toyota operations in Belfast, Dundonald and Newtownabbey.

The acquisitions bring Vantage's portfolio of Toyota sites up to 12, and its Lexus sites to two, making it one of the largest Toyota retailers in the UK. It now has 25 dealerships, representing eight manufacturers – Toyota, Lexus, Kia, Škoda, Citroën, Mazda, Honda and Hyundai – across the Midlands and North of England. Vantage employs 600 staff, with an annual turnover exceeding £200m.

**Vantage's managing director, Mark Robinson,** said it will invest a further £1 million upgrading the acquired sites. The acquisition was funded by Toyota Financial Services.

Robinson said: "This is not about doing deals for the sake of doing deals but because they make a perfect fit – strategically, geographically and culturally."

Robinson, who is also chair of the Toyota Dealer Council in the UK, added: "These latest acquisitions cement our relationship with Toyota and reinforce our ambition of being a regionally based, national force in the industry, recognised not just for the excellent range of vehicles we sell, but for the outstanding level of customer service we deliver and the career opportunities we provide for our staff."

Vantage was advised on the deals by Walker Morris, Colliers CRE and Grant Thornton.

Phil White, the chairman of Lookers, is a 30% shareholder in Meridian, so the deal was announced by Lookers to the London Stock Exchange.

## IN BRIEF

### LDV

LDV is to return to the UK and Ireland after the Harris Group secured the distribution rights for the van brand.

The vans are manufactured in China by SAIC Maxus (part of the Shanghai Automotive Industrial Corporation), which acquired the LDV brand in 2010. The Harris Group has a medium-term goal to create a strategic network of retailers.

### EDWARD WILMOTH

Tribute was paid to a car dealer who 'built a small empire of car dealerships across 1066 country', following his death over the Christmas period.

Edward 'Ted' Wilmoth bought his first dealership, Bexhill Motors, with rugby teammate Bob Andrews before starting his own dealership on Sedlescombe Road North, Hastings, and later buying Jarrett's Motors, Cooden Motors, Bryan's of Rye and Skinner's.

### MARK DOCKERILL



Marriott Motor Group Audi brand director Mark Dockerill has become the first

person in Audi's UK network to achieve an MBA through the Audi LEAD manager development programme. Dockerill said: "It was without doubt the biggest personal challenge I have embarked on to date, but equally the most rewarding."

### ARNOLD CLARK

Arnold Clark Automobiles has opened a new Motorstore branch in Wigan. The branch has 250 new and used cars on display, with access to more than 15,000 vehicles on the Arnold Clark network.

## MOTORLINE

**Motorline Group has opened a new Infiniti dealership – the Japanese premium brand's 11th UK outlet.**

Infiniti Centre Bristol was expected to be operational from the end of January and will utilise a temporary site on Bath Road, Bristol, until full redevelopment work is carried out to ensure the facility meets the Infiniti Retail Environment Design Initiative (IREDI) standards.

**Glen Obee, chairman of Motorline Infiniti Centre Bristol,** said: "We are pleased to be joining Infiniti at this time just as the brand is starting to introduce many new and exciting products into its portfolio. The Infiniti Q30 (right) will appeal to a far wider audience and we are looking forward to welcoming our customers to the new car and the Infiniti brand."

The new dealership will support Infiniti's aftersales operation, becoming part of a 'closer to home' initiative, which will see the brand add several new service partners across the UK.

The first aftersales support centre, opening up in January 2016, will be Service Partner Exeter. The facility will be incorporated within the Nissan JFE dealership on Grace Rd, Exeter, and will provide full customer support for all Infiniti products. Staff at the centre have been specifically trained in the



Infiniti customer service program.

Separately, Motorline has acquired its second Peugeot dealership, with the purchase of the former Robins and Day business in Rochester.

Brett Tomlin has been transferred from Motorline Peugeot Canterbury and promoted to general manager of the new site.

Future plans for Motorline Medway Peugeot will be relocating the dealership to a new facility in the Medway towns.

Founded in 1972, the Motorline Group now represents 10 car manufacturers with dealerships in the south of England and south Wales.

In the past 18 months, the company has invested in new and existing dealerships, including the £7 million regeneration of its Parkwood complex in Maidstone and the acquisition of a new site Cardiff.



## HONOURS LIST

**A car dealer who has been selling cars to British expats in Doha for more than 20 years is among automotive industry figures recognised in the New Year's Honours list.**

Tony Porter, boss of Oasis Cars, moved to Doha in 1993 after working in the industry in London and Saudi Arabia, and has been awarded the British Empire Medal for "services to the British community in Qatar".

Porter runs courses on safe driving in the city and desert alongside his regular role navigating buyers through the red tape of a Doha car purchase.

AA president Edmund King (pictured below) was also among those recognised with a New Year's honour.

King gained an OBE for "services to road safety" after 25 years spent promoting road safety.

Former rally driver Patrick Hopkirk received an MBE for services to motoring and young people more than 50 years after he sealed victory in the Monte Carlo Rally.

As a patron for the charity SKIDZ, he has used his profile to help young people gain vocational skills in motor mechanics as part of a variety of projects that aim to help disadvantaged and vulnerable youngsters.

Jaguar Land Rover's apprentice manager, Ian Eva, meanwhile, received his MBE for services to vocational education.



## JLR SHOWROOMS

**Pendragon has applied for permission to build a new Land Rover and Jaguar showroom.**

The new Jaguar showroom will be built at its existing dealership site on the A690 Durham Road, Sunderland, with a new Land Rover dealership on the former Quicks garage on the opposite side of the A690 at Stoneygate.

The £5.5 million investment should boost the dealerships' 33-strong headcount and vehicle sales

## AUTOMOTIVE PAY

**Dealer group salaries increased on average this year, but pay levels continue to be relatively stagnant, a survey has shown.**

According to the fifth BDO Motor Salary Survey, the average remuneration package increased 2.6% from £38,000 in 2014 to £39,000 in 2015, excluding chief executives. The survey collated responses from 130 businesses that operate 285 dealership sites. Twenty-six dealership positions were represented.

**Malcolm Thixton, BDO head of motor retail**, said: "With many dealers across the country reporting increased levels of profitability and continuing rises in the level of registrations, salaries have started to increase. The increase in the current year was shared between a small increase in base salaries and a similar rise in the average level of incentives."

■ According to a survey by recruiters Copeland Select, automotive retailers offer lower pay, with an average £37,058, than the industry average of £47,900. Retailers also offer fewer holidays, with 37% of employees receiving 22 days or fewer.



## ROBINS &amp; DAY

**A new £10 million joint Robins & Day and Citroën Retail Group dealership has been opened in Chingford.**

The new site houses two eight-car showrooms for Robins & Day Peugeot and Citroën Retail Group. This is the first time a new build project has accommodated these brands – plus DS – in one place.

As well as new cars, the site will also feature 65 used cars and a new 13-bay workshop with MOT facilities and the latest state of the art equipment.

David Peel, Peugeot Citroën Retail Group UK chief executive, and Stéphane le Guével, director general Peugeot Citroën Automobiles UK, officially opened the centre, which created 46 new jobs.

**Martyn Wood, dealer principal**, said: "This is our first new build tri-brand site and it marks a significant step in our company's development."

from 150 new vehicles and 200 used vehicles a year to up to 500 new and 800 used.

Meanwhile, in Colchester, Lookers Land Rover is preparing to invest in its Land Rover operation with a move to a larger, purpose-built site.

The operation is to move from Cowdray Avenue, where it has been based for around 20 years, to a 10,500-square metre site off Axial Way.

Planners at Colchester Council have yet to pass plans for the new dealership development, but a decision is expected to be made in the spring.

## PEOPLE NEWS

## DUNCAN MOVASSAGHI



Škoda UK has appointed former head of sales operations Duncan Movassaghi as its new brand director. Škoda UK has also appointed Ashley Andrew as head of marketing.

## ANDREW CULLIS

Toyota GB has appointed former Škoda head of marketing, Andrew Cullis, as its new marketing director. Cullis has previously held the posts of marketing director at Hyundai UK and roles in brand and product marketing and public relations with Vauxhall and Citroën.

## SALLY CABRINI

Former United Utilities business services director Sally Cabrini has joined Lookers as a non-executive director. Cabrini took up her new role on January 1.

## JIM MURRAY-JONES

Exchange and Mart has appointed Jim Murray-Jones as general manager alongside Thom Coupar-Evans as sales director. Murray-Jones joined from News UK automotive and Coupar-Evans joined from AA Cars.

## RICHARD BALSHAW

Toyota has appointed Richard Balshaw as customer services director, replacing Steve Settle, who has retired. Balshaw moves to his new role after almost five years as director of the Lexus division.

## ALAN COOPER

Codeweavers has hired Alan Cooper as national sales manager and David Stevenson as regional sales manager for Scotland. Cooper previously held senior roles at AA Cars, VCars and EurotaxGlass's, while Stevenson joins from Autoglym.



# AUTOCLENZ Sponsors of the 'Best Used Car Performance' Award

Autoclenz is proud to be partnering the AM Awards in 2016 for the second year running.

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# BACK TO THE FUTURE

By Andrew Howells, chairman, CitNOW



'2016 will be the year for videos – 17 proven stats\*' was the subject line of an email that recently turned up in my inbox.

Our industry is often accused of living in a bubble. A bubble that believes customers don't behave like we do and are not part of

the 78% who watch online video every week. Or contribute to the 50% of mobile traffic that is now video.

That bubble has definitely burst.

In 2015, the total number of personal videos sent by CitNOW dealers rose to three million, a 40% increase on 2014. We also switched on a 'rate this video' function to test customer reactions. There was an avalanche of feedback like this:

- "Never had this before; impressed";
- "How to follow up a sale and make the customer feel appreciated";
- "Absolutely delighted. Creates a really personal follow-up to my visit yesterday".

This explains why some groups and manufacturers see video as integral to the customer journey. Video relationship marketing has arrived. It is personal, timely and relevant. The results are often immediate.

However, it is a double-edged sword. Unhelpful videos, videos with next to no care, attention or detail can get short shrift. This is not just a tick-box exercise.

It's also no longer a one-way street. With CitNOW Trade In, customers can video their part-exchange as well, via a free download from the App Store.

BAFTA beckons again in July for the second CitNOW Video Awards and there is no doubt the bar will be raised further as the competition continues to increase.

I predict this year will be even more dramatic than the last. Enjoy the ride.

\*from the Marketing Insider Group

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## MITSUBISHI

Mitsubishi UK has backed up its recent sales growth with the opening of its 12th new dealership in the past 12 months.



Startin Mitsubishi, part of the family-owned Startin Group, will be run from a temporary showroom at the company's Bowling Green Garage in Powick before moving into a newly renovated showroom on the same site later in the year.

The new partnership means Startin Group runs eight different franchises across three locations in Worcester.

Dealer principal Ben Winslow said: "This is an exciting time for Mitsubishi, which has seen fantastic growth, and an exciting time for us."

"There are a number of new models in the pipeline and we are delighted to be part of this ongoing success story."

Statistics from the Society of Motor Manufacturers and Traders show Mitsubishi Motors in the UK has been the fastest-growing mainstream car manufacturer for the past three years.

The company saw sales growth in passenger cars of 44% in 2015 compared with the previous year, against an overall market up by 6%.

## JENNINGS

Jennings Motor Group has added its first motorcycle dealership with its acquisition of Leeds Harley-Davidson in West Yorkshire.

Nas Khan, managing director of Jennings Motor Group, said: "We are embarking on a completely new and exciting business venture and we are looking forward to further developing the highly prestigious brand on both a local and national level, in addition to increasing business across new and used sales, service, parts, accessories and merchandise."

Leeds Harley Davidson had been operated since 2012 by Legend Motorcycles, of which Khan's son, Sohail, was managing director. He is also a director of Jennings. Legend had re-established the franchise in the city after its previous operator, Summer Retail, put the business into administration in 2011.

## VAT OVERPAYMENTS

Dealers have been warned that resolving compound interest claims may take 'longer than expected' after HMRC was given leave to appeal the Littlewoods case at Supreme Court.

The decision follows a Court of Appeal judgement in Littlewoods' favour last June over whether compound rather than simple interest should have been received on VAT overpayments.

HMRC indicated then that they would be seeking right to appeal.

All motor industry claims continue to rely upon the success of the Littlewoods claim.

Michelle Malone, tax director at automotive specialists ASE, said: "With potentially millions of pounds at stake, this move is not unexpected, but does unfortunately mean dealers will have to wait longer for a final resolution to their claims."

## G3 REMARKETING

G3 Remarketing is investing £500,000 in the launch of a physical car auction in Leeds.



The new venture, which will open its doors every Tuesday from February 2, follows a record year in which the company achieved a £4 million turnover, with £900,000 in profits, a spokesman said.

The facility – developed as part of G3's four-acre headquarters – will cater for car supermarket vehicles of up to £5,000 in value and will house a 30,000sq-ft viewing auditorium, buyers' lounges, vehicle preparation facility and space to store up to 200 vehicles under cover.

G3's joint director, Matt Dale (pictured) said: "Given we're ideally situated off the M62 and M1, we're therefore extending our offering to echo the same level of standards within physical auctions too."



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## Finance

Many manufacturers have started the year with hefty contributions designed to maintain PCP momentum.

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## Profitability

The average dealer made a £10,800 loss in November, up from a £10,000 loss in November 2014.

18

## Used cars

The average used car fell 2.4% in value in December, compared with the same month a year earlier.

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# 10 brands account for 75% of 2015 registration rise

The record increase in 2015's new car market was not equally shared by every carmaker

**T**en brands were responsible for 117,547 of the 157,068 increase in new car registrations in 2015 that led to a record 2.63 million new car market.

The top performer for volume growth was Mercedes-Benz, which boosted its 2014 performance by 20,835 registrations, half of which were in the retail sector. Key performers for the Mercedes network were the C-Class, which accounted for half of the brand's

growth, while the A-Class hatchback and GLA-Class small SUV provided much of the remainder.

Second to Mercedes was its premium market rival, BMW, which ended the year 18,513 registrations ahead of 2014 and set a new brand record. Growth was driven not by its core 1 Series and 3 Series models, however. Instead, registrations of its 2 Series models, including its first ever MPV, more than trebled to 17,832 units, while its 4 Series range also enjoyed significantly increased

*"Our results have been driven not only by retail sales, but also by high demand from the corporate sector"*

**Graeme Grieve, chief executive, BMW Group UK**

demand, and its X3 and X5 SUVs also made gains.

"Our results have been driven not only by strong growth in our retail sales, but also by particularly high demand from the corporate sector," said **Graeme Grieve, chief executive of BMW Group UK.**

Mainstream brand Nissan provided the third-largest boost to the 2015 new car market, with 15,599 incremental registrations. Two thirds of these additional units were accounted for by its top-seller, the Qashqai, which achieved 60,814 total registrations, with the X-Trail also in strong demand.

Land Rover was the only other brand to achieve five-digit registration growth, contributing 10,374 additional units and passing the 75,000 mark in total.

Growth in the new car market has continued for 46 months, with only

one slight wobble – October 2015 recorded a 1.1% fall year-on-year – and some expect the rise to continue through 2016.

Last month was the biggest December ever –

## THE MARKET DRIVERS

	Brand	YoY registration rise
1	Mercedes-Benz	+20,835
2	BMW	+18,513
3	Nissan	+15,599
4	Land Rover	+10,374
5	Mini	+9,920
6	Renault	+9,284
7	Volkswagen	+8,956
8	Ford	+8,624
9	Audi	+7,722
10	Mazda	+7,720
	Other brands	39,529
	<b>Total</b>	<b>157,068</b>

## FINANCE STATS

The point-of-sale consumer new car finance market grew 17% by volume and 24% by value in November 2015, compared with the same month in the previous year, according to figures from the Finance & Leasing Association (FLA).

The percentage of private new car sales financed by FLA members through dealerships reached 80.9% in the year to November, up from 80.1% in the 12 months to October.

Point-of-sale consumer used car finance also saw strong growth in November, with new business up 18% by volume and 22% by value.

**Geraldine Kilkelly, head of research and chief economist at the FLA, said:**

"The growth in new business in November reflects the continuing strength of consumer confidence. The point-of-sale consumer car finance market is likely to report growth in new business volumes for 2015 as a whole of 9%, in line with expectations."

## NOVEMBER MOTOR FINANCE MARKET: NEW CARS

Source: FLA

New cars bought on finance by consumers through dealerships					
	Nov 2015	Change on previous year	3 months to Nov 2015	Change on previous year	12 months to Nov 2015
Value of advances (£m)	1,199	+24%	5,088	+17%	15,972
Number of cars	70,133	+17%	302,232	+10%	971,673
New cars bought on finance by businesses through dealerships					
Number of cars	33,539	-3%	131,849	+2%	509,661

# MARKET INTELLIGENCE

## NEW CAR REGISTRATIONS

up 8.4% – with 180,077 new cars registered, according to figures from the Society of Motor Manufacturers and Traders.

This is only the fourth time that the market has surpassed 2.5m vehicles in a full year.

There was growth across the two main sectors, with UK fleets boosting demand by 11.8% to reach an all-time high of 1.3m units. The private sector was up 2.5%. Business registrations declined by 3.2%.

Alternatively fuelled vehicle (AFV) demand, meanwhile, grew 40.3%, securing its biggest ever market share of 2.8% for a year. Plug-in hybrid volumes more than doubled, while pure electric vehicles saw an uplift of about 50%.

**Mike Hawes, SMMT chief executive**, said: “The new car market defied expectations in 2015,



“There is every reason to expect the market to hold broadly steady in 2016”

**Mike Hawes, SMMT chief executive**

hitting an all-time record driven by strong consumer and business confidence.

“Buyers took advantage of attractive finance deals and low inflation to secure some of the most innovative, hi-tech and fuel-efficient vehicles ever produced.

“The past four years have seen a remarkable period of sustained growth, and the outlook remains positive, with every reason to expect

the market to hold broadly steady in 2016.”

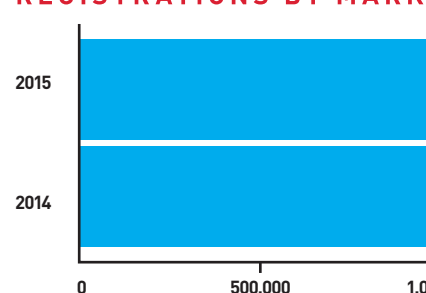
**Sue Robinson, director of the National Franchised Dealers Association**, said: “Strong new car sales like this will have a lasting positive impact on the UK economy as all the new cars of today need to be serviced in the years ahead.”

■ **Turn to page 16 for the full table of 2015 registrations by brand.**

**BMW 2 Series**  
Registrations of BMW's 2 Series, including the Gran Tourer, more than trebled to 17,832



## REGISTRATIONS BY MARK



## FINANCE OFFERS

With 2015's sales success still fresh in their minds, many manufacturers have started the year with offers designed to maintain momentum.

Healthy deposit contributions are being offered and Peugeot, keen to build on a promising December, has extended its successful Just Add Fuel scheme – offering three years of insurance, servicing and roadside assistance – from its 108 city car into the 208, 308 and 2008.

The 208 benefits from a £500 deposit contribution and 0% APR interest rate, while the 2008 gets a £1,200 leg up, albeit at 4.9% APR.

Vauxhall is delivering good value with its deposit contributions, with £3,000 available towards a Mokka SUV or £1,500 on the Adam S hatch.

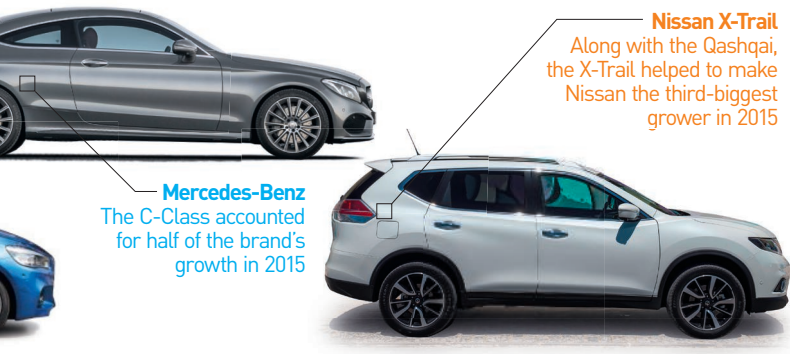
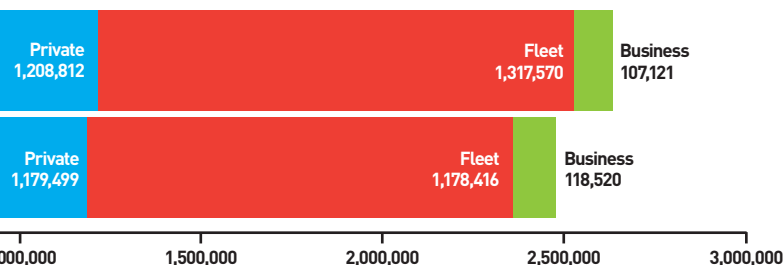
Mazda is also laying cash incentives on the table. A raft of new car launches in 2015 leaves the Mazda3 as the range's old timer, but a £1,000 contribution could boost sales alongside its 0% interest rate.

Toyota is also trying to appeal to young customers with free insurance. The Aygo city car comes with one year's free insurance for all over-18s. The larger Yaris gets a £900 deposit contribution and works out at £159 per month for the 1.0-litre petrol.

Top finance offers for retail buyers							Retail new car finance offers
For a searchable list of manufacturers' finance offers, go to <a href="http://am-online.com/offers">am-online.com/offers</a>							Choose a manufacturer
Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
<b>Mazda</b>							
Mazda2 75PS SE	PCP	£3,377.25	37	£119	£4,483.75	0.0%	31/03/2016
Mazda3 120PS SE	PCP	£3,676.25	37	£189	£6,574.75	0.0%	31/03/2016
Mazda6 Saloon 145PS SE	PCP	£3,925.50	37	£219	£6,145.50	0.0%	31/03/2016
Mazda CX-3 120PS 2WD SE	PCP	£4,491.75	37	£179	£6,959.38	3.9%	31/03/2016
Mazda CX-5 150PS 2WD Sport Nav Diesel	PCP	£7,611.25	37	£349	£10,773.75	5.9%	31/03/2016
Mazda MX-5 131PS SE	CS	£9,615.00	37	£265	N/A	0.0%	31/03/2016
<b>Peugeot</b>							
Peugeot 108 3dr Access 1.0 68PS	PCP	£1600.00	37	£115	£4,536.00	4.9%	27/01/2016
Peugeot 208 3dr Access 1.0 68PS	PCP	£3,067	37	£135	£4,382.00	0.0%	27/01/2016
Peugeot 2008 Access A/C 1.6 BlueHDI 75PS	PCP	£1,331	37	£219	£7,065.00	4.9%	27/01/2016
Peugeot 308 5dr Access 1.6 BlueHDI 100PS S&S	PCP	£765	37	£279	£6,431.00	0.0%	27/01/2016
Peugeot 308 SW Access 1.6 BlueHDI 100PS S&S	PCP	£1,650	37	£269	£6,797.00	0.0%	27/01/2016
<b>Toyota</b>							
AYGO x-cite 5dr 1.0 VVT-i Manual	PCP	£2,142.75	42	£149	£5,287.50	4.9%	31/03/2016
Yaris Icon 3dr 1.0 VVT-i Manual	PCP	£1,492	42	£159	£4,005	0.0%	31/03/2016
Auris Design 5dr 1.2 VVT-i Manual	PCP	£3,926.00	42	£199	£6,660.00	0.0%	31/03/2016
RAV4 Business Edition 5dr FWD 2.0 D-4D Manual	PCP	£6,810.50	24	£199	£13,207.50	0.0%	31/03/2016
<b>Vauxhall</b>							
Viva SE 1.0i 75PS	PCP	£1,999.00	36	£99	£3,821.00	6.9%	31/03/2016
Adam Energised 1.2i 70PS	HP	£1,499	60	£199	N/A	0.0%	31/03/2016
Adam Rocks 1.2i 70PS	PCP	£1,499	36	£179	£5,900	2.9%	31/03/2016
Adam S 1.4i 150PS Turbo	PCP	£1,999	36	£229	£6,574	2.9%	31/03/2016
Corsa Energy 1.2i 70PS (a/c)	HP	£1,799	60	£179	N/A	0.0%	31/03/2016
Corsa Limited Edition 1.2i 70PS	PCP	£1,599	36	£179	£5,740	4.1%	31/03/2016
Meriva Tech Line 1.4i 100PS	PCP	£1,399	36	£189	£5,782	6.9%	31/03/2016
Astra GTC Sri 1.4i 120PS Turbo	PCP	£3,999	36	£239	£6,600	2.9%	31/03/2016
Astra GTC Sri 1.4i 120PS Turbo	HP	£3,999	60	£259	N/A	0.0%	31/03/2016
Astra Sri 1.0i 105PS Turbo	PCP	£2,499	36	£249	£7,920	2.9%	31/03/2016
Mokka Exclusiv 1.6i 115PS s/s FWD	PCP	£2,999	36	£189	£2,650	2.9%	31/03/2016
Zafira Tourer Exclusiv 1.4i 140PS Turbo	HP	£2,999	60	£289	N/A	0.0%	31/03/2016
Cascada SE 1.4i 140PS Turbo s/s	HP	£5,599	60	£299	N/A	0.0%	31/03/2016
Insignia Energy 1.8i 140PS ecoFLEX	HP	£3,999	60	£269	N/A	0.0%	31/03/2016
<b>Volkswagen</b>							
Move up! 1.0 60PS 3dr	PCP	£1,891.28	47	£95	£3,698.54	4.9%	31/03/2016
Polo Match 1.0 60PS 5dr	PCP	£2,642.41	47	£139	£5,332.50	6.8%	31/03/2016
Golf Match Edition 1.4 TSI 125PS 5dr	PCP	£5,068.16	47	£195	£8,366.40	4.9%	31/03/2016
Tiguan R Line Edition 2.0 TDI 150PS	PCP	£5,176.29	47	£265	£11,772	4.9%	31/03/2016

# WE'LL HELP YOU GET THERE



**ET SEGMENT****DEALER KPIs**

Source: ASE

Keyratio	Rolling 12 months Nov 2015	Rolling 12 months Nov 2014	Benchmark
Net profit as % of sales	1.30%	1.42%	3.0%
Overhead absorption	53.7%	55.4%	80%
Used: New sales	0.92:1	0.86:1	1.5:1
Expenses as % of gross	64.0%	62.4%	50%
Sales per salesman	193	198	150
Used vehicle stockturn (days)	54.7	54.7	45
Return on used car investment	74.3%	80.6%	100%
Overall labour efficiency	82.5%	82.2%	100%
Service gross profit % on labour	75.6%	75.7%	75%
Service expenses as % gross	59.6%	58.0%	40%
Hours per retail job card	1.60	1.64	2.5
Parts gross profit	22.5%	22.2%	22%
Parts expenses as % growth	44.0%	44.7%	40%
Parts stockturn	7.49	8.09	8.0

The average franchised dealer posted a £10,800 loss in November, according to ASE data. The result was worse than a year previously, when the average loss was £10,000.

**ASE chairman Mike Jones** said November is always the toughest month of the year for UK motor retail performance and 2015 proved no different.

He said: "The key performance will, however, be in December, where the annual bonuses for all franchises will kick in and we will see whether all of the registrations in 2015 have fed through to improved dealer profit."

ASE's data showed November 2015 new car sales were down 1% on November 2014, continuing the trend of increased self-registrations given the 3.8% increase in registrations. It said overall new car sales for the 11 months to November are marginally behind the total for the prior year, in comparison to the 6.2% rise in registrations.

**ADVERTISEMENT PROMOTION****BLACK HORSE COMMENT**By **Richard Jones**, managing director, Black Horse

With 2016 under way, we look forward to a year of opportunity and change for the UK motor industry. While I doubt 2016 will see growth quite as strong as the past two years, Black Horse begins the year with confidence in the market and in our ability

to serve customers well and to keep improving for customers' benefit.

However, amid all the change I expect to see – much of it driven by technology – the purpose of Black Horse will not change. We remain committed to providing financing solutions for customers, working with and supporting dealers. I see our role as helping dealers to stay central to the car-buying journey as customer needs and preferences evolve.

We will continue to invest in technology that will help you to deliver for your customers and will be bringing more to this space through 2016, building on our previous successes, such as Black Horse SignIt.

Toward the end of last year, our investment was recognised at the UK's Digital Experience Awards, where Black Horse SignIt won top honours for the Best Use of Digital to Improve Customer Experience in Automotive. We also collected a Silver Award for overall enhancement of customer experience through digital.

The awards recognise our continued commitment to using technology to help make dealers' and customers' lives easier and to enhance the dealer/customer experience. They also show we continue to listen to what dealers need, underpinning our customer-first approach – which simply demonstrates a better way of doing business.


We constantly monitor and respond to changes in consumer behaviour so that we can help dealers to keep pace with customer trends and expectations. As a sector, that should be a priority for us all – to focus not just on products and services, but on how we do business.

New technology will be a big part of that success and will continue to drive change in the motor finance industry as the year progresses. It's essential that we all embrace those changes and adapt our offerings, so that technology works harder for us and our customers.

A changing, technology-driven world can be a daunting place, especially when we also overlay regulatory and wider market change. Black Horse is here to support dealers in developing better, more efficient processes that continue to put customers first.

## RISERS & FALLERS

TOP 10	
Jeep	+176.13%
SsangYong	+116.86%
Smart	+94.73%
Abarth	+67.05%
Infiniti	+60.19%
Lotus	+59.57%
Mitsubishi	+43.58%
MG	+35.51%
Porsche	+32.83%
Jaguar	+30.18%




Jeep ended 2015 with record registrations. The competitive Renegade C-segment SUV was its strongest seller at 6,334 units, while the Cherokee was next best with 2,258.

Seat was the UK's worst performing brand in 2015, excluding brands exiting the market. Registrations were down almost 11%, or 6,000 units, and market share fell to 1.81%, its lowest in five years.

Seat said its Q4 2015 sales dip was expected, largely due to a long transition from the previous generation of the Ibiza to the latest version.

"This was compounded with a delayed production of right-hand-drive for the high-selling FR trim level, which accounts for one third of Ibiza range UK sales. With the arrival of its first compact SUV later in 2016, Seat will enjoy far greater market coverage," said a Seat spokeswoman.

BOTTOM 10	
Fiat	-4.33%
Bentley	-6.32%
Suzuki	-7.91%
Alfa Romeo	-8.22%
Seat	-10.95%
Chrysler	-93.09%
Chevrolet	-99.57%
Mia	-100%
Perodua	-100%
Proton	-100%



## NEW CAR REGISTRATIONS

10-year market trends available:  
www.am-online.com/ami 

Marque	December					Year-to-date				
	2015	% market share	2014	% market share	% change	2015	% market share	2014	% market share	% change
Ford	23,261	12.92	20,509	12.34	13.42	335,267	12.73	326,643	13.19	2.64
Vauxhall	20,830	11.57	23,162	13.94	-10.07	269,766	10.24	269,177	10.87	0.22
BMW	17,181	9.54	12,445	7.49	38.06	167,391	6.36	148,878	6.01	12.44
Volkswagen	14,415	8.00	14,475	8.71	-0.41	223,784	8.50	214,828	8.67	4.17
Nissan	9,775	5.43	8,762	5.27	11.56	153,937	5.85	138,338	5.59	11.28
Audi	9,144	5.08	8,013	4.82	14.11	166,709	6.33	158,987	6.42	4.86
Mercedes-Benz	8,892	4.94	7,774	4.68	14.38	145,254	5.52	124,419	5.02	16.75
Mini	7,370	4.09	7,172	4.32	2.76	63,581	2.41	53,661	2.17	18.49
Peugeot	6,587	3.66	5,509	3.31	19.57	104,249	3.96	103,566	4.18	0.66
Renault	6,003	3.33	5,162	3.11	16.29	75,618	2.87	66,334	2.68	14.00
Hyundai	5,271	2.93	4,578	2.75	15.14	88,117	3.35	81,986	3.31	7.48
Land Rover	4,966	2.76	3,652	2.20	35.98	66,574	2.53	56,200	2.27	18.46
Škoda	4,809	2.67	4,615	2.78	4.20	74,692	2.84	75,488	3.05	-1.05
Citroën*	4,775	2.65	5,182	3.12	-7.85	80,012	3.04	83,397	3.37	-4.06
Toyota	4,769	2.65	5,687	3.42	-16.14	98,709	3.75	94,012	3.80	5.00
Fiat	4,235	2.35	3,996	2.40	5.98	64,257	2.44	67,162	2.71	-4.33
Volvo	3,567	1.98	2,723	1.64	31.00	43,432	1.65	41,066	1.66	5.76
Kia	3,466	1.92	3,907	2.35	-11.29	78,489	2.98	77,525	3.13	1.24
Honda	2,794	1.55	3,460	2.08	-19.25	53,417	2.03	53,544	2.16	-0.24
Mazda	2,228	1.24	1,715	1.03	29.91	45,504	1.73	37,784	1.53	20.43
Seat	2,085	1.16	3,892	2.34	-46.43	47,654	1.81	53,512	2.16	-10.95
Dacia	2,003	1.11	1,503	0.90	33.27	26,228	1.00	23,862	0.96	9.92
Suzuki	1,948	1.08	2,053	1.24	-5.11	34,437	1.31	37,395	1.51	-7.91
Jaguar	1,919	1.07	1,356	0.82	41.52	23,954	0.91	18,401	0.74	30.18
Mitsubishi	1,493	0.83	1,362	0.82	9.62	22,693	0.86	15,805	0.64	43.58
DS*	1,357	0.75	0	0.00	0.00	8,614	0.33	0	0.00	0.00
Lexus	894	0.50	709	0.43	26.09	13,269	0.50	11,572	0.47	14.66
Jeep	759	0.42	320	0.19	137.19	10,794	0.41	3,909	0.16	176.13
Smart	652	0.36	13	0.01	4,915.38	8,455	0.32	4,342	0.18	94.73
Porsche	555	0.31	813	0.49	-31.73	12,167	0.46	9,160	0.37	32.83
Alfa Romeo	374	0.21	329	0.20	13.68	5,069	0.19	5,523	0.22	-8.22
Subaru	302	0.17	229	0.14	31.88	3,455	0.13	2,793	0.11	23.70
MG	283	0.16	128	0.08	121.09	3,152	0.12	2,326	0.09	35.51
SsangYong	194	0.11	76	0.05	155.26	3,344	0.13	1,542	0.06	116.86
Abarth	177	0.10	126	0.08	40.48	2,743	0.10	1,642	0.07	67.05
Bentley	95	0.05	108	0.06	-12.04	1,379	0.05	1,472	0.06	-6.32
Maserati	69	0.04	106	0.06	-34.91	1,434	0.05	1,194	0.05	20.10
Infiniti	66	0.04	79	0.05	-16.46	1,195	0.05	746	0.03	60.19
Aston Martin	65	0.04	73	0.04	-10.96	949	0.04	864	0.03	9.84
Lotus	17	0.01	5	0.00	240.00	375	0.01	235	0.01	59.57
Chevrolet	2	0.00	0	0.00	0.00	12	0.00	2,774	0.11	-99.57
Chrysler	0	0.00	149	0.09	-100.00	137	0.01	1,982	0.08	-93.09
Mia	0	0.00	0	0.00	0.00	0	0.00	5	0.00	-100.00
Perodua	0	0.00	0	0.00	0.00	0	0.00	29	0.00	-100.00
Proton	0	0.00	10	0.01	-100	0	0.00	11	0.00	-100
Saab	0	0.00	0	0.00	0.00	0	0.00	3	0.00	-100.00
Other British	18	0.01	36	0.02	-50.00	701	0.03	774	0.03	-9.43
Other Imports	412	0.23	225	0.14	83.11	2,534	0.10	1,567	0.06	61.71
Total	180,077		166,198		8.35	2,633,503		2,476,435		6.34

\*Citroën and DS registrations have been reported separately since May 2015. As the Citroën figures for December 2014 and year-to-date 2014 include Citroën and DS registrations, please combine the 2015 registrations for Citroën and DS when comparing year-on-year results.



“Kay looks after calls when our team is busy. The result? More sales, outstanding service levels.”

Money Penny client since 2013

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Money Penny will support your existing team by looking after overflow calls, or by providing a fully outsourced switchboard facility.

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[moneypenny.co.uk](http://moneypenny.co.uk)  
0333 202 1005

Kay, Money Penny Receptionist.



OUTSOURCED  
SWITCHBOARD

DIGITAL  
SWITCHBOARD

SPECIALIST  
TEAMS

# December used values fall 2.4% year-on-year

The value of the average used car fell by almost £100 in December, according to data from the National Association of Motor Auctions (NAMA).

Its report shows that the average sales price in December decreased by 1.8%, from £5,637 in November 2015, to £5,534. Compared with December 2014, values fell 2.4%, from £5,670.

Sales volumes for December fell in comparison with November 2015, in the usual seasonal pattern, but December's vehicle auction sales volume was up 26.0% year-on-year, at 70,063 units.

The percentage of vehicles sold first time in December remained static compared with November, at 77%. Year-on-year, however, the first-time conversion rate increased by four percentage points, from 73%.

## Trade-in disposal

The UK's largest motor auction group, BCA, reported that average values for dealer part-exchanges in December declined for the second consecutive month since October's record, settling at £4,248, a £66, or 1.5%, drop. That figure was still ahead year-on-year by £135, or 3.2%. The average mileage of part-exchanges was slightly lower than that of a year before,

however average age was marginally greater.

At Manheim's auction rooms, the average part-exchange value for December was down 2.1%, or £75, on November, to £3,514. Year-on-year, the average value was 3.9%, or £131 up, despite a 9% rise in volumes.

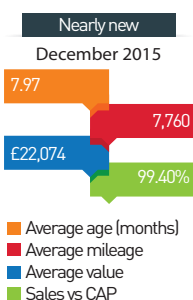
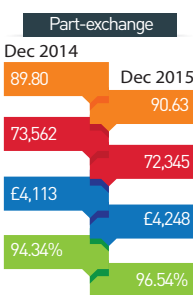
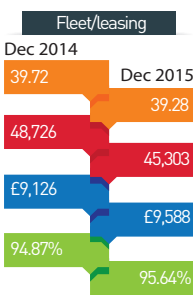
## Retail stock acquisition

BCA said its average ex-fleet car value fell £190, or 1.9%, in December, to £9,588. The total was up 5%, or £462, year-on-year, with average age static and almost 3,500 fewer miles on average.

Manheim's Market Analysis for December showed the average selling price of ex-fleet vehicles dropped £268, or 3.8%, since November, to £6,864. The average value was £171, or 2.5%, ahead year-on-year.

**Daren Wiseman, valuation services manager at Manheim,** said: "The average ex-fleet car sold at Manheim is now just under four years old, with around 55,000 miles on the clock, suggesting that replacement cycles are becoming shorter as vehicle users change cars more often both in the private and company car markets. This must be good news for used car buyers."

## YEAR-ON-YEAR



■ Average age (months)  
■ Average mileage  
■ Average value  
■ Sales vs CAP

## ECONOMIC INDICATORS

### Pay

↑ +2.4%

The average weekly wage, excluding bonuses, was £493 for the period between August and October 2015, up 2.4% on the same period a year earlier. Excluding bonuses, the weekly wage increased 2% to £463.

### Inflation

↑ +0.2PPTS

The CPI inflation rate rose to 0.1% in the year to November, compared with a 0.1% fall in the year to October. Movements in transport costs and alcohol and tobacco prices were the main contributors to the rise.

### Unemployment

↓ -0.8PPTS

The unemployment rate for August to October was 5.2%, down 0.8ppts on a year earlier and down 0.3ppts on the previous three months, according to the Office for National Statistics.

### Mortgages

↑ +3%

The Council of Mortgage Lenders reported that first-time buyers secured 29,900 loans in October last year, up 8% month-on-month and 3% year-on-year.

### Credit card borrowing

↑ +14%

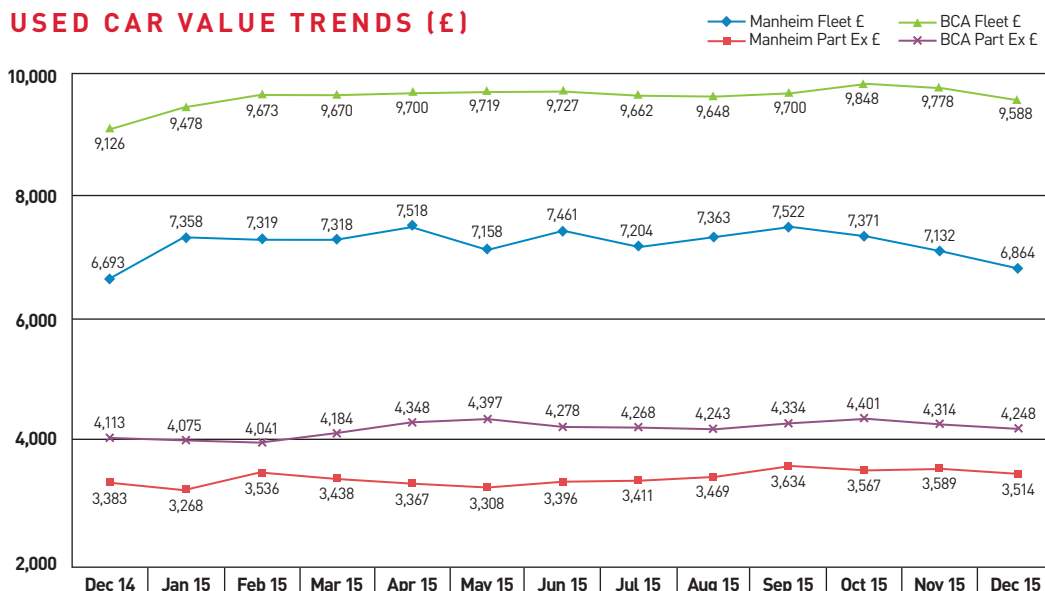
There were 242 million credit card purchases in November, with a total value of £13.2 billion. This spending volume was 14% higher than in November 2014, with a value 10% higher, said the British Banking Association.

### House prices

↑ +5.6%

Land Registry data for November showed an annual price increase of 5.6% – taking the average property value in England and Wales to £186,325.

## USED CAR VALUE TRENDS (£)



Used cars bought on finance by consumers through dealerships						Source: FLA
	Nov 15	Change on previous year	3 months to Nov 2015	Change on previous year	12 months to Nov 2015	Change on previous year
Value of advances (£m)	980	+22%	3,109	+15%	11,953	+13%
Number of cars	90,115	+18%	288,655	+11%	1,133,608	+9%
Used cars bought on finance by businesses through dealerships						
Number of cars	2,671	-2%	9,830	+3%	38,254	-10%



# Secure Valeting

## Sustained growth through added value and digital vehicle preparation...

Secure Valeting has seen an average annual growth rate of 22% over the last few years as a result of our successful dealership added value services and significant investment in digital vehicle preparation technology.

Now operational at over 400 locations across the UK, Secure is supported by 1200 valeting operators managed at regional level by Area Managers and underpinned by the long term stability of the senior management team.

Secure's in-house imaging business [autoimaging.co.uk](http://autoimaging.co.uk), provides professional HD photography, interactive virtual tours and premium video with bespoke music voiceover.



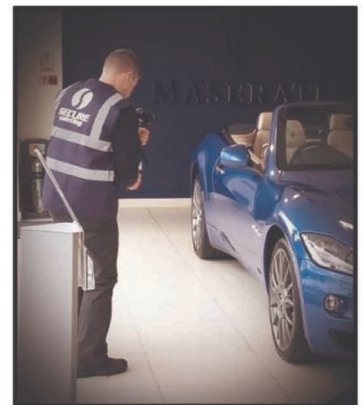
### Digital Vehicle Preparation

#### Bespoke imaging, video and virtual tours for the UK motor industry

Secure Valeting and Auto Imaging provide an **INDUSTRY FIRST** digital imaging solution at the point of valet – a fully automated in-house imaging system.

The following services are available for Web, Sales, Service and Marketing teams:

- HD IMAGES & BACKGROUND CHANGES
- VIDEO 360HD & OPTIONAL VOICEOVER
- VIRTUAL TOURS
- AUTO PORTAL TRACKING
- AUTO BOOKING & INVOICING
- APP PERSONALISED VIDEOS (inc SALES & EVHC)
- VIDEO TRAINING
- AUTO SEO



Our digital vehicle preparation package delivers quality controlled imagery and video **at the point of valet**.

Valeting and Imaging are performed at the same time, managed by one automated system from the moment a vehicle arrives on site to delivery of all media, websites and external portals.

iOS and Android apps are available for both sales teams and service departments to take personal sales and electronic vehicle health check videos respectively.

Our system has been designed and optimised for **full integration between valeting, imaging and the dealership DMS**. There are many benefits of an operative using one system to coordinate and automate the valeting and imaging processes. Secure Valeting and Auto Imaging provide this solution.



### Added Value Services - Helping after sales profits...

**Carfresh – (aftersales profit)** – Offer your service customers an upgrade to a quality hand wash clean and generate valuable additional revenue whilst enhancing your levels of customer satisfaction!

**Secure Online** – A web based booking system that has greatly reduced any requirement for a paper based process. Work is allocated via a web link from your desktop directly to the touchscreen in the valet bay. Control spend and monitor volume throughput.

**CSR App** – Service feedback is completed via our **Customer Satisfaction Report APP** which is submitted automatically by clients. **NO MORE PAPER!**



*'We are seeing significant customer uptake in our dealer profit schemes and our premium video and photography division [autoimaging.co.uk](http://autoimaging.co.uk)'*

**Michaela Gunney, Sales Director, Secure Valeting**

**Please call 01480 216700 or visit [www.secureplc.com](http://www.secureplc.com)**



**W**ith the judging complete, nearly 60 finalists are in the running for the highest accolades in automotive retail.

A panel of eight judges, including *AM* managing editor Tim Rose and chaired by Christopher Macgowan OBE, made their choices this month from the dealers seeking to be crowned the best in the industry.

Taking a deliberately diverse look at the industry, we are seeking to acknowledge great performance, innovation and a consistent approach that exploits opportunities and tackles problems across more than 20 categories. They range from the cutting-edge – in the four digital categories – to the traditional, among them aftersales, used sales and fleet.

As well as dealers, *AM* acknowledges the part played by manufacturers in the health of the retail sector in five awards voted for by dealers – new car, used car and franchise of the year as well as manufacturer of the year and digital initiative.

The competition is intense – it guarantees the February 11 ceremony will yet again be a night to remember.

“We are seeking to acknowledge great performance, innovation and a consistent approach that exploits opportunities and tackles problems”

## DIGITAL AWARDS

### Best Use of Social Media

Perrys Motor Sales  
Peter Vardy  
Ridgeway  
Specialist Cars Stoke  
*Sponsored By: Marketing Delivery*

**Marketing Delivery**  
EMAIL | MOBILE | SOCIAL

### Best Use of Television and/or Video

Perrys Motor Sales  
Peter Vardy  
Specialist Cars Stoke  
Think Ford

### Best Dealer Website

Arnold Clark Automobiles  
cartime  
Hendy Car Store  
Perrys Motor Sales  
Specialist Cars Stoke  
Sytner Group

### Best Manufacturer Digital Innovation

BMW Retail Online  
Vauxhall OnStar

## EXCELLENCE IN BUSINESS

### Best Training and Development Programme

Arnold Clark Automobiles  
Honda (UK)  
Jardine Motors Group  
John Clark Motor Group  
Mercedes-Benz UK (Apprentice)  
TrustFord

*Sponsored By: AutoProtect*



### Excellence in Customer Service

CarShop  
Devonshire Motors  
Lookers Volkswagen Carlisle  
Peter Vardy Motherwell Vauxhall  
Specialist Cars Stoke  
Vic Young

*Sponsored By: EMaC*



### Excellence in Aftersales

Devonshire Motors  
Mercedes-Benz & Smart Birmingham Central  
Peter Vardy Motherwell Vauxhall  
*Sponsored By: FUCHS Lubricants*



### NEW Best Service Reception Team

Crewe Audi (Swansway Group)  
Peter Vardy Porsche Aberdeen

### Best Sales Team (New or Used)

cartime  
Hendy Group  
Mercedes-Benz & Smart Birmingham Central  
Norton Way Corporate Sales  
Peter Vardy CarStore Glasgow  
*Sponsored By: Barclays Partner Finance*





## MANUFACTURER AWARDS

### Used Car of the Year

BMW 3 Series  
Ford Fiesta  
Kia Sportage

Sponsored By: Car Care Plan



### New Car of the Year

Honda HR-V  
Renault Kadjar  
Vauxhall Astra  
Volvo XC90

Sponsored By: Supagard



### Franchise of the Year

Ford  
Honda  
Kia Motors  
Renault

Sponsored By: carwow



## RETAILER AWARDS

### Best Used Car Performance

Mercedes-Benz & Smart Birmingham Central  
Perrys Vauxhall Doncaster  
Peter Vardy

Sponsored By: Autoclenz



### Best Fleet Operation

Minstergate Hyundai  
Norton Way Corporate Sales  
Swansway Group  
TrustFord  
Tunbridge Wells Hyundai

### Most Improved Dealership

Perrys Vauxhall Doncaster  
Sandcliffe of Stapleford

Sponsored By: Martec Europe



### Best Dealership

cartime  
Mercedes-Benz & Smart Birmingham Central  
Norton Way Mazda  
Peter Vardy BMW & Mini Edinburgh  
Romford Mazda  
Vic Young

Sponsored By: Rhino Events



### Best Retail Group (up to & including 10 sites)

City West Country  
Delgarth Motor Group  
Essex Auto Group  
Jacksons CI  
Norton Way Motors

Sponsored By: Diamondbrite Automotive



### Best Retail Group (more than 10 sites)

Arnold Clark Automobiles  
Peter Vardy  
Swansway Group  
TrustFord

Sponsored By: MAPFRE ABRAXAS



## HEADLINE AWARDS

### Digital Initiative of the Year

Shortlist is made up of the winners from each digital category

Sponsored By: Auto Trader



### Dealer Principal/General Manager of the Year

Adam McCullagh, Mercedes-Benz & Smart Birmingham Central  
Amarjit Shokar, Romford Mazda  
Glen Kennington, TrustFord  
John Vilums, Perrys Vauxhall Doncaster  
Vic Young, Vic Young South Shields

### Manufacturer of the Year

BMW  
Mercedes-Benz  
Renault/Dacia  
Toyota  
Volvo

Sponsored By: Smart Insurance



### Retailer of the Year

Shortlist is made up of the winners from each retail category

Sponsored By: Black Horse



### Business Leader of the Year

Chosen by the AM judges

Sponsored By: Premia Solutions



### AM Hall of Fame

Chosen by the AM judges

Sponsored By: Shell



**AM**  
**AWARDS : 2016**

February 11,  
The ICC,  
Birmingham



## HOST AND ENTERTAINMENT

## PRESENTER: KATIE DERHAM

Katie Derham hosts arts programming for the BBC, particularly coverage of the Proms for Radios 2, 3 and 4. She was formerly a senior anchor on ITV News, and co-presenter of *London Tonight*. She is also a seasoned media and arts correspondent, has her own show on Classic FM and regularly hosts the Classical Brit Awards at the Royal Albert Hall.

At ITV, Derham continued her media and arts brief before being promoted to become the youngest newscaster on British network television, presenting all the channel's main news programmes. She then returned to the BBC with programmes on Radio 3, *Afternoon on 3* and *Breakfast*, and on Radio 4 with *Traveller's Tree*. She was also a finalist on the latest series of *Strictly Come Dancing*.

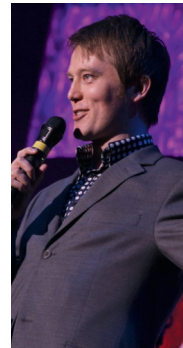


## COMEDIAN: ALUN COCHRANE

Alun Cochrane mixes friendly storytelling with sharp one-liners and off-the-cuff wit. Versatile and wonderfully quick-thinking, he combines irresistibly silly routines with honest, straightforward gags.

Cochrane is topical, vulnerable and sometimes just a little rude, whether discussing family life and mortgages or recounting his own cringe-worthy confessions. It feels like stand-up at its least formulaic and most amusing.

Described by one critic as "attractively dour," Cochrane is a seasoned panellist on *Mock the Week*, *Have I Got News...*, *8 Out of 10 Cats*, and *Just a Minute*. He is a co-presenter on Absolute Radio's hit show and podcast *The Frank Skinner Show* and has also appeared on *Michael McIntyre's Comedy Roadshow* and *John Bishop's Britain*.



■ For further details on the AM Awards 2016, please visit the event website at: [www.am-awards.co.uk](http://www.am-awards.co.uk)

## MUSIC

Once the awards are over and Alun Cochrane has finished his set, the cash bars will open and our fabulous Park Lane Big Band will play into the evening for those wishing to unwind and dance.

## CASINO

After the awards, come and have some fun at the Casino Aston Barclay. You will be staking fake funds so your wallet is safe, courtesy of the team from Aston Barclay, who have swapped the gavel for casino chips.



# AM AWARDS: 2016

LUBRICANTS.  
TECHNOLOGY.  
PEOPLE.



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Not all minor damage insurance is the same

## Welcome to this year's AM Awards sponsors

It's less than three weeks to go until the 2016 AM Awards. The host and entertainment are booked (see above), the menu has been tested and the table plans will soon be finalised.

There are 22 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for an industry figure who has made a considerable impact in motor retailing during their career.

Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar.

This year:

**FUCHS Lubricants is sponsoring the Excellence in Aftersales award**

**Smart Insurance is sponsoring the Manufacturer of the Year award**

We're delighted to receive the support of both FUCHS Lubricants and Smart Insurance for these two key award categories at what promises to be an industry highlight of 2016.

For more information on the AM Awards, including the sponsorship packages still available and details of how to book tables, go to [www.am-awards.co.uk](http://www.am-awards.co.uk)





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# AM AWARDS: 2016

**11 February 2016**  
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For tickets and tables contact **Emma-Louise Kinnaird** on **01733 395133** or email **[emma-louise.kinnaird@bauermedia.co.uk](mailto:emma-louise.kinnaird@bauermedia.co.uk)**



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**Face to face:  
Harratts Group**

MD Shaun Harratt on how shrinking his group put it on the road to recovery.

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**View from  
the business school**

Motor retail's digital shift may attract more women to the workforce.



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**Why this year will  
be a tale of two markets**

The rise in new car registrations will be more modest in 2016, but used car values will fall.

41

**Make your dealers'  
websites better**

Do your dealerships' digital efforts share the essential elements of great motor retail websites?

# 'Exclusivity is what our customers like'

McLaren sales and marketing director Jolyon Nash tells *AM* how the supercar manufacturer intends to double its sales while improving service levels for its customers and returns for its dealers



## NEED TO KNOW

- Manufacturer plans to boost registrations from 1,654 in 2015 to more than 3,000 in 2017
- Aftersales a key focus for the brand's dealer network

By Tom Sharpe

**P**olished white floors, white panelled walls and strip lights stretch into the distance in the four subterranean corridors that lead 1,000 employees into the McLaren Technology Centre each day.

**Ron Dennis, chairman of McLaren Group and McLaren Automotive**, wanted the entrance to its Woking base to "cleanse the minds" of his team before they start work each day, as well as creating an environment that was odourless and near-silent. The ability to showcase the brand's 52-year racing heritage and incorporate the resident Formula One team's 145-metre wind tunnel, which employs a neighbouring lake to cool its turbines, were also key priorities.

McLaren Automotive, built out of the same obsession for engineering excellence, fits well within the space age, cutting edge surroundings – in June of last year it announced it was reinvesting 20% of its £475.5 million annual turnover, about £92m, into research and development.

"Our intention and ambition is that McLaren remains highly exclusive"

**Jolyon Nash,  
McLaren  
Automotive**

Now, less than five years since its first franchise opened, the supercar specialist is gearing up for an explosion of activity with its new, entry-level Sport Series range – the 570S and forthcoming 540C coupés.

The new range is priced from £126,000 (for the 540C), less than half the price of the £285,000 675 LT Spider, which recently sold out of its 500-unit production run in two weeks. So far, McLaren Automotive has sold about 7,000 vehicles in total, from its Super Series, which regularly exceed £200,000, and Ultimate Series cars, such as the £866,000 P1 hypercar.

**Jolyon Nash, McLaren Automotive's executive director, sales and marketing**, told *AM* McLaren's success so far was "unprecedented" in the luxury sector.

The manufacturer was profitable three years after its formation and had record registrations in 2015. It is aiming for a self-imposed production ceiling of about 4,000 cars a year. UK registrations reached 171 cars in 2015, up from 121 in 2014. The US is the brand's largest market, with 519 sales in 2015.

Nash, who joined McLaren from Rolls-Royce in June 2014, said: "McLaren is a very young company in automotive terms. It has been in business four years and such a great deal has been achieved in that short space of time."



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### How to run an effective digital department

Getting the most from the people behind your dealerships' online operations is vital.

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### Use the 'family test' to ensure FCA compliance

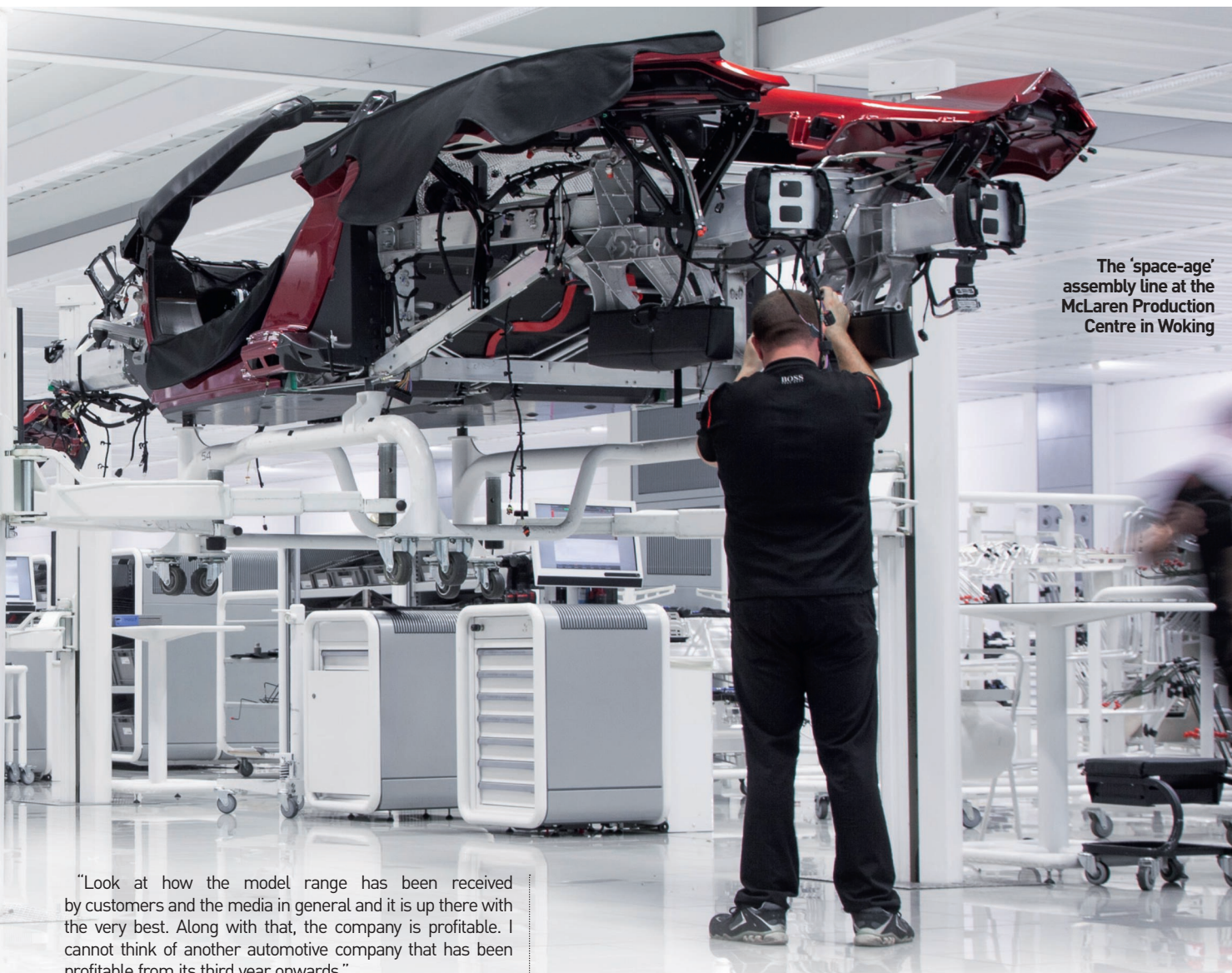
To 'treat customers fairly', ask if you would be happy with how your dealerships treat your family and friends.



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### Do your customers need more clarity on insurance?

Insurers are concerned about the FCA's definition of 'value for money' in add-on products.



The 'space-age' assembly line at the McLaren Production Centre in Woking

"Look at how the model range has been received by customers and the media in general and it is up there with the very best. Along with that, the company is profitable. I cannot think of another automotive company that has been profitable from its third year onwards."

In 2015, McLaren Automotive sold 1,654 cars through its global dealership network of 80 retailers across 30 markets. By 2017, Nash expects that figure to almost double.

"Last year, we did 1,654 cars, this year we expect some growth of that and next year should be upwards of 3,000-ish cars with the new Sports Series on the market and the 675LT Coupé and Spider as well as the 650S Coupé and Spider."

The dealer network will see its sixth UK retailer – McLaren Bristol – open in Q2 of this year. Based at The Laurels, Cribbs Causeway, the site will be operated by Rybrook Holdings and joins existing outlets in London, Birmingham, Manchester, Glasgow and Ascot.

Nash said: "Our network is very young. The majority of our dealers are in their third year now and for the majority I see 2016 being an excellent year with many, I think, expecting to double what they do at the moment."

Expansion at that scale will require the recruitment of 250



1,300

annual tours of the McLaren Technology Centre are used to engage potential customers

staff and a second shift at the Woking production facility.

However, Nash is in no doubt about the potential effects of the rapid growth at dealer level and said an increasing emphasis on aftersales and the McLaren Qualified used car programme was inevitable.

Nash said one of the reasons for this was that the Sports Series would attract "a different customer" to the brand.

"Anecdotally, the Super Series owner will have four or five cars. For many, the Sport Series could be their daily driver or a weekend runaround, but they will probably not own three or four cars. It's a different sort of customer. They'll be more focused on the practicality of the car, the usability of the car."

"These are customers who have experienced other premium brands in a segment which offers very high levels of customer service so the pressure is on ourselves and our dealer network to ensure that we offer the appropriate level of service."

"With a Super Series car, when the car is in the



workshop, that owner might have several other cars to drive. With the Sports Series, that might not necessarily be the case, so we have to work as quickly and efficiently as we possibly can."

McLaren has put processes in place this year to make sure dealers can meet this level of service, said Nash.

"In each region, our aftersales managers have gone up and made sure dealers have the right volume capacity, the right standard of technician and the right number of servicing bays.

"Aftersales is an area in which we are growing absolutely exponentially. Our parts sales last year demonstrated significant growth, in line with the car parc growth.

"When you look ahead five years, that will probably triple and that's all potential revenue for our retailers."

Nash said an increase in how much the average McLaren owner used their cars would also make aftersales a priority.

"Many brands have a strong retailer network simply because they have such a large car parc," he said.

"Our evidence is that McLaren drivers use their cars far more than drivers of other vehicles in the segment. We actually had a letter from a German McLaren owner thanking us for a 12C that had done 100,000km. Once we get into Sports Series, we expect that trend to continue and, from a dealer perspective, that means more and more time in the workshop.

"A lot of effort has gone into making sure we have robust systems in place to cater for parts demand over the past 18 months. We've worked to ensure that there are good levels of first-pick availability and a sufficient number of stock orders to our network to ensure that we can respond very quickly."

Nash said McLaren Automotive offered retailers "a big support structure" to provide technical assistance from Woking and would also send "flying doctors" to assist technicians in the regions, if necessary. However, he said "the vast majority of issues we would expect to be dealt with at the dealership".

## 145m

The length of the McLaren F1 team's wind tunnel, also housed at the McLaren Technology Centre



## 1,654

McLaren's global registrations in 2015



### The growth of the dealer network

McLaren Automotive opened its first dealership, in partnership with Jardine, at One Hyde Park, London, in June 2011 and had about 30 retailers on board by the end of that year. That number remained stable until 2014/15 when the network expanded by about 40% globally.

The vast majority are extensions of businesses already operating in the luxury automotive segment, which have invested in an incremental facility for McLaren – with separate showrooms, but a shared back office, and perhaps workshops.

Nash said: "It's essential that the low volume dealers have other dealerships, other revenue streams to ensure that they can make a reasonable return. Multi-franchised dealers, we would hope, would be in a position to generate a profit relatively quickly, getting not too far off profitable numbers by their second year.

"Our main concern is giving our retailers sufficient volume for them to make a return. They are businessmen; they need to make a return in this business, not just because they love McLaren, but because they want to be profitable."

While there are currently no plans to further increase the size of the McLaren Automotive dealer network, Nash explained that retailers who appeal to the brand are those who can tap into a very exclusive, premium customer base.

Moving in influential circles and not flinching at the prospect



"Our main concern is giving our retailers sufficient volume for them to make a return. They are businessmen; they need to make a return in this business, not just because they love McLaren"

Jolyon Nash, McLaren Automotive

### MCLAREN MODELS



#### MCLAREN 570S

The entry level to the McLaren Automotive line-up ahead of the launch of the 540C this summer, the 570S is priced from £143,250. Delivering 562bhp and 443lb-ft from its 3.8-litre twin turbocharged V8, the Sports Series model will reach 62mph in 3.2 seconds and a 204mph top speed.



#### MCLAREN 675LT COUPÉ

The fastest and most powerful model in McLaren Automotive's Super Series, the £259,500 675LT delivers 666bhp and 516lb-ft from its 3.8-litre, V8 twin turbo. Making use of carbon fibre to keep weight at a minimum, the Coupé will reach 62mph in 2.9 seconds and a 205mph top speed.



McLaren aims to produce more than 3,000 cars a year by 2017

of selling £25,000 worth of options on a single vehicle are a must. As one McLaren insider said: "The option of a roof air intake basically represents the price of a well-specced Mondeo, but these are discerning customers who want to stamp their own mark on the car."

Among the promotional exercises carried out at McLaren dealerships are tie-ups with luxury watch manufacturers and visits by designers and engineers from the McLaren Technology Centre.

After potential customers have engaged with the brand at a retailer – or through one of 1,300 invitation-only tours of the McLaren Technology Centre each year – many are ready to purchase.

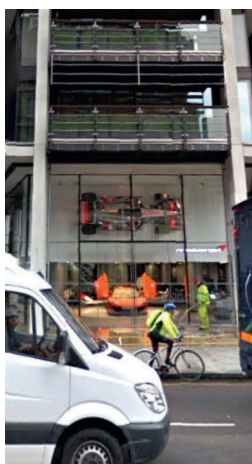
Demand for bespoke vehicles has led to the creation of an array of personalisation options courtesy of McLaren Special Operations (MSO).

Once a specialist department charged solely with the maintenance of McLaren's original road car, the legendary McLaren F1, MSO can now personally tailor customers' cars on the production line at Woking.

Motorsport-loving McLaren Automotive customers craving exclusivity also recently snapped up the opportunity to own one of 50 track-only, 986bhp P1 GTR hypercars at a price of £1.98m as part of a package that included fully supported track driving sessions at six events throughout the year.

## One

Hyde Park, London.  
McLaren Automotive  
opened its first dealership  
in June 2011



### Even millionaires use car financing

Despite the sums involved, Nash said finance penetration among McLaren Automotive retailers is surprisingly high and something he expects to increase with the introduction of the 540C and the increasing popularity of the Sports Series.

"You'd be surprised. Even with Super Series and a 650 or a 675 we still see a high percentage of financing. Our customers may be very wealthy, but they don't like taking cash out of their asset base, they'd rather use somebody else's liquidity. I wouldn't be surprised if around a third of the cars in certain markets were purchased on finance."

Used McLarens will increasingly be backing up the new Sports Series as an entry level to ownership, further broadening the brand's appeal, along with aftersales and finance penetration opportunities for retailers.

Nash said the original batch of 12Cs produced in 2010 were an "extremely desirable" used proposition and revealed a desire to keep cars within the company fold through its McLaren Qualified programme, with cars traded, bought and sold at a retailer level, but inspected and updated, if necessary, to brand new car levels with a full manufacturer warranty.

He said the programme would help to maintain the brand's residual values, which he expected to continue to improve as its market prominence and reputation grew.

No matter whether McLaren Automotive's customers are investing almost £2 million or £126,000 on a vehicle, Nash made it clear that exclusivity would remain key to the brand's philosophy, with no plans to compete with rival products from the likes of Porsche in volume terms.

"Exclusivity is what our customers like. Our intention and ambition is that McLaren remains highly exclusive, so if we can get up to 4,000 cars, in the long term, that would be very satisfying and would offer up a very healthy return to our shareholders."

"It also means that we're in a position to be robust enough to weather any economic downturns. We know that we can be profitable producing 1,400 cars annually and that's probably one of the most important elements of our business. We have the resilience to weather the ups and downs."

"In our product plan we've planned a nice mix of product to allow our business to be profitable and we have positioned ourselves in a way that means the vast majority of our cars have sold out before building and that helps the dealer in terms of retaining margins and being profitable."

"Looking into this year, we're producing 750 LTs and they have all sold out."

"Very few prospects have driven the Sport Series, but we have enough orders to keep us going until June. From a dealer perspective, that means that they should be in a very healthy position in terms of margins for as long as we're in a position to manage demand."



### MCLAREN 650S COUPÉ

Demand for the 650S spelled the end for the 12C after its unveiling in 2014. Now 641bhp (and 500lb-ft), the 650S Coupé is the stalwart of the Super Series. Priced at £198,000, it boasts a three-second sprint to 62mph and 207mph top speed.



### MCLAREN P1

The 375th and final P1 rolled off the production line in Woking in December, leaving McLaren Automotive's Ultimate Series bereft of a flagship offering. The £866,000, 903bhp hybrid powered hypercar featured active aerodynamics and could reach 62mph in 2.8 seconds.



## SHAUN HARRATT, MANAGING DIRECTOR, & CRAIG FRASER, OPERATIONS DIRECTOR HARRATTS GROUP

Interview by Tim Rose

# ON THE ROAD TO RECOVERY



Confronted with the cyclical nature of motor retail's fortunes, the strongest dealer group leaders share the ability to take a step back, take a broader view and quickly recognise when a strategy isn't paying off.

Most motor retailers were tested on this ability when the last

recession hit in 2008-2009, demanding a rapid reconsideration of the cost base, business opportunities and short-term strategy.

Harratts Group, a family-owned multi-site motor retailer based in West Yorkshire, weathered the storm well. Even in 2008, with 11 businesses and holding franchises for Volvo, Nissan, Renault, Peugeot and Mitsubishi, it remained in the black, with £202,000 profit before tax, unlike many others among the AM100 largest dealer groups. In 2009 and 2010, it drove profits back above the £1 million mark. Turnover reached £180m and it expanded, adding more Nissan and Peugeot businesses and starting new relationships with Honda and Kia.

**Managing director Shaun Harratt** said: "If you go back to the scrappage campaign, we had a fantastic time. When some other groups started to struggle, we were having our record years. We'd evolved as a family business and ended up with a structure that sort of provided individual managers with their own little fiefdoms."

However, then came many sleepless nights for the Harratt family.

Once the scrappage years were over, the wider economic situation did not rapidly improve. Harratt realised the structure of the business was unable to cope with the changes in motor retail.

Just as critically, several of its carmaker partners had

### FACTFILE

**Turnover:** £120m (2015 est.)

**Number of sites:** 8

**Number of staff:** 228

**Full year 2015 sales volume (new):** 3,180

**Full year 2015 sales volume (used):** 3,451

**2016 sales forecast:** 3,423 new; 3,680 used

uncompetitive model ranges and were in retreat nationally. Renault's market share reached a low of 2%, Volvo had been sold to Geely and its share was hovering just above 1.5%, and Mitsubishi was importing as few cars as possible from Japan due to the unfavourable exchange rates, so its share slipped below 0.5%.

Honda, one of Harratt's new additions, had to endure those same exchange rates plus a production decline due to Japanese parts suppliers being hit by the 2011 tsunami and research and development cuts leaving dealers with no small diesel engine.

Group profits in 2011 were lower than in 2008, and in 2012, after opening a £3m new-build site in Wakefield to house its Kia and Honda operations, Harratts posted a loss of almost £1.8m. This grew to almost £3m in annual losses by the end of 2013.

Shaun Harratt said up to this point the family board – himself plus his parents, Derek and Stella, who founded the business in 1966 and now serve as chairman and finance director respectively – met quite informally. The family tried to turn the business around by restructuring it to operate more like process-driven PLCs, but that didn't work and actually cost the group some good people.

The family invited former HSBC executive Wayne Bowser to join the group as a non-executive director in mid-2013 and he formalised the board and helped to develop a robust strategy for recovery.

Harratt said some of the group's funders were getting nervous by then, "so with our accountants and advisers we made a decision to strategically become a smaller business, based around Wakefield as our core".

"From that, we started talking to our manufacturers and our funders about our plan to downsize.

"There was a lot of to-ing and fro-ing. But the manufacturers are pragmatic – essentially they want people who can make profit, have good CSI, can meet targets and will invest in facilities."

That strategy has led Harratts to close its only



'We made a decision to strategically become a smaller business' – Shaun Harratt, right, and Craig Fraser







“One thing I’ve learned is you can’t cut cost to return to profitability in this job. You have to sell things, because the fixed costs are very high”

Shaun Harratt, managing director, Harratts Group

Peugeot showroom, in Leeds, and sell its joint Volvo and Nissan site in Sheffield to Vertu Motors. It also sold its Huddersfield Volvo dealership to Clive Brook in 2015. That has left it with Volvo, Nissan, Renault, Kia and Honda at Wakefield, Mitsubishi at Barnsley, Nissan at Pontefract and Volvo at Leeds.

The new strategy also resulted in the appointment of chartered accountant and former SMC Group operations director **Craig Fraser** as **group operations director** in August 2014. Fraser said: “I’ve seen all the manufacturers be very supportive to Shaun and the family, which is a sign of the rapport they have, because in a difficult situation manufacturers can be fickle. Their key message has been that they’ll support Harratts, but they need to see improvements, and now they are a lot happier.”

By December 2014, the losses were reducing, Harratt and Fraser were not occupied by any negotiations with manufacturers nor putting more businesses up for sale. They were back in control of the business, making strategic and tactical decisions that would contribute to its recovery.

One crucial decision was Fraser’s implementation of daily operating controls. The management needed to be able to measure each dealership’s achievements against target so that it could react more quickly to problems. Previously, performance was managed when the board got the accounts, up to six weeks after the event, said Harratt.

The group introduced Dealerweb’s showroom system and internally developed a system based on Google Drive allowing every location to see it.

The benefit, said

£1.94m

Harratts Group’s profit before tax in 2009

£2.98m

Harratt’s groups pre-tax loss in 2013

£127,216

Harratts Group’s pre-tax profit for the first three quarters of 2015

Fraser, is that pulling a sales team or aftersales team together to review performance is very motivational.

“It’s been a culture change. In the past they maybe felt a bit vulnerable being called in, thinking they’re going to get a hard time. Now that performance is fed back to them in real time, they feel quite comfortable to come in to see Shaun and I for a chat. If some of them have fallen behind, we’ll give them a workshop and some training.

“There’s time to fix the little problems before they turn into big ones. There’s the odd exception, but I’d say 95% of our people actually enjoy that style of management. Often, the next month, we see performance shoot up.”

Harratt confessed that having the real-time performance to hand “is a drug” and he checks it every hour on a Sunday through his Apple TV. “Sometimes I’ll just sit and look at it for half-an-hour to watch a few deals come on, and if there are none coming on you wonder what’s going on.”

Weekly operations meetings discuss and review KPIs including CSI, complaints, sales rate, stock held, enquiry management and aftersales performance, while conference calls are also held weekly with sites on sales and aftersales.

Alongside the controls has come extra focus on the people in the business. Consultant and trainer Elaine Ashworth, who previously headed the Peter Vardy Academy, is working with Harratts on team organisation, people initiatives and service. Another consultancy, Get The Edge, has developed a three-day, off-site training course for the group’s salespeople and general sales managers and is supporting it with coaching.

Fraser said: “We identified fairly early on that the sales process wasn’t as consistent as we wanted it to be, and nothing can beat training in driving that home.” Get The Edge is also helping Harratts with an emerging leaders programme, from which two of the eight participants have already been promoted.

“We thought we were in danger of losing some really good people if we don’t keep developing them, and we want them to feel wanted and having a chance of a promotion in the longer term. That’s one of the challenges for a family company of this size,” he added.

Harratt said that after the pain of 2013 and 2014, the group is now attracting good people back. In some of its dealerships, it has doubled the salesforce.

“The focus has been on people motivation.

We enjoy our job and that’s what we get across to others. If we create the environment for everybody



Harratts opened a £3m new-build site in Wakefield in 2012 to house its Kia and Honda operations

to come in and drive the result, we're going to win. I think maybe that was what was missing before, that drive."

With the help of Rhino Events, Harratts holds regular tactical sales campaigns, such as VIP events and used car 'privilege discount' weekends, to top up the motivation, with prizes on offer for deals made. These are planned well in advance and signalled to customers through direct mailings and advertising. The events start internally a week before, with salespeople tasked with prospecting for appointments and a league charting each individual's success.

Harratts is also rolling out a new phone system from Avaya, which will take any call to Harratts into the call centre at head office, so the business can be confident that every enquiry is entered into its Dealerweb system. It has also invested in an i-Control system to improve its used car marketing and stock turn and CitNow videos for sales and service.

"One thing I've learned is you can't cut cost to return to profitability in this job. You have to sell things, because the fixed costs are very high," said Harratt.

"Now our objective is to have enough resource in the business to sell enough cars to get to target at the end of the month, rather than having to panic and make the wrong decisions such as pre-registering lots of cars."

Such decisions could set back Harratts' recovery significantly and that's a risk it can't take. While it should have achieved a profit in 2015 – its accounts showed a £127,216 profit before tax by the end of the third quarter—there is not yet a great deal of daylight between the group and breakeven point.

Fraser and Harratt are confident more profits will come, however. Certain sites still need to reach break-even, after-sales will get more attention in 2016 and revenue streams the group backed away from during its cost-cutting, such as trade parts, will be reintroduced. Harratts will also launch a new website and hold a campaign to mark its 50th year of trading.

So where should Harratts be in three to five years' time? "Profitable and with as little debt as possible," said Harratt. "The size of the business is much more containable now we've gone from 12 sites to eight sites. We're still a reasonable-sized group and we could probably get around all the sites in a day now."

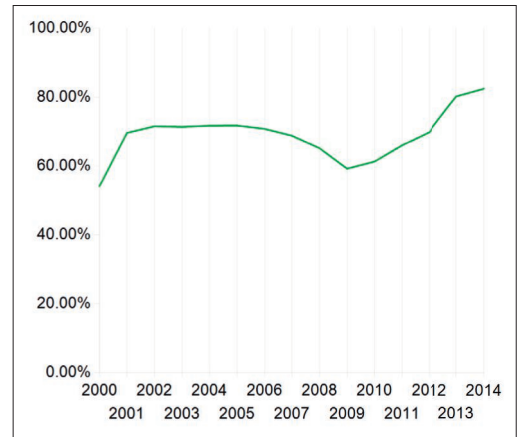
For the Harratt family, those sleepless nights seem to be in the past.



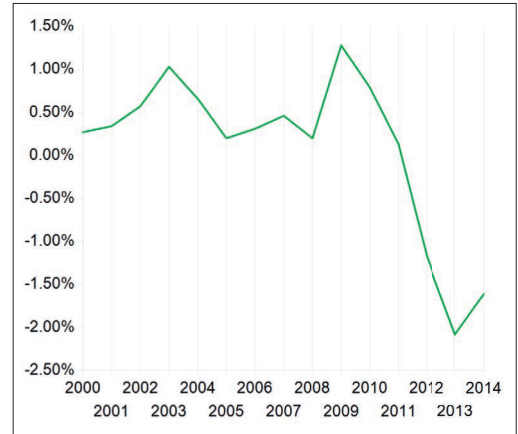
"The sales process wasn't as consistent as we wanted it to be. Nothing can beat training in driving that home"

Craig Fraser, group operations director, Harratts

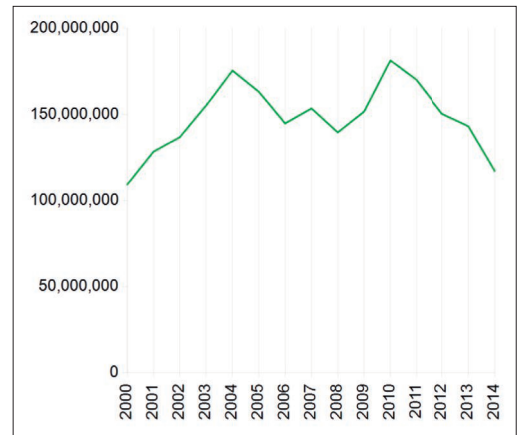
## HARRATTS GROUP GEARING



## HARRATTS GROUP ROS



## HARRATTS GROUP TURNOVER



Sources: am-online.com/ami; Companies House



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# Inclusive digital dealers will not mourn the death of the salesman



By Professor Jim Saker

In 1949, Arthur Miller wrote *Death of a Salesman*, a play regarded as one of the most important of the 20th century. It famously questioned the 'American Dream', but also highlighted gender roles prevalent in the society at the time.

In automotive retailing, one of the more interesting aspects of the rise in digital marketing channels is whether it will signify the death of the salesman as we know it.

Historically, as in the Miller play, the sales role in the motor trade has been predominantly male. By comparison, most other retail sectors are characterised by the majority of employees being women.

An increasingly large number of dealer groups and manufacturers are exploring more fully integrated digital sales and marketing channels, where the bulk of the buying process is basically done online and the human input is in the form of advice and facilitation. This changes the role of the employee.

In the early 2000s, there were a number of attempts to develop online car retailing, the majority of which failed. In those days, the chief executive of a well-known manufacturer pronounced that "customers still want to come along and kick the tyres".

A decade on, the consumer's approach to the internet has dramatically changed – now it appears people are happy to 'kick the tyres' in a virtual environment.

That shift towards a digital world may not only change the nature of car retailing, but also be a major catalyst for attracting more women into automotive retail.

The purpose in writing this article is not based on a feminist ideology (although one could quite legitimately tackle the issue from that perspective), but rather from an argument underpinned by a pragmatic business case.

Basically, attracting more women into the sector would be beneficial. In 2016, there will be more women holding driving licences than men, with 40% being registered owners of motor vehicles.

Research suggests women, in particular, do not like the lack of price transparency in car buying. Nor do they embrace the low-trust, high-pressure buying experience.

As a result, they are increasingly moving to online approaches to buying. One of the only dealers in the UK that operates a true ecommerce click-and-collect model employs 70% women and sells 51% of its cars to women. This figure is directly in line with the number of female licence-holders and 11 percentage points more than the proportion who own cars on average.

## Inclusive employment policies are not just about sales

One of the other interesting dimensions that emerges from this discussion is the impact that women have on the management of organisations in general. The World

Economic Forum has estimated that organisations with women in senior positions outperform others by as much as 34% in profit terms, while McKinsey identified that organisations with at least 30% of women in higher-level leadership positions have significantly better financial performance than competitors. Boards with high female representation experience a 53% higher return on equity, a 66% higher return on invested capital and a 42% higher return on sales.

The case for having women in management positions in organisations is indisputable, yet in our sector there is a major under-representation of females. A McKinsey study in 2011 indicated that men are promoted on potential while women are promoted on past performance. In the retail automotive sector, this is compounded by the fact that there are so few women present in the first place.

Even if you ignore the issue of equity and fairness, the business case for finding a way to attract more women into the sector is difficult to argue against.

## Change needs to come from the top

Julia Muir, one of our visiting lecturers at the Centre for Automotive Management at Loughborough, has founded the UK Automotive 30% Club. This new initiative is being supported by a number of key players, who believe we should create an employment environment that is more appealing to women. Muir has worked in and around the industry for many years and believes there are many benefits to be gained from employing more women.

The aim of the organisation is to encourage women into the sector, so that by 2030, 30% of the key leadership positions will be held by women. Another aim is that within five years 25% of senior executives will be female. The organisation will also set up monitoring systems and undertake research to evaluate changes in performance.

I believe the shift to more digital marketing channels will attract more women into the dealership/retail environment and with the benefits of having both men and women in management being felt, organisations will see the bottom-line benefit of having an inclusive employment policy.

With the rise of digital marketing and organisations such as the 30% Club, it may not be the 'Death of a Salesman', but it may be a shift to a salesperson.

**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.**

"Research suggests women do not like the lack of price transparency. Nor do they embrace the low-trust, high-pressure buying experience"





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# Registrations will rise 3% in 2016, but used values will fall



By Rupert Pontin

**T**here is little doubt 2015 has been a productive and successful year for both new and used car dealers. As predicted by Glass's more than a year ago, UK new car registrations topped 2.6 million last year, a figure that the rest of the industry did not believe was achievable 12 months ago.

This new car registration success story has been strongly supported by pre-registration activity, and PCPs have been the key to keeping private new car sales moving in partnership with a vibrant fleet sector. Couple the new car picture with growing used demand, firmly bolstered by a steady and developing economy, and it is not hard to understand why the UK motor trade is feeling fairly confident at the moment.

In terms of used car values, one must appreciate that there have been more cars coming to the market during 2015. New car sales success from several years ago is filtering back into the used market and coupled with pre-registration models there has been a greater downward pressure on values, particularly in the latter part of the year. The chart below confirms this activity and shows the residual value performance of petrol cars as a percentage of their new cost across all sectors at specified ages. Of particular note is the 3.27% drop on a one-year-old car.

However, it is the diesel market that has been the talk of the trade and that has been as a result of the high real-life NOx emissions of some of the older diesel cars. This has been exacerbated by the debacle that is VWgate and there are now a number of ill-informed individuals seeking to demonise diesel propulsion as a whole and trying to tax diesels out of city centres and off our roads completely.

This would not only cause a significant personal difficulty to myriad diesel owners nationwide, but also cause high

costs to large and small businesses across the country, most of whom rely on diesel commercial vehicles. That may also result in an increase in the cost of goods to the consumer, which would be an unwelcome instability.

The next chart gives a similar summary for diesel engine cars and once more it is evident that the later-plate cars have seen a greater drop in residual value percentage terms than older cars but, more significantly, the diesel car is still worth notably more than the comparative petrol model. This is particularly evident when comparing three-year-old cars.

Accepting that used values have been moving downwards at a consistently greater rate all year, it is time to consider what will happen during 2016.

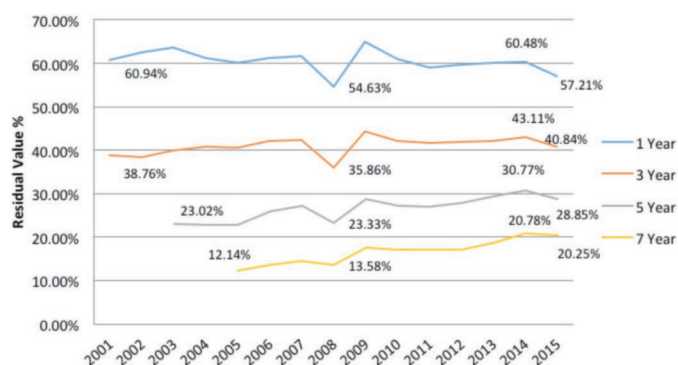
Glass's expects that registration activity will continue to increase, but at a slower rate than in 2015. Fleet business will carry on improving and private sales will see more and more competitive additions to the PCP schemes available to ensure stock keeps selling. Overall, the new car market will increase by 3% in the face of an ever improving economic outlook that will see interest rates stay stable until much later in the year.

Looking at the used car market, things will become a little more difficult for vendors, who will be defleeting cars into a landscape that is returning to a pre-recession appearance. A wider choice and higher volumes will perpetuate the shift from a "vendor" to a "buyer" market resulting in greater downward pressure on values across most age ranges. This will most certainly be pushed hard right from the youngest age as a result of pre-registered cars coming to the market.

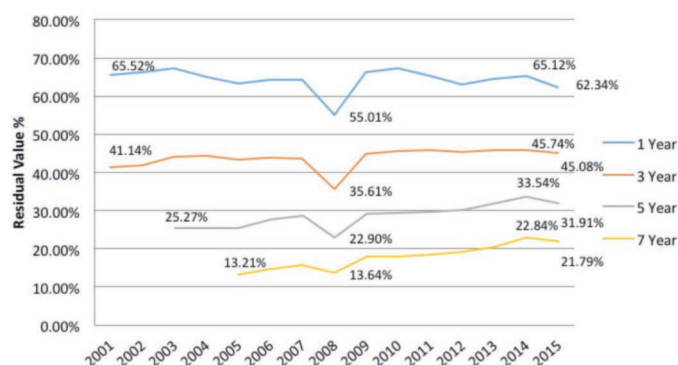
However, while values will be pressured, the winner will be the retail consumer, who will have a wider selection of cars to choose from, coupled with new exciting finance packages being developed to keep the interest in a used car when new cars look such good value.

**Rupert Pontin, head of valuations at Glass's, takes an in-depth look at what's going on in the UK used car market**

**WEIGHTED PETROL RESIDUAL VALUES %**



**WEIGHTED DIESEL RESIDUAL VALUES %**





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# 'We're small enough to care and big enough to matter'

**F**amily-owned Aston Barclay Vehicle Remarketing has become the third-largest motor auction group in the UK since the £42 million takeover of SMA by BCA last June.

The £750m turnover business, which has sales rooms in Leeds, Prees Heath, Westbury and Chelmsford, offers in excess of 100,000 vehicles a year for fleets, leasing companies and franchised dealer groups and has recorded 30% year-on-year growth. Commercial director David Scarborough said the business is now positioned to provide an alternative to the dominance held by BCA and Manheim in the UK market.

"We're significantly bigger than our smaller competitors, but while we are much smaller than BCA and Manheim, we do compete with them and share customers.

"This puts us in a unique position – we're small enough to care and big enough to matter. We punch above our weight in selling for the fleet market – we

sell for seven of the top 10 in the *Fleet News* FN50.

"The growth part of our market now is the dealer group market, which we want to infiltrate on a much greater scale."

Aston Barclay's client base already includes regional dealer groups, such as Spire Automotive, SMC, Sinclair Group and Thurlow Nunn, plus leasing companies Lex, Volkswagen Financial Services, Ogilvie Fleet and Alphabet.

"Customer service has come back into fashion, and that's one of our strengths. We've always kept to high service levels.

"The senior management team at Aston Barclay are all operating out of our four individual sites to ensure they deliver a top service to our customers. Because we're in that position, we can react quickly to their needs and easily get around the table to look at ways of delivering what they are looking for."

Scarborough said the auction company must react quickly and listen to both buyers and sellers.

"They often want different things, but you have to



deliver that happy middle, and that requires experience. When dealing with provisional bids, it is important that the buyer and the seller get on well and are satisfied."

Scarborough said customers expect results and support, and Aston Barclay is focused on that. To get stock moved quickly, it has recently invested £700,000 in renewing its transporter fleet.

Through its own transporters, and selected subcontractors, it has national coverage for transportation and Scarborough said it will increase its fleet in the future. He sees logistics as a key support service for franchised dealerships, many of which are restricted for space and need unwanted part-exchange cars and overage stock taken away promptly. They are also looking for speed of sale to get the cash out of the vehicle.

"Logistics appears to be in short supply. Auctions are coming to the fore, because people have tried different routes to market when their forecourts were quiet and they didn't have the demands of the manufacturers to churn, churn, churn, but now they have no space and they see the auction as a way to quickly turn vehicles into cash and create the space to go again," said Scarborough.



Aston Barclay said one result of the new diner at its Chelmsford site is buyers staying longer

For more information, please visit [www.astonbarclay.net](http://www.astonbarclay.net), email info





Aston Barclay has invested £750,000 in upgrading its Chelmsford auction site

**“Auctions are an old-fashioned industry, one that has stood the test of time. We can modernise it as best we can, but the concept doesn’t change”**

**David Scarborough, commercial director, Aston Barclay**

Aston Barclay has invested about £750,000 apiece in infrastructure at three of its four auction locations – Chelmsford, Westbury and Prees Heath – with the fourth site, Leeds, due to be refurbished in 2016.

Developments included updating the auction halls to the company's corporate standards, with green and black colour schemes and improved lighting, adding viewing galleries, more corporate facilities for vendors and twin halls where possible, plus large display screens to show live bidding activity.

Chelmsford has gained a new diner, designed in the style of a relaxing coffee bar, and Scarborough said one result is that buyers are staying for longer. The premises has facilities for visitors to charge

their digital devices, so they can work and also buy online from other auctions elsewhere in the country while attending the one on site, giving them a broader choice of stock.

“For us it’s been an enormous investment into our environment to ensure that buyers like coming to us,” said Scarborough.

“We’re giving them what they need to be able to come here and buy. Buyers are important to us.”

The group has formed a partnership with Next-Gear Capital, which provides stock funding lines for dealers. Aston Barclay will also load dealers’ purchased cars directly onto Auto Trader for a fee.

It was the first auction company to offer Deltapoint,



**David Scarborough, Aston Barclay commercial director and his brother, Glenn, who is managing director**

Auto Trader’s valuation service, to its customers. It gives trade and retail valuations from CAP, Glass’s and Deltapoint in its catalogues, and can serve as a reality check for both sellers and buyers, Scarborough said.

Vehicle inspections already provided online will be added to the sales catalogue in 2016. A trial version has already received good feedback.

Aston Barclay is also investing in its people. New recruits and apprentices are being brought in, including for digital roles.

Scarborough said another strength is its continuity of staff, providing stability for customers at a time when many competitors have been going through a lot of change.

“Auctions are an old-fashioned industry, one that has stood the test of time. We can modernise it as best we can, and provide more support and market information to our customers, but the concept doesn’t change.

“In this industry, the senior people cannot be disconnected from the market. We are there on the sales floor to talk to customers about the market, to understand their requirements and deliver what they’re looking for, and, importantly, we don’t deliver what they’re not looking for.”

He said the group is very busy as there’s a lot of stock around at the moment. The expectation of the seller is high, but that creates pressure because sellers have enjoyed a really good run, and when the market drops away it is quite a bitter pill to take.

“Expectations are everything. The market will absorb all the cars if the price is at a level the market is happy to pay.”

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# How do customers rate their experience at your dealership?



Excellent



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Don't Know

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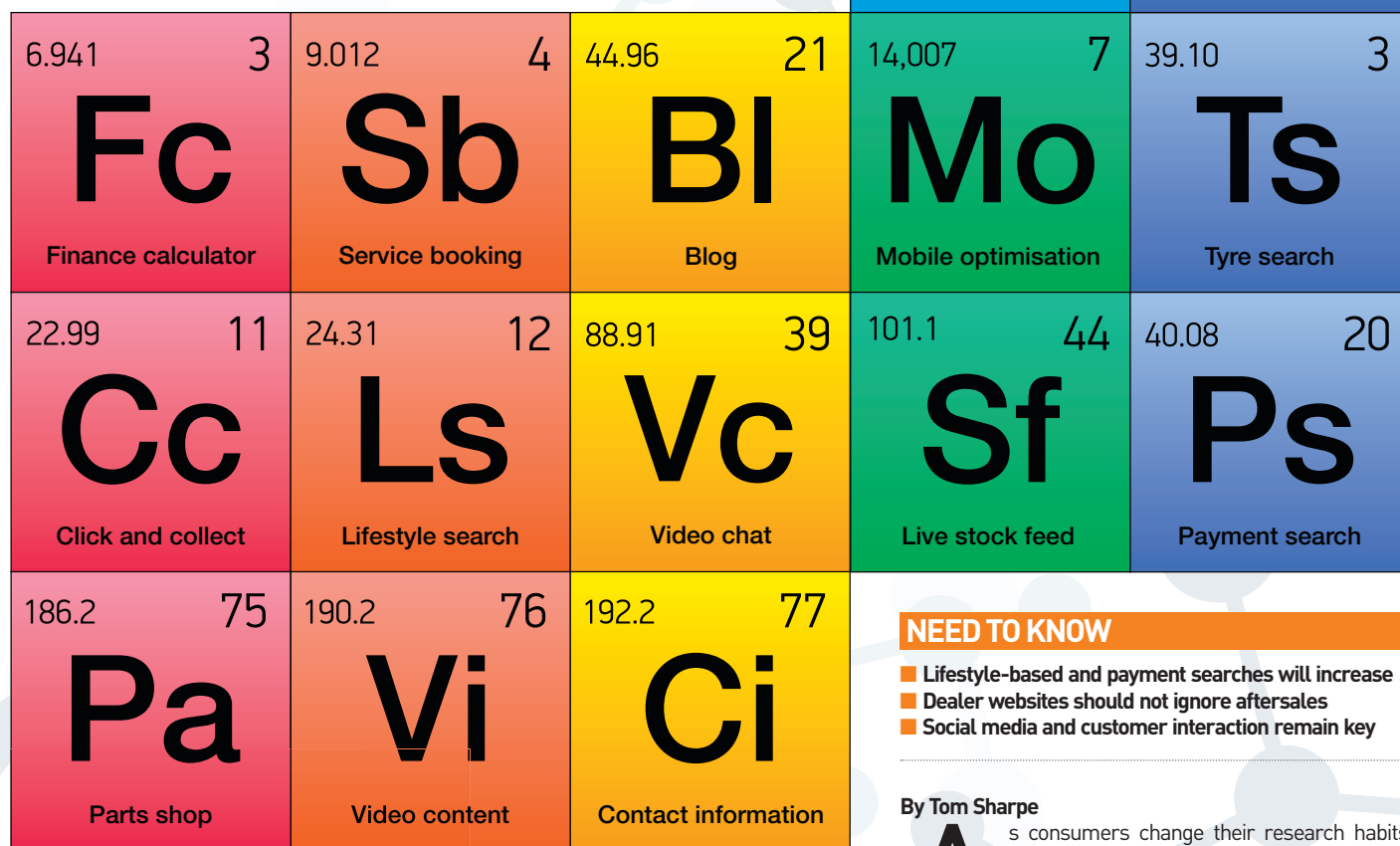
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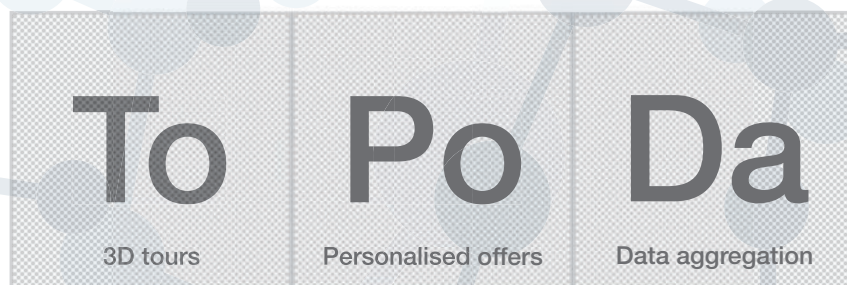


# The essential elements of a great automotive retail website

Dealers need the right mix of digital building blocks to attract and engage their customers from the research stage to the sale and beyond



## Future website elements



## NEED TO KNOW

- Lifestyle-based and payment searches will increase
- Dealer websites should not ignore aftersales
- Social media and customer interaction remain key

By Tom Sharpe

As consumers change their research habits before making a car purchase, the pressure is mounting on dealer groups to exploit new technology to the full.

Manufacturers are making it possible to configure and buy a car online or even examine, test drive and purchase a vehicle during a trip to a shopping mall, making the internet a key battleground in a dealer's attempt to make the most of potential customers' first point of contact.

With some industry experts warning that an unattractive or poorly functioning website will prompt consumers to simply search for an alternative outlet, many are acknowledging that the time has come to make shrewd decisions about their online presence.

An attractive homepage is one thing, but with innovations such as user-friendly finance calculators, service booking, click-and-collect services and live chat all becoming key website components, what functions are truly essential to attract and engage a customer, while fulfilling their buying or research requirements, to ensure your dealership is the destination where their online journey ends?

**Lauren Cooke, marketing manager at Bluesky Interactive**, the dealer digital marketing specialist, said the ability to tailor searches to suit a customer's lifestyle was key to the effectiveness of a website as a lead management tool.

She said: "Searches need to be more flexible and more intelligent. It is important to facilitate your customers' behaviours, rather than dictate how they should search."

"While customers are very familiar with Auto Trader-style search, we think dealers should pay attention to making it even better, such as by adding the ability to search for multiple makes and models at the same time."

"Lifestyle search is likely to grow as people become more focused on needs rather than specific cars."

However, Cooke warned, that the search function must be "actually useful and not just gimmicky".

She added: "Intelligence will play a big role throughout websites in 2016. Lead-profiling tools like Autochart will help dealers know what their customers searched for and looked at before they enquired in the showroom."

Cooke said Bluesky is advising dealers to "digitally empower" their sales teams.

"Equip them with iPads and in-dealership screens, let them communicate with customers by sending car details to their mobile phones, and also encourage them to research leads online via social media and LinkedIn."

"It may sound creepy, but having an insight into the profile of an enquirer when dealing with them can really help to facilitate a sale."

Jaguar Land Rover's 208 UK dealers are among those adopting iPad-based technology pioneered by developer EnquiryMAX, which allows sales staff to access details of customers' website activity, including searches, via a tablet, on the forecourt.

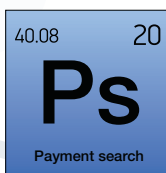
They can also log customer details from anywhere in the dealership in a less formal fashion than the traditional desk-based data input.

More than 60 of Marshall Motor Group's dealerships will soon be using the web-linked lead management tool, with RRG Group, Stoneacre and Harwoods planned to follow.

**Vee24** is another business aiming to fully exploit online customer contact points to generate leads for sales staff. It has worked with Sytner, Swansway Group, Peter Vardy and Halliwell Jones to develop a live video chat function.

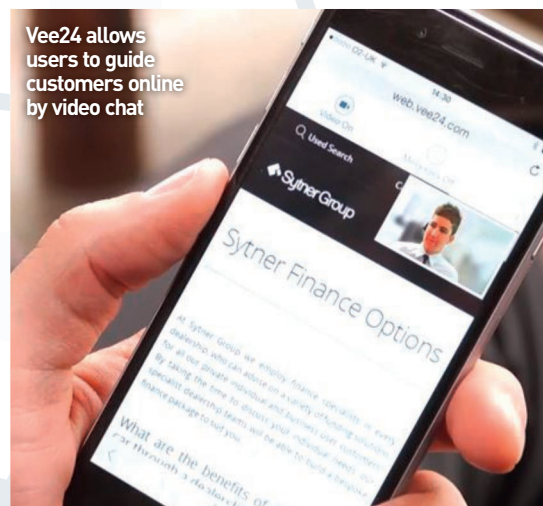
Expanding on the increasingly popular text chat facilities available on many websites, Vee24's system offers customers the option of being guided through a car configurator, finance application, or guided to the dealership via an on-screen chat with a trained operator.

Operators can see what the customer is looking at online, but cannot see them, avoiding potential privacy concerns.



"If you know that you can afford £250 to £300 per month, it makes sense for this to be the basis of your search"

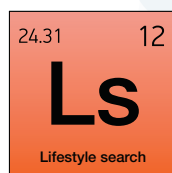
James Tew, iVendi



Vee24 allows users to guide customers online by video chat

"Lifestyle search is likely to grow as people become more focused on needs rather than specific cars"

Lauren Cooke, Bluesky Interactive



The application was first used in retail by high street brands including Schuh, Wickes and Kurt Geiger.

**Nigel Thomas, Vee24's vice president of sales**, claimed that one in three people who click on the live chat option will go on to visit the dealership for a test drive.

Thomas, who was previously behind the Portfolio Europe business sold to Manheim in 2004, said: "We consider ourselves more of a lead-generating concierge service than anything else. Our call centre staff have some training, but are more facilitators to guide customers through a website, help with searches and put them in touch with the dealer."

"It's a customer-focused approach that produces results and with most people now making just 1.4 visits to a showroom before buying a car, on average, we provide the initial hook that can ensure they follow up their online enquiry."

With reduced dealership footfall becoming commonplace as customers do much of their research at home, **Autoweb Design director Peter Fairfield** believes using the internet to boost aftersales is becoming a key feature for many of its clients.

Fairfield said dealers should consider adding online booking functionality for servicing or hire cars and tyre search functionality, which can boost aftersales by providing customers with real-time information about the appropriate tyres for their vehicle. Customers should also be able to book fitting online.

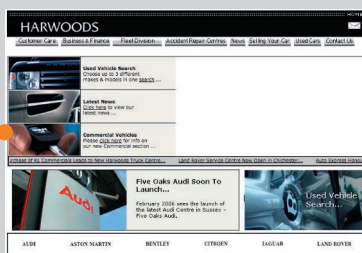
Finance integration "delivering real-time finance quotes and options" and an online car valuation

## WEBSITES: THEN AND NOW

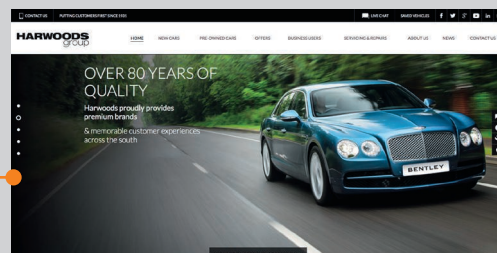
### HARWOODS

2005

Harwoods was ahead of the game in 2005, with SEO-friendly updates, but it has added multimedia, live chat and valuation tools to its visually rich 2015 version.



2015





## WHAT WILL AUTOMOTIVE WEBSITES OFFER IN 2020?

The pace of change in online technology is frenetic and dealers need to start thinking now about how they want their site to look in four or five years' time.

In looking for ways to move the automotive industry forward, many experts have been looking to other industries for inspiration – high street retail and the insurance industry have both attracted attention because of how they efficiently guide customers to the right products.

However, not every technological innovations may benefit car dealers' websites.

Julian Perry, managing director, Denison Automotive, said his business would be taking a "pragmatic approach" to online developments within the automotive industry: "The pace of change in the automotive industry has not been rapid thus far and I'd fully expect there to be an evolutionary, rather than revolutionary, progression in the coming years.

"I don't think we'll see ground-breaking developments, simply more dealers choosing to interact with their customers online more effectively and offering more out-of-hours services."

Looking four to five years into the future, Denison Automotive director Tessa Denison suggested a personal shopper-style function may be offered to customers, with 3D tours and the ability to create an image of a configured car on your driveway among the possibilities.

Denison also predicted a rise in the popularity of online tools such as Mazda's MyWay service, which allows customers to book a test drive online and then have the car delivered to their home.

She said: "One of the main shortcomings of any online offering is that people don't get the chance to truly explore the product. I think we'll see efforts made on websites to ensure people get as good a picture as

possible ahead of their purchase."

Some currently fashionable elements of dealer websites will make way for new innovations, according to Lauren Cooke, marketing manager at Bluesky Interactive. She said: "We may see the end of homepage banners or, at least, the end of offer-focused banners.

"Dealers are already realising that focusing on one offer alienates other people, who aren't in the market for that style of car or that service.

"We are already producing websites that dare to ditch the banners and replace them with big calls to action – with search options front and centre – or send aftersales or car-buying traffic to their relevant website sections."

Cooke said Bluesky also anticipates that websites will commonly respond to user preferences automatically drawn from previous web searches. Customers who have previously searched for finance will have finance offers presented above others, for example, whereas visitors who prefer aftersales services can be remarketed with deals upon returning to the website.

Tim Smith, group strategy director at GForces, an internet software and services specialist, agreed. He said: "Whatever their physical appearance, websites will be created firmly based on interaction data, and not the whim of a designer.

"By using this data intelligently and pooling millions of dealer website visits, it's possible to work out the 'propensity to enquire'. That is to say, we will have a clearer idea of what drives customers to get in contact with a dealer, the things they have looked at and the route they have taken to get to that point. It's then possible to hone websites to suit.

"Improving the transactional nature of dealer websites will also be a big focus in the coming years. At present, they are very much

Mazda MyWay allows customers to book a test drive online and then have the car delivered to their home

browsing tools with enquiry points. The actual [online] purchase of a car may be some way off – despite CapGemini Cars suggesting up to 44% of people would be prepared to – but websites will become a tool through which a customer can undertake all of the necessities other than signing the paperwork."

Autoweb Design director Peter Fairfield said quality content should remain central to any dealer website, with video, blogs and dealer news still essential.

"Content will continue to grow in importance for car retailer websites. While Google's algorithm changes are difficult to predict, quality content will always be important and the significance attributed to it by Google is on the rise. Websites with unique copy or regularly updated news areas currently tend to experience improved organic performance."

Fairfield said the focus of all dealer websites in future should be to facilitate improved online interaction with customers: "Some forward-thinking dealerships are already starting to implement video chat as well as live chat, allowing them to interact directly with customers and offer an enhanced consumer experience. The websites of the future will absolutely involve greater interaction with consumers."



"We'll see efforts made on websites to ensure people get as good a picture as possible ahead of their purchase"

Tessa Denison, Denison Automotive

## MARSHALL

2005

While Marshall Motor Group's 2005 website did list new and used stock, its 2015 iteration has added search functionality, service booking and tyre ordering and features SEO-friendly news and group information on the homepage.

2015

## BEST PRACTICE FROM OTHER INDUSTRIES

As car dealer websites battle to keep pace with mobile and tablet devices, many website developers were quick to highlight examples of consumer-friendly offerings in other industries.

From mobile phone providers to the world of fashion and insurance, it seems that the highest standards of user friendliness can be found away from the automotive industry.

Responding to a recent post on AM-online.com, JS Management director David Hallett, said: "Why not learn from one of the most competitive products on the planet – insurance?"

Hallett highlighted Direct Line's online offering, which uses a tablet-optimised design that clearly directs users where to go. He said: "You can see the 'calls to action' six feet away from your computer."

Bluesky Interactive marketing manager

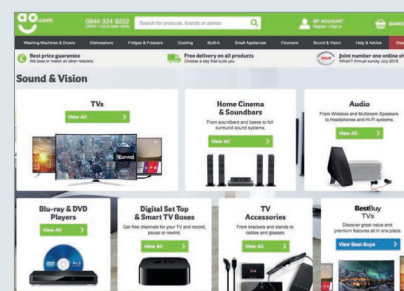
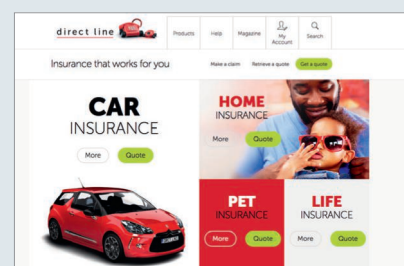
Lauren Cooke believes the travel industry's focus on content and brand-building takes the lead.

"I think travel always has a lot to teach. It's about data combined with content – they're experts in building SEO, enticing readers to come back, and building brand," she said.

Tim Smith, group strategy director at GForces, said the click and collect function that accounts for 36% of John Lewis's business is something the automotive sector should note.

Julian Perry, managing director at Denison Automotive, is an admirer of AO.com, the online white and brown goods seller, highlighting the site's usability and straightforward search options for consumers.

Perry said: "AO is a true digital store that puts the customer at the centre of their business."



functionality linked to CAP data, were also key functional components for customers researching a new car purchase.

Fairfield believes fresh content, such as blogs or multimedia offerings, are a good idea for dealers.

"Areas enabling a regular stream of fresh content benefit organic search rankings. Multimedia content – demonstrating the desirability of vehicles – will again benefit SEO," he said.

According to James Tew, chief executive at iVendi, the ability to easily search cars in terms of their possible monthly cost is rapidly becoming the most essential part of any dealer website.

He said the technology now exists to make it available across searches covering thousands of dealers.

Based on usage of iVendi's Quoteware online finance calculator, Tew said about two thirds of consumers will opt for monthly payments as their key search criteria where it is available.

"If you know that you can afford £250 to £300 per month, it makes sense for this to be the basis of your search. We very much live in a pay-monthly society and this is how many consumers think today when purchasing a car.

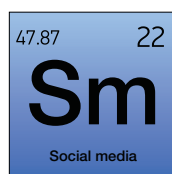
"The use of payments search has until now been effectively limited to individual dealer or dealer group websites. Soon, this picture will change when Quoteware becomes available on a major car portal for the first time."

Tew said the move towards PCP financing has made such a search facility more relevant to customers, and despite "some major technical challenges for the team here at iVendi", he believes the results "will potentially be extremely impressive".

Julian Perry, managing director of Denison Automotive, a

"Manufacturers don't want innovation and competition online. The internet is the perfect place for a price war and that's the last thing they want"

Julian Perry,  
Denison Automotive



web design and digital marketing specialist, is not sure a "killer app" exists for car dealers' websites and believes a lack of desire for genuine innovation and concerns over the potential for an "online price war" have left the automotive sector lagging behind other industries.

He said: "The industry is controlled by the manufacturers and they want things to stay largely as they are. They don't want innovation and competition online. The internet is the perfect place for a price war and that's the last thing they want.

"Live chat and video content are prevalent on dealer websites, but, ultimately, the best way for dealers to establish contact with their local community may still be through social media.

"That way, they maintain control of their identity, do their own thing, and really create their own community away from the controls of a manufacturer."

Denison Automotive believes customer service has to be at the core of any online offering, which means a variety of services must be available in one place.

If a dealership's site is to maintain the attention of a customer, it must be able to offer the services expected by anyone walking through the showroom door, including stock searches, service booking and finance offers.

After Autotrader reported that 41% of consumer interactions across automotive websites were made using a smartphone – compared with just 5% three years ago – the need for website optimisation is just as important.

Perry said: "The problem is that all these functions have their own hurdles in terms of system integration and a fully smartphone-compatible new site might take four years to develop, so many dealers still don't have sites that work well on a range of platforms."

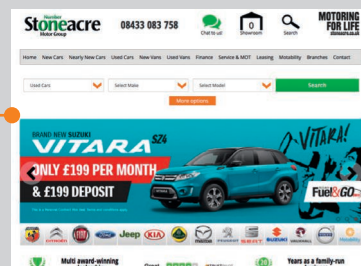
## STONEACRE

2005

Stoneacre's website has changed dramatically, from a homepage offering little more than a list of dealer locations, to options including search by model and make, finance information and calculators, and service and MOT booking.



2015





# Using data to manage your forecourt

**A**s consumer shopping habits have evolved, successful high street retailers have adapted. The Clubcard – introduced by Tesco under Sir Terry Leahy's leadership – was a game-changer. Sir Terry understood that his company was successful and sold to many, many customers, but, rather frighteningly, he didn't really know anything about them – how often they came in, what they bought or how often they bought the same thing. Stocking his forecourt was based on trial and error – if it sells, stock it, if it doesn't, remove it.

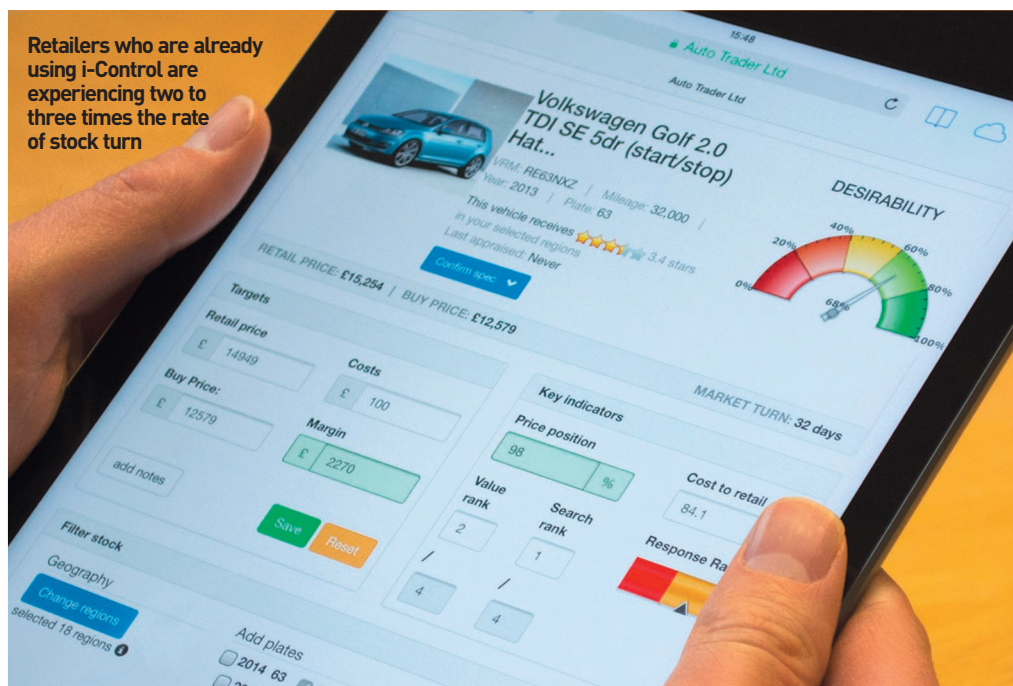
Clive Humby, a data analyst, came to him and suggested using a "club card" to track everything Tesco's customers bought and using this data to "manage" its forecourt. Customers are happy, as they get coupons towards the products they buy regularly, and Tesco is happy as it knows what customers are buying, and can stock its shops with the right products.

By no longer leaving it to chance, but using science to help manage their forecourt and using data as insight – just as the big high street retailers do – automotive retailers can fill their forecourts with the right stock, which is in demand in the area and is priced to the market.

This is not taking anything away from experience and existing knowledge. Our data shows us that cars in high demand locally sell quicker and offer potentially better returns.

There are tools retailers can use to help take advantage of this abundance of data. Auto Trader's i-Control is a unique data intelligence tool, designed to allow used car retailers to take advantage

**Retailers who are already using i-Control are experiencing two to three times the rate of stock turn**



of the market's most lucrative opportunities to sell more cars.

It puts you in control of all the relevant data on every piece of your used car stock; including unique consumer demand/desirability – and accurate daily retail and trade prices, for optimising margin and stock turn.

Retailers who are already using i-Control are experiencing two to three times the rate of stock turn and saving significant amounts of time in their decision-making. The average stock turn in the UK is 57 days but i-Control users are reducing this to an average of 29 days.

Paul Deeley, sales manager at Brooklyn Hyundai, adopted i-Control as the dealership had a high level of

days to turn rate. Business was slow and Deeley felt it was time to look at things differently. When the dealership first started using i-Control, it also had a big over-age problem; it now has about half of the over-age stock it had before i-Control. It is selling more cars and profit per unit is also rising.

Deeley said: "Before we implemented i-Control last January, our days to turn was 134, now it's 23."

#### Key metrics include:

A desirability metric featuring a 1- to 5-star rating – what's hot and what's not – which rates vehicles based on the three attributes a sales manager would look for: speed of sale, current consumer demand and how competitive the market is. Highly desirable stock sells faster and for more profit.

The market turn metric reflects supply and demand – using live market supply and sales data to give a single figure in days, which indicates a car's supply and demand level. The lower the number, the higher the demand and lower the in-market supply.

A price position metric determines

online response. A percentage value tells dealers how close their chosen retail price is to the live market value of the vehicle, based on the competition. The faster a car sells, the lower the cost of selling. Desirability and price position drives strategy to maximise profit and stock turn.

Deeley said: "Since using i-Control, 50% of our stock is repriced every 14 days. Before i-Control we never used to reprice it."

Nick King, Auto Trader insight director, said: "Engagement with this mindset is the key to success. We suggest dealers sign in every day to ensure they are always working with the latest pricing data."

"By appraising every current in-stock vehicle, retailers can assess its optimum sale price. Regularly repricing vehicles allows stock to remain desirable in the live market – lowering sale turn."

"When it comes to buying in more stock, purchasing vehicles with the highest desirability gives the best chance for a speedy sale. Cars that are in high demand locally sell quicker and offer potentially better returns."

**"Cars that are in high demand locally sell quicker and offer potentially better returns"**

**Nick King, insight director, Auto Trader**



Micro-Comparison



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Lead Generation



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Car Finance Checker is the UK's first motor finance micro-comparator. It's designed to let customers browse and compare offers from your panel of lenders - and then have complete visibility of their likely eligibility. For car portals, dealer web sites and car showrooms, it's a groundbreaking way to create the highest quality leads. Want to know more? Contact iVendi now.

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Lender	Product	Likelihood of Approval	Representative APR	Total Amount Repayable	Monthly Payment	Next Steps
blackhorse	HP	HIGH	10.9%	£22,865.80	£364.43	Apply
Finance Example: Cash Price £17,998.00, Deposit £1,000.00, Total Amount of Credit £16,998.00, 1st Payment of £364.43 followed by 58 Payments of £364.43. Duration of Agreement is 60 Months. Fees of £0.00 are included in the payments shown. Annual Fixed Interest Rate of 5.73%. Finance is provided by Black Horse Limited, St William House, Trevelian Terrace, Cardiff, CF10 5BH						
MotoNovo	HP	HIGH	10.9%	£22,865.80	£364.43	Apply
Finance Example: Cash Price £17,998.00, Deposit £1,000.00, Total Amount of Credit £16,998.00, 1st Payment of £364.43 followed by 58 Payments of £364.43. Duration of Agreement is 60 Months. Fees of £0.00 are included in the payments shown. Annual Fixed Interest Rate of 5.73%. Finance is provided by MotoNovo Finance, MotoNovo House, Lambourne Crescent, Cardiff Business Park, Llanishan, CF14 5GL						
BARCLAYS	HP	HIGH	10.9%	£22,865.80	£364.43	Apply
Finance Example: Cash Price £17,998.00, Deposit £1,000.00, Total Amount of Credit £16,998.00, 1st Payment of £364.43 followed by 58 Payments of £364.43. Duration of Agreement is 60 Months. Fees of £0.00 are included in the payments shown. Annual Fixed Interest Rate of 5.73%. Finance is provided by Barclays Finance, 100 Broad Street, London, EC2M 2DD						

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# How to run an effective digital department

Whether in-house or outsourced, focused on social or SEO, getting the right people behind your dealerships' online operations is vital to stay ahead of the competition

## NEED TO KNOW

- 'The gap is closing' between motor and other retailers
- KPIs can help to drive generation of original content
- Offline ad budgets 'moving towards social media'

By Tom Seymour

**A**s dealer groups continue to offer a 'clicks-and-bricks' approach to automotive retail, the teams behind the digital marketing departments are becoming increasingly important in staying ahead of the competition.

Digital operations are so intrinsically linked with marketing that, more often than not, they are classed under the same umbrella and retailers are expanding teams, often recruiting from outside the industry.

But a linked-up approach, which sees dealer-level involvement in social media, means all employees are becoming part of the online process as the industry begins to move with the times.

**Graeme Kerr, Lookers head of digital marketing**, said his first impression of the automotive retail industry was that it was lagging behind other sectors when he joined the top five AM100 group almost two years ago, having worked as an SEO specialist and setting up his own digital consultancy. However, he said: "The gap is certainly closing."

"Web specialists can keep educating the general managers on a daily basis"

Ian Godbold,  
Cambria Automobiles

Kerr leads a team of 11, most of whom do not have an automotive background. They range from search engine optimisation (SEO) and pay-per-click (PPC) specialists, to those who can generate editorial-style content.

**Ruth McMenamin, Wessex Garages group marketing manager**, joined the automotive industry for the first time last August, after working in the food and healthcare industry.

The members of her eight-strong team specialise in PR, social media, video production and web content and she employs digital sales executives in each showroom, who report in to their respective general managers.

**Ian Godbold, marketing and CRM director at Cambria Automobiles** for the past seven years, has grown his team from two in 2006 to five now, but has kept much of his digital operation in-house. The team includes a marketing manager, head of content, head of web specialists and a CRM and database manager.

Cambria introduced web specialists in each dealership about four years ago. Godbold said: "General managers and sales managers might not have the time to keep on top of what the latest trends are or how things are changing in the digital world."

"The web specialists can keep educating the general managers on a daily basis, while feeding back to the central digital team."

Cambria offers monthly training to its web specialists, passing on the digital team's latest learnings.

Web specialists have a set of KPIs linked to content generation, in the form of SEO-friendly blogs, as well as management of social media channels. The goal is for at least two pieces of original content each week and at least 10 social media posts.

The web specialists also ensure that vehicles are advertised online with 20 photos and video.

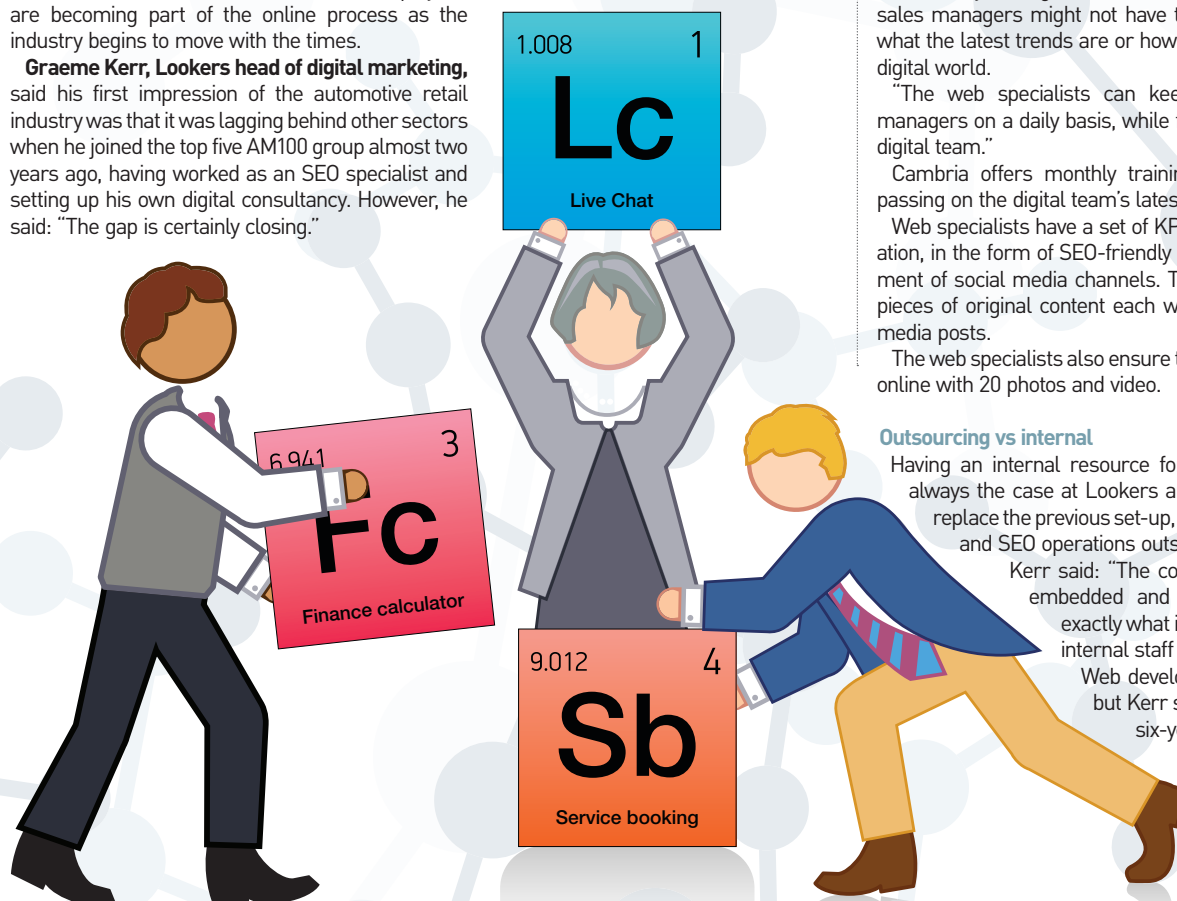
## Outsourcing vs internal

Having an internal resource for digital marketing wasn't always the case at Lookers and Kerr was brought in to replace the previous set-up, which saw the group's PPC and SEO operations outsourced.

Kerr said: "The company needed something embedded and aligned more closely to exactly what it wanted, and with our own internal staff we can achieve that."

Web development is still outsourced, but Kerr said the dealer group has a six-year relationship with GForces, which provides 24/7 support.

Cambria also outsources its website development to a third party, but



# FOUR WAYS TO IMPROVE YOUR WEBSITE

By Lauren Cooke, marketing manager, Bluesky Interactive



Believe it or not, launching an attractive, responsive website is the easy bit.

How you improve your website is what separates average websites from *amazing* websites. Dealer marketing agency Bluesky Interactive shares its top tips:

## 1. Don't get too attached

It's easy to fall in love with your website. That banner is "just so", the button colour is lovely. We know the feeling – as website designers, the site becomes your baby.

However, you have to be willing to change your website once it's launched. Take a breath, and let it go.

## 2. Ask someone who ISN'T a car dealer

When was the last time a car dealer actually bought a car? Exactly.

Ask a few non-automotive people to complete tasks on your website, and watch them do it. This can flag up areas, terminology or functionality that don't work as expected. This will tell you what areas you can look at improving.

## 3. Test, don't guess

Bluesky provides website optimisation services, and the most important part of this is testing.

Come up with a theory – maybe that a bigger button will generate more enquiries. Use software to send website visitors to different versions of the page, and see which performs better. It's scientific, statistical, and trustworthy.

## 4. Look at your competitors

We're not saying copy your competitors – template websites just make you look like everyone else.

But by seeing what your competitors are doing, you can work out where you might look worse to local customers – and then you can plug those holes.

**Testing and improving your website is how you grow and improve. So make sure you choose an agency that is willing to work with you, not against.**



Find out more about Bluesky Interactive at the website below, or give them a call today.

Tel: 0845 415 4853

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

## INSIGHT Build a better website

Godbold said it is not treated like "just another client", adding: "The relationship allows Cambria to be very quick, nimble and flexible."

Cambria has a six-month roadmap for its portfolio of websites representing the Grange, Dees, Invicta Motors, Doves and Motorparks brands.

Rather than paying for web development on a monthly basis, Godbold maps out functionality and improvements and the supplier will then pitch work to fit the brief.

### Getting a return on social media

Dealer groups are increasingly looking at putting a portion of their marketing spend into social media and for Kerr, it's an important part of the business.

He said: "It helps with social proof, but it's more about brand reputation rather than solid sales leads."

Lookers has a budget for social ad spend, with Facebook offering targeted advertising and marketing at a fairly low cost and LinkedIn beginning to play a role.

At Cambria, Godbold said he is starting to see a shift from social media being used for reputation management to the possibility of some more tangible measurement of return on investment.

He said: "There's never really been a proven ROI on social media and we know it's the right thing to do, but proving that return has historically been difficult."

Budget from offline advertising in areas such as print has been allo-

cated toward social advertising. Godbold said: "Social advertising isn't fully established yet and we're monitoring it, but I think it has the potential to grow."

McMenamin said social media was no longer treated as a "fad" at Wessex, with the focus now on Facebook, Twitter and YouTube.

He said: "We make sure we treat those leads that come through social channels with the same strength as telephone, email or walk-in."

"It's really important that if a customer chooses to speak to us, no

matter what channel it might be, we need to be speaking back to them in the method they prefer."

### Websites of the future

Lookers is monitoring the market to see where direct online sales may lie in the future of automotive retail.

Kerr believes the answers will always be in giving customers choice.

He said: "Consumers now expect to access a lot more information online and that's something we aim to do."

"There will still be customers who want to come in and talk to

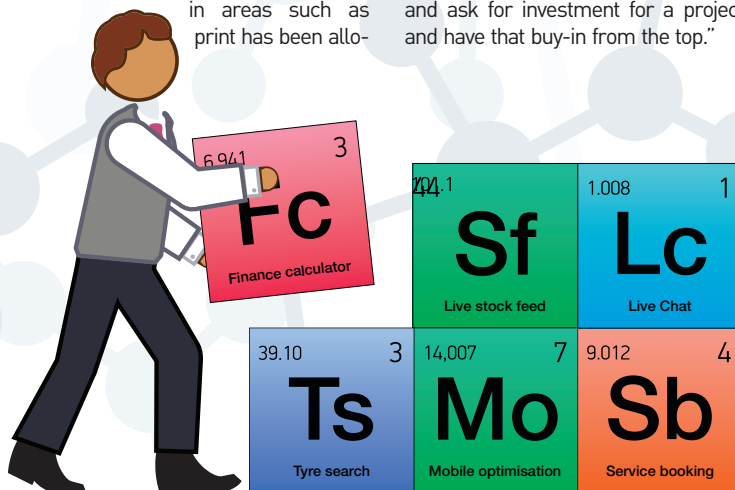
someone, but there will be others that will be comfortable just interacting online and we have to provide a joined-up way to offer that."

As for the future of digital in automotive, Kerr believes its importance is only going to grow – a feelings shared by his employers.

He said: "The importance of digital to the business means that it's much easier to go into a meeting with an idea and ask for investment for a project and have that buy-in from the top."

"Social advertising isn't fully established yet and we're monitoring it, but I think it has the potential to grow"

Ian Godbold,  
Cambria Automobiles





# Do your dealerships have a 'digital culture'?

Identifying and adopting the right traits online will boost sales and satisfaction

In this digitally led age we are told all too often that, as businesses, we should be creating and nurturing a "digital culture". But what defines this? How does a digital culture look and what should those attempting to be part of it be doing within their job roles?

There is no one model that defines a digital culture, but it does include numerous aspects of the way a business operates, from how we communicate (email, direct messaging and social media) to how work is produced (paperless offices) to how we make money (online billing, ecommerce and click-and-collect).

The digital culture is important because many consumers are undertaking much of their lives online, so knowing what constitutes good practice is important in meeting their needs. A recent survey undertaken for Econsultancy's "Effective Leadership in a Digital Age" report surveyed a select group of relevant senior staff across sectors. They were asked:

"Thinking about organisational culture in the digital age, which characteristics do you think are most important in establishing a truly 'digital-native' culture?"

The graph below shows how they voted.

The top three results were: 'customer-centric' (58%); 'data-driven' (40%) and 'innovative' and 'collaborative' (28%) in joint third place. These traits are all



exceedingly important in digital cultures.

Take 'customer-centric', for example. Every dealer knows their customers are the lifeblood in the offline environment and this should translate to online. Like a good showroom, a website will be a nice place to visit, full of information, able to offer finance and part-exchange quotes, ready to deal with aftersales and on call when human interaction is needed.

A digital culture cannot be based on gut instinct. In the Econsultancy survey, 'data-driven' came second, with 40%, and it's clear why. Just as motor retailers monitor the way staff and customers interact in the showroom, a retailer that establishes a digital culture will do so online using analytics. If a dealer web platform isn't based on data,

it's not going to perform. An example is split testing – serving two versions of something to understand how customers interact with it, and the impact on conversion. A digitally astute business will do this constantly to ensure a site reaches its full potential.

Finally, innovation and collaboration tie for third place, both at 28%. These are critical factors in digital cultures. Without either, a business will stagnate. For motor retailers, digital collaboration might be working with its web agency to achieve better marketing results or engaging with a third-party live chat outsourcing provider to handle the delivery of qualified leads. Within the automotive industry, there are a vast number of products and services that can enhance a digital culture and improve the business's digital performance. While they won't all be suitable for everyone, without trying it's impossible to know.

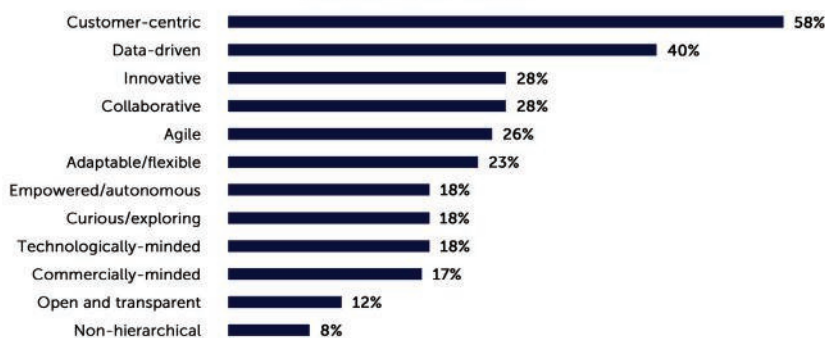
Creating a digital culture within a dealership is not the work of moments. But the web continues to grow in importance, fuelled by younger generations getting to the age where they are within the ownership cycle. So-called 'digital natives' and the slightly older 'digital savvies' are used to a digital retail experience.

Creating a digital culture within a dealership, using the characteristics highlighted by Econsultancy, will only ever increase the opportunities for sales and improve customer satisfaction.

## IMPORTANT CHARACTERISTICS OF A "DIGITAL CULTURE"

based on responses from 245 relevant senior staff (majority based in the uk) across industries and organisations

DECEMBER 2015



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driving the digital dealership

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# Updating the sales process for 21st-century buyers

“It just seems silly that in an industry where cars are being sold for tens, sometimes hundreds of thousands of pounds, sales executives are still following customers around their forecourts taking details on a scrap of paper.”

The founder of enquiryMAX, David Boyce, gave himself a straightforward brief when he started developing his lead management system ahead of his business's 2012 formation as part of a partnership with automotive training and software specialists BTC.

Having emerged from the sale of his previous venture, e-GoodManners, to Manheim, in 2010, Boyce knew there was the opportunity to transform the way sales staff interacted with customers and gathered data with the aim of boosting sales.

His plan was to fuse the familiar hardware of an iPad to a fully integrated lead management system, which would allow staff and customers to input and access data more rapidly and intuitively. This would leave the way open for a more informal, friendly approach, doing away with the daily paper chase and the need to sit customers down in an office environment to seal a deal.

Three years later, after securing a deal to equip Jaguar Land Rover's 208 UK dealerships with 1,200 enquiryMAX-optimised iPads, the company is in profit and setting its sights overseas.

“Every dealership with enquiryMAX has filled a satisfaction survey about the system and our training and, so far, we're achieving a 93% rating”

Chris Saunders, enquiryMAX

Boyce said: “The automotive industry is lagging way behind on this. Go into a restaurant nowadays and a waitress or waiter will pull out a tablet to take down your order and send it directly to the chef.

“On dealers' forecourts across the country, sales staff are still taking down customer details on paper. Then they sit a customer down in the office to laboriously take down their details to

come up with appropriate deals, or sit down themselves to input details of their lead later in the day.

“enquiryMAX streamlines that process by allowing sales staff to input data about a customer in any order it might crop up in conversation, whether a customer is sitting in a car or a waiting area at the time. It makes for a far more informal sales process and the data does not need to be input again, because the iPad is part of the same system as the lead management system in the offices.”

Boyce said gathering information on a potential customer via the iPad reduced the risk of “opportunity leaks”, which can result from staff not inputting data on some customers at the end of the day.

Using enquiryMAX results in a 30% increase in captured enquiries, according to Boyce, and a potential increase of at least one additional sale for each sales executive every month.

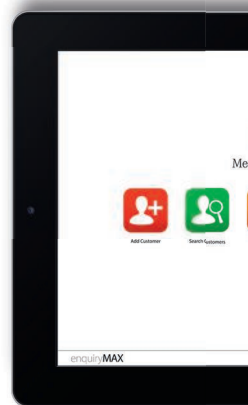
He said other benefits of the enquiryMAX system are its user-friendliness and its transparency for an increasingly clued-up customer base.

Boyce said: “Increasingly, customers are coming into dealerships knowing exactly what they want. They know what their car might be worth in part-exchange and they know at what rate they will be able to borrow money.

“The iPad system is fully integrated, so the CAP pricing of their part-exchange can be brought up in front of them and even a vehicle they might have configured on the manufacturer's website at home, so that they can be taken through an offer on screen.

“Because the system feeds directly into the main lead management system, a sales executive can even leave it to a manager to come up with a deal while they take the customer on a test drive, without any need to step into the office. When they get back, their offer will have been prepared and sent to the iPad.

“The whole system adds up to a friendlier and more transparent process and a better relationship with customers. Even their drinks preferences can be recorded to make their next welcome at the dealership that bit more personal.”



enquiryMAX managing director David Boyce:  
“The automotive industry is lagging way behind”

For more information, please visit [www.enquirymax.com](http://www.enquirymax.com), email info





## STONEACRE SEES SALES BOOST OF UP TO 40%

Stoneacre Motor Group has begun to roll out enquiryMAX's automotive sales software.

The company will use the tool, which provides a completely paperless lead management platform, across its 33 UK sites.

Stoneacre's sales teams will use the software on tablets, allowing for a mobile, interactive experience with customers in the showroom and when capturing information, including photographs, of vehicles being offered for part-exchange.

The software, which Stoneacre began introducing across its network towards the



end of 2014, has already seen a number of its dealers dramatically increase sales, in particular the sale of add-on products, which rose by as much as 40%.

Stoneacre managing director Shaun Fowweather, left, said: "The software has clearly been designed with sales teams in mind and our staff have had great belief in the enquiryMAX system from day one of our roll-out.

"Having seen significant increases in our sales performances at our initial dealers, we're looking forward to having the software in all 33 of our UK sites."

Boyce, who is based in Leeds, designed the enquiryMAX system himself, but teamed up with BTC, whose chief executive Guy Allman is listed as co-founder of the new venture, to fine-tune its appearance and function.

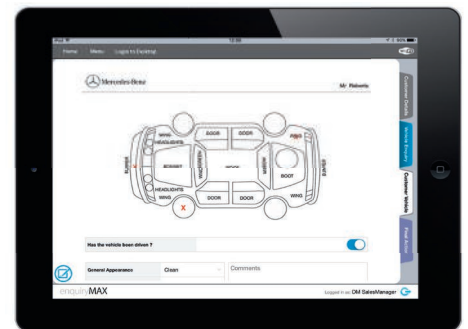
The relationship between Boyce and Allman began when they worked together on the earlier e-GoodManners lead management system – later sold to Manheim – and continues today, with the two companies sharing resources and BTC holding a 49% share in the business.

Chris Saunders is operations director of both enquiryMAX and BTC and is aiming to deliver enquiryMAX to 2,500 global users within two-and-a-half years.

Following the completion of the roll-out to Jaguar Land Rover dealers in October, more than 60 dealerships in the Marshall Motor Group will soon be using enquiryMAX and further expansion is under way into RRG Group, Stoneacre and Harwoods.

Saunders believes BTC's international links, especially through its autoVHC aftersales management system, which has more than 2,500 global users, will help enquiryMAX's popularity to spread.

Boyce re-affirmed his determination to grow enquiryMAX by emphasising that it had an "aggressive pricing policy". As well as installation of the software, each enquiryMAX customer gets two days of on-site system training. A full-time



"sustainability programme" has also been introduced, which sees training staff return to dealerships to ensure the system's potential is being realised.

Saunders said: "For so many people, the iPad is now a familiar tool and the enquiryMAX operating system has been fine-tuned to look great and be really user-friendly.

"Every dealership with enquiryMAX has filled a satisfaction survey about the system and our training and, so far, we're achieving a 93% rating, which is testament to the system and our staff.

"The market is ready for this. In truth, the automotive sector is playing catch-up, but we are the ones that are delivering the solution and it's such a polished product that I know it will meet our expectations.

"Three years ago we were investing in David's project and already we are not only revolutionising the way sales executives operate and helping to improve the sales process for customers, but we're already making a profit."

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# Use the 'family test' to ensure FCA compliance



Dealers warned F&I sales processes must be understandable and fair to everyone

## NEED TO KNOW

- Dealers need to provide evidence of 'treating customers fairly' for every step of the buying process
- Every complaint should be recorded, whether related to the business's activity or that of any third parties

By Tim Rose

Applying the 'friends and family' test could be a simple indicator of how seriously a dealership is applying the Financial Conduct Authority's principle of "treating customers fairly".

That advice came from **Andrew Smith, managing director at Consumer Credit Advisory Services (CCAS)**, during a recent meeting of the AM F&I Executive Club.

CCAS has a director who sits on the FCA's Skilled Persons panel, which means it understands the inner workings of the organisation, Smith said.

"One sentence that came up in these discussions, was: 'Would you be happy if you or one of your family members had been through the sales process that your business presents, and have they got the product they wanted at a fair price?'. That, in a nutshell, was the panel's definition of treating customers fairly."

Smith's advice in treating customers fairly was to look at the customer, map out their journey from origination to the conclusion, and examine each touchpoint by applying that test.

He spoke about the six customer outcomes the FCA wants firms to strive to achieve, and what this means in practice.

### Six ways to 'treat customers fairly'

- Outcome 1:** Consumers can be confident they are dealing with firms where the fair treatment of customers is central to the corporate culture.
- Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.
- Outcome 3:** Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.
- Outcome 4:** Where consumers receive advice, the advice is suitable and takes account of their circumstances.
- Outcome 5:** Consumers are provided with products that perform as firms have led them to expect. The associated service is of an acceptable standard and as they have been led to expect.
- Outcome 6:** Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

His advice was that the customer is made aware of any limitations in the scope of the service the dealership provides, it trains its staff regularly and specifically to the F&I role, and documents that training and increased awareness.

"It is all about the evidence. You can sit in front of the regulator and say 'look at our wonderful sales process, we treat our



"You can sit in front of the regulator and say 'look at our wonderful sales process, we treat our customers fairly and their response to that will be 'that's great, prove it' "

**Andrew Smith,**  
Consumer Credit  
Advisory Services



For details on the next  
Executive Club event, visit  
[am-online.com/events](http://am-online.com/events)

customers fairly, cut us through like a stick of rock and inside it says TCF' and their response to that will be 'that's great, prove it'. If you can't evidence it, as far as they're concerned it doesn't happen," Smith said.

The sales process must be designed to clearly identify the needs of the customer and ensure the provision offered is appropriate, and the process is documented.

Customers must be provided with clear information. Ensure any quotation or illustration given out has the relevant prescribed information and is laid out in a way that is clear and easy to understand. Smith said claims management companies have been successful because it is all about the detail in the process and they've been able to find holes.

A good test is to give a documented sales process file to someone who doesn't know the process, and to ask them for feedback on whether they understand what has happened to lead to that sale and why.

If it is a non-advised sale, show that the customer is given every available option, so that they can confirm they have made an informed choice and had all the right information to make their decision, he said.

If you're quoting for a particular product, make sure that is the one the customer gets.

### Deal with complaints correctly

Complaints are an important element of the process. If a customer wants to make a complaint, the dealership must ensure the customer knows how to, the complaints process is robust and it follows Financial Ombudsman Service guidelines and timings.

CCAS advises firms to record every single complaint that comes in, whether related to the business's activity or that of any third parties. This could enable the firm to show the FCA that only a tiny percentage of complaints relate to its activities, and that it does have customer service at its centre because it takes time to log every expression of dissatisfaction that comes in, whether justified or not, and takes ownership and when necessary passes it on to the relevant party.

Smith warned that the FCA's thematic review into remuneration is likely to be published in Q2 2016. His advice was that dealers must provide evidence that commission and pay schemes are driving staff to do right by the customer and are not based around their own self-interest.

CCAS has worked with firms that have a training and competency scheme where bonus is spread across quality assurance, complaints numbers, quality of paperwork, customer feedback as well as sales.

Smith said the FCA has no problem with people being rewarded for their productivity, but it needs to be done in the right way. For example, staff earning a percentage linked to the size of the amount being lent may lead them to focus on certain deals, which could raise concerns.

**Steve Freeman, MHA MacIntyre Hudson**, said his conversations with motor retail finance directors have revealed their number one concern at the moment is FCA compliance processes and controls.



Wednesday 3rd February – Ricoh Arena, Coventry, CV6 6GE

08.30

Registration and Networking

09.20

Moderator's Welcome

**Thomas Power, chief digital officer, Electric Dog**

09.40

## Cars Online 2015 - A significant opportunity for dealers and manufacturers

**Nick Gill, vice president, chairman Automotive Council, Capgemini**

Customers want a more personalised car-buying experience and connecting the wealth of data held by manufacturers and dealers will enable both to meet the expectations and demands of today's motorists. Gill will present the findings of Capgemini's latest report Cars Online 2015 identifying data and analytics as key to the sector's on-going success if dealers and manufacturers collaborate more closely.

10.05

## Dealer case study - Website best practice

**Charlotte Murray, head of digital marketing, JCT600**

Following the recent launch of a new fully responsive website, Murray will be offering a case study on the steps taken by JCT600 throughout its 18 months development which included customer and colleague input, as well as industry insight. Built around key word search, the new website also includes full technical specification and economy figures, as well as latest videos on products and services, and online chat with advisers available until 10pm Monday to Friday.

10.30 – Q&A Session

10.40 – Refreshments and Networking

11.00

## Understanding the increasingly complex customer journey

**Jeremy Evans, managing director, Marketing Delivery**

Highlighting how the intelligent application of accurate data has never been more vital for a dealership's success, Evans will also incorporate examples of potential results, as well as disastrous consequences when using low quality data. In addition, Evans will also show how the customer journey for both service and sales purchases has become increasingly complex, the different points when a sale is lost and how by communicating a certain message at a specific point can keep a customer on the journey to purchase.

11.25

## Key Digital Trends for 2016

**James Whatley, digital director, Ogilvy & Mather Advertising**

Drawing from one of the world's largest advertising and PR companies Ogilvy & Mather's latest 'Key Digital Trends for 2016' report, co-author Whatley highlights last year's major influences and looks forward to what should be on a company's radar this year. Whatley will draw attention to areas of concern such as adblockers and new opportunities such as social sites moving away from ads and embracing storytelling from brands. Other areas where marketers need to focus efforts and refresh their approach includes video (2016 will be the year of VR) and the arrival of Gen Z. Whatley promises a fun but informative fast-paced journey through the digital themes which should form a part of your strategy.

11.50 – Q&A Session

12.00 – Lunch and Networking

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13.00

## Interactive Masterclass sessions

An interactive and informal opportunity for delegates to focus on specific areas of interest.

14.00 – Refreshments and Networking

14.30

## Tackling the latest trends and developments in content marketing for the automotive industry

**Content Marketing Association Industry Panel**

The Content Marketing Association (CMA), the industry body for content marketing, provides a panel of content experts from some of the UK's top agencies who look after some of the biggest household brands ensuring their content is compelling, creative, entertaining and targeted. The panel members are specialists in their own right and conference moderator Thomas Power will engage our experts in what promises to be a lively and highly informative debate about content in the automotive sector as well as providing tips, guidance and insight into current trends and challenges. Questions will be taken from the floor and delegates will be welcome to join in the debate with their viewpoints.

14.55

## Dealer case study - Lessons in cyber self-defence

**Neil Smith, operations director, Imperial Car Supermarket**

As dramatic as it sounds, a cyber-attack is one of the biggest hazards facing online retailers and whilst very few dealers take payments via their websites, there are other ways websites can be put at risk. Smith had to turn into a cyber-sleuth to combat both a bogus website which duplicated their own purporting to offer their vehicles for sale at a much lower price to dupe consumers into handing over their cash and a malicious website driven by a PPC campaign. Smith will share his experiences and explain how it helped shape their incredibly transparent approach which includes uploading all a vehicle's documentation so would-be buyers have all the information they need at their fingertips.

15.20

## How to build an online community for business success

**Thomas Power, chief digital officer, Electric Dog**

Dealers need to build an online community according to the unique criteria demanded by each social media platform and engage members both offline and online whilst the commercial strategy needs to remain in the background. By so doing, dealers will develop strong relationships with engaged individuals in the virtual world and in the dealership itself which will eventually translate into commercial success. Power, the UK's most connected person on LinkedIn and with over 101k followers on Twitter, will provide a whistle-stop tour of how to create such communities on Twitter, Facebook, Google+, LinkedIn and Instagram.

15.45 – Q&A session

16.00 – Summing up and departure

The organisers reserve the right to change speakers and/or timings as necessary.

**Last chance to book!**

### Driving registration volumes digitally

This session explores specifically how dealers can harness digital and data from a range of sources as well as utilising the business social site LinkedIn to develop its customer base of fleet managers and SMEs to boost registrations and retain businesses for service work. Wall will draw on experience gained and insights gleaned from its latest digital project focused on developing fleet business including initial results in the market.

### Live Chat - what the automotive industry can learn from retail.

Helping customers online has evolved from phoning a retailer or call centre to text chatting with a person in real-time and now using live video assistance. UK high street retailers are leading the way in live video help, and the automotive industry is taking notice.

During this presentation you'll learn

- How retailers have turned their customer service centres into profit centres
- How the automotive industry can use Live 'one to one' video to increase footfall into dealerships, significantly improve customer service scores and replicate the showroom experience from the website.

### The Future of Digital

The next five years are set to be some of the most disruptive in the automotive industry. Emerging trends include the digital marketplace selling directly to the consumer, on-demand services and the sharing economy; these and many more will continue to impact the traditional franchise models. New competitors in the automotive retail sector are springing up constantly, with digital technology having lowered the barriers to entry. Manheim Retail Services will show how to navigate the future landscape.

Masterclass sponsors



Book now at **www.amdigitalmarketing.co.uk**

For all further enquiries, please contact Emma-Louise Kinnaird on **01733 395133** or email **emma-louise.kinnaird@bauermedia.co.uk**

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# Do customers need more clarity on insurance?

Insurers concerned about FCA's definition of 'value for money' in add-on products

## NEED TO KNOW

- FCA proposals would require dealers to demonstrate how add-on insurance gives customers value for money
- FCA consultation paper expected by end of March

By Tom Seymour

**N**ot content with redressing the balance of power between customers and the insurance industry over GAP, the Financial Conduct Authority's spotlight has turned to all add-on insurance products.

The FCA wants the wider insurance industry, including products offered by automotive retailers, to demonstrate the value they offer, potentially publishing claims ratios across the board on things like MOT cover, tyre and alloy and cosmetic insurance.

The FCA has published its suggestions and gathered feedback before its deadline of September 23 last year. An entire quarter of trading has gone by and the industry is still none the wiser as to what the FCA's stance is. For the time being it's business as usual for dealers selling general add-on insurance products, with the knowledge there could be big changes ahead.

In the discussion document the FCA published in June 2015, it suggested three potential solutions for dealers to adopt to demonstrate how each add-on insurance product gives



"We believe consumers need to have greater transparency about what they are paying for"

Christopher Woolard,  
FCA

customers value for money. It proposed that dealers publish:

- a claims ratio as a stand-alone value measure,
- a package of claims frequencies, claims acceptance rates and average claims pay-outs, or
- claims ratios and claims acceptance rates.

**Christopher Woolard, director of strategy and competition at the FCA,** said: "We believe consumers in this market need to have greater transparency about what they are paying for."

Woolard believes the suggestions set out in the FCA's paper will boost competition between finance and insurance companies to offer better deals.

"We are committed to introducing a measure of value for general insurance products" he said.

However, value for money is relative. While one person will pay for quality, another may be looking for the best price possible regardless.

Can you attribute value to peace of mind?

**Mike Macaulay, AutoProtect's head of corporate sales,** said: "It is important that customers know and understand the general insurance services they are buying.

"In terms of value, the challenge is assessing the importance of peace of mind in the overall equation.

"As an example, the customer who purchases drainage insurance is unlikely to want to claim on it, given the potential disruption and inconvenience that would ensue; but if the worst should happen, they want to know that all the bills will be covered.

“It is the same for added-value services available in the showroom. Our primary task is to ensure customers know exactly what they are buying and that any claim will be dealt with quickly and sympathetically.”

The Association of British Insurers (ABI) welcomed the fact the FCA has built time into gathering responses from the industry.

A spokesman from the ABI said new value measures have the potential to “significantly affect product design and governance across general insurance markets.

“Of the three options presented within the discussion paper, we favour publication of claims performance metrics: acceptance rates, claim frequencies and average pay-outs.

“We are of the view that these measures would provide the most relevant information for a consumer audience and would provide greater insight into the way products perform.”

He said while this would require more data to be collected from insurance providers, the aggregation across the market for each product would allow a “manageable” amount of data to be presented to customers.

The ABI is opposing the FCA’s suggestion that individual suppliers have to publish their own claims ratios for specific products. The ABI is also strongly opposed to claims ratios being presented at the point of sale, saying it would “detract from more relevant product information”.

In response to the FCA’s discussion paper, the ABI said: “It is vital that any remedy designed to tackle the concerns identified within the initial market study is appropriately targeted and proportionate.”

**Tim Heavisides, chairman at Car Care Plan Group,** endorsed the ABI’s response.

“Nothing is yet set in stone and there is no absolute certainty on what the remedies are likely to be,” he said.

“The FCA has published a discussion paper, which is exactly what it implies – the regulator has proposed some ideas they want to discuss with the industry.”

Heavisides expects there will be some way to go before a final policy statement is issued. The industry is expecting a consultation paper to be published before the end of March.

If the FCA’s approach to its GAP measures is anything to go by, dealers could see new measures introduced for the start of the plate-change on March 1 in order for them to touch as many customers as possible.

However, Heavisides is preparing for the industry to receive implementation guidelines in the summer, ahead of them being rolled out for the September plate-change.

He said: “In our opinion, any new rules will take effect in September of 2016 at the earliest.

“There is much discussion about what the FCA means when they say ‘publishing value measurements’.

“The FCA could publish either product-specific or insurer-specific information on their website and insurers would then have to publish their results on their own websites, but

## IS THERE A TRANSPARENCY ISSUE?

**Understandably, the automotive insurance add-on industry has been generally unwilling to comment on the impact claims ratios will have on dealers, saying that any comment is speculation until there is a document setting out what the FCA wants to introduce.**

**However, while some suppliers won’t comment directly on claims ratios, they make the point that the industry should be focusing on the value and transparency that is already provided with the products they sell.**

Mike Macaulay, AutoProtect’s head of corporate sales, said: “Certainly it is possible that metal profit will need to increase if other profit centres come under pressure.

“Alternatively, dealers may need to make other profit centres work more effectively. The development of a wider added value service portfolio would seem to be a natural development.”

Nick Franklin, Mapfre Abraxas head of partnership and distribution, does not believe there are any issues surrounding product transparency.

He said: “All insurance products already have to have clear terms and conditions and key facts, documents that give details of what’s covered and what’s not.

“These are provided before purchase

so that the customer can make an informed choice about whether to buy the product or not.

“We’re also following the FCA work on smarter communications and will incorporate any best practices identified in our product literature.”

For Mapfre, it’s very much business as usual, with dealerships continuing to offer a range of products.

Franklin said: “As ever, this process will take time, which can lead to some uncertainty. But it’s important for everyone to focus on continuing to give feedback and shape the outcome of the final proposal.”

Franklin said there is still more work to be done for the FCA to truly understand automotive retail and how consumers buy add-on products.

He said: “Compared to other more traditional distribution channels in the financial services sector, I don’t think the FCA have such a detailed understanding of the automotive retail sector.

“However, it was clear from their recent add-on market study into general insurance that they were very keen to learn more about this sector. What is also clear is that, rightly, the FCA’s main concern is for the consumer and ensuring that the right outcomes are delivered for them whatever the distribution channel.”



“Customers don’t buy add-on products hoping they will need to make a claim, so according to the FCA’s measurements they hope it has no value to them”

**Tim Heavisides, Car Care Plan Group**

there’s still huge concern that whatever that information might be, it might not represent what consumers mean by product value or peace of mind.

“Customers don’t buy add-on products hoping they will need to make a claim, so according to the FCA’s measurements they hope it has no value to them.”

Heavisides said value may be better represented by quality of service or policy features and the market has seen increased use of mechanisms such as Defaqto’s star rating system to show customers how products compare. It is then down to consumers to work out whether the cost represents value to them.

He said: “Publication of the claims ratio will simply show the amount of gross premium divided by the amount of paid claims.

“If insurers have to pay more claims to “improve” the ratio, there’s a strong likelihood that savings will need to be made elsewhere, which could impact on the service customers or dealers experience, leaving customers unhappy with the quality of service delivered and could lead to more unintended complaints. We’d question how that could improve value to customers.”

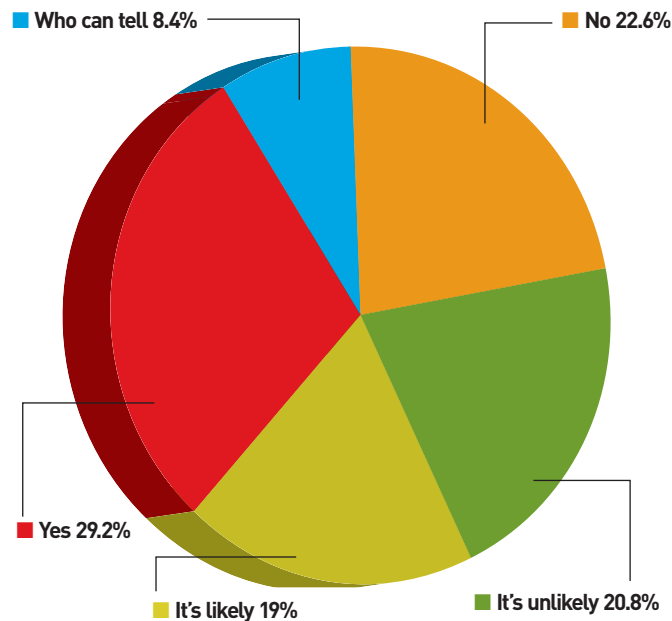
Another concern is that all insurances are being treated in the same way by general regulation across all add-on products. Heavisides argues value is measured differently by customers depending on which product is being considered.

As the ABI has outlined, Car Care Plan would favour information being made available that relates to claims acceptance rates, how often customers claims and average claim pay-outs so customers can see real-life differences between products and make comparisons to the amount they pay for cover.



## AM POLL

## Will the ongoing emissions concerns have a negative impact on car brands in the UK in 2016?



Almost a third of AM readers believe consumers' concerns about vehicle emissions will definitely have a negative impact on all brands, with a further fifth (19%) thinking it is probable.

Our online poll revealed the uncertainty about what effect the Volkswagen scandal may have on confidence in the motor retail sector during 2016.

We asked 'Will the ongoing emissions concerns have a negative impact on car brands in the UK in 2016?'

The biggest group of respondents said 'Yes', with 29.2% fearing the worst, while 22.6% felt the opposite, voting 'No'.

A further 20.8% ticked the 'It's unlikely' box, with 8.4% sitting on the fence.

■ **Next question: Do you expect your used car margin to increase or decrease in 2016? Vote at [am-online.com/polls/](http://am-online.com/polls/)**

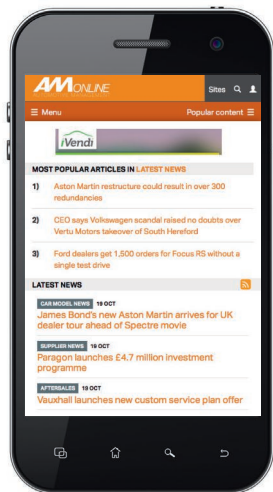
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Visitors can also sign up for our daily newsletter and Saturday news digest to catch up on the most important stories from the week.



## AM PROMOTION

## UPSELLING

Offer every product to every customer every time, says Simon Bowkett of Symco Training



Many people feel that the more upselling we do, the more we run the risk of hurting our CSI scores.

I used to think so too, but experience now tells me you can upset a customer more by *not* upselling – it's the subject of my sales training video on the AM website this month ([am-online.com/symco](http://am-online.com/symco), or [symcotraining.co.uk](http://symcotraining.co.uk)).

### War story

A few years ago, I took my A6 in for a service. A couple of weeks later, I put my foot on the brake and got that terrible sound of metal on metal.

I was on my way to a Toyota dealership, so I asked the service manager to help me out. Since I'd just had it serviced, he said, it was probably a stone in the caliper. But in fact I needed new discs. He asked if I wanted genuine Audi discs fitted, which of course I did, but he must have fitted aftermarket pads because a couple of weeks later I could hear a squealing sound.

I went back to my Audi dealer and asked them to take a look. Two hours later, I went back to collect my car and with a gleeful smile the service adviser said: "Your car's ready, but I'm afraid it's still squealing."

"Oh? Why's that?" I asked.

"Well, because you fitted aftermarket brake pads," she replied. "Why on earth did you do that?"

### Knockout blow

I was too exasperated to complain! So I asked her for the keys, and that's when she delivered the knockout blow. "OK, no problem sir, but that's going to be £117," she said. I couldn't believe it! "You see it took us an hour to find out what the problem was."

Perhaps I should have refused to pay. But I didn't. I did what most people do and complained with my feet.

This was five or six years ago and while I can't remember how much I paid for my last service, or even my last car, I've never forgotten that £117! But the story doesn't end there.

Some time later, my wife bought an Audi Q5, and a colleague asked me to recommend where to buy an Audi. Neither went to my Audi dealership. And all because of £117.

### Where did they go wrong?

I'm a high-mileage user and what I suspect happened is that when they did the service they noticed it wasn't long since my last one. So they didn't check the brakes.

They lost my business, and my recommendations, just because somebody didn't upsell.

### Improve your selling skills online

Register for the Symco internet channel, [www.Symco.TV](http://www.Symco.TV), and receive some free credits. Follow us on Twitter @SymcoSimon, or call us on 01829 760 679.

# INDUSTRY PROFESSIONALS SHARE THE BEST ADVICE ON MOTOR RETAIL ISSUES

## Do your cleaning staff have the right tools for the job?

By Jeff Hilton, automotive target market manager, Kärcher



A good cleaner, whether employed by the dealership or via a contractor, is only as effective as the equipment and training they are given. Even the most dedicated cleaner will find it very hard to keep a modern showroom or workshop floor clean and safe with just a mop and bucket.

One common problem is wet floors drying streaked and with a residue that alters the colour of the floor. This seems especially prevalent in some of the latest showroom CI, where high-spec tiles are cleaned with low-spec solutions. The use of dirty mops in showroom and workshop cleaning is also a major issue, and mopped workshop floors can quickly lose slip resistance.

Even floor-cleaning machines can cause problems if used incorrectly. Common issues are dirty or damaged floors due to the wrong kind of machine, cleaning pad, detergent, or a mixture of all three. None of this is necessarily a reflection on how hard the cleaning staff work and for dealers and contract cleaners the good news is that the solution is simple. By choosing a cleaning machine manufacturer that can recommend the best products for a specific job, and then provide on-site training to staff, a significant amount of time, money and effort can be saved.

At Kärcher we place huge emphasis on training end-users to use our innovative, productive equipment effectively. It is pointless investing in cleaning machines if operators don't know the techniques to ensure they complete their cleaning tasks as quickly and efficiently as possible.

■ For a no-obligation appraisal of your current cleaning routines, email [jeff.hilton@karcher.co.uk](mailto:jeff.hilton@karcher.co.uk).

# KÄRCHER

## AutoclenzMI for your new year and new resolution

By Martin Peters, sales director, Autoclenz Group



Autoclenz MI is a first in the sector, providing clients with the ability to view their own configured dashboard, summarising our service delivery and comparing it against the best-performing sites.

The data is sourced live from each location and each activity. It also takes direct feedback from the location's management and the local account management team, the result being a full summary of the service delivery by location.

This data provides an invaluable tool, creating a transparent audit trail of how we service a contract, and, more importantly, the trends within it. Over time, this helps drive service levels to best in class by benchmarking, understanding and delivering the solutions to under-performing sites quickly and consistently.

Financially, we can also highlight the best fit to deliver efficiencies and, ultimately, ongoing cost savings to the client. Each client has a bespoke dashboard for each site and a summary dashboard for the dealer group as a whole. It takes the emotion out of what is the real service delivery.

The driver of all that we do at Autoclenz is to focus on enhancing your customer's journey. By using Autoclenz MI, we can justify our value-add services and profit opportunities by showing you a genuine ROI.

■ To arrange a demo of Autoclenz MI and to see the difference at Autoclenz, please call Lucy on 01283 554682



**K**nowledge is power, and in this current economic climate, businesses need as much expert advice and insight as possible in order to survive and 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 contributors 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.

## How to get the best return from your part-exchanges

By Simon Henstock, UK operations director, BCA



The March plate change means an influx of part-exchanges for dealers. How can they get best value from their disposals?

The plate-change period sees volumes rise substantially in the wholesale markets and stock levels traditionally remain high until at least early May. The market usually experiences some price pressure after Easter as consumer finances focus on summer holidays rather than changing the family car.

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

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

Incoming vehicles can be processed fluidly and allocated to retail or trade as appropriate. Dealer Pro also integrates with other dealer systems and enables all data captured to be used in any sales channel.

Stock can be revalued at the press of a button, using real-time, condition-adjusted market values based on industry-leading data. When market conditions are changing, it is always better to be 'in the know', rather than hoping for the best!



## The rules on money laundering – a reminder

By Les Howard, VAT consultant, Lawdata

One of the less well-known areas monitored by HMRC is of so-called 'High Value Dealers' under money laundering legislation.

These regulations came into force on April 1, 2004. They require registration where any person deals in goods where payment is made in cash and where the value exceeds €15,000 (approx. £11,000).

Failure to register can trigger a penalty of up to £5,000.

In one case, a regular VAT inspection of a motor dealer identified no VAT errors, but highlighted a failure to register under the money laundering regulations.

The dealer had a policy to receive payments in bankers' drafts or electronic payment, rather than cash, simply because of the additional risks and costs of handling cash. However, as a favour to good customers, three sales were made for cash over the threshold. Consequently, the dealer breached the regulations.

HMRC actually allowed the penalty to be reduced, and the Tribunal reduced it further to £500. Even so, the dealer had failed to fulfil the registration regulations.

Where a dealer has a policy in respect of cash, it is important that the policy is operated in *all* circumstances, otherwise the Money Laundering Regulations will apply.

You should note that if the customer makes a cash payment directly into your bank account, you will still be caught by these regulations.

Case reference: [www.bailii.org/uk/cases/UKVAT/2008/V20833.html](http://www.bailii.org/uk/cases/UKVAT/2008/V20833.html).

The guidance for High Value Dealers is here: [www.gov.uk/guidance/money-laundering-regulations-high-value-dealer-registration](http://www.gov.uk/guidance/money-laundering-regulations-high-value-dealer-registration).



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**Mazda2**

Did Mazda's lively launch schedule in 2015 see its B-segment competitor overlooked by buyers?

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**Honda Civic Tourer**

A trip to Cornwall removes any doubts about the Civic Tourer's long-haul abilities.

## FIRST DRIVE: JAGUAR XF – ON SALE NOW

# Ticking the right boxes for business drivers



The entry-level Prestige specification XF has a residual value of 40.86%

New tech and more room help, but it is the lower emissions and higher RVs that will entice fleets

By Tom Sharpe

**T**o improve on the success of the previous XF saloon, Jaguar had to do better than a predecessor that offered great looks, a great drive and great value. According to **Jaguar product manager Dave Baker**, this was relatively straightforward.

The product presentation at the XF's recent introduction to many of the UK's motoring press began in typically strident fashion. However, despite the success of its last iteration – 9,005 of the previous model XF sold in the UK during 2015 (1,972 of the new model sold since it went on sale in August) – it was clear there were areas that needed improvement if the XF were to become a market leader against rivals such as the Audi A6, BMW 5-Series and Mercedes E-Class.

**UK sales director Chris Newitt** had already acknowledged that Jaguar had to do more to entice fleet buyers with lower

## 104g/km

The CO2 emissions for the entry-level XF

## 70.6mpg

The claimed fuel efficiency of the new XF

emissions, lower insurance groups and improved residual values. Baker claimed that the new car achieves all of these, along with added space and technology. Prices start at £32,300 for the 161bhp XF 2.0d Prestige and the line-up extends through R Sport, Portfolio and Prestige specifications before topping out with the £49,495 XF 3.0i V6 S, which is fitted with Jaguar's 375bhp supercharged two-litre petrol engine and will reach 62mph in 5.3 seconds on the way to an electronically limited 155mph top speed.

The entry-level XF, equipped with Jaguar's new Ingenium turbodiesel, best delivers the added fleet appeal of low fuel consumption and emissions. While qualifying owners for group 25 insurance, it also emits 104g/km of CO<sub>2</sub> – down from 129g/km in the old 2.2 turbodiesel – and claims fuel efficiency of 70.6mpg when equipped with the manual gearbox rather than the optional eight-speed automatic. The entry-level diesel reaches 60mph in 8.7 seconds and has a top speed of 132mph.

Elsewhere in the range, a 178bhp version of the Ingenium unit claims 65.7mpg and 114g/km in combination with a 7.7 seconds dash to 62mph and 136mph top speed while the 296bhp range-topping three-litre diesel delivers an uprated 516lb-ft of torque to reach 62mph in 6.2 seconds on the way to an electronically limited 155mph. Fuel consumption and emissions for that



Jaguar says a longer wheelbase gives the XF class-leading interior space



Jaguar's InControl Touch Pro infotainment system is accessed by a large 10.2-inch touchscreen

engine stand at 51.4mpg and 144g/km, respectively.

While the exterior of the XF has undergone a striking makeover – with the addition of sleeker, frowning all-LED headlight clusters and a rear more akin to its little brother, the XE – the interior is perhaps where the changes are felt most, with more space and Jaguar's most ambitious infotainment system to date.

Although up to 190kg lighter than its predecessor and 7mm shorter, the new XF's 2,960mm wheelbase is 51mm longer and liberates class-leading interior space, according to Jaguar. There is 15mm more legroom, 24mm more knee room and up to 27mm more headroom than before.

Among the standard features on all new XFs are Bluetooth phone connectivity, an eight-inch InControl touchscreen, which provides access to sat nav, DAB Radio and certain eco-driving tools and keyless entry, rain-sensing wipers and automatic headlights.

It also has cruise control and, due to new sensor technology and a link to the car's electronic power steering, traffic sign recognition. Combined with a new intelligent speed limiter system, this can slow or speed up the car when a change of speed limit is detected.

The same technology also introduces lane departure

"With the RVs we're achieving with this new batch of cars, it's clear that we've achieved that instant appeal"

Dave Baker, product manager, Jaguar

warnings, lane-keeping assist and automated emergency braking systems to the XF for the first time.

While the new XF has the familiar rotary dial gear selector as its predecessor and the distinctive 'Riva Hoop' design feature, which arcs the full width of the car beneath the windscreen, a more layered dashboard and instrument binnacle are evident in the new car.

Jaguar's technological advances are best illustrated by the 10.2-inch touchscreen of the optional InControl Touch Pro infotainment system, which costs from £1,225 and helps to bring the XF into line with its premium opposition as much as its lighter engineering and more efficient engines.

The new system was developed in-house by Jaguar Land Rover and brings the functions of a smartphone into the car.

Ian Hoban, vehicle line director for Jaguar XF, said: "InControl Touch Pro is the most sophisticated infotainment system we've ever developed and uses a quad-core processor, solid-state drive and Ethernet to deliver exceptional performance."

InControl's home screen can be customised just like a smartphone's and a 3G connection will stream life-like satellite mapping to the sat nav as well as news feeds and weather. The system can even accept a sat nav route set up on a phone before reaching the car, streaming the data back to the handheld device for the final few yards on foot when the driver reaches their destination.

Despite all the technological advances, Baker said it was some of the most straightforward changes to the XF that may have proven key to the 40.86% residual value the new car has achieved in entry-level Prestige specification.

Baker said: "I was recently told in a meeting with CAP that the key things that determine the RV of a car are those that attract a buyer to the car when it passes through an auction. That's going to be the basics like the styling, the wheels, the leather trim.

"With the RVs we're achieving with this new batch of cars, it's clear that we've achieved that instant appeal."

## SPECIFICATION

**Price** from £32,300 to £49,495

**Engines** 2-litre turbodiesel, 161bhp/178bhp; 3-litre turbodiesel, 296bhp; 3-litre, supercharged V6 petrol, 375bhp

**Performance** 0-62mph 5.3-8.7 seconds; top speed 132-155mph

**Transmission** 6-sp manual, 8-sp automatic

**Efficiency** 34-70.6mpg, 104-198g/km CO<sub>2</sub>

**RV 3yr/30k** 40.86%

**Rivals** Audi A6, BMW 5-Series, Mercedes E-Class, Lexus GS

## WHAT YOUR CUSTOMERS WILL READ ABOUT THE JAGUAR XF

### AUTO EXPRESS

Overall cabin quality is good, if still a step behind that of the Audi A6. However, it beats the Audi, BMW 5 Series and even the Mercedes E-Class for rear space. Jag says this is class-leading and it feels that way. The 540-litre boot also trumps its rivals.

### CAR MAGAZINE

The new Jaguar XF is a more than worthy rival to the usual exec saloon suspects: handling, space and frugality all impress, although we were disappointed by this particular model's mooring engine, firm seats and a few iffy bits of interior trim.

### AUTOCAR

Here at Autocar, we believe this version of the XF has the edge over the competition, particularly when it comes down to the actual driving element, leaving the BMW 5 Series, Audi A6 and Mercedes-Benz E-Class in its wake.



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Date	Event	Venue
January 29 2016	AM Executive Breakfast Club	Simpson's in the Strand, London
February 3 2016	AM Digital Marketing Conference	Ricoh Arena, Coventry
February 11 2016	AM Awards	ICC, Birmingham
April 14 2016	AM Customer Service Summit	Whittlebury Hall, Towcester
April 22 2016	AM Executive Breakfast Club	Simpson's in the Strand, London
June 16 2016	AM-IMI People Conference	Park Plaza, Riverbank, London
June 16 2016	AM100 Dinner	Park Plaza, Riverbank, London
September 15 2016	AM Digital Dealer Conference	Midlands



MAZDA2 1.5 SE-L NAV

# Did too many launches leave the 2 in the cold?



Mazda2 registrations lag behind the Ford Fiesta and the Vauxhall Corsa

By Tom Sharpe

**M**azda's plucky fourth-generation Mazda2 hatchback has proved popular here at *AM*, but is there a chance the car was overlooked by many due to the brand's lively 2015 launch schedule?

Mazda introduced six new models last year and **Amarjit Shokar, dealer principal at Romford Mazda**, believes some missed out on their spell in the limelight amid the flurry of activity.

He said: "In sales terms, the Mazda2 does well for us, but there is no doubt in my mind that it could do a lot better."

"It has a great standard specification and real premium quality that people can see as soon as they step inside, so we can really sell it against the key rivals if we get people in for a test drive."

"The one thing it is lacking is promotion from Mazda itself. Many people just aren't aware that the car exists as an alternative to the Fiesta and Corsa."

"Last year was so busy for the brand. We were moving from one launch event to the next. It was exciting, but I can't help think that the Mazda2 missed out a little as a result."

Shokar said customers had picked up on the Mazda2's ease of use and that one driving instructor was proving a valuable ambassador. With three Mazda2s already bought, he is considering replacing his fleet of Vauxhall Corsas in a deal that could result in 30 sales.

Romford Mazda's most popular 2 is the Sport Nav, which makes up the majority of the 15 versions sold each month, on average.

Overall, the Mazda2 is meeting sales expectations, but still lags behind the market leaders. SMMT figures showed 8,963 new Mazda2s were registered in 2015 – up 16% year-on-year despite its March launch date.

Mazda told *AM* that 97.1% of those were petrol-powered with the Sport specification accounting for 53.5% of the take-up (4,799). The SE-L was bought by 35.6% of customers (3,196) while just 10.8% (967) opted for the entry-level SE.

Ford registered 133,434 Fiestas in 2015, however – cementing its position as the UK's biggest-selling car – and Vauxhall's Corsa recorded 92,077 registrations during the past 12 months.

Perhaps Mazda needs to turn some of its attention from the headline-grabbing MX-5 roadster and promising CX-3 SUV to give its B-segment competitor a chance to stand up and be counted in 2016.

## SPECIFICATION

Price £15,045

Engines 1.5-litre petrol 89bhp

Performance 0-62mph 9.4sec, top speed 114mph

Transmission 5sp manual

Efficiency 62.8mpg combined, 105g/km CO<sub>2</sub>

RV 3yr/30k 38%

Start mileage 671

Current mileage 3,161

Rivals Ford Fiesta, Vauxhall Corsa, Renault Clio, Peugeot 208

## AM PROMOTION

# BRINGING THE BEST OF THE INTERNET INTO THE SHOWROOM

By James Tew, director, iVendi



There's a strong argument that the best online motor finance systems now completely outstrip what is available in the showroom. So wouldn't it make sense to bring the best of the internet into the dealership?

That's the aim with the latest generation of our iVendi Platform, launched this month. It builds on previous versions, which were designed to manage all dealer online motor finance activities, by also including sophisticated showroom finance options.

At the heart of these is a comparator, which shows the finance products and risk options available from the dealer's panel of lenders. As part of the in-dealership process, the salesperson can sit down with the customer and use the comparator to look at a range of different finance products and offerings for those with varying risk appetites. It provides a very structured, convenient and FCA-compliant way of presenting motor finance and is so intuitive that the salesperson can even leave the customer to decide on their own preferred finance solutions.

Overall, the Platform is intended to bring together all the different elements of each dealer's online motor finance offering so that they can be managed in one place. For example, key enhancements mean it will automatically aggregate all types of online and showroom enquiries against a prospective customer and record all the quotations presented against each vehicle, while it also integrates with all of the major dealer website providers and leading motor finance lenders.

The initial response from dealers and lenders to the product has been very strong, encouragingly so. We believe that it represents a genuine innovation. Certainly, it delivers probably the most effective and intuitive way to present motor finance to the customer in the showroom available today.

### Contact details:

www.ivendi.com

E-mail: enquiries@ivendi.com

Phone: 0845 226 0503



## HONDA CIVIC TOURER 1.6 I-DTEC EX PLUS

# Comfortably going the distance



Twelve hours and 710 miles in the Honda Civic passed with ease

By Tim Rose

**T**he Christmas holidays gave us a great opportunity to see how the Civic Tourer copes with being pushed to its limits.

Honda Car UK is modest in its fleet activity, so for many Civics the longest journeys will be holiday trips. Is there a danger of a buyer who is considering a Civic regretting their decision once they undertake a major road trip?

A 710-mile, 48-hour round trip from Peterborough to see relatives in Penzance, Cornwall, provided the right test. The marathon drive meant my wife and I spent six hours in the Civic each day, with only a halfway coffee stop as respite.

It proved that Civic customers ought to be pleased with their buying decision. Although the official combined fuel efficiency is 72.4mpg, on our journey the car achieved a respectable 62mpg despite spending most of the trip cruising comfortably at motorway speeds and

*“Civic customers ought to be pleased with their buying decision”*

easily keeping pace with traffic. A fill-up of diesel was only necessary once we reached our destination each day, and the return trip cost less than £100.

Prospective buyers won't baulk at the Civic's running costs. In fact, the 1.6-litre i-DTEC engine, built at Honda's Swindon plant, was crowned the best small diesel in the market in 2014 by motoring website Honest John, which also found it recorded the best real mpg after analysing submissions from 52,000 owners.

Throughout the drive, the Civic remained comfortable, with its

supportive seats eliminating any back-ache and its cruise control providing a welcome chance to rest the legs. It also has plenty of storage beside the front occupants for drinks and snacks, and its integral USB connection meant my mobile phone was never out of charge.

However, one minor niggle was highlighted – its 7in touchscreen infotainment and connectivity system, branded Honda Connect. While it packs everything into one compact unit – internet, DAB radio, Garmin navigation and a reversing camera – it isn't intuitive to use, with fiddly buttons which can be a struggle to find when driving, and a 'pinch swipe' mobile phone-style action. I find it a let-down, especially when the average Honda buyer is in their late 50s and may struggle to find the functions they require.

In Honda dealers' favour, it does give them an opportunity to reconnect with buyers post-purchase to check if there's anything they need explained again.

## SPECIFICATION

**Price** £27,265

**Engines** 1.6-litre turbodiesel: 118bhp

**Performance** 0-62mph 10.5secs, top speed 121mph

**Transmission** 6sp man

**Efficiency** 72.4mpg, 103g/km CO<sub>2</sub>

**RV 3yr/30k** 40.6%

**Start mileage** 7,367

**Current mileage** 10,503

**Rivals** Ford Focus Estate, Renault Megane Sport Tourer, Škoda Octavia Estate, Volvo V60

## WHAT'S BEING SAID ABOUT THE HONDA CIVIC TOURER

### CAR MAGAZINE

The Honda Civic remains a wilfully different kind of hatch-back, and that's a good thing. Its strengths – cleverly packaged rear seats, an enormous boot, styling that's at least interesting if not conventionally attractive – remain.

### CAR AND DRIVER

It's taken the company a long time to buy into the philosophy of compression-ignition engines but it now seems to have grasped that if it's to do well in Europe, it needs a diesel engine and a good one at that.

## Guess the car competition



Graham Summerford, parts adviser at Harwoods Land Rover, Croydon, correctly named the Lancia Y10 in last month's issue.

See if you can identify this month's model for your chance to win a £20

John Lewis voucher. Email [am@bauermedia.co.uk](mailto:am@bauermedia.co.uk) with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, February 12, 2016.







The talent's out there  
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## Change Cycle Managers

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Field Based

Our client, one of the UK's leading Automotive Manufacturers, is embarking on a programme to improve customer retention and implement a robust Change Cycle Management strategy in the dealer network.

We are recruiting a team of regional Change Cycle Managers who will work closely with allocated dealers to review and enhance their renewals processes, effectively utilise the manufacturer's Renewals Parity Tool and develop the network's customer contact skills. Initial focus will be on renewing a significant book of PCP contract customers with the ultimate goal of improving customer retention performance.

This is a strategic programme requiring ongoing network support to embed best practices. The initial contract with the client is for a three year period and positions will be offered on a fixed term contract basis.

You will have a proven track record as a Field Manager (Finance Company or Manufacturer), or as a Dealer Manager with a Sales or Business Manager background. We are looking for candidates experienced in automotive finance and passionate about renewals and customer retention. You will be results driven, have excellent communication and influencing skills and able to develop positive and productive relationships with dealer staff at all levels. Ideal candidates will also have experience coaching and training sales teams, although full induction and training will be given.

If you think you can positively impact customer retention performance for our client, please apply by e-mailing your CV and cover letter to Anne Marie Feechan at [recruitment@aga-performance.com](mailto:recruitment@aga-performance.com). Closing date for applications is Monday 8 February 2016.

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# Subaru UK

After hitting rock bottom in 2012, the niche franchise has clawed its way back into growth. Operations director Paul Hegarty explains how, and what the future holds for Subaru dealers.



## The AM Awards 2016

All the winners, citations and photos from the UK motor retail industry's most prestigious event.

**AM**  
AWARDS: 2016

## First drive: Nissan Leaf

2016 marks the launch of a new Leaf, with an upgraded battery that promises to extend its range and practicality.



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### Subscriptions

01635 588494. Annual UK subscription  
£99, two years £168, three years £238.  
Overseas one year/12 issues £149, two  
years £253, three years £358.

AM is published 12 times a year by Bauer  
Consumer Media Ltd, registered address 1 Lincoln  
Court, Lincoln Road, Peterborough, PE1 2RF.  
Registered number 0176085.

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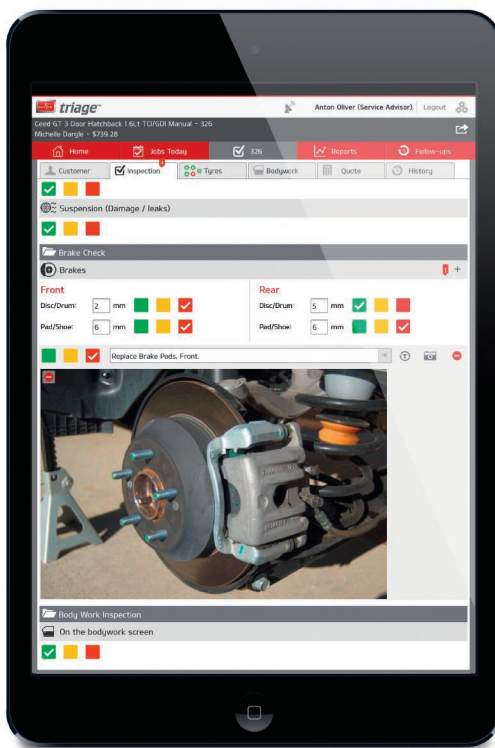
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