

AM

AUTOMOTIVE MANAGEMENT

AUDI R8 / P104

Audi's state-of-the-art supercar is a masterpiece



AM AWARDS 2016

WINNING SMILES

All the winners from the 'Oscars' of automotive retail inside / P20-P65

SUBARU / P67

Why the rural estate specialist is shifting its focus to SUVs

COMPLAINTS STRATEGY / P74-P80

How to deal with disgruntled customers



JIM SAKER / P71

The rise of the EV means we need a professional register



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'Click and collect' may just save the dealership

Is it time for franchised dealerships to reposition themselves as 'the local'?

A recent meeting of the AM Executive Breakfast Club provided some food for thought. The guest speaker was Susannah Schofield, a marketing and human behaviour expert. You'll read more about her in the next issue of AM, but a key point was how shopping has changed thanks to the 'click and collect' culture and the consumer's desire for more convenience.

The conversations that followed centred on a need for the dealership to remain relevant in the years ahead. My thoughts were that if manufacturers are to continue requiring franchisees to invest millions of pounds in showrooms at the same time as the number of physical visits by car buyers falls, maybe those manufacturers ought to allow their franchisees a little freedom to diversify.

Perhaps the showroom of the next decade will incorporate an Amazon Locker or something like it. Now that the latest new-build dealerships sit beside main roads and have plenty of customer parking, the local showroom could be the perfect solution for the e-shopper looking to collect their parcel on their drive home from work.

A few dealer groups have already diversified to tempt consumers onto their premises. Jennings Motor Group has just opened a Subway sandwich bar alongside its Kia dealership in Stockton, following the lead shown by Skipton Ford in North Yorkshire last November. Branded coffee bars have also been integrated into showrooms, primarily for customer use, with Knights BMW and Mini in Staffordshire serving Starbucks drinks and Chiswick Honda operating a Costa Coffee shop.

Of course, most people calling in for a parcel or bite to eat are unlikely to sign up there and then to buy a new car. But consumer habits cannot be ignored. Give them a reason to visit your premises more regularly and build up that reputation for great service and you may be top of their list when they are ready to change their car.



Tim Rose
Managing editor

OUR EXPERT CONTRIBUTORS



"Automotive retailers should follow the security industry's lead"

Jim Saker, Page 71



"Salespeople don't seem to know that much about the product they're selling"

Jay Nagley, Page 82

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RETAIL'S MOST PRESTIGIOUS AWARDS



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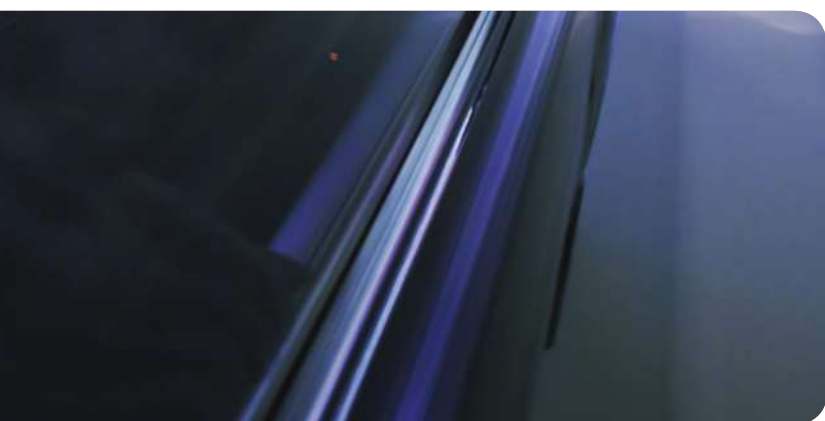
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Group 1

Group 1 Automotive has acquired Spire Automotive, adding 12 sales and service dealerships to its portfolio.

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NFDA pre-Budget submission

The NFDA has written to George Osborne about the increased costs of regulation under the FCA.

PENDRAGON

Internet not a threat to dealers, says Pendragon chief executive

Trevor Finn said the physical size of cars means dealerships should not worry too much about being replaced with online orders, despite Pendragon crediting online used car sales with boosting its turnover by 11.3% in 2015 – to £4.5 billion.

The PLC's annual accounts show pre-tax profits rose 16.4% year-on-year to £70.1 million.

However, even as Finn highlighted the success of EvansHalshaw.com and the greater convenience offered by its Move Me Closer 'click and collect' initiative, he said the internet was not yet a risk to the traditional car showroom.

"I don't see the internet as a threat to dealerships. We are quite fortunate that we are dealing in a product that is quite large... You can't just stick one in a Jiffy bag and send it to someone who orders online," said Finn.

"We are particularly pleased with our Evanshalshaw.com performance, where like-for-like used vehicle gross profit improved by over 20%.

"This outstanding performance is due to our focused strategy, strong processes and the evolution

of our brands, helped by the launch of 'Move Me Closer' and 'Sell Your Car'.

"We have used the scheme to generate sales for our dealerships."

While Move Me Closer added convenience for customers by moving used vehicles to dealerships near them, Sell Your Car helped Evans Halshaw grow its used car stock by guaranteeing owners a better price than webuyanycar.com.

Television and internet advertising campaigns supported the initiatives, helping to generate a 35.5% increase in web visits – to 20.6m – and record used vehicle performance. Evanshalshaw.com increased used gross profit by £19.8m (+21.7%) year-on-year.

On a like-for-like basis, Pendragon's revenue increased by £590.8m (+15.8%), with used car revenues contributing a 13.9% rise and new vehicle sales 18.4%, respectively.

Aftersales revenues rose by £9.7m (5.9%).

Across the Stratstone, Evans Halshaw and California businesses, Pendragon sold a total of 282,900 vehicles in the 12 months to December 31, yielding a gross profit of £516.4m.

IN BRIEF

VERTU MOTORS

Vertu Motors has acquired three Lookers Honda dealerships for about £2 million, including goodwill of £0.2m.

Lookers said the reason behind the sale was that Vertu was already operating Honda dealerships in "contiguous territories" to the businesses.

The acquisition takes Vertu's total Honda network to 12 sites with the addition of the new locations in Nottingham, Derby and Stockton-On-Tees.

BMW GROUP

BMW Group in the UK and Ireland has appointed business outsourcing specialist Arvato as its customer service partner in a five-year deal.

Arvato will support BMW, Mini, and Motorrad customers across telephone, email, web chat, SMS and social media.

RENAULT

Renault UK has selected Nottingham's Bristol Street Motors Renault to become one of its 26 Renaultsport specialist retailers.

The Haydn Road dealership is the first Bristol Street Motors outlet to receive the accreditation, which was first issued when Renault launched its Renaultsport-specific dealership concept in 2015.

ALEX F NOBLE

Nissan dealership Alex F Noble & Son has unveiled a new-look showroom at Straiton, near Loanhead in Midlothian

Among the 21st-century additions to the family-run business are a high-tech 'welcome' screen; touchscreen tables at which customers can browse Nissan websites; sales and service staff equipped with iPads and a racing simulator.

SUPERCAR SHOWROOMS

Ultra-premium brands are being drawn to Bristol with new showrooms selling a range of exotic supercars.

Rybrook Holdings has unveiled plans for a four-franchise supercar showroom selling Bentley, Lamborghini, McLaren Automotive and Rolls-Royce Motor Cars alongside its own premium used cars, which is to open at The Laurels, Cribbs Causeway, in June.

The Dick Lovett Group, meanwhile, will sell Aston Martin on a neighbouring site when its 27,000sq-ft new showroom opens in the summer.

Rybrook's facility will feature a single lobby that gives access to all four showrooms, a customer canteen and car handover area on the ground floor.

Rybrook Specialist Cars' showroom will be located on the first floor.

Henry Whale, managing director of Rybrook, said: "To have four brands of such extraordinary calibre together in this enviable facility is an exciting prospect.

"The establishment of Rybrook in Bristol



demonstrates our desire to expand the business in the ultra-premium automotive segment and we continue to seek opportunities in the right place with the right partners."

Rybrook Holdings already represents Rolls-Royce Motor Cars and McLaren Automotive in Birmingham and Bentley in Cardiff and has extensive experience with specialist cars.

The new Bristol showroom will house its first Lamborghini franchise.

Dick Lovett Group counts Porsche, Ferrari and Maserati among its franchise portfolio, but will be adding its first Aston Martin showroom with its new Bristol development.

CLICK AND COLLECT

By Andrew Howells, chairman, CitNOW



How often do you see the term 'click and collect'? A quick internet search would suggest that every retailer is at it. Argos were the original past masters; Sainsbury's agree. Instant gratification is a powerful purchasing force and price is just one consideration.

Pendragon launched 'Move Me Closer' a year ago to try to capture 'convenience'. With 20,000 used cars to sell, they want to make the buying decision easier.

And that's the point. In a competitive retail environment, how do you make it easier to say 'yes'?

Click and collect is possible in every dealership. It's easier than you think and it's all about the process:

- 1:** Handle the inbound enquiry correctly. Sell the car, not the deal. Don't just appoint your customer. Show them the car in advance. Do that with a five-minute walkaround video. When the video is watched, a notification email is sent*. Call the customer back, it's a hot moment. Any questions? Hotter customers will give you a deposit; more will turn up for their appointment.
- 2:** Does the sale involve a part-exchange? Offer to value their car. The customer downloads CitNOW Trade In, a free consumer app. They send an appraisal video, no nasty surprises.
- 3:** Send a reminder video a day before the appointment. More confirmation, more customers turn up.

With hotter customers, click and collect is a reality. The deal can be done. For distance enquiries, the detailed video information creates enough trust (both ways) for the sale. This extends to financing the deal. It's no surprise that one of our manufacturer partners has 18 different video purposes for selling a vehicle.

It's as simple as following the right process.

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GROUP 1

Group 1 Automotive has acquired Spire Automotive, adding 12 sales and service dealerships to its portfolio.

Group 1's new sites, acquired for an undisclosed sum, are mostly in the north and north west of London. They include four Audi dealerships, three BMW/Mini dealerships with a BMW aftersales centre, two Seat dealerships, one Škoda dealership, one Volkswagen commercial vehicle dealership, and one Jaguar dealership.

All of the retail outlets will continue to operate under the Spire name and are expected to generate revenues of about £394 million a year.

The acquisition could be enough to put Group 1 into the top 10 of the AM100 and broadens the company's UK representation to 29 dealerships.

Spire managing director Darren Guiver has been made deputy managing director of Group 1 and Kim Richardson, Spire's finance director, will become Group 1's financial controller.



SINCLAIR GROUP

Sinclair Group has been named as Mercedes-Benz Cars' Retailer of the Year at the annual Mercedes-Benz Retailer Awards.

Gary Savage, CEO Mercedes-Benz UK, said: "Sinclair Group has had an outstanding year. We tried to think of the one thing that Sinclair Group does that others don't, but it's not one thing, it's everything."

Representatives from the South Wales-based group received their award at a London event hosted by TV presenter and singer Myleene Klass.

Other winners on the night were: Sytner West, Smart Retailer of the Year; Drayton Group, Service and Parts Team of the Year; Pendragon Leeds, AMG Team of the Year; and Sytner North East, Customer Service Team of the Year.

EDEN MOTOR GROUP

The name behind the oldest car franchise in the UK has finally been removed from the side of its final dealership – following the sale of Skurrays Oxford to the Eden Motor Group.



The final Skurrays business has already been re-branded under the Eden name following the sale, for an undisclosed fee.

Eden Motor Group managing director Graeme Potts said: "Of course we were aware of the significance of the Skurrays name and it is always sad to see an established name leave the landscape, but we have our own successful brand and it has been our policy to re-brand all our sites with the Eden name."

Former Skurrays Group managing director Nick Plevy, who bought Skurrays with business partner Nigel Harvey in 2009, said: "The simple truth of it is that I'm 60 now and I'm going to start my retirement. I started work serving petrol at 14 and it's been non-stop ever since. I'm ready for a break. The biggest loss in all this is the loss of the Skurrays name."

Skurrays was established as a family business by Ernest Clement Skurray in 1899.

Is this where your Marketing Budget ends up?



"I know I'm wasting half of my marketing budget, I just don't know which half!"

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CORKILLS VW

Corkills Volkswagen has won a national award for outstanding sales and customer service.

Volkswagen Group recognised the Wigan-based business as one of the top 25 businesses in its UK network of 180 retailers at the annual Retailer of Excellence Awards, held at Silverstone.

The car retailer received consistently excellent feedback from its customers and staff in 2015 and maintained an excellent record for selling new and used cars.

Jacqui Kaye, brand manager at Corkills Volkswagen and an AM Award winner for Dealer Principal of the Year in 2014, said: "We're absolutely delighted to have secured our place in the top 25 retailers for the third time.

"It highlights our commitment to the highest standards of customer service, staff development and strong sales performance.

"I am extremely proud of my team and would like to thank all members of staff for their continued professionalism and enthusiasm."

LLOYD MOTOR GROUP

Lloyd Motor Group has acquired the Ripon Land Rover business along with the service centre at Leyburn, North Yorkshire.

This latest acquisition takes the family-owned group's representation in northern England and southern Scotland to 19 dealerships across Blackpool, Colne, Carlisle, Cockermouth, Kelso, Newcastle and Grange-over-Sands.

The Ripon business will take the number of Lloyd Land Rover dealerships to three, alongside sites in Carlisle and Kelso.

In a separate transaction, Hatfields Motor Group completed its acquisition of Shrewsbury Land Rover from Shukers Group. Hatfields already represents Jaguar in Shrewsbury and will relocate both brands to a new site.

**PEOPLE NEWS****MARTIN WILSON**

Martin Wilson has taken over from Guy Pigounakis as sales director at Hyundai. Pigounakis fills Wilson's old role as fleet director, while dealer development director Paul Wills now reports to CEO Tony Whitehorn.

MICHAEL WARREN

Caffyns has lined up former HR Owen finance director Michael Warren to replace finance director Mark Harrison when he retires on July 31.

DAVID PEEL

Peugeot Citroën Retail Group UK chief executive David Peel is to become Peugeot UK's managing director as brand director Neil Moscrop takes early retirement.

SHARON RANDALL

Auto Trader sales director Sharon Randall will be replaced by Le Etta Pearce and Darren Moon as she prepares to take a part-time role from April.

FRAN KENNY

Toyota Financial Services (UK) has appointed Fran Kenny operations director.

KEN RAMIREZ

Renault UK managing director Ken Ramirez has been appointed senior vice-president, sales and marketing for Europe, taking up his post on April 1.

NFDA

The National Franchised Dealers Association (NFDA) has written to George Osborne about increased costs of regulation under the Financial Conduct Authority (FCA), an extended MOT testing period, and the benefit-in-kind diesel surcharge, ahead of the Chancellor's March 16 Budget.

NFDA director Sue Robinson wrote: "It is imperative that the industry's success is supported and aided by Government policy, not hindered by bureaucratic processes, unnecessary regulation and restrictions to finance and investment."

The NFDA claimed that, under the OFT, the FCA's predecessor, fee costs averaged £1,000, paid once every five years, and that FCA fees would average £5,000 over the same period.

The NFDA urged the Chancellor to review the charging scheme, along with the planned relaxation of the 3% diesel surcharge for Benefit in Kind (BIK) purposes.

It has also asked the Government to ensure company car tax rates are delivered four or more years in advance, following concerns from NFDA members that post-2019 rates have yet to be set. It also expressed concern over a proposal to extend the MOT testing period to four years for new cars and motorbikes.

WILSONS AUCTIONS

Wilson's Auctions has acquired auction facilities in the North and South of England.

It bought the former SMA Remarking Newcastle centre from BCA and the seven-acre Maidstone Auction Market in Kent from Lambert and Foster, giving it eight sales facilities nationally.

BCA bought SMA in June 2015 for a reported £43 million, but had to sell off the Newcastle operation following competition concerns.

Wilson's Auctions Group operations director Peter Johnston said: "We have many existing contracts that we currently service in both the Newcastle and Maidstone areas, and these new acquisitions will enable us to strengthen our offering and reduce existing logistics costs."

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Registrations

The new car market in January reached an 11-year high for the month, at 169,678 units.

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Fastest sellers

The Ford Fiesta was the fastest-selling used car of 2015, according to Auto Trader data.

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Used car values

The value of the average used car was £5,689 in January, up 1.7% on the same month a year earlier.

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Average dealership profits fell by £27,000 in 2015

Volume push to 2.63 million-unit market increased average turnover by 4.5%

Dealer profitability came under pressure in 2015 as carmakers continued to push more volume into the intensely competitive UK new car market, which reached a record 2.63 million registrations.

Analysis by ASE Global shows the average dealership saw its annual profit drop by almost £27,000 compared with the previous year. There were five months in 2015 when the average franchised dealership recorded a trading loss, compared with three in 2014. The national average return-on-sales ratio has declined to 1.22%, a drop of more than 0.2ppts in a year.

Mike Jones, chairman of ASE Global, said: "It is certainly the case that dealers earned less for doing more, with average turnover up 4.5% on the year, but annual profits

falling from £225,000 to £197,000... below the psychologically important £200,000 per site barrier."

Last year closed with an average profit from December trading of £14,600, down £12,000 year-on-year. However, Jones said this was partly a reflection of a change in bonus arrangements for some franchises and partly reflects some franchises recognising annual bonuses through the year to bolster profitability.

Data ASE provided through the year suggests dealers were

"Dealers earned less for doing more in 2015"

Mike Jones, ASE Global

AVG. PROFIT/LOSS PER SITE (£) Source: ASE

	2014	2015
Jan	9,059	-59
Feb	-11,100	-13,500
Mar	96,000	93,000
Apr	9,000	3,000
May	5,000	-384
Jun	31,000	43,000
Jul	4,000	4,000
Aug	-15,000	-16,000
Sep	74,200	73,200
Oct	5,000	7,000
Nov	-10,000	-10,800
Dec	26,600	14,600
TOTAL	223,759	197,057

supported by significant half-year bonuses as the average profitability of a franchised outlet in June shot up £12,000 to £43,000.

Jones said the main reason for the drop in profitability was the increase in vehicle sales expenses as a percentage of gross profit ratio.

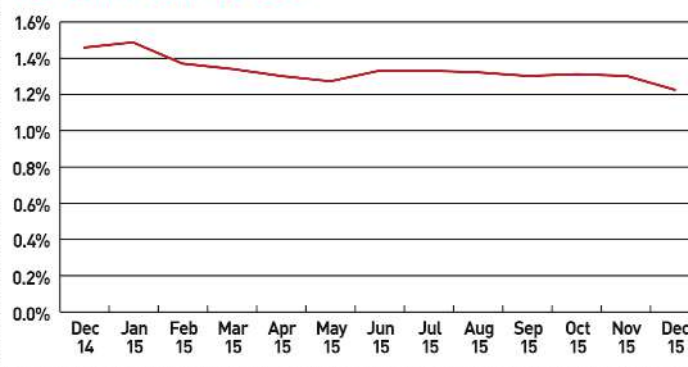
"We have seen a decline in gross profits as a result of planned aggressive selling to hit target, lower used vehicle gross profits from nearly new vehicles and lower bonuses coinciding with a rise in expenses to service the increased volume. We have also seen a continuation in the fall in overhead absorption – a trend which I cannot see reversing given current brand pressures on facilities," he added.

DEALER KPIs

Source: ASE

Key ratio	Rolling 12 months Dec 2015	Rolling 12 months Dec 2014	Benchmark
Net profit as % of sales	1.22%	1.46%	3.0%
Overhead absorption	53.9%	55.4%	80%
Used: New sales	0.92:1	0.87:1	1.5:1
Expenses as % of gross	64.9%	62.3%	50%
Sales per salesman	183	199	150
Used vehicle stockturn (days)	54.6	55.0	45
Return on used car investment	74.2%	78.9%	100%
Overall labour efficiency	82.7%	82.1%	100%
Service gross profit % on labour	75.6%	75.7%	75%
Service expenses as % gross	59.5%	58.3%	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%	44.5%	40%
Parts stockturn	7.79	7.75	8.0

RETURN ON SALES



Since the beginning of the economic recovery a large number of carmakers, including Audi, Ford, Jaguar Land Rover, Nissan and Renault, have ramped up the roll-out of their new showroom styles, requiring interior refurbishments or complete rebuilds in some cases.

Jones said ASE's data showed overall new vehicle sales levels matched those from 2014. That

suggests the increased level of registrations coming from self-registered cars. These vehicles helped push up used vehicle sales, which rose 6.7%.

"Early indications are that we are going to continue the same theme in 2016. Registrations are up again, despite the volume of pre-registered vehicles dealers came into 2016 with," Jones said.

FINANCE OFFERS

Top finance offers for retail buyers						Retail new car finance offers	
For a searchable list of manufacturers' finance offers, go to am-online.com/offers						Choose a manufacturer	
Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Audi							
Audi A1 Sport 1.4 TFSI 125 PS 6 speed	PCP	£3,110	36 months	£199	£8,959	6.80%	31/03/2016
A1 Sportback Sport 1.4TFSI 125PS	PCP	£3,037	36 months	£209	£9,416	6.80%	31/03/2016
Audi A3 Sport Navigation 1.4 TFSI 125PS 6 speed	PCP	£2,232	36 months	£249	£11,525	6.80%	31/03/2016
Audi A3 Sportback Sport Navigation 1.4TFSI 125PS 6 speed	PCP	£3,193	36 months	£269	£12,144	6.80%	31/03/2016
Audi A3 Cabriolet Sport Navigation 1.4 TFSI 150 PS 6 speed	PCP	£4,762	36 months	£299	£13,462	6.80%	31/03/2016
Audi A3 Sportback e-tron 150 PS S tronic	PCP	£10,690	36 months	£349	£16,368	6.80%	31/03/2016
A4 Saloon 2.0 TDI 190 PS Ultra Sport	PCP	£4,959	36 months	£319	£15,877	4.90%	31/03/2016
Audi A4 Avant 2.0 TDI Sport Ultra 190PS	PCP	£5,342	36 months	£329	£16,672	4.90%	31/03/2016
Audi TT Roadster S line 2.0 TDI ultra 184 PS 6 speed	PCP	£4,684	36 months	£329	£18,203	6.80%	31/03/2016
Audi Q3 S line Plus 2.0 TDI quattro 150 PS 6 speed	PCP	£6,038	36 months	£349	£19,134	6.80%	31/03/2016
Audi Q5 S line Plus 2.0 TDI quattro 190 PS S tronic	PCP	£7,533	36 months	£419	£20,985	6.80%	31/03/2016
Audi Q7 S line 3.0 TDI quattro 272 PS tiptronic	PCP	£9,540	36 months	£579	£31,120.24	6.80%	31/03/2016
Audi R8 Coupe V10 5.2 FSI quattro 540 PS S tronic	PCP	£29,688	36 months	£1,349	£57,133	6.80%	31/03/2016
Audi RS 3 Sport Navigation 2.5 TFSI	PCP	£7,510	36 months	£449	£23,814	6.80%	31/03/2016
Audi RS 6 Avant 4.0 TFSI quattro 560 PS tiptronic 8 speed	PCP	£15,598	36 months	£749	£36,958	4.90%	31/03/2016
Audi RS 7 4.0 TFSI quattro 560 PS tiptronic 8 speed	PCP	£16,952	36 months	£829	£35,777	4.90%	31/03/2016
Audi RS Q3 2.5 TFSI quattro 340 PS S tronic	PCP	£7,507	36 months	£499	£26,385	5.90%	31/03/2016
Volvo							
V40 T2 R-Design (with metallic paint)	PCP	£259	49 months	£259	£8,650	3.90%	31/03/2016
V40 D2 R-Design (with metallic paint)	PCP	£2,209	49 months	£259	£8,725	3.90%	31/03/2016
V40 Cross Country D2 SE (with metallic paint)	PCP	£2,759	49 months	£259	£8,450	3.90%	31/03/2016
V60 D2 R-Design (with Passion Red paint)	PCP	£5,167.75	37 months	£299	£10,975	4.90%	31/03/2016
V60 T6 Polestar	PCP	£5,999	37 months	£599	£49,785	4.90%	31/03/2016
V70 D3 SE Nav (with metallic paint)	PCP	£6,274.50	37 months	£319	£11,875	6.90%	31/03/2016
S60 D2 Business Edition	PCP	£6,276	37 months	£219	£9,375	4.90%	31/03/2016
XC60 D4 FWD R-Design (with metallic paint)	PCP	£6,984	25 months	£299	£16,700	0%	31/03/2016
XC60 D4 AWD R-Design (with metallic paint)	PCP	£7,509	25 months	£299	£17,575	0%	31/03/2016
XC70 D4 AWD SE Nav (with metallic paint)	PCP	£5,506.50	37 months	£419	£14,325	6.90%	31/03/2016
XC90 D5 Momentum (with metallic paint)	PCP	£8,132	37 months	£499	£26,675	5.90%	31/03/2016
Kia							
Picanto 'Chilli' 1.25 84bhp 5-speed manual ISG PE	PCP	£2,017.10	37 months	£139.00	£3,854.17	4.90%	31/03/2016
Picanto 1.1.0 65bhp 5-speed manual 3D	PCP	£1,486.80	37 months	£99.00	£2,659.35	4.90%	31/03/2016
Picanto 1.1.0 65bhp 5-speed manual 5D	PCP	£1,468.60	37 months	£99.00	£2,448.73	4.90%	31/03/2016
Ceed GT 1.6 T-GDi 6-speed manual ISG PE 5D	PCP	£6,032.00	37 months	£265.00	£7,769.14	4.90%	31/03/2016
Ceed 1.4 98bhp 6-speed manual	PCP	£3,743.00	37 months	£129.00	£5,614.47	4.90%	31/03/2016
Ceed GT-Line 1.0 T-GDi 118bhp 6-speed manual ISG	PCP	£5,050.60	37 months	£205.00	£6,847.24	4.90%	31/03/2016
Carens 1.6 GDi 133bhp 6-speed manual ISG	PCP	£5,820.00	37 months	£195.00	£5,038.82	4.90%	31/03/2016
All-New Optima 2.1.7 CRDi 139bhp 6-speed manual ISG	PCP	£5,190.90	37 months	£209.00	£6,732.18	4.90%	31/03/2016
Sorento KX-1.2.2 CRDi 194bhp 6-speed manual 7-seat UM	PCP	£7,581.90	37 months	£239.00	£13,089.63	4.90%	31/03/2016

Following a 10% rise in point-of-sale consumer finance in 2015, dealers are hoping for a strong Q1 performance to set them up for the rest of the year.

Audi has got a comprehensive range of PCP deals across its range, but is not offering 0% deals to tempt buyers during the run-up to the plate change. Audi's registrations increased 3% in Q4 (33,409 units) and it posted a similar increase for Q1 last year, with growth in the first two months of the year and a strong March boosting numbers to 44,919 units. The lack of a 0% deal isn't limited to Audi, with BMW and Mercedes-Benz all forgoing 0% deals on entry models.

Volvo is giving its dealers more

financial support with 0%, sub-£300 deals on its XC60 to give it a push in Q1. Volvo is attempting to keep the momentum on the vehicle after it was its second-most popular choice in the UK last year, behind the V40. A £259 customer deposit deal on the V40 and monthly payments of £259 at 3.9% will keep the V40 numbers flowing during the plate change. The Swedish brand had a slightly weaker March last year than in 2014 and its Q1 performance overall was bolstered by a good showing from January and February, so it will be looking to push towards the 11,000-unit mark with an improved plate-change performance.

Kia is also forgoing 0% deals in Q1,

with a 4.9% APR across its range. However, monthly payments of £99 and a deposit of £1,500 on the Picanto still make the brand accessible. Kia thinks the sweet spot for monthly payments is under £300 a month, so every vehicle is available under that price point, even if it means the customer has to put down a £7,500 deposit for a Sorento.

For customers trading in their BMWs and Audis for a high-spec seven-seater, that won't be a problem. Kia saw a 3% increase in its Q1 performance last year and will be hoping to beat it again, helped by a new Sportage that has already received more than 1,500 orders in its first week on sale in February.

NEW CAR REGISTRATIONS

The record-breaking momentum of car registrations during 2015 has continued into the start of the year, with the SMMT confirming an 11-year high of 169,678 for January.

An increase of 2.9% on 2015 makes the first month of 2016 the most successful January for car retailers since 2005, when 181,474 new cars were registered.

The SMMT said both private and business buyers had driven the January growth, with demand for new cars up by 8.2% to 73,061 and 5% to 6,716 units respectively, while the fleet sector declined slightly by 1.1% to 89,901.

The month marks the highest number of new cars registered to private buyers in January in 12 years.

Mike Hawes, SMMT chief executive, said: "January's solid performance puts the new car sector in a good position to start the year.

"Providing consumer confidence remains strong, we expect a more stable 12 months ahead, broadly similar to 2015 which was, of course, a record year."

The biggest seller for January was

REGISTRATIONS BY MARKET



DECEMBER MOTOR FINANCE

New cars bought on finance by consumers through dealerships

	Dec 2015	Change on previous year
Value of advances (£m)	1,159	+25%
Number of cars	67,667	+22%

New cars bought on finance by businesses through dealerships

Number of cars	38,725	-5%
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WE'LL HELP YOU GET THERE

the Ford Fiesta, with 8,353 registrations, which was followed by the Nissan Qashqai (4,839) and Vauxhall Corsa (4,803).

Alternatively fuelled vehicles grew in popularity and market share in January. Registrations were up by 32.1% on last year, to account for a record 3.6% of the month's market.

Petrol hybrids showed the largest growth – up 44.1% to 3,783 cars – while plug-in hybrid demand grew 32.3% to 1,592 vehicles and pure electric cars enjoyed an uplift of 14.1% to 584 units.

Demand for diesel, which just retained the majority market share, remained stable, up 0.6%, while petrol registrations grew 3.7%, the SMMT said.

Sue Robinson, director of the National Franchised Dealers

Association, said: "Another strong month for new car sales in the UK, which off the back of three strong years augurs well for the UK economy as all those new cars need servicing, which sustains 500,000 jobs, rather more than the 200,000 in automotive manufacturing. On behalf of our members, we welcome these figures."

Steve Jackson, chief car editor at Glass's, said: "Consumer demand has broadly driven the increase with a number of new models available. This, combined with low interest rates and creative finance campaigns with PCP, has helped drive this record number.

"Overall, manufacturers have hit 2016 running and intend to make it yet another success on the registration front."

ADVERTISING FEATURE

BLACK HORSE COMMENT

By Richard Jones, managing director, Black Horse



With 2.6 million new car registrations, 2015 represented another record year for the UK car market. At the same time, point-of-sale (POS) finance for new car sales continued its incredible growth, too.

The first major test of whether similar growth can continue this year will come in March, with the advent of the 16 plates. It is good to see the motor retail market showing resilience in the early part of the year – the most recent figures at the time of writing show the highest rate of new car registrations in January for 11 years. However, I believe 2016 will face more challenges than 2015 as global uncertainties influence the UK more. So I think we'll see continued growth, but perhaps not on the same scale as last year.

One area I see with potential for growth this year is in the financing of used car sales. Although POS finance for used cars grew considerably last year, it remains below 30%. So while we expect a used car price correction to drive a reduction in average transaction values, an increased supply of high-quality used cars will provide the potential for overall growth in POS finance for the used sector of about 2%.

However, regardless of the direction we see the industry move in, our core purpose will not change. We continue to focus on helping you as dealers stay central to the car-buying experience by providing your customers with great outcomes within the regulatory framework.

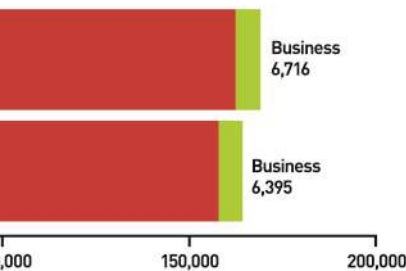
Likewise, we remain committed to point-of-sale motor finance and are investing in technology that will keep us easy to do business with. Following the success of Black Horse SignIt – which continues to receive recognition at various awards – you'll begin to see more to improve the customer experience while driving POS sales and customer retention for dealers.



"Consumer demand has broadly driven the increase with a number of new models available"

Steve Jackson, Glass's

ET SEGMENT



DE MARKET: NEW CARS

3 months to Dec 2015	Change on previous year	12 months to Dec 2015	Change on previous year
3,608	+20	16,205	+15%
213,124	+14%	984,077	+10%
122,693	0%	508,527	+6%

Source: FLA

FINANCE STATS

Consumer finance volumes rose 10% year-on-year in 2015, with 984,077 new cars funded at the point of sale.

The year ended strongly. Figures from the Finance & Leasing Association (FLA) show point-of-sale finance volumes grew 22% in December.

The percentage of private new car sales financed by FLA members through dealerships reached 81.4% in 2015, up from 75.9% in 2014.

Geraldine Kilkelly, FLA head of research and chief economist, said: "It was another record year for the point-of-sale consumer car finance market as new business volumes reached more than 2.1 million. But while growth in 2015 remained robust, it was slower than in 2014, and in line with expectations.

"The strength of the market in December reflects strong consumer confidence buoyed by low inflation, interest rates and unemployment. The FLA's latest retail motor finance confidence survey suggests we will see new business growth in 2016 of up to 10%."

RISERS & FALLERS

TOP 10	
Smart	266.15%
Jaguar	181.50%
Jeep	139.29%
MG	131.85%
SsangYong	114.88%
Infiniti	72.13%
Aston Martin	53.33%
Abarth	51.13%
Renault	37.43%
Porsche	31.27%



Exceptional circumstances have put Smart at the top of the risers' table for the start of 2016 – 12 months ago it was still gearing up to launch the new ForFour and ForTwo models and its volumes were tiny. The true rapid risers from January were Jaguar, adding 1,452 units, and Renault, growing by 1,129 registrations.

BOTTOM 10	
Škoda	-2.40%
Nissan	-3.21%
Bentley	-6.98%
Vauxhall	-9.88%
Volkswagen	-13.85%
Mini	-13.91%
Fiat	-14.96%
Mitsubishi	-15.10%
Seat	-24.61%
Maserati	-28.70%



The sight of Volkswagen in the top 10 fallers, having dropped by almost 2,000 units, could be a symptom of its 'dieselgate' scandal. Its sister brands Seat and Škoda have also made an appearance. However, it continues to guarantee bonuses and provide strong offers and franchisees have told AM its retail footfall is recovering.

Fiesta the fastest-selling used car of 2015

Auto Trader released details of the 10 vehicles that found new owners most quickly during last year, showing that the Fiesta took an average of 29 days to sell.

The Vauxhall Insignia and Toyota Prius were second and third respectively, both also taking 29 days to sell and making 2015 the first year in which an alternatively fuelled vehicle had featured in the top 10.

The Vauxhall Corsa appears in the top 10 in nearly all regions, in most cases more than once. Ford was the fastest-selling marque overall, though, with Fiesta and Focus models appearing in every regional top 10 list for 2015.

The East of England was dominated by Ford, with Fiesta models taking first, second, third, fifth and eighth position, and

Focus models finishing seventh and 10th. In Wales, the Fiesta was first, second, third and seventh, and the Focus fourth.

Karolina Edwards-Smajda, Auto Trader retailer and consumer products director, said: "The versatile and economic hatchback is likely to only increase in popularity as Ford announced plans at the Detroit Motor Show to make their vehicles even more efficient."

In the North, Nissan's Note took first and third places, the Juke fourth and the Qashqai fifth. The Qashqai placed sixth in the national top 10, and sold in just 17 days to be the fastest-selling used car in London.

Here is a breakdown of Auto Trader's 10 fastest sellers of 2015:

Rank	Year, make, model	Days to sell	Price position	Retail price*
1	2015 Ford Fiesta Hatchback Diesel Manual	29	98.03%	£11,652
2	2012 Vauxhall Insignia Hatchback Petrol Manual	29	98.92%	£7,814
3	2012 Toyota Prius Hatchback Electric Hybrid Automatic	29	99.63%	£16,194
4	2015 Kia Sportage SUV Diesel Manual	30	98.36%	£19,161
5	2012 Mercedes-Benz B Class Hatchback Diesel Automatic	30	98.59%	£14,719
6	2012 Nissan Qashqai Hatchback Petrol Automatic	30	98.64%	£13,243
7	2014 Citroën Grand C4 Picasso MPV Diesel Manual	30	99.27%	£15,530
8	2012 Volkswagen Touran MPV Diesel Automatic	30	97.86%	£12,436
9	2014 Vauxhall Mokka Hatchback Petrol Automatic	30	98.52%	£14,843
10	2012 BMW X3 SUV Diesel Automatic	31	99.63%	£24,339

*average Deltapoint retail value

NEW CAR REGISTRATIONS



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

Marque	January		2015	% market share	% change
	2016	% market share			
Ford	22,035	12.99	21,480	13.03	2.58
Vauxhall	15,262	8.99	16,935	10.27	-9.88
Volkswagen	12,055	7.10	13,993	8.49	-13.85
Mercedes-Benz	11,800	6.95	9,348	5.67	26.23
Audi	11,513	6.79	11,354	6.89	1.40
Nissan	10,720	6.32	11,076	6.72	-3.21
BMW	8,265	4.87	8,008	4.86	3.21
Peugeot	7,313	4.31	7,171	4.35	1.98
Toyota	6,829	4.02	6,711	4.07	1.76
Hyundai	5,881	3.47	5,794	3.51	1.50
Kia	5,066	2.99	4,914	2.98	3.09
Škoda	4,993	2.94	5,116	3.10	-2.40
Land Rover	4,609	2.72	4,303	2.61	7.11
Citroën*	4,574	2.70	5,414	3.28	-15.52
Honda	4,520	2.66	3,609	2.19	25.24
Mazda	4,281	2.52	3,340	2.03	28.17
Renault	4,145	2.44	3,016	1.83	37.43
Fiat	3,558	2.10	4,184	2.54	-14.96
Seat	3,119	1.84	4,137	2.51	-24.61
Volvo	2,990	1.76	3,009	1.83	-0.63
Suzuki	2,354	1.39	1,897	1.15	24.09
Jaguar	2,252	1.33	800	0.49	181.50
Mini	1,931	1.14	2,243	1.36	-13.91
Dacia	1,667	0.98	1,620	0.98	2.90
Mitsubishi	1,535	0.90	1,808	1.10	-15.10
DS*	1,089	0.64	0	0.00	0.00
Lexus	1,001	0.59	1,006	0.61	-0.50
Porsche	827	0.49	630	0.38	31.27
Jeep	804	0.47	336	0.20	139.29
Smart	703	0.41	192	0.12	266.15
MG	313	0.18	135	0.08	131.85
Alfa Romeo	304	0.18	236	0.14	28.81
SsangYong	260	0.15	121	0.07	114.88
Subaru	207	0.12	166	0.10	24.70
Abarth	201	0.12	133	0.08	51.13
Bentley	120	0.07	129	0.08	-6.98
Infiniti	105	0.06	61	0.04	72.13
Maserati	82	0.05	115	0.07	-28.70
Aston Martin	69	0.04	45	0.03	53.33
Lotus	16	0.01	13	0.01	23.08
Other British	48	0.03	49	0.03	-2.04
Other Imports	262	0.15	152	0.09	71.71
Total	169,678		164,856		2.92

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

WE'LL HELP YOU GET THERE

Good start to 2016 with 1.7% rise in used car values

The value of the average used car was up by £155 in January from December, according to data from the National Association of Motor Auctions (NAMA).

Its report shows that the average sales price rose by 2.8%, from £5,534 to £5,689. Compared with January 2014, there was also a rise of 1.7% from £5,592.

Sales volumes for January rose 57.5% from December 2015, in the usual seasonal pattern. However, year-on-year sales volumes were down 0.5% at 110,322 units.

The proportion of vehicles sold first time in January was 84%, 2ppts higher than both a month and a year previously.

Trade-in disposal

BCA reported average values for dealer part-exchanges in January improved after two months of falls, reaching £4,316, a £68 or 1.6% rise. That figure was still ahead year-on-year by £241, or 5.9%. The average mileage and age of part-exchanges was slightly lower than that of a year before.

Simon Henstock, BCA UK's chief operating officer for remarketing, said: "Valuing older and poorer quality cars accurately is crucial to tempt the buyers. The price of scrap has fallen and this has effectively removed the

safety net for these low-value vehicles. At the other end of the market, there is pressure on the values of late-plate vehicles due to the attractive deals available and the availability of pre-registered vehicles."

Manheim's average part-exchange value for January was down 1% or £35 month-on-month to £3,479. Year-on-year, the average value was up 6.5% or £211.

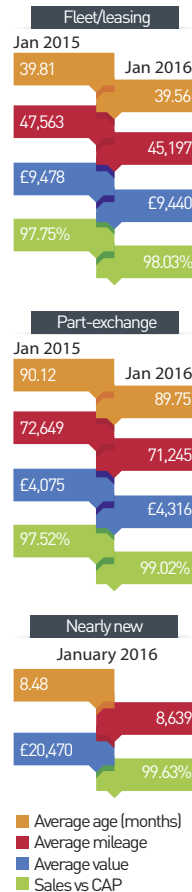
Retail stock acquisition

BCA's average ex-fleet car value fell £148 or 1.5% in January to £9,440. The total was down 0.4% or £38 year-on-year, despite marginally lower average age and more than 2,000 fewer miles on average.

Manheim's Market Analysis for January showed the average selling price of ex-fleet vehicles rose £178 or 2.6% since December to £7,042. The average value was down £316, or 4.3%, year-on-year, attributed to a 28% increase in sales volumes year-on-year.

Daren Wiseman, valuation services manager at Manheim, said: "The age and mileage of ex-fleet cars sold at Manheim continue to fall, with the average in January being 46 months old with under 52,000 miles. These vehicles are being snapped up by dealers."

YEAR-ON-YEAR



ECONOMIC INDICATORS

Pay

↑ +1.9%

The average weekly wage, including bonuses, was £496 for the period between October and December 2015, up 1.9% on the same period a year earlier. Excluding bonuses, the weekly wage increased 2% to £465 per week.

Inflation

↑ 0.1PPTS

The CPI inflation rate rose to 0.3% in the year to January, compared with a 0.2% rise in the year to December. The main contributors to the rise in the rate were motor fuels and, to a lesser extent, food, alcoholic beverages and clothing.

Unemployment

↓ 0.6PPTS

The unemployment rate for October to December was 5.1%, which is 0.6ppt down on a year earlier and 0.2ppt down on the previous three months, according to the Office for National Statistics.

Mortgages

↑ +18%

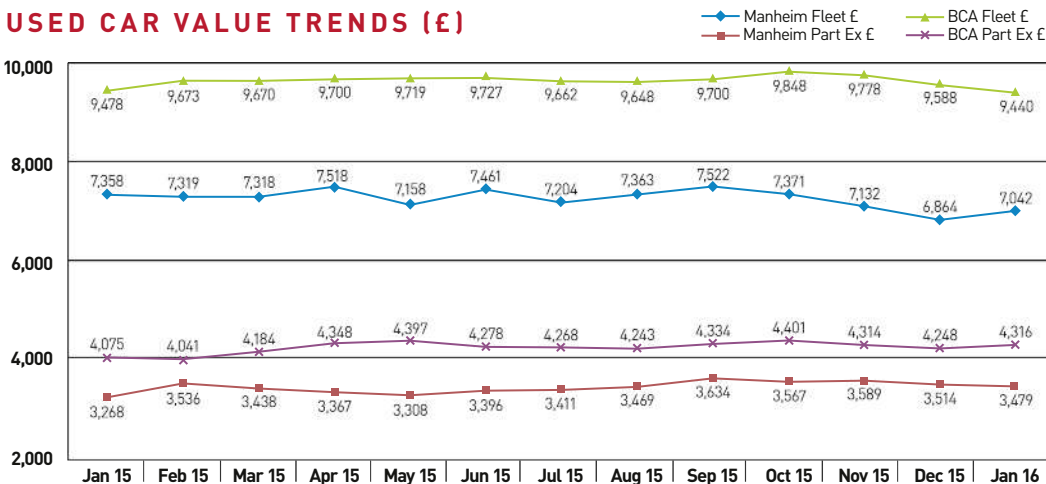
The Council of Mortgage Lenders said first-time buyers secured 29,300 loans in December last year, up 7% month-on-month and 18% year-on-year.

Credit card borrowing

↑ -4%

There were 262 million purchases in December, with a total value of £13.7 billion. This spending volume was 3% lower than in December 2014, with an aggregate value some 4% lower, said the British Banking Association.

USED CAR VALUE TRENDS (£)



Used cars bought on finance by consumers through dealerships						Source: FLA
	Dec 15	Change on previous year	3 months to Dec 2015	Change on previous year	12 months to Dec 2015	Change on previous year
Value of advances (£m)	827	+11%	2,872	+15%	12,119	+14%
Number of cars	75,601	+8%	264,905	+11%	1,147,387	+9%
Used cars bought on finance by businesses through dealerships						
Number of cars	4,145	+18%	10,092	+7%	39,011	-7%

Do you want to sell more cars?

Is your stock the most
desirable locally?



Are you pricing
it correctly?



Do you regularly
re-price it?



“By learning more about i-Control I found I was quickly able to manage every part of the process from pricing accurately to presenting stock effectively online and managing our forecourt intelligently.”

Chris Killen Georgesons

Smarter, faster stock management with i-Control can help you sell more cars

To attract customers and stay ahead of the competition, it's important to stock desirable vehicles and price them correctly for your area.

You've definitely got the know-how, but have you got the data and insight that enables you to improve both stock turn and profitability?

i-Control, powered by Auto Trader, helps you evaluate your stock against demand, supply, margin potential and speed of sale in your area. It provides you with a view of how your stock is performing in the marketplace, allowing you to automatically update your listings, saving you time and ensuring your forecourt is competitively priced.

Find out how retailers have increased the desirability of their forecourt using i-Control.

Congratulations to the 2



2016 AM Award winners



AM AWARDS: 2016

The AM Awards is a flagship annual event in UK motor retail's calendar, an evening when the best performers, large and small, are celebrated and highlighted at a gala dinner at Birmingham's ICC.

This year, the entries were whittled down into a shortlist by a panel of independent judges, chaired by Christopher Macgowan OBE and comprising industry veteran Ray Sommerville, AM editor-in-chief Stephen Briers, AM managing editor Tim Rose, AM associate editor Jeremy Bennett, industry analyst Piers Trenear-Thomas, International Car Distribution Programme managing director Steve Young, director of Loughbor-

ough University's Centre for Automotive Management Professor Jim Saker, and Institute of the Motor Industry chief executive Steve Nash.

Independent audits of all retailer categories were conducted by BDO. Google's automotive industry head, Hugh Dickerson, assisted in judging the digital awards.

The event was guest hosted by BBC Proms presenter Katie Derham. Comedian Alun Cochrane and the Park Lane Big Band provided the after-dinner entertainment, alongside a casino provided by Aston Barclay.

Over the following pages you can discover who the winners of each category were and the reasons for their success.

Marketing Delivery

DATA DRIVEN MARKETING

A collage of various social media icons including LinkedIn, YouTube, Facebook, Twitter, Tumblr, Instagram, and Pinterest, set against a dark background with a grid pattern.

**Delighted to present the Automotive Management
Best Use of Social Media Award 2016 to
Perrys Motor Sales**

**Increasing sales
Improving retention
Building reputation**

**Why not let us talk to you about
how we can improve your business?**

t: 01892 599 913 e: get.in.touch@marketingdelivery.co.uk w: marketingdelivery.co.uk

AM AWARDS:2016

Best Use of Social Media

Winner Perrys Motor Sales

A group-wide resolve to embrace social media has rewarded Perry's Motor Sales with a vast online following and yet another AM Award.

After securing this award in 2015, the group's presence on Facebook, Twitter and Google+ has continued to grow, and to fulfil the aim of "building a community of next-generation car buyers" laid out when Perrys decided to take social media seriously back in 2013.

Perrys also wanted to show the human side of the group, protecting the brand's reputation, addressing any complaints that may occur online and engaging with customers more.

The group has 31 location-based pages – run by dealerships trained and monitored by an in-house digital marketing team – and one central Perrys Motor Sales page, which provides the basis for lead-generating adverts.

All 1,850 Perrys staff have had social media training and been trained how to run their own pay-per-click adverts via Facebook, so far generating more than £1 million in incremental turnover.



Lee Manning, digital marketing manager, Perrys Motor Sales (left), collects his award from Jeremy Evans, managing director, Marketing Delivery

Perrys Motor Sales has an average reach of 500,000 people a week across all its Facebook pages, has more than 6,000 followers on Twitter and 1,000 on Google+.

Interaction has become a key component of its online brand, with customers posting videos and photos of their experiences with their cars online.

One customer's online posts from a European tour in a Jaguar F-Type helped to make Facebook the highest-converting referrer

for the £60,000+ sports car.

The AM Awards judges said: "It has a powerful strategy across a breadth of media and is well resourced. The winner last year too, it has advanced since."

Highly commended
Ridgeway

Shortlisted
Peter Vardy
Specialist Cars Stoke

Previous winners

2015 Perrys Motor Sales 2014 Mercedes-Benz Retail Group

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AM AWARDS: 2016

Best Use of Television and/or Video

Winner Perrys Motor Sales

Perrys Motor Sales has made this category its own for a second year in a row with further developments of its YouTube online video channels.

What started out as a project aiming to "change the perception of the industry and the salesperson" has grown into a three-pronged approach to growing the brand's reputation via entertaining and informative video content.

While the group describes its videos as "raw and authentic", they appeal to potential car buyers, owners and committed petrolheads.

Perrys' YouTube channels have been divided into Car Buyer Guides, Car Care Guides and Vital Drive and videos for each are produced in-house within dealerships' normal operating hours.

During the past year, the YouTube channels attracted more than 2.75 million views (up 37% year-on-year) across 4.95m minutes' worth of online content, which coincided with a "vast increase" in organic Google enquiries.

Sales staff at dealerships have been trained in the importance of video and recommend YouTube



Lee Manning, digital marketing manager, Perrys Motor Sales (left), collects his award for Best Use of Television and/or Video from Jeremy Bennett, head of digital, AM

reviews and advice guides to customers as well as suggesting ideas for future content to the marketing team.

A Perrys spokesman said the project was always about improving the brand and industry perceptions, rather than sales, adding: "We use YouTube to change the perception of the automotive industry and car salesmen.

"We use staff in videos to show off their product knowledge and show

them as friendly, approachable and professional."

The AM Awards judges said: "Its use of video covers all the bases with a quality approach."

Highly commended
Specialist Cars Stoke

Shortlisted
Peter Vardy
Think Ford

Previous winners
2015 Perrys Motor Sales



Best Dealer Website

Winner Arnold Clark Automobiles

Arnold Clark's efforts to future-proof its online presence with a new website offering "original and high-quality content" alongside practical tools won the judges' vote.

The group analysed its old website and identified issues with its functionality on smartphones and tablets. This was potentially a huge problem given that about 60% of its website traffic came from such devices.

A group spokesman said: "Our vision was to create an experience never seen before in the automotive industry, and to be the go-to place for users of these devices."

High-quality images and videos now appear alongside content produced by an in-house newsroom, while the ability to search used cars, buy insurance, book appointments and access live chat functions are all easily accessed and fully optimised for a new generation of devices.

Website development is carried out by an in-house team, with sections of Arnold Clark's 150-strong marketing department taking responsibility for their



Arnold Clark Automobiles managing director Eddie Hawthorne, right, and Carol Fairchild, group marketing and product development manager, left, collect their award

own element of the site.

Attracting more than 16.5 million visits during the past year (up 7.5% year on year), more than 7.6m unique visits (+10.7%) and more than 141m page views (+10%), the new website is credited with delivering 20,000 leads a month, with live chat accounting for 19.8% of website enquiries.

The judges said: "The winner by a country mile. Arnold Clark's

website is quick to load, customer-centric, easy to use and has lots of functionality. This company genuinely believes in digital."

Shortlisted

cartime

Hendy Car Store

Perrys Motor Sales

Specialist Cars Stoke

Sytner Group

Previous winners

2015 CarShop (carshop.co.uk) 2014 Tates Motor Group (www.tatescars.co.uk) 2013 Mana Premiere Automobiles



Best Manufacturer Digital Innovation

Winner BMW Retail Online

BMW Group UK broke new ground when it took the full car-buying process online earlier this year.

Following a seven-month pilot scheme that ran from April last year, the German manufacturer rolled out its BMW Retail Online solution, which allows customers to configure a car, search available stock in dealerships, set up finance and finalise a deal.

The site even facilitates part-exchanges.

Established in light of research showing that many car buyers average just 1.3 dealer visits before making a purchase, the site aims to take advantage of the growing trend for home research via the internet – with 97% now carrying out research online.

A BMW Group UK spokesman said: “Customers like to collect information and decide on their own how they want to get in touch with a brand and via which channel they purchase products.”

BMW Retail Online is divided into three clear areas: the first is a public area allowing customers to select and configure a car; the next



Kevin Davidson, retailer development director at BMW Group UK, collects the award for Best Manufacturer Digital Innovation from Jeremy Bennett, head of digital, AM

will attempt to source available cars within UK retailers and offer finance options; and the third, private area of the site is where a sale can be finalised and the contract closed.

Live chat is employed to guide customers through their purchase.

The new site has also established a virtual showroom affiliated to each dealer, which BMW Group UK

claims will lead to “additional showroom visits”.

The judges said: “BMW’s Retail Online initiative is offering choice to the consumer, with fulfilment still through a dealer. This concept represents a part of the future.”

Shortlisted
Vauxhall OnStar

Previous winners

2015 Kia Motors (UK) – Kia Carens ‘Re-view Mirror’ **2014** Kia Motors UK – customer reviews (Reevoo)

AM AWARDS:2016

Best Training and Development Programme

Winner John Clark Motor Group

With 15 entries from dealers and manufacturers, this category was hard-fought.

However, John Clark Motor Group claimed no other group in the UK was as committed to developing its people – and the judges agreed.

In January 2015, the Scottish dealer group launched its development centre with more than 30 in-house programmes catering for every role from director to driver.

John Clark employs 1,184 people and in 2015 it ran 95 internal courses delivering 2.1 training days per staff member for more than 1,200 attending. A further 2.8 training days per person was provided via manufacturer schemes.

Highly commended

Arnold Clark Automobiles
Mercedes-Benz UK (Apprentice)

Shortlisted

Honda (UK)
Jardine Motors Group
TrustFord



Colin McAllister, group training and development manager, John Clark Motor Group (left), collects his award from Mike Macaulay, head of corporate sales, AutoProtect

From the day they start, all staff can access learning resources on an intranet. For service advisers and sales executives there is a 'first 90 days' programme, with training tips emailed daily. All new staff go through an induction, during which they sign up to training courses and assessments. Suppliers also give them product awareness courses.

Supporting this is the 'up for it' succession plan, which prepares staff for a management role.

Before the development centre launched, staff turnover was at 25%. It is now at 19%, with head-count growing by 13% in 2015.

John Clark is also the first group to become an Audi-approved training centre, offering manufacturer training in its dealerships.

The AM Awards' judges concluded: "John Clark's approach to training and people shows it's about creating the right culture, not just development of skills."

Previous winners:

2015 Lifestyle Europe 2014 Peter Vardy Academy 2013 Kia Motors UK

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Enhancing the Value of Service Plans in 2016



In a changing marketplace, Service Plans can play an increasingly important role in enhancing lifetime value and retention. They can help to develop that all-important bond between dealer and customer that moves beyond price to develop a situation

wherein dealers opt for 'their' dealer. Promoting Service Plans at the point of sale is the beginning, but ensuring the customer sticks with the plan and enjoys a positive lifetime experience is what really ensures the value of Service Plans is fully realised.

There are three key steps in maximising the value of Service Plans:

1 Promote them at the Point of Sales to every customer – new, used, car, LCV, private and SME customer – their vehicle will need servicing, so make choosing your workshop an easy decision.

2 Minimise Cancellations – sad but a reality, a significant number of customers do choose to cancel their Service Plan. Uniquely, EMaC manage these requests for dealers, lightening the load for the showroom and ensuring the business has a real insight into why this happens. The most common reason is change of car, with customers unaware that they can transfer their Service Plan onto it. Once explained by EMaC's dedicated 'Save Team,' many subsequently happily transfer their Plan, ensuring the dealer relationship is maintained. Without the expertise available through EMaC to save these customers, all too many would be lost. However, at EMaC as well as insight in understanding the motivations for cancelling, the team has developed expertise in minimising them, working with the customer and where required, dealer to re-sell, explain and adjust the Plan.

3 A Great Showroom Experience – with every customer it is important that the service experience from booking to collection is spot-on. Worked well, it is also an ideal platform for the original sales person to re-acquaint themselves with the customer and an opportunity for a future sale or referral. The pressures on headcount in most showrooms mean that maximising the impact of face-to-face contact is essential. One of the challenges arising from a growing Service Plan portfolio is inbound traffic – cancellation requests, queries, direct debit changes etc. Everyday EMaC handles many hundreds of telephone calls and emails on behalf of dealers. Knowledgeable experts support the showroom and help to create time for the one to one conversations that can seal a strong relationship.

Making a Difference in 2016

Based upon research undertaken in Q4 2015, new car penetration of Service Plans is running in the 55 – 70% range. This creates a benchmark that all dealers should be setting themselves in 2016. However, it is in used vehicles that the greatest opportunity exists.

Used vehicles sales are likely to be more influenced by trust /relationship than for new vehicles and Service Plans can have a key role in supporting this situation. Currently used Service Plan penetration lags some way behind the new car market. In part, manufacturer schemes account for some of this difference but penetration of around 30% clearly shows the scope for growth, especially when the used to new vehicle sales ratio is commonly 3 to 1.

Service Plans really can help do the heavy-lifting in retention and lifetime value, but too many dealers are missing out on the platform provided by used sales. The risk is that dealers are simply allowing customers to make the all too easy choice to 'graze' to other servicing options. Business really could be walking out of the door. Developing a more proactive Service Plan approach can change this. The development of special schemes, campaigns, training and monitoring programmes that support leadership personnel in the showroom is an area where EMaC's field based development team can help to make a positive difference.

Confidence in Your Offer

As always, dealers are concerned about margin pressure in 2016. Commoditisation is a concern with a number of price aggregators focusing attention on price alone. This is true for vehicle sales and servicing. It would be naive to ignore that price is important, but nor should dealers overlook the importance of quality and service. In the late 19th century, John Ruskin wrote; *"The common law of business balance prohibits paying a little and getting a lot, it can't be done. If you deal with the lowest bidder, it's well to add something for the risk you run. And if you do that, you will have enough to pay for something better"*.

Customers it seems do recognise that correct servicing has a value. Research has consistently indicated most customers would prefer the franchised dealer experience and the perceived quality that it carries. Service Plans make the desired outcome affordable. In terms of safety, reliability, economy, environmentalism and re-sale value, a full correct service is valuable. With a Service Plan on a new or used vehicle, dealers can help customers to get what it seems so many really want.

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AM AWARDS: 2016

Excellence in Customer Service

Winner Devonshire Motors

A single-site Mitsubishi franchised dealer, Devonshire Motors described its customer service strategy as “very simple and raw”, but it is underpinned by robust processes and measurements.

Its entry says good customer service is a by-product of the right people, the right internal culture and a passion from management, not about box-ticking, incentives or gifts that artificially raise scores.

Focusing on aftersales and honed over more than 10 years, the customer service strategy for its multi-marque approved aftersales operation has seen it recognised as number one for service in the Honda and Mitsubishi networks.

Managing director Nathan

Highly commended

Peter Vardy Motherwell Vauxhall

Shortlisted

CarShop

Lookers Volkswagen Carlisle

Specialist Cars Stoke

Vic Young



Nathan Tomlinson, managing director, Devonshire Motors (right), collects the award from Nathan Cooper, commercial and business development manager, EMaC

Tomlinson, formerly aftersales manager and dealer principal, outlined its customer service principles, from effective recruitment and retention, listening to customers and getting to know them, to ensuring rapid movement of cars from service reception to workshop and completing every job ahead of the time it was promised.

Showroom improvements include the recruitment of three hosts, an in-house radio station, Wi-Fi and

TVs and a customer kitchen.

The business sold 356 new and used cars in 2011. In 2015, the total was about 550. Overhead absorption is at 103% and the dealer has a 6% market share on new Mitsubishi, compared with the brand's national market share of less than 1%.

In selecting the winner, the awards' judges said Devonshire Motors was “a pragmatic local hero, with strong processes and extraordinary results with a niche brand”.

Previous winners

2015 Knights North Staffordshire **2014 Macrae & Dick**

2013 Cotswold BMW Cheltenham

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AM AWARDS:2016

Excellence in Aftersales

Winner Peter Vardy Motherwell Vauxhall

A customer-centric approach to aftersales underpins Peter Vardy Motherwell Vauxhall.

The business understands customers are not always as technically knowledgeable as its staff, so empowers them through technology such as CitNow video vehicle health checks.

Its service CSI rating shows it is a successful approach.

Service and parts revenues have risen consistently since 2013, despite being in a competitive marketplace, and the dealership has a strong parts business, which makes a solid and reliable contribution to its profits.

Customer retention is a major driver for Peter Vardy Motherwell Vauxhall and it has identified a direct correlation between the sale of service plans and overall customer retention and satisfaction.

Staff follow a structured sales process for service plans at both the point of the car sale and later, if required, at the point of a service being booked. As a result, it has ended 2015 with a large portfolio



Scott Reid, managing partner at Peter Vardy Motherwell Vauxhall (left), collects his award from Rob East, sales manager, automotive division at FUCHS Lubricants

of live plans ready for 2016, worth a quarter of a million pounds in revenue, before any upselling. Its use of the video vehicle health checks has increased the retail hours sold per job card. In 2015, the workshop delivered more than 9,000 bespoke customer VHCs, which are completed whether work is needed or not.

Weekly meetings ensure

customer comments are shared and individual performance is assessed, while exceptional performance is recognised and rewarded.

Shortlisted


Devonshire Motors
Mercedes-Benz & Smart
Birmingham Central

Previous winners

2015 Pebley Beach 2014 Rybrook Warwick

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AM AWARDS:2016

Best Service Reception Team

Winner Crewe Audi (Swansway Group)

Crewe Audi's service reception team has achieved double-digit percentage revenue and profit growth, thanks to its commitment to delivering the very best customer experience.

Aftersales manager John Oakley leads a team of four service advisers, an apprentice service adviser, a part-time service administrator and a car park host, who greets customers as they arrive.

Oakley's team sees 30 customers for service and repair work in an average day, and it focuses not just on paperwork and invoicing, but also on selling red and amber work identified from vehicle health checks. It has also had considerable success selling service plans.

An emphasis on early customer engagement has led to a well-defined, slick process. This starts with a phone call the day before the appointment to check for any specific issues and to ask the customer what drink they would like on arrival.

On the day of the appointment, the car park host is equipped with



John Oakley, aftersales manager, Crewe Audi (left), collects the award for Best Service Reception Team from Christopher Macgowan, chairman of the judges

registration numbers, customer names, booking details and which service adviser the customer has been allocated. This ensures the host can welcome each customer by name and guide them past reception to their service adviser and a waiting drink.

Customers who wish to wait are offered a free breakfast or lunch and shown to a lounge on a mezzanine floor equipped with

Wi-Fi and a printer, should they need to work.

This dealership was ranked third of all Audi UK's dealerships for Q Power, the brand's balanced scorecard measuring sales, service and customer satisfaction.

Shortlisted

Peter Vardy Porsche Aberdeen

New category



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AM AWARDS: 2016

Best Sales Team (New or Used)

Winner Hendy Group Retail CV Team

Within two years, Hendy Group's retail light commercial vehicle team has almost doubled the revenues the group earns from selling LCVs to local sole traders and small businesses and created a half-a-million pound business.

Hendy saw the traditional LCV sales model was restricting its opportunities to grow sales of the new Ford Transit, so decided to ditch the old-style "afterthought" method of selling vans.

Key to this was the creation of the retail CV sales team – a general sales manager, who oversees Transit Centres in Southampton and Plymouth, a sales manager and 10 new sales executives, five for new vehicles and five for used, across the two sites.

New sales executives also adopted new sales practices and processes designed to provide a retail customer experience for the business buyer. Now the sites are a 'one-stop shop' for all commercial vehicle customer needs, from

product information to funding solutions and aftersales.

Hendy's profit per unit has risen by £178 on new and £111 on used. Ford is now holding up Hendy's example as a model way forward.

"It is a very different way to the norm and required a commitment from all at Hendy to drive this change. There have been times when we questioned ourselves but it is certainly paying dividends," said Steve Roberts, Hendy's CV &

fleet sales director in the entry submission.

The judges agreed, calling this a "game-changing" team.



Steve Roberts, commercial vehicle and fleet sales director, Hendy Group (left), collects the award from Robert Hutchinson, head of motor sales, Barclays Partner Finance

Shortlisted

cartime

**Mercedes-Benz & Smart
Birmingham Central
Norton Way Corporate Sales
Peter Vardy CarStore Glasgow**

Previous winners

2015 Hillington CarStore (Peter Vardy)

2014 Peter Vardy (BMW Used Car Sales Team) 2013 Barnetts Volkswagen

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AM AWARDS:2016

Voted for
by dealers

Used Car of the Year

Winner Kia Sportage

Kia's third-generation Sportage has secured the distinction of AM's Used Car of the Year award as a swan-song to mark its final year of production.

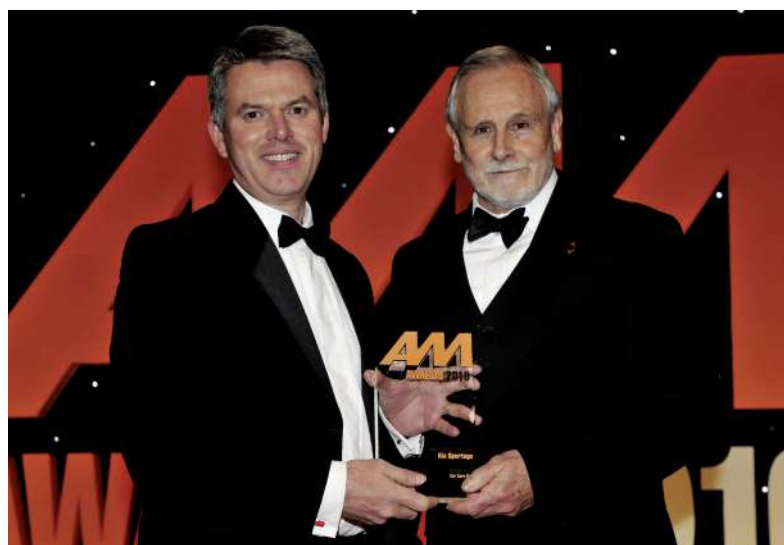
The stylish Korean SUV may be facing replacement by a new model in the first quarter of 2016, but it has ended its reign as a new car strongly, with 23,010 registrations in 2015 according to the SMMT, a 6.65% rise on 2014.

Used markets like the rakish contender too, thanks to strong residuals and main dealer service book stamps delivered as a result of Kia's seven-year warranty.

According to Auto Trader, the Sportage was the fastest-selling used SUV of 2015 – taking an average of 30 days at an average price of £19,161 – and the fourth-fastest seller overall, behind the Ford Fiesta, Vauxhall Insignia and Toyota Prius.

A healthy standard specification has enticed many used buyers, with Kia's aggressive pricing policy meaning that used Sportages often come fitted with sat nav, leather seats and a panoramic glass roof.

Three engines – a 1.6-litre GDi



Paul Philpott, president and CEO Kia Motors UK and Ireland (left), collects the award for Used Car of the Year from Mike Cowling, head of product, Car Care Plan

petrol unit and 1.7- or 2-litre CRDi turbodiesels – are available in a range divided into three basic specifications, with four-wheel-drive, an automatic gearbox and sat nav providing further options.

Fuel economy in the outgoing Sportage ranges from 40.1mpg (with CO₂ emissions of 149g/km) in the GDi to 54.3mpg with 135g/km CO₂ emissions in the 1.7-litre CRDi.

Early, high-mileage Sportages can be bought for as little as £8,000, but AM believes the newer crop of third-generation models is likely to remain a used car hit during the coming year.

Shortlisted

BMW 3 Series
Ford Fiesta

Previous winners

2015 Ford Fiesta **2014 Nissan Qashqai** **2013 Range Rover Evoque**

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guests attended the
awards ceremony



1,161

bottles of wine
were consumed

1.2km

of till roll were used
to print bar receipts



AM AWARDS:2016

Voted for
by dealers

New Car of the Year

Winner Honda HR-V

Honda's HR-V returned in 2015 and entered a market that has become one of the most hotly contested within the industry.

However, the compact SUV – up against the likes of Nissan's Qashqai and the Mazda CX-5 – has won the hearts, minds and votes of AM readers with its coupé-like looks and impressive practicality.

With prices starting at £18,495, the HR-V locks horns with the Qashqai on value and by offering impressive flexibility along with a frugal engine line-up.

Potential customers can select one of two engine options: a 128bhp, 1.5-litre i-VTEC petrol engine, which claims fuel efficiency of 52.3mpg on the combined cycle and 125g/km CO₂ emissions, or a 1.6-litre i-DTEC turbodiesel claiming 70.6mpg and 104g/km CO₂ emissions.

Three specifications (S, SE and EX) are available, with the option of sat nav and Honda's CVT automatic transmission ensuring there is a HR-V to suit most tastes.

Honda's 'Magic Seats' can free up a huge load space in the rear, in addition to the 453-litre boot, with ample storage beneath the centre



Philip Crossman, managing director, Honda UK (left), collects the award for New Car of the Year from Sue Healey, key account manager, Supagard

arm rest and in the door pockets handy for front-seat occupants.

Other interior highlights include the Honda Connect touchscreen infotainment system, which is fitted to all HR-Vs as standard.

Collision avoidance courtesy of the City-Brake Active System is also standard and helped the HR-V to secure a five-star safety rating from Euro NCAP.

Emerging as Car of the Year by

securing the votes of AM's influential readership will be a boost for Honda as it looks to 2016 to secure impressive sales in its promising newcomer's first full year on sale.

Shortlisted

Renault Kadjar
Vauxhall Astra
Volvo XC90

Previous winners

2015 Jaguar F-Type Coupé **2014** Volkswagen Golf
2013 Mercedes-Benz A-Class

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AM AWARDS: 2016

Voted for
by dealers

Franchise of the Year

Winner Renault

Three years ago, Renault was in the doldrums. European sales were at their lowest since 1995 as a result of over-production and an uninspiring product range, leaving the way open to up-and-coming brands, such as Kia and Hyundai, to steal market share.

Massive reorganisation, which guillotined the UK network by almost a third and culled models, was a painful, but vital, measure as up to 50% of its dealerships were reported to be running at a loss.

Now, the refreshed range is exciting consumers, reliability has improved, and the brand is avoiding the 'stack 'em high, sell 'em cheap' approach of offering an unsustainable array of models, just to compete in every segment.

Renault's market share, at 2.9%, is the highest it's been for three years and new car registrations the best they've been since 2010.

Dealers are also falling back in love with the brand: the latest National Franchised Dealers Association Dealer Attitude Survey saw Renault firmly above average, with some emphatic improvement in scores, particularly in profitability



Bob O'Reilly, head of franchising and network development, Renault (left), accepts the award for Franchise of the Year from John Miele, sales director, carwow

and brand recommendation. Dealer recruits in 2015 included Lookers, Vertu Motors, Arnold Clark and Glyn Hopkin.

Renault was a clear winner in this category voted for by AM readers, via email, in January.

Comments included:

"The growth in the Renault brand has been exceptional over the past 12 months. Although the manufacturer has been aggressive in the UK, it was exactly what was

needed to gain a well deserved foothold in the market."

"Renault's product line-up, including its LCV offering, has improved as well as its public appeal. We're seeing a good return on sales."

Shortlisted

Ford
Honda
Kia Motors

Previous winners

2015 Mercedes-Benz **2014 Audi UK** **2013 BMW UK**

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carwow

AM AWARDS: 2016

Best Used Car Performance

Winner Perrys Vauxhall Doncaster

Changing how it sources stock and amending its business processes have paid off for Perrys Vauxhall Doncaster. It now sells more used cars than any other outlet within the Perrys Group and in 2015 achieved almost 1,500 retail units from a site surrounded by strong competitors.

The changes introduced last year re-invigorated the used car team, with each individual better understanding their stake in how it performed as a whole. This led to excellent results.

Used car revenues have risen by more than 29% year-on-year as the business invested more heavily in stock. The rise in volume has not been at the expense of profit – average unit margin at Perrys Vauxhall Doncaster has risen. The dealership is now making an extra

‘The dealership is making an extra £77 from every used car sold’



John Greenwood, sales manager, Perrys Vauxhall Doncaster (left), accepts the award for Best Used Car Performance from Martin Peters, sales director, Autoclenz

£77 from every used car sold, and the associated F&I income has also increased.

The changes came about after general manager John Vilums identified that the dealership was being complacent in sourcing stock and needed to be more selective.

Analysis of the profit per unit by acquisition stream showed the cars it acquired from a major auction source were faring poorly, while stock from its part-exchange, ex-rental, Motability and Network

Q sources were sold for much greater profits.

Now it retails more trade-ins, has improved the presentation of the cars and is focused on getting them onto the forecourt more quickly. Vilums said the staff are better motivated, too.

Shortlisted

**Mercedes-Benz & Smart
Birmingham Central
Peter Vardy**

Previous winners

2015 HR Owen 2014 Arnold Clark Automobiles 2013 Milcars Mazda

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Best Fleet Operation

Winner Swansway Group

Swansway Group's fleet director Sarah Eccles heads a team of 25 staff focused on delivering service that exceeds the expectations of contract hire and fleet customers and the vehicles' end users. Thanks to this team, fleet volume, revenue and profit have broadly doubled in three years.

Swansway believes that by moving fleet sales from its dealerships into a centralised, dedicated team, it ensures fleet customers do not get pushed down the queue in favour of retail customers. This is reflected in service level agreement scores from customers and reinforced by being a preferred supplier to many of the largest contract hire and leasing companies.

Swansway measures its fleet team against set KPIs, such as a 20-minute response time to a request for a quotation and a three-hour deadline from receipt of order to placing the order.

The team includes local business development managers, each dedicated to a manufacturer brand, who seek to build relationships with local enterprise, and an online brokerage called U Choose, which



Sarah Eccles, group fleet sales director, Swansway Group (left), accepts the award for Best Fleet Operation from Stephen Briers, editor-in-chief, AM

is seeing a rapid rise in personal leasing.

Swansway has recently invested £500,000 in improving its fleet function, which included moving the fleet team to a building adjacent to Swansway's head office, with PDI and valeting facilities, an open plan office with space for future expansion, undercover storage for 200 vehicles and a further 150 outside. In addition, it has more than doubled its number

of transporters and is investing in digital handover and 'how-to' videos, which are emailed to end-users ahead of their car's delivery.

Highly commended
Norton Way Corporate Sales
TrustFord

Shortlisted
Minstergate Holdings
Tunbridge Wells Hyundai

Previous winners

2015 Jardine Motors Group 2014 Holdcroft Group Fleet

Congratulations to Sandiccliffe of Stapleford for winning this years "Most Improved Dealership."



Reg Tutt - Sandiccliffe Managing Director receiving the award from Neil Pursell, Martec Europe Managing Director



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Most Improved Dealership

Winner Sandicliffe of Stapleford

Demorised staff and outdated facilities were hurting the bottom line at Sandicliffe's Stapleford dealership while it awaited relocation, but an employee engagement initiative and bottom-up changes have turned its fortunes around.

Sandicliffe had agreed with Ford in 2013 to relocate to a large Ford-Store nearer Nottingham city centre, but the move has been delayed by a lack of suitable sites. The current site spans both sides of Nottingham Road, has limited parking, and Sandicliffe's departments are fragmented between seven ageing buildings.

The delay left employees holding on to a promise of a new home and modern working conditions while perceiving that the current site would be maintained merely to meet safety standards. Return on sales subsequently slumped.

Sandicliffe's management team undertook an employee survey to get honest feedback. Some staff felt uncared for, others highlighted property maintenance issues and poor communication between the isolated departments. A worker



Reg Tutt, managing director, Sandicliffe (left), accepts the award for Most Improved Dealership from Neil Pursell, managing director, Martec Europe

from each department volunteered for a working group to develop solutions, such as inter-department social events.

Managing director Reg Tutt shared the site's financial results with all staff and offered them a half-yearly bonus in place of a flat-rate pay rise, if the site hit its target.

By mid-2015, staff engagement had improved significantly, customer satisfaction was improving, return on sales had

doubled, and the first bonus had been paid to the staff.

The AM Awards judges said: "Having recognised staff engagement was poor, Sandicliffe's bottom-up approach supported the people working there in making the improvements themselves."

Highly commended
Perrys Vauxhall Doncaster

Previous winners: Most Improved Company of the Year
2015 Humphries and Parks **2014** Livery Dole **2013** Luscombe Suzuki Leeds

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AM AWARDS: 2016

Best Dealership

Winner Peter Vardy BMW and Mini Edinburgh

The financials and key performance indicators (KPIs) for Peter Vardy BMW and Mini Edinburgh show it is a strong performer that is still growing solidly in all aspects.

Since 2014, it has grown new car revenues by about 14%, service revenues by 12% and used car revenues by 20%. Profit before tax has almost doubled and the dealership certainly shows it can make money from the metal, as earnings from new and used car sales outweigh aftersales profits.

Over the same period, Peter Vardy BMW and Mini Edinburgh has focused on achieving upper quartile performance in every department. As a result, it has outdone many of its peers, becoming a top performer in customer service, corporate sales,

‘This dealership certainly shows it can make money from the metal’



Peter Vardy, chief executive of Peter Vardy (left), accepts the award for Best Dealership from Lee Higgins, managing director, Rhino Events

used car sales and parts, and driving local market penetration well past BMW and Mini's national market shares.

Short departmental meetings set a target each morning, against which performance is measured and communicated to all team members at the end of the day.

Staff members are brought together regularly to hear about overall performance and to reward top performers.

The judging panel said the

dealership was: "A stand-out performer, with solid improvements and a great culture of 'healthy discontent' that drives them to constantly seek to do more."

Shortlisted

cartime
Mercedes-Benz & Smart
Birmingham Central
Norton Way Mazda
Romford Mazda
Vic Young

Previous winners

2015 Crewe Seat (Swansway Garages) **2014** Barnetts Volkswagen
2013 Peter Vardy Vauxhall Motherwell

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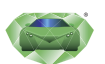
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Best Retail Group (up to & including 10 sites)

Winner City West Country

City West Country (CWC) had an "impressive" 2015, according to auditors BDO, with returns of about 2.5% on group turnover of £201 million.

CWC, which has held the south-west market area for Mercedes-Benz and Smart since 2001, achieved this in a period of significant growth in the dealer's performance figures, allied to the success being enjoyed by Mercedes-Benz, particularly in the new car market.

The company reported new and used retail units rose by 13% year-on-year in 2015, while service hours sold increased by 18%.

CWC said it continuously seeks ways to streamline its business and in 2014/2015 it continued to develop its own software system,

"CWC new and used retail units rose 13% in 2015"



Gary Savage, chief executive, Mercedes-Benz UK (left), accepts the award on behalf of City West Country from John Boseley, managing director, Diamondbrite Automotive

which was designed to help control and manage the growth of its retail and fleet businesses.

It continues to work hard on customer retention and has more than 3,400 customers on its service plan. Vehicle parc penetration in its market area, in which it operates four sites, is now about 49%.

BDO called the privately owned CWC an "impressive entrant"

and the AM Awards' judges acknowledged a business growing year-on-year with a "focus and clarity that is paying dividends".

Shortlisted

**Delgarth Motor Group
Essex Auto Group
Jacksons CI
Norton Way Motors**

Previous winners

2015 Day's Motor Group **2014** Peter Vardy **2013** Lifestyle Europe

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at the AM Awards 2016



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AM AWARDS:2016

Best Retail Group (more than 10 sites)

Winner Arnold Clark Automobiles

The AM Awards' auditor BDO said it was "blown away" by Arnold Clark's clear determination to succeed and improve.

It said the evidence for this was in the "monumental change" generated by the dealer group's 'Think Customer' programme. This requires all staff, customer-facing or not, to improve service levels. Each site determines its own customer service priorities through weekly meetings – supported by monthly board meetings.

Arnold Clark reported that in sales satisfaction surveys of more than 111,000 customers, 97% of respondents said they would buy their next car from the group and nearly the same amount would recommend it to a friend.

A key reason why the judges chose Arnold Clark is its restless determination to keep improving.

Home-grown initiatives include a star rating system based on customer opinions, a photo app designed to enhance the online



Eddie Hawthorne, MD, Arnold Clark Automobiles (left), accepts the award from Nick Franklin, head of new business, partnership and distribution, Mapfre Abraxas

buying process that allows up to 12 images per vehicle on the Arnold Clark website, and the 'your car preview' personalised video of customers' cars in for service work, which has led to 162,847 videos being produced.

The awards judges also made special note of Arnold Clark's commitment to fostering young talent, acknowledging its long-standing partnership with its

training division, GTG, and The Prince's Trust to provide opportunities for those from disadvantaged backgrounds. GTG provided more than 1,000 apprenticeships for these young people last year.

Shortlisted

Peter Vardy
Swansway Group
TrustFord

Previous winners

2015 John Clark Motor Group **2014 Swansway Garages**
2013 Swansway Garages

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AM AWARDS:2016

Digital Initiative of the Year

Winner BMW Retail Online

After making headlines across the industry and beyond with its one-stop online new car sales system, BMW Group UK has secured this year's overall Digital Initiative of the Year award.

While the premise of BMW Retail Online is to offer customers the option of completing the entire car-buying process online, the system also promises to efficiently harness ready-made leads for dealerships.

In its AM Awards entry, the BMW Group said: "The establishment of a full online retail channel for new cars, together with the retail network, clearly changes the way we do business on both national and retailer level."

The streamlining of the sales process and increasing customer satisfaction through the convenience of 24/7 availability were earmarked as objectives of the project.

Equally, it is hoped that many buyers will take advantage of the BMW Retail Online system's 3D virtual car viewing area, configurator and BMW Financial Services finance calculator before heading



Kevin Davidson, retailer development director, BMW Group UK, accepts the award for Digital Initiative of the Year from Sharon Randall, UK sales director, Auto Trader

to a retailer for a test drive or to complete the deal.

BMW Group UK said: "BMW Retail Online is a convenient and comprehensive digital sales solution with strong integration of the dealer network."

Part of the site's function is to provide details of where the closest match to a customer's configured car is located and every step of the process can be completed with the

assistance, via live chat, of a BMW 'genius' or a sales executive at a BMW retailer.

The AM Awards judges said BMW Retail Online "represents a part of the future".

Shortlisted (from the Digital Award category winners)

**Perrys Motor Sales
Arnold Clark Automobiles**

Previous winners

2015 Perrys Motor Sales **2014** Kia Motors — customer reviews (Reevoo)

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AM AWARDS: 2016

Dealer Principal/ General Manager of the Year

Winner John Vilums, general manager,
Perrys Vauxhall Doncaster

With John Vilums at the helm, one of Perrys' most challenging dealerships has been turned into one of the most productive.

Vilums recognises that it is the people at the business who matter most. With his leadership and focus, the staff at Perrys Vauxhall Doncaster care about the business, and are well motivated and informed. Customers are also much happier.

It hasn't always been the case. Since Vilums came to the site in early 2013, he has made key personnel changes, developed a 'people-first' focus that drives performance and results and has involved all staff in the improvement process.

Other changes included taking a more calculated approach to sourcing profitable stock for the forecourt, and improved vehicle presentation. The result is a dealership that sold almost 1,500 used



John Vilums, general manager, Perrys Vauxhall Doncaster (right), accepts his award from Stephen Briers, editor-in-chief, AM

cars in 2015, more than any other in the group network, driving an increase in revenue of more than 29% from this department alone.

Revenues in its service department also grew significantly and its commercial vehicle sales have more than doubled. The turnover of the business is up more than 25% since Vilums took over, and the returns it is achieving from a volume brand are on a par with an

average premium brand dealership.

Vilums has put Perrys Vauxhall Doncaster into the top quartile of Vauxhall's network for profitability.

Shortlisted

Adam McCullagh, Mercedes-Benz & Smart Birmingham Central
Amarjit Shokar, Romford Mazda
Glen Kenington, TrustFord
Vic Young, Vic Young South Shields

Previous winners

2015 Jane Hargreaves (Wrexham Volkswagen)

2014 Jacqui Kaye (Corkills Volkswagen) 2013 Chris Eccles (Bowker BMW)



Creating a

Over recent years, the motor industry has changed drastically. The introduction of the Financial Conduct Authority in 2013 has altered the way in which finance providers can operate, providing a greater confidence to consumers when it comes to getting a good deal.



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With this in mind, we recently rolled out our prime product to our dealers across the UK, following an extremely successful pilot programme. The launch gives Moneyway a real unique selling point in the motor finance market, as we can now consider customers with prime to non-prime credit profiles, providing dealers and credit brokers with a 'one stop shop' solution when sourcing finance.

In addition, we underlined the commitment we have to our dealers and credit brokers by refreshing our near and non-prime products.

Ensuring customer satisfaction

We listen to our customers. Over the last 12 months, we have made a number of enhancements to our lending criteria to bring it in line with our feedback. This includes increasing our Loan-to-Value up to a maximum of 120 per cent, removing upfront administration fees, increasing our maximum loan advances up to £25,000 and increasing the engine size of the vehicles we finance up to 4.0 litres. This ensures that we can now provide more choice for our customers, and allows us to finance a much wider range of vehicles.

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As a result, it's no surprise that our 12 month customer **Feefo satisfaction score is 96 per cent**. In addition to claiming the prestigious 'Treating Customers Fairly' award at the F&I Awards in December, we were also crowned Sub-Prime Lender of the Year at the Motor Finance awards. This has translated into excellent financial results, with lending balances up 19 per cent to £152.3m in the first six months of 2015 alone.

Looking to the future

2016 is set to be an exciting year for Moneyway, as we look forward to continuing to grow our client base and working closely alongside our dealer and introducer partners to achieve the best possible outcomes for our customers.



John Simpson

Managing Director
Moneyway Motor Finance

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AM AWARDS:2016

Retailer of the Year

Winner Arnold Clark Automobiles

Arnold Clark Automobiles beat the likes of Peter Vardy, TrustFord, Swansway and Perrys to win Retailer of the Year, which is selected from the winners of AM's retailer categories*.

Last year, the Scottish automotive retail giant announced its third consecutive year of record results, for 2014, and our AM100 analysis in the spring saw the privately owned group make the most profit of any of the largest franchised dealers in the UK for the second consecutive year – £107 million, an impressive 26% growth on turnover up 12%. Net margin is now among the very best in the industry, at 3.6%.

Arnold Clark put its success down to its total car sales figures – up more than 7% to 249,000 units – and it is confident it will have broken the 250,000 barrier when it reveals its 2015 results in October.

Group acquisitions plus the opening of Renault's biggest UK dealership in December saw the number of employees grow to more than 10,000 across more than 200 UK dealerships, representing 23 manufacturers.

Continued acquisitions, plus the



Eddie Hawthorne, group managing director, Arnold Clark Automobiles (left), accepts the Retailer of the Year award from Richard Jones, managing director, Black Horse

promotion of apprenticeships and a focus on offering work experience opportunities in its local communities, were recognised by AM as laying the foundations for Arnold Clark to be one of the finest UK automotive retailers.

The AM Awards judges were unanimous in their choice of Arnold Clark as the winner of this prestigious award.

** Best Used Car Performance, Best Fleet Operation, Most Improved*

Dealership, Best Dealership, Best Retail Group (up to and including 10 sites) and Best Retail Group (more than 10 sites)

Shortlisted

**Perrys Vauxhall Doncaster
Swansway Group
Sandiccliffe of Stapleford
Peter Vardy BMW
and Mini Edinburgh
City West Country**

Previous winners

**2015 John Clark Motor Group 2014 Arnold Clark Automobiles
2013 Arnold Clark Automobiles**

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AM AWARDS:2016

Manufacturer of the Year

Winner Mercedes-Benz

A decade or two ago, the three-pointed star was still exclusively the preserve of those who had made a success of their career choice. People still climbing the lower rungs of their career ladder were not given much consideration.

Thanks to the introduction of its latest generation of small cars, the A-Class, CLA-Class, GLA-Class and B-Class, Mercedes-Benz now features on corporate fleets for young executives and wins retail custom from 30-something professionals. A consumer can get behind the wheel of a new Mercedes-Benz for as little as £300 a month. Moreover, the brand has such depth and breadth of well equipped products, from family cars, SUVs, coupés, convertibles and luxury transport, that the same consumer could remain a Mercedes-Benz customer for life.

Its AMG models boost the brand's appeal further by providing the ultimate in outright performance and driving dynamics beneath bodysells that still relate to its everyday models, as any halo model should.



Gary Savage, CEO, Mercedes-Benz UK (left) accepts the award for Manufacturer of the Year from Mark Boote, managing director, Smart Insurance

The powertrains Mercedes-Benz has developed, including petrol, diesel and now plug-in hybrid, are extremely efficient and its on-board technology, for both occupant comfort and for safety, is market-leading. Combining these with such an easily recognised premium brand has proved to be a winning formula.

In declaring Mercedes-Benz Manufacturer of the Year, the AM

Awards judging panel said: "It makes products people want, in every sector, with amazing quality, safety and environmental considerations."

Shortlisted

BMW
Renault/Dacia
Toyota
Volvo

Previous winners

2015 Ford UK 2014 Land Rover UK 2013 Land Rover

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AM AWARDS: 2016

Business Leader of the Year

Winner Gary Savage, CEO, Mercedes-Benz UK

Gary Savage joined Mercedes-Benz UK as managing director in 2010 and the brand has broken records for sales and market share in the five years since.

UK registrations of Mercedes-Benz cars have almost doubled over those five years, from 74,000 in 2010 to more than 145,000 last year. Its market share has grown from 3.69% to 5.52% over the same period.

However, that success has not been achieved at the network's cost. Average dealer profitability has grown to 2.2%.

Savage's first move on his appointment was to replace quarterly sales targets for new cars, which were stressing the network, with monthly targets. Dealers were sceptical, but the move worked, giving them a clear, manageable objective.

'Savage credits his dealers as the best in the business'



Gary Savage, CEO, Mercedes-Benz UK, accepts his award from host Katie Derham, and Simon Webb, head of sales and development, Premia Solutions (right)

Both Savage and his dealers have acknowledged the previous parent-child relationship between them, but it has become a much more productive peer-to-peer partnership under his leadership, first as managing director and, from 2014, as chief executive.

There is evidence of this in the brand's 'near-perfect' 9.7 out of 10 scores from dealers asked if they would recommend it and its profit potential in the latest National

Franchised Dealers Association Dealer Attitude Survey.

The network has been stable at about 249 dealerships for two years and Savage happily credits his dealer partners as being "the best in the business".

When Savage isn't bringing home the bacon for his Stuttgart bosses, he decompresses from corporate life by spending his free time mucking out the animals on his smallholding in Northamptonshire.

Previous winners

2015 Ray Sommerville, Perrys Motor Sales

2014 Eddie Hawthorne (Arnold Clark Automobiles)

2013 Peter Vardy

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AM Hall of Fame as the 2016 inductee!**

AM AWARDS:2016

AM Hall of Fame

Winner Mark Squires

An endlessly enquiring mind and a determination to improve drove Mark Squires to launch innovative programmes and practices at his family's motor retail business, Benfield, which have since become commonplace in our industry.

He led Benfield, in both executive and non-executive roles, until its sale to Lookers last year.

Squires built the business in financial and geographical terms to become one of the leading operators in the North East and, importantly, one with an outstanding reputation for customer service.

Squires was involved in a number of innovations in Benfield's online capabilities, the integration of online and offline processes, staff development and internal culture. Aftersales call centres, sales support teams, extended 'lifestyle' test drives; 12-month warranties on all used cars and the 'Open



Former Benfield Motor Group chief executive Mark Squires, centre, accepts his award from host Katie Derham and Jonathan Ellis, UK sales manager lubricants, Shell Oil

Road' 30-day no-quibble exchange offer were some of Squires's innovations at Benfield.

He was also an active member of the National Franchised Dealer Association (NFDA) executive, with a particular focus on aftersales. He no longer works in motor retail,

but chairs the NFDA's aftermarket working group and is involved in research into consumer perceptions of franchised dealers.

Squires is a voracious reader and a seeker of improvement insight that often took him around the world, but he still found time to be heavily involved in charity work. He often used his holiday time to support the Benfield Charitable Trust, which supports causes local to Benfield businesses as well as charities overseas.

'Squires built Benfield to become one of the leading operators in the North East'

Previous winners

2015 Gerard Nieuwenhuys, Sytner 2014 Peter Jones, Lookers

2013 Ken Savage, Perrys

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Jim Saker's view from the business school

Technological advances such as EVs and big data mean motor retail needs a professional register.



74

Does your business have a complaints strategy?

Legal changes oblige dealers to record how they deal with disgruntled customers.

78

10 great ways to handle customer grievances

We ask dealers, manufacturers and industry experts for their top tips on dealing with complaints.

Subaru making up for lost time with SUV sales push

The 4x4 specialist is focusing on SUVs, 'boutique service' and high margins to take registrations and dealer numbers to heights not seen since the turn of the century

NEED TO KNOW

- Japanese manufacturer is bonusing SUV sales only
- Most Subaru customers still buy outright in cash
- Subaru registrations grew 25% in 2015

By Tom Sharpe

Almost two decades after the World Rally-winning Impreza Turbo drove its annual UK registrations to more than 10,000, Subaru is eager to prove it can reach those heights again.

Having emerged from the financial storm that hit Japanese manufacturers particularly hard, the four-wheel-drive specialist is seeking 30 new dealers to significantly grow its network and is shifting its sales priorities to its SUVs.

But can it reach its 10,000 target, a figure it has not achieved

3,455

Subaru's new car registrations in 2015

2,800

of its registrations last year were for SUV models

Below: Hammond Group is to be joined by as many as 30 new dealerships in the Subaru network

in the UK since the turn of the century, without the performance car so many people associate with the brand?

Subaru operations manager Paul Hegarty believes it can and said the Colin McRae fever of the mid-1990s was "an anomaly".

"Subaru's still a brand that many people don't understand. They think of Impreza and rallying and motorsport and they think that's all it is," said Hegarty, who returned to Subaru in 2013 after 12 years at Daihatsu and Great Wall.

Sales of Subaru's current performance-oriented saloon, the WRX STi, made up a fraction of the 3,455 registrations the brand achieved in 2015.

"In 1999, we sold 7,000 Impreza Turbos. This year we're going to do about 350 STi models. That's 20 times less," said Hegarty. He described Subaru's sales success in the UK during the 1990s as "extraordinary times", but said they were "not really typical of the brand".

"In 1996, we launched the Colin McRae and that started a massive rise in disproportionate Impreza volume.

"People were coming and buying the cars who we had never encountered before. We had been in the UK for 20 years by then, selling country cars to country people.

Subaru was the best-kept automotive secret and then a couple of rally wins happened and all of a sudden it went mad.

"Many of those customers that came in and bought into the brand on the back of that left just as quickly as they came, but the legacy from that period lives on.

"We're still doing what we always did: hunting, shooting, fishing – a rural person's estate car.

"In reality it's quite a stable business. We don't lose our customers to other brands because other brands just



SUBARU MODEL LINE-UP



OUTBACK

Billed by Subaru as the world's first crossover – a combination of estate car and SUV – the Outback was originally launched in 1995. Last year saw a mid-life update for the current model, which starts at £27,995.



FORESTER

Subaru's most rugged offering, the Forester SUV, also got a mid-life update in 2015. Among the line-up is the (£30,995) XT Lineartronic, which serves up 237bhp and 258lb-ft of torque from its 2.5-litre turbocharged boxer engine.



XV

Subaru's answer to the new breed of SUV crossovers, XV prices start at £21,995 for the two-litre petrol model and £23,995 for the more frugal boxer diesel.

don't deliver what they need. They can't go and buy something else, so business just nicely trundles along, come boom or recession."

Hegarty said the "bedrock of the franchise" in the UK has been symmetrical all-wheel-drive cars with off-road ability, but its focus now is firmly on the SUV sector – more than 1,200 of the Subaru registered in 2015 were Foresters, with Outback and the XV crossover following with about 800 registrations each.

Hegarty described the WRX STi, Levorg, Impreza and BRZ coupé as "niches within a niche brand".

Upon returning to the brand in 2013, he said his first priority was to encourage dealerships to sell in the sectors where the brand saw potential for the greatest market growth in the UK, introducing clearly defined sales targets and a bonus scheme that rewarded SUV sales alone.

"I think a lot of people who had been in Subaru thought 'I don't know about that', because four of our vehicles have flat margins. They can't earn any bonus on BRZ, they can't earn any bonus on Impreza, STi or Levorg," he acknowledged.

"Dealers have to go in the direction that we want to take the business, where the growth opportunity is, so that's where we put the money, and the bonuses are quite substantial. They could earn £1,800 on a car in addition to the standard margin."

Maintaining a strong margin is key to Subaru's UK sales strategy. Although Hegarty will not reveal what dealerships can expect in RoS terms, he said it had to be healthy due to the small volumes many businesses are trading, describing the personal service and lack of urgency in completing sales as "a boutique experience" for customers.

One of Subaru's most successful UK territories – its UK distributor, the IM Group, divides the nation into four separate portions – is Scotland and Hegarty said some of the 12 dealerships north of the Border were selling 140 cars a year.

In conjunction with a loyal customer base that appreciates Subaru's ethic of putting engineering first, Hegarty said dealers can have a "good business" thanks to healthy margins and a strong aftersales operation.

"Aftersales is a huge focus because of the nature of the car. If you looked at a 10-year-old Subaru, it could very well still be in the dealership network and if you looked at the service



Subaru describes the personal service at its dealerships, such as Keith Price Garages, above, as 'a boutique experience' for customers

book it would be bosh, bosh, bosh, page after page, book after book of dealership stamps. There's no brand like it in aftersales terms.

"One dealer told me he had handed a service book to a customer the other day with a bill for £1,800 and he had thanked him. He said if he'd done that with a bill of £150 at another franchise he had, he might have expected to be chased up and down."

Hegarty said the introduction of an offer of three years' free servicing for the XV crossover during 2014 had generated little response from customers, adding: "Our customers are a very specific set of people, buying the vehicle for its durability and off-road ability."

'Most of our customers buy their cars in cash'

While almost every other brand in the UK has seen registrations surge over the past number of years on the back of increased finance, especially PCPs, Hegarty said "we are not a conventional brand dealing with conventional customers".

"They want the product and don't care that much about a killer deal. We wouldn't sell more Subarus if we suddenly started offering £2,000 off.

"We've made an effort to increase our PCP penetration and make our dealers more interested in it and we have retail offers and may give a £1,000 deposit contribution, but if you talk to the dealers they will say that most of their customers will buy their cars in cash."

Hegarty said among the most popular finance offers is a 50:50 purchase, "i.e. they put 50% deposit and then pay the next 50% the following year, and we offer 0% interest-free funding, but that doesn't drive a sale, it may simply help us close the deal".



"Dealers have to go in the direction that we want to take the business, where the growth opportunity is, so that's where we put the money"

Paul Hegarty



LEVORG

Launched in 2015, the £27,495 Levorg sport tourer is the newest addition to the Subaru line-up. Indicative of the brand's engine down-sizing, it features a 1.6-litre turbocharged engine delivering 168bhp and 184lb-ft of torque.



IMPREZA RC

The entry-level to Subaru ownership, the £17,495 Impreza RC is a four-wheel-drive hatchback. The cleanest Subaru, it emits 140g/km CO₂ emissions and claims 46.3mpg with the optional CVT transmission.



WRX STI

The spiritual successor to the Impreza Turbo of the 1990s, the WRX STI is a four-wheel-drive, four-door saloon delivering 296bhp and 300lb-ft of torque from its 2.5-litre boxer four engine.

"I think we're trying to be creative in offering our customers something that other brands might not offer that chimes with them and 50:50 is definitely something that chimes with Subaru customers because they already have the money in their high-interest building society accounts or stocks or wherever they choose to keep it."

Fleet barely registers on Subaru's sales charts, with base-line CO₂ emissions of 140g/km (in the Impreza RC 1.6 Lineartronic) often being cited as a key reason, but Fuji Heavy Industries – the Japanese owner of Subaru – is said to be working on a new breed of lower-emission small-capacity, turbocharged engines.

Subaru's exposure to the vagaries of the Japanese economy are one of the reasons it suffered in the early years of this decade.

Following the Japanese tsunami of March 2011, it suffered inevitable supply issues and was forced to close its plant as the clean-up operation got under way, leading to a struggle to meet the market's global demand for cars.

The effect of the natural disaster on exchange rates was keenly felt for months to come.

As the Bank of Japan injected trillions of yen into the system in an attempt to make exchange rates favourable to importers, margins shortened and Toyota, Honda, Mitsubishi, Suzuki and Subaru were all among those losing out.

Turning the corner

Almost five years on, Hegarty believes Subaru has turned the corner and credits his dealer network with the improvement in its fortunes.

"We've been 12% up in 2013, 23% in 2014 and about 25% in 2015. Year-on-year we have good stable growth and the dealers are fundamental to that."

However, those remarkable growth figures are from a low base – four years ago, Subaru recorded registrations of just 2,023 and its market share had plunged to a low of 0.10%.

Its dealer network shrank significantly too, from 103 franchised outlets in 2003 to 52 in 2013.

As sales began to progressively rise in 2013 and 2014 the number of Subaru dealers went from 52 to 66.

23%

Subaru's year-on-year registrations increase in 2014

25%

Subaru's year-on-year registrations increase in 2015



Its registrations fall and subsequent rise is also reflected in how dealers rate the value of the franchise, according to the NFDA Dealer Attitude Survey, with scores running from 4.5 in Winter 2012 to 7.1 in the most recent survey.

IM Group, which also looks after the Isuzu and Great Wall brands in the UK, oversees the operation of 70 Subaru franchised dealers (plus 12 authorised repairers) across the UK and Hegarty sees that number rising to about 100.

"We'd like more dealerships in Nottingham, Cardiff or Swansea. As much as our product appeals to a certain type of person, they might not want to travel 100 miles to a dealer."

"As a company we are obsessed by dealers because we're a distributor so, in essence, we are a buyer and a seller of a product. I think we're aware of the value that the dealers bring more than any other brand in the market."

Start-up costs are small for a Subaru franchise, with CI less of a consideration than may be the case with other manufacturers, and even used car operations with an efficient aftersales operation would be considered, said Hegarty.

However, he acknowledges that attracting the right new franchises to the Subaru network is an ongoing process, and one that cannot be rushed.

Hegarty said: "Our regional managers are travelling around the regions and talking to everyone – and I mean everyone – in locations that we are interested in. We'll even speak to DPs who we know aren't interested in a franchise because it might lead to a contact further down the line who is."

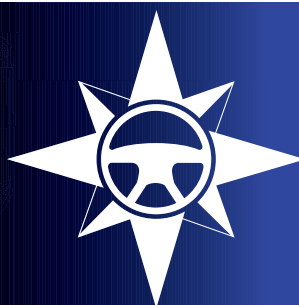
"We know a lot of other companies' dealers better than they know them themselves. That's our job, really. Knowing our dealers well and ensuring we have the right people on board is where a lot of this extra growth has come from."

Hegarty said the decision to appoint a new Subaru dealer is "never rushed", adding: "We spoke to one guy for seven years."

Chris Graham, Subaru's dealer development manager, reminded Hegarty that he had spoken to James Haworth at the Buckingham and Stanley Group in Cambridge for 20 years. "We're patient enough to wait 20 years," said Hegarty.

"We don't want to rush to get an open point filled and then find that the dealership just doesn't get it."

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Keith Price Garages, in Abergavenny, South Wales. Start-up costs are small for a Subaru franchise

“Lead management at Subaru doesn’t mean sales staff equipped with iPads, it means developing relationships the old-fashioned way”

Paul Hegarty

“What we want in a dealer is an appreciation for what Subaru is and that’s a niche brand with this technology, with this capability, that nobody else offers. It’s sold in this way, to these people, through these channels.

“Subaru strives to offer its customers a very personal, boutique service. If someone wants to be a Tesco Express and move a lot of cars fast then that’s fine, but they won’t be doing that with us.

“We’re not a company that says ‘sell these cars by giving the customer £5,000’.

“What we don’t want is what other people have seen in terms of growth: up, down, up, down, losing dealers, multi-franchising them, giving up on the fleet business and losing half their representation in the process.”

One of the key characteristics of the Subaru network is that many of its franchises are based in rural locations, including one of its most successful, the Cross Roads Garage at Shipston-on-Stour, Warwickshire.

The countryside is where the brand’s target market can be found and while much of the brand’s UK marketing budget is spent in specialist publications such as *Horse and Hound*, *Country Life* and sponsoring events such as point-to-point equestrian events, Hegarty said the old-fashioned relationships that come with the slower pace of rural life are often the key to success for a dealer.

He said: “There’s an obsession with lead management at Subaru, but that doesn’t mean sales staff equipped with iPads and websites gathering data from customer searches, it means developing relationships the old-fashioned way.

“If we appoint a new dealer, one of the challenges that we have is to move their normal approach to marketing a car to one that’s marketing a Subaru. There’s no point sitting in the showroom all day long because that’s not where the customers are going to be.

“They are going to be at the local farmers’ market or gymkhana. Once you go to these places, the propensity of people to buy Subaru massively increases. You might find 20% of the cars at these places are Subarus.

“In many ways that’s the beauty of Subaru. While we might remain the best kept secret in the automotive industry to lots of people who still see us as a rally team, we know our audience well and they know us.”

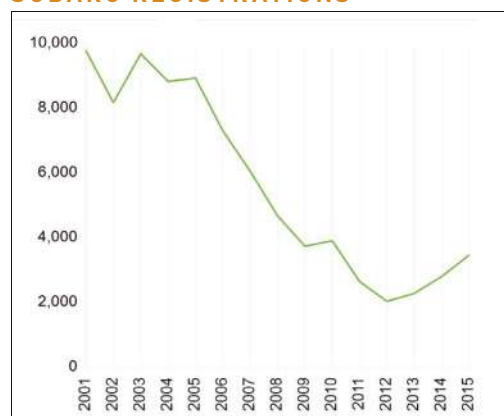
103

Number of franchised dealer sites in Subaru’s network in 2003

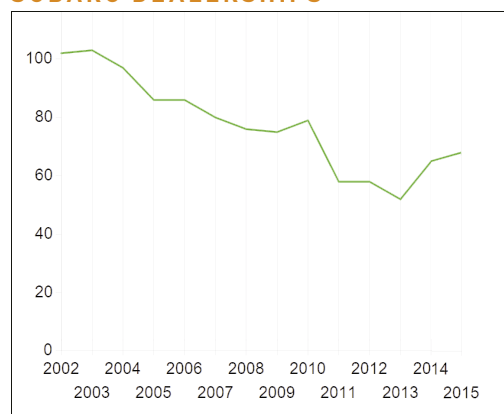
66

Number of franchised dealer sites currently in Subaru’s network

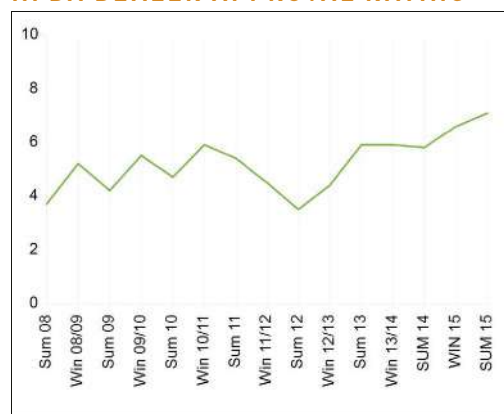
SUBARU REGISTRATIONS



SUBARU DEALERSHIPS



NFDA DEALER APPROVAL RATING



Sources: am-online.com/ami; SMMT; NFDA

Data security and EV skills mean we need a professional register



By Professor Jim Saker

My role at Loughborough University places me in a privileged position where I get to meet and discuss issues with senior people from other sectors and industries.

The latest such occasion was no different. As I sat in the boardroom of what was the Corps of Commissionaires (now Corps Security), under the watchful eye of a portrait of its founder, Captain Sir Edward Walter, we discussed the merits of the university re-launching tailored industry programmes on subjects such as international security, resilience and crisis management.

The surroundings were surreal, with ceremonial swords and military trappings dating back to 1859, when the security company was formed to provide employment for ex-servicemen returning from the Crimean War. However, the discussion could not have been more contemporary.

In a world with a range of different and emerging security threats, the industry has had to radically reinvent itself. The traditional uniforms and practices are long gone and the industry has had to retrain its staff and change its recruitment profiles to survive.

The security sector is broad – it employs people from nightclub bouncers to IT experts working for GCHQ and MI5. What impressed me was its attitude and vision of the future. Predicting a further 30 years of Middle East-based terrorism, it sees a need to professionalise its management and train its people.

Professionalising industry conduct

The sector has set up a Register of Chartered Security Professionals, which it says “demonstrates to clients, employers, peers and the public an ability to deliver quality results, compliance with a code of conduct, a professional disciplinary code and a commitment to continual professional development”.

The register is intended for people looking to develop a career in management and is intended to attract more graduates, although alternative routes are available.

As I walked away from the meeting, I felt I understood a bit more about the industry, but also what it is trying to do improve its professional standing. Undoubtedly there is a need for high standards to keep people safe at a basic level, but, as technology advances, the need to counter cyber-attacks from outside the organisation is matched by spotting the signs of when employees are likely to steal information from inside the organisation.

There have been a number of high-profile cases where customer information has been taken from companies. I am sure most readers of *AM* have had attempts to extort money from them by various means. As the technology has increased, the amount of data being passed electronically has grown exponentially.

Reflecting on the motor trade, it faces similar challenges to the security sector. It needs to keep people safe while driving and over the years, car safety and the quality of servicing have improved. On the whole, customers are treated well and there are close monitoring processes applied to measure performance.

The technological challenge to competence

The issue the automotive sector faces is that over the next five to 10 years, a number of technological changes are likely to take place. Even with lower oil prices, vehicle powertrains are likely to migrate towards battery electric and hydrogen fuel cell. The equipment in the car will continue to become more sophisticated, with an increased emphasis on the connected car and embedded technology. These two factors will combine to present our industry with challenges to both competence and security.

As cars become more complex, the skills required to understand the diagnostics and how to correct any faults will increase. Mistakes have the potential to be costly, both in monetary terms and in areas such as health and safety.

Far more data will also be generated about customers, including driving behaviour, lifestyle and potentially their financial circumstances. There is an ongoing debate about who owns this data and who should be allowed to access it.

The security industry has gone down the route of creating a professional register of employees.

For years, the automotive retail sector has struggled to attract people. A registration process, with common standards for technical and non-technical staff, provides a benchmark against which people can be measured. It gives the opportunity for distinguishing the good from the bad and, more importantly, gives the power of exclusion, which will help raise the standards across the sector.

Although this is currently alien to the retail automotive sector, it will take just one major data leak by a dealership employee for the authorities to investigate the procedures dealers have in place.

It may not be a panacea, but there are good arguments for automotive retailers to follow the security industry's lead and develop a formal register of qualified people that will reassure the public and raise the status of the sector in the eyes of our stakeholders.

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.

“The need to counter cyber-attacks from outside the organisation is matched by spotting the signs of when employees are likely to steal information”

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How do customers rate their experience at your dealership?



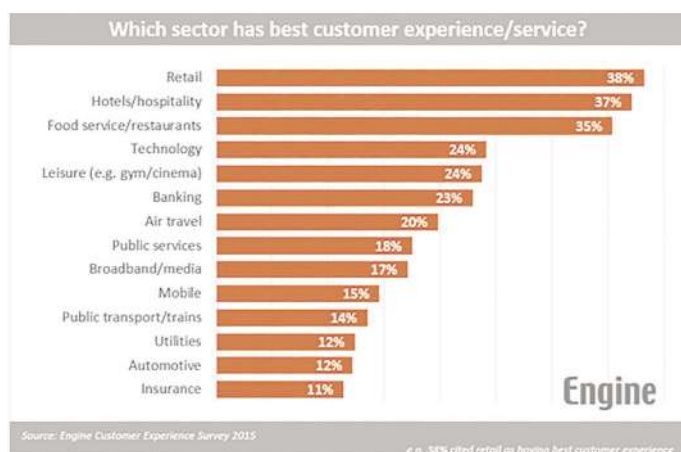
Do you really know what your customers think of your business, your staff and the service you provide?

From the moment an individual lands on your website through to retention, customer engagement is vital and all employees are the custodians of a business' first class service. Learn how to create a culture where exceptional customer experience is delivered naturally and effortlessly and where customers themselves become passionate brand enthusiasts.

With years of focusing on customer experience and working in high profile, top standard retail sites, dealers already have an advantage. However, it is time to develop a sophisticated customer experience strategy which permeates all levels of the dealership and becomes literally the lifeblood of the company.

Our conference will show you how to deliver a stellar customer experience that becomes your crucial differentiator.

The automotive sector was rated second to last for customer service in a survey of 14 industries*



The most highly valued characteristics offered by companies when delivering customer service were:

- **Openness/honesty 49%**
- **Efficiency 43%**
- **Reliability 41%**

*Source: AM-online, 16/09/15 – Dealers come close to offering worst customer service, survey reveals.

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1. **Develop** a sophisticated and successful customer service strategy
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4. **Understand** and overcome the challenges of meeting customer demands
5. **Gain insights** into current and future customer service trends
6. **Meet potential new suppliers** and build stronger relationships with current ones
7. **Learn** how customer care impacts on profit margins
8. **For advice** on how to refocus and redevelop your approach to customer service
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10. **Ensure** business decisions are made with the most up-to-date facts and figures

Our speakers include:



Linda Moir,
former director of
in-flight services,
Virgin Atlantic

Inspiring great customer service

Delivering insights into how to manage, motivate and inspire more than 15,000 volunteers or 'gamesmakers' to provide the very best customer service at London 2012, Moir will also draw on her experience as director of in-flight services for Virgin Atlantic when she discusses how to create a genuinely customer-centric business.



Dom Threlfall,
managing director,
Pebbley Beach

How one dealership created an award winning customer service strategy

Having scooped a number of prestigious awards including AM's Excellence in Aftersales in 2015, Pebbley Beach has long striven to deliver the 'wow' factor to its customers. Threlfall will illustrate how a continually evolving business approach to customer care as a result of constant customer evaluation and staff focus groups, encourages customers to return and recommend.



Catherine Hutt,
principal consultant -
automotive, Frost &
Sullivan

How the customer experience will change in automotive retail

Taking a glimpse into the future, market researchers and consultants Frost & Sullivan undertake extensive research to predict how the consumer environment will look in a few years' time. With automotive retail undergoing massive change, Hutt explores how the consumer is redefining the sales and aftersales process and how dealers and manufacturers can meet the challenges.



Captain Gary Barrow,
King's Royal Hussars,
British Army

What the British Army can teach us about how to encourage loyalty

If any organisation knows anything about the secret of loyalty it's the British Army. This session provides an insight into how the military develops teammates who perform under pressure. From resisting the urge to micromanage and advocating individual responsibility, Capt Barrow illustrates how to create a motivated team which in turn encourages a culture where loyalty flourishes.



Jo Causon, CEO,
The Institute of
Customer Service

How customer experience is evolving

The UK Customer Satisfaction Index (UKCSI) from the Institute of Customer Service is the UK's biggest barometer of customer service and this session explores best practice in the nation's most highly regarded companies. Customer research from the institute reveals changing priorities for customers. This session promises a host of fascinating insights into the evolving customer experience landscape.

Masterclasses

Attendees will have the opportunity to choose from one of the interactive masterclasses below to delve deeper into its subject content in a smaller session.

Staying in touch with customers on their terms

Examining customer preferences, examples of contact between dealership and customer, this session will demonstrate how the modern dealership can use its data along with the best of modern communications, combined with more 'traditional' methods to be where the customer wants them to be, when the customer wants them to be there.

The Art of customer service

Presenting alongside one of its most successful dealer partners, Carwow will explore exactly what excellent customer service means to the consumer. The session will include tangible advice on how to sell to today's customer and tips to increase conversion rates as well as insights into what customers love (and what they hate).

An additional masterclass to be confirmed in due course.

To book your place visit: www.amcustomerservicesummit.co.uk

or contact Emma-Louise Kinnaird on **01733 395133** or email emmaloise.kinnaird@bauermedia.co.uk

What's your customer complaint strategy?

A good procedure for dealing with disgruntled consumers has always been advisable, but legislative changes have now made it a necessity

NEED TO KNOW

- Dealers advised to record every complaint
- FCA can demand evidence of how complaints handled
- Many dealers link complaints process to CRM systems

By Tom Seymour

Complaints are difficult to avoid in business. Whether it's reasonable or not, whether it's a faulty product or a relationship that has broken down, they are inevitable.

What has changed is the introduction of new finance regulations and regulators such as the Financial Conduct Authority (FCA), which wants to see clear evidence of how dealers are recording and dealing with complaints.

The Consumer Rights Act 2015 has also brought a renewed focus on how complaints are dealt with, as dealers could be faced with a car being returned if a buyer finds a previously undiscovered fault within 30 days. The Act also gives dealers just one opportunity to fix the fault if the customer has owned the product for more than 30 days.

Dealers need to be confident that should an audit happen, they are ready with detailed evidence of all complaints coming into the business, with timestamps and detail on the complaint and how it was handled.

But what is a complaint in the eyes of the FCA? According to the FCA handbook, it is any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination.

Currently, dealers don't have to report complaints that are resolved within 24 hours following the day they receive them. However, as of summer this year all regulatory complaints will need to be reported regardless of the 24-hour period.

"The advice we're giving to dealers is to have a robust complaints and record-keeping procedure in place"



Samantha Cripps, Alphera Financial Services

A dealer with no complaints may also raise an eyebrow from the FCA. A bit like when a customer looks at a restaurant review online and sees nothing but five-star ratings. For some dealers, complaint ratios are a touchy subject and it was difficult to get some retailers to speak out because, as one put it: "Admitting you get complaints makes you sound like you're bad at what you do."

Andrew Smith, Consumer Credit Advisory Service managing director, said there is still a lot of confusion for dealers as to what needs to be recorded and what needs to be reported.

He said: "My advice is to record every complaint. There has to be an exhaustive record with the detail of the complaint, the nature, who is responsible for the complaint and what was the customer outcome?"

"If the FCA were to sit down with you and ask how you are treating customers fairly, a log of all your complaints in the last year and how they were dealt with can help with that."

"What dealers mustn't do is confuse recordable with reportable. Only the complaints that fall within the jurisdiction of the financial ombudsman need to be reported to the FCA."

Smith advised dealers to make themselves familiar with the FCA's Gabriel online regulatory reporting system.

Smith said: "A lot of dealers will have a template document for a complaint form that they've downloaded or bought, but quite often it's blank and it has not been tailored to their business."

In terms of how dealers should record complaints, that comes down to the individual dealer.

Smith said: "Some dealers have very sophisticated back-office systems that are incorporated into dealer management and customer relationship management systems."

"But it could just be a well set-up spreadsheet and that would still be fine. It doesn't have to be complicated. What you don't want is for the complaint to be on a Post-it note and then for that to be stuck on a file somewhere in a cabinet."

Samantha Cripps, Alphera Financial Services head of sales development, believes there has been confusion around complaints management, but dealers are starting to take control.

She said: "The advice we're giving to dealers is to have a robust complaints and record-keeping procedure in place."

Cripps said dealers may want to look at employing someone at the dealership or assigning an existing member of staff to take on complaints management.

She said: "There has been huge regulatory landscape change and dealers should be looking at the personnel they have that can deal with complaints and perhaps seeing if there's someone that should be taking on that role."

"Some dealers are looking at outsourcing for complaints and that's an option, but personally I think it helps to take ownership of it."

Cripps said large dealer groups are more likely to



SPONSOR'S COMMENT

CUT THROUGH
THE NOISE WITH
TRANSPARENT
FINANCE

By Spencer Halil, director,
ALPHERA Financial Services UK



Following the biggest change in the motor finance sector in more than 30 years, Alphera is cutting through the noise by bringing to market a more simplified and transparent finance model that meets the demands of customers and dealerships alike.

While the Financial Conduct Authority (FCA) may have been one catalyst for change, we were already looking at how to further improve the customer experience. Indeed, Alphera identified a once-in-a-generation opportunity to be a major part of a change to the way in which the motor trade does business.

Our response was to create a new pricing model that removes both the need for customer fees and the volume bonus. Instead, we pay a fixed commission with capped rates, regardless of the product, term or age of the vehicle. The idea is that the salesperson can choose the product that is right for the customer without any bias.

While some dealerships may have initially been nervous that a simplified approach would negatively impact their profits, we have shown that more customers will buy when presented with a clearer and more easily understood proposition. Simplifying finance deals, ensuring transparency and making decisions with the customer at the heart of the business are all key to guaranteeing a successful and sustainable future.

What's more, with further standardisation from FCA regulations expected, we will continue to innovate at Alphera and lead the way in showing how the motor finance industry can set the Treating Customers Fairly (TCF) benchmark for all industries.



Contact details:

0370 505 0137 info@alphera.co.uk www.alphera.co.uk @AlpheraFS

Five steps to successful, FCA-compliant service

The financial watchdog has changed how dealers must treat complaints

Everyone has heard the adage 'the customer is always right', but what does this really mean for dealers and what impact have changes to the Financial Conduct Authority (FCA) had? Samantha Kerry, head of sales development at award-winning independent finance provider ALPHERA Financial Services UK, explains.

FCA regulations that came into force in April 2014 centred on ensuring the motor finance sector is far more transparent and customer-focused. This meant putting customers at the heart of business operations and treating them fairly.

A key area of customer management is dealing with complaints. Ensuring every complaint is dealt with effectively is not only significant for compliance with regulations, but also for business growth. In an industry where people can shop around, and word of mouth is so powerful, reputation is key.

Here are step-by-step guidelines to help:

1. Take every complaint seriously.

Inevitably, there will be complaints made that you don't agree with or you think are minor, but each individual occurrence should be managed with the same efficiency and professionalism.

2. Have a robust logging system in place.

It's vital all complaints are logged and tracked through to completion. Firstly, having a central record will help ensure each complaint is managed and responded to in line with the dealership's policy. Resolving a complaint quickly is key and logging removes the opportunity for error. Secondly, a log enables a dealership to review and analyse all complaints made and maintain an audit trail.

3. Get to the root of the issue.

By reviewing the complaint-logging system, you can select which areas of the



"Ensuring every complaint is dealt with effectively is not only significant for compliance with regulations, but also for business growth"

Samantha Kerry, ALPHERA Financial Services UK

business need to be reviewed and adjusted to minimise future complaints. It may be a process within the dealership that needs updating, a recurring issue with an individual that needs to be covered, or a group training session to drive cultural change.

4. Training is key.

Ensuring all staff attend regular training on customer service will help to reduce the number of complaints received. It will also arm everyone with the correct process for dealing with a complaint. Furthermore, reviewing the complaint-logging system will allow for tailored training sessions on any recurring issues.

5. Appoint a complaints champion.

While all staff should be trained in how to manage a complaint effectively, it may be a good option to appoint a dedicated

person for taking charge of complaints. For example, face-to-face grievances can become heated, so it can help to have a champion to turn to who is expert in defusing such situations and can offer support to staff in the line of fire.

At Alphera, we offer more than just finance solutions. We've worked in partnership with dealers to support them with understanding the changes to FCA regulations and how they affect them. Through a combination of roadshows, a best practice guide, a dedicated sales compliance unit and compliance check list for all customers, we've got compliance covered.



If you need support with understanding FCA regulations and how to ensure your business is compliant, contact us today using the details below:
0370 505 0137 info@alphera.co.uk www.alphera.co.uk



have a complaints department and sophisticated CRM systems, but smaller dealers should also look at training and software options to help them.

Dealerships also need to make sure there are good lines of communication between parts, aftersales and sales, as complaints can often spread between departments and they need to be talking to each other to find out what is going wrong in the process.

Having a robust system in place can help to avoid confusion and can help with picking out trends across a group as to what may be falling down in the sales process.

Graham Jones, Lawdata director of legal services, said there has been an increase in consumers' challenges in light of the CRA 2015. However, he said it has only brought increased structure and focus from dealers looking to protect themselves in return.

He said: "In the first instance, dealers will want to resolve matters as quickly as they can, perhaps as a matter of goodwill towards the customer.

"When it gets more complicated beyond that, that's when they need to seek legal advice from the earliest opportunity. It's important to recognise that there's eight weeks for a final response, so you've got that time to come up with a solution, it doesn't mean you need to rush a final response before that eight-week deadline."

Jones estimated a 20% increase in the amount of calls from dealers seeking legal advice since the introduction of the Consumer Rights Act last October.

He said: "In the instances where customers are demanding a lot, we can help to add a dose of reality."

Jones said while dealers tend to prefer to solve problems on the phone, from a legal standpoint it is better to keep things in writing.

He said: "It's a balance, because you want to keep things personable, but in writing there's less chance for there to be any confusion by what anyone means and there's a record of what has been agreed and said."

Sharon Wright, HR Owen director of luxury services, said the dealer group has heavily invested in a CRM system that incorporates the group's complaints strategy.

At site level, each complaint is managed by the brand manager, general manager or aftersales manager and it is their responsibility to make sure the detail is correctly logged.

The central corporate team can then see an overview of all complaints coming into the business.

One way HR Owen stays on top of complaints even forming in the first place is making sure post-enquiry, post-sale and post-service surveys are sent out to customers.

Across the group, the company is seeing 58% satisfaction on post-enquiry and 80% on post-delivery.

Wright said: "Satisfaction tends to drop off with servicing because of it being a distress purchase.

"In a lot of cases we found the dealer not having adequate evidence to defend against a complaint. Regulators are not interested in emotional responses, they want detailed, recorded evidence"

Mark Tumblety, Peak Consultants

WHAT THE FCA IS LOOKING FOR:

- A low volume of complaints compared with the scale of business undertaken.
- A high proportion of complaints closed within eight weeks. Dealerships have eight weeks in which to write to the customer setting out their 'final response' to a complaint, at which point they can regard the complaint as closed.
- A low percentage of complaints upheld by the ombudsman service. The percentage of complaints upheld by the ombudsman service refers to complaints where it has agreed (either wholly or partly) with the consumer, accepted their complaint and told the firm to put matters right (such as by paying redress).

"Occasionally there are extra costs that come up if something unexpected has gone wrong on a vehicle, particularly with the sort of products we sell, where replacement parts can be expensive."

HR Owen, which sells about 2,500 high-value vehicles a year, had just 10 complaints that needed to be actioned with some kind of goodwill in the past 12 months.

Wright said: "I think it's a testament to our processes that our complaints are so low."

With those complaints, the HR Owen customer service team sat down and talked about the best solution for the customer.

Wright said: "In addition to recording all complaints that come in on the CRM, we also have the ability to go back through all recorded calls with customers to establish what has been said verbatim. You need to work with the facts."

The group has not had to seek legal advice over the past 12 months for any of the complaints it has received, as a solution has always been found before it comes to that.

Graeme Potts, Eden Motor Group managing director, has set up the sales process to manage complaints in a controlled and easily auditable manner.

He said: "Each deal we do will have an electronic file attached to it and this is where all the relevant information for that deal goes. Every single transaction is overseen by a sales controller and we've beefed up the responsibility for that role and made sure there is a position in each of our 18 dealerships."

Potts makes sure his contact details are clearly available on the dealer group's website and customers are encouraged to contact him if they have a problem (it's in the About Us section of his group's website).

Eden also operates a policy across the group that all complaints need to be handled by a manager or at head office, rather than the sales executive that sold the vehicle. It's a policy that is being widely adopted across the industry.

If the complaint has come in electronically, whether that's email or through social media, it is added to the deal file at site level in order to ensure a good audit trail. Those that have come in over the phone or verbally are recorded into the deal file by a leadership support assistant.

Complaints that come through to head office at group level are filed into the system by Potts's PA.

Potts said: "Sales executives will be in trouble if they try to take on complaints themselves.

"Occasionally, a salesperson will try to handle things themselves on the quiet, but we want to encourage a culture where the best thing they can do is hold their hands up, say they have made a mistake and we can then deal with it.

"It's not going to be career-ending if they remain honest about what has happened. We can take what happened and learn from it."

Mark Tumblety, Peak Consultants managing director, said the FCA is a principle-based regulator and as long as there is evidence to show dealers are taking a sensible approach, that will go a long way.

He said: "In a lot of cases we have found the dealer not having adequate evidence to defend against a complaint. Regulators are not interested in emotional responses, they want detailed, recorded evidence."



TOP TIPS FOR COMPLAINTS

- Record-keeping has to be robust
- Find the root cause of the complaint to show progress
- Use complaints to review your sales process and due diligence with customers

10 ways to handle complaints brilliantly

A well written procedure for dealing with customer grievances is good for business and can even be a legal defence if all else fails



By Debbie Kirlaw

Exceptional complaint handling has always been as much about the individual and their specific issue as it is about the business and its culture as a whole, but digital media has added another dimension to the process.

Philip Deacon, marketing manager at Ridgeway, who heads a team that monitors and responds to social media and livechat until midnight, said: "Customers will now very quickly take to social media. In the past, if someone wanted to make an official complaint they would have to make the effort to write a letter and post it, by which time most would have calmed down."

Meanwhile, **Dr William Holden, chairman of business growth consultancy Sewells**, said: "Customers are now complaining more; they are certainly more litigious."

We asked dealers, manufacturers, suppliers and industry experts for their top tips on dealing with disgruntled customers.



TAKE OWNERSHIP

Samantha Cripps, head of sales development at Alpha Financial Services, advised: "Rather than having the complaint handled by multiple people with poor communications, ensure one person owns it and remains the focal point of contact."

Philip Crossman, managing director at Honda UK, advised dealers that even when a complaint is escalated to the manufacturer, active involvement and ownership remains crucial. He said: "We recommend taking it on for your customer. Don't just hand over the phone number for the customer relations team and wash your hands of it."

HANDLING INDIVIDUAL COMPLAINTS



FACT FIND

Establishing the facts, or at least understanding the story from the customer's perspective, is the first step, although Holden warned: "Probably the biggest difficulty is understanding what is a genuine complaint and who is a serious complainant."

"Engage in a real and proper dialogue to establish the issue and use your judgement to establish if there's something genuine. The problem is employees with less experience are the ones who end up making that call and people who are most experienced are actually the ones best able to make that judgement."



RESPOND QUICKLY

Trusted Dealers requires members to adhere to its '10 points of difference', which are largely geared to avoiding issues in the first place. However, managing director Neil Addley said: "If something does go wrong, respond quickly. It's much better to resolve something straight away and the best way to achieve that is empowering staff."

Deacon agreed: "People can complain instantly and it can become more volatile more quickly so we need to deal with it promptly. The first response is to acknowledge the complaint. We then allocate the complaint to the most appropriate person and track until resolved."

Dale Woodley, sales director of independent customer review site JudgeService, advises asking specific questions to glean valuable information, which often identifies easily rectifiable 'niggles'. He said: "Often it's the things that are easy to fix."

Crossman added: "Always do what you said you would. Not calling your customer back when you said you would can exacerbate the situation and make the customer even angrier."



4 LISTEN AND EMPATHISE

Listening sounds easy, but can prove difficult in practice. Holden advocates taking further steps: paraphrase the customer's complaint to show understanding of the issue and empathise without agreeing.

He said: "You should not offer a solution too early or challenge the facts, because it doesn't matter, this is how the customer feels. You have to say things like 'if it happened the way you describe, I can understand why you feel this way'. Choose your words carefully. If you start challenging their version of events, you will find yourself in an antagonistic situation."

Crossman agreed: "Nine times out of 10, the complaint is not personal. If you show empathy as they let off steam, they will quickly deflate. There's a massive difference between hearing and listening."

5 ASK THE 'KILLER' QUESTION

According to Holden, an employee should simply politely ask 'what would you like us to do about it?' He said: "Keep the conversation under control and get to the killer question; it's amazing, most people say they only want an apology."

CREATE A POSITIVE COMPLAINT-HANDLING CULTURE

6 DON'T HAVE ANY

Flippant and unrealistic perhaps, but striving for zero complaints should be a goal. Cripps said: "The best way of dealing with complaints is not to have any in the first place. But it is the customer's prerogative to complain and if that happens dealers need to take ownership, get to the root cause and identify where something has gone wrong and put it right for next time. You need to learn from

your mistakes."

Motor Codes advises providing customers with all the facts and underlining potential outcomes, for example, intermittent faults could have underlying issues, so a full explanation of possible work can avoid complaints about unexpected bills.

"You should not offer a solution too early or challenge the facts"

Dr William Holden,
Sewells

7 FEEDBACK

TRANSPARENCY AND CLEAR COMMUNICATIONS

In 2012, Ridgeway introduced a feedback area on its homepage, which enabled direct contact with chief executive John O'Hanlon. When it launched its new website last year, it refined its process, introducing 'customer experience sections' for each franchise headed up by the respective brand director.

Having an alternative dispute resolution (ADR) provider in place (which Ridgeway does) means if a complaint is not resolved to the satisfaction of the customer they can take their dispute to an independent body. Both Motor Codes and Trusted Dealers provide ADR services.

Kevin Parker, head of marketing and communications at Motor Codes, said: "An ADR provider can help defuse situations, manage any unreasonable expectations and ensure a fair outcome is reached without the need for legal action."

Addley said: "Some customers make unreasonable demands. ADR provides another way to reach a resolution and it's backed up by statutory undertakings."

Adopting transparency throughout the business will minimise complaints and provide vital evidence should any arise. Motor Codes offers some simple advice such as making new and used car descriptions clear and ensuring they match the goods being purchased, particularly since the introduction of the Consumer Rights Act 2015. The Act gives consumers a short-term right to reject as well as the right to reject one attempt at repair after 30 days, so ensuring that consumers understand what constitutes a repair attempt is imperative.

Parker said: "Make sure staff are familiar with their legal obligations and that they communicate clearly and accurately about the goods for sale."

AUDIT TRAIL

An audit trail is essential for future reference should a business have to illustrate how a complaint was handled. It may be time-consuming, but it may also save your bacon.

Parker said: "We see some complaints where a consumer will allege that damage occurred while in the care of a retailer. These disputes can be one person's word against another unless the retailer implements a damage report into its policy. This protects the dealer from any spurious claims, but also protects the consumer if the vehicle is genuinely damaged."

Motor Codes recommends other forms of audit trails, such as videoing the vehicle health check and keeping all parts until the vehicle is returned to the customer so should a dispute occur, they are available for third-party inspection.

9 ROOT CAUSE

For Cripps, a single complaint has wider implications. She said: "It is not just looking at one customer in isolation; it's looking for the root cause. This is a real focus for the Financial Conduct Authority (FCA)."

"It's the realisation that if it has happened to one person, it can happen to another and not looking at complaints purely on an individual basis. [The FCA] wants to see dealers have undertaken

their due diligence and got to the root cause of an issue."

It also makes recording all complaints essential for spotting trends and taking action.

Woodley said: "We ask people why they don't buy; that's an important part of understanding not just the opportunities to do more business, but where your processes are falling down, which helps to head off complaints at the pass."

10 UNDER-PROMISE & OVER-DELIVER

UNDER-PROMISE & OVER-DELIVER

Crossman said: "It is better to under-promise and over-deliver than the other way around. You need to balance the needs of the customer with the needs of the business. Then when you do over-deliver, the customer is delighted."

Parker said: "The little touches can all add to the consumer's perception they are dealing with a professional and customer-focused service."

Meanwhile, Cripps urged dealers to consider specific complaint-handling training and even employ dedicated staff to deal with complaints.

Finally, Woodley said maintaining a relationship with a customer can help avoid complaints. He said: "We contact customers 18 months into ownership to ask about their experience. We then get a view about whether they are happy with the service and it provides another opportunity to head off anything which may have since emerged."

How would you deal with this customer?

AM provided the following fictional scenario to two dealers and a manufacturer and asked them how they would resolve the customer's complaint:

"The owner of an approved used car bought from your dealership/network a year ago is complaining on social media that his car has developed a faulty anti-

lock braking system five weeks after the included warranty expired.

"He had the car recovered from the roadside and he's worried he faces a big bill before he can drive it again, and is telling all his social media friends about it. The customer returned to the selling dealer a few weeks before the breakdown for an annual service, and has no service plan."



Philip Crossman, managing director, Honda UK

With the situation arising on social channels, the first response would come from Honda's social media team, who would pass the issue to the customer relations team. They would then 'own' the complaint until resolution, taking steps with both the customer and dealer to fully understand the situation.

The answer is not clear-cut in this situation. As the car is both used and out of the approved warranty that Honda supplies with its used cars, we would look to see if the situation falls within our parameters of goodwill.

A goodwill repair is based on certain criteria and is dependent on factors such as age, mileage, service history and customer relationship.

For example, if the car was purchased in its fourth year and is therefore now five years old, we may offer a goodwill repair. Equally, if there had been fewer than an average of 12,500 miles a year driven we would look to offer a goodwill repair.

Obviously we would fix the problem if it was a manufacturer defect, but if the car was any older than five years then it would be likely we would be unable to assist.



Jennifer Wark, Jemca Car Group, digital marketing executive

We file all complaints posted on social media for each of our 11 sites, so any issues are quickly highlighted.

The complaints are then forwarded to our customer services team, who then manage the complaint through to completion.

When the complaint first appears online, we are quick to respond, asking the customer to email us with information such as the vehicle registration number and the dealership involved. We then check the history of the customer and the vehicle to ensure we have as much information as possible to deal with the complaint.

We also gather detailed information from the customer about the issue.

We then liaise with the centre manager to come to a

resolution based on all the information.

From a social media perspective, our goal is to turn an adversary into an advocate.

Depending on the exact circumstances, we would speak to Toyota and try to obtain an extension to the warranty period, especially in this case as it is only five weeks out. We would be looking for some goodwill on their behalf, such as covering the labour costs.

In this case, we would be quite confident in gaining a positive result.

Obviously, it does depend on the exact circumstances and the repair required, but in the past year there have only been two cases we have not been able to resolve to the full satisfaction of the customer and these were very complex sets of circumstances.



Dom Threlfall, managing director, Pebley Beach

Pebley Beach takes the approach that it quite simply does 'what is right by the customer'.

The first step would be to approach the manufacturer for goodwill as long as it was a manufacturer warranty, with the value likely to be split between the dealership and the brand.

It is very easy to be 'hero or zero' in these circumstances. It's important to take the complaint offline, while demonstrating acknowledgement and action. If appropriate,

a senior member of staff should handle it, giving a named contact who takes ownership.

After acknowledging the issue on the same social media platform and providing a named contact, the car owner would be invited to bring the car into the workshop, probably the same day. Pebley Beach would also enquire whether a breakdown recovery service was required.

There are numerous solutions which can be explored, but we have to look at what is right by the customer.

We would take into account whether he is a

long-standing customer, ascertain if it is worth charging them only for parts (labour free) or the total job free, or if we were to charge them, but then discount their next service/MOT.

We would always demonstrate how much they have saved by having the work done with us, for example, it is only £108 when actually the true warrantable and diagnostic cost of the job would be £260, etc.

Following a satisfactory conclusion and if appropriate, Pebley Beach would follow up on the same social media thread.



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Why CSI scores are a very poor guide to buyer behaviour



By Jay Nagley

If there is one thing car companies cannot be criticised for, it is underspending on customer satisfaction research. Yet the results of all this time and money are patchy at best.

Many consumers have a favourite store in terms of customer service (John Lewis being a common nomination), but few people quote a car dealer as their exemplar. One of the biggest complaints is that sales people just don't seem to know that much about the product they are selling. In a way that is unfair – the customer may have spent a week learning every last detail of the 1.2 SE five-door they are interested in, while no salesperson can know that much about every single version in the range.

However, it is an issue that has to be addressed: a consumer that has experienced the product knowledge of an Apple Store employee is not going to be impressed by a salesperson who does not know how to enable the wireless hotspot on a £40,000 car.

Car companies are coming to the same conclusion – franchises, such as Kia, that have started to employ customer assistants who only advise (and leave the selling to others) are reporting improved consumer feedback. However, this is a truth that has not yet been universally acknowledged. When Infiniti launched in the UK, it came up with the clever idea of a two-stage handover. The real basics are covered when the customer collects the car, and there is a follow-up guidance session when the customer is a bit more used to it.

I asked the marketing director of a major volume brand if that approach may be possible in the mass market. He replied dismissively: “We don’t need it – our next generation of electronics will be so intuitive that no education will be required.”

Should the salesperson act like a hotel concierge?

This raises another issue about the changed role of dealer sales staff. Twenty years ago, customers visited up to six dealerships before buying a car. Today, it is normally one or two. Essentially, the customer has largely made up their mind, and the salesperson’s job is to reassure them that they will be comfortable dealing with that particular garage.

That puts an increasing emphasis on treating people as guests rather than customers – it is no coincidence that employees with experience working in hotels often make good salespeople. It also raises the question of whether the salesperson should continue to liaise with the customer: if there is a service problem with the car, should the salesperson act as the intermediary, like a hotel concierge?

However, the more fundamental problem is that there is a mismatch between the perceived value of the transactions between the customer, the dealer and the manufacturer. The customer may think, “I am paying £10,000 for this

car. Why am I getting less attention than when I buy a nice piece of clothing?” The sad fact is there is more money for the retailer in selling a £700 suit – and the sale process is far simpler.

Yet car companies can be just as guilty as customers when it comes to mispricing the value of the transaction. They spend much effort trying to work out why a brand that has, say, a 70% satisfaction rating only has a 50% repurchase rate. They ask themselves: “Why would a satisfied customer go elsewhere?”

The fact is that satisfaction is a very poor guide to future behaviour – in restaurants, we are always being asked if everything is OK, and the majority of us generally say “Yes”. Restaurants do not then undertake research to find out why we went to a different restaurant the following week.

Change the measurement of customer satisfaction

While it is true that a dissatisfied customer will probably not come back, it does not therefore follow that a satisfied customer will return. The question a satisfaction survey is really asking is: “Are there any specific reasons you would not buy this product or service again?” Car dealers are starting to understand this. Ian Godbold, marketing director of Cambria, says it now measures “net advocacy” – the number of people that say they would recommend Cambria minus the number that would not recommend them – rather than satisfaction.

Cambria also has an interesting approach to capitalising on poor dealer customer satisfaction – it has bought a number of dealerships from administrators and the common theme to their failure has been dissatisfied customers. It believes taking over failed dealerships and transforming the customer experience is a good business model.

Manufacturers need to manage their expectations

The other fundamental problem is that car manufacturers want three different outcomes. They want to maximise sales, maintain an exclusive distribution arrangement that excludes non-franchised retailers, and also have very satisfied customers. As engineers always reply when asked for a development programme that is better, cheaper and faster: “Pick any two”.

Jay Nagley was a market analyst at Porsche Cars GB before heading Redspy Automotive, his own analysis and forecasting consultancy.

“While it is true that a dissatisfied customer will probably not come back, it does not therefore follow that a satisfied customer will return”

THE **AM** BEST PRACTICE PROGRAMME

ADVICE AND KNOWLEDGE TO ASSIST DEALERS WITH THE EFFICIENT AND
EFFECTIVE RUNNING OF THEIR SALES AND AFTERSALES OPERATIONS

In association with our commercial partners:



Insight, analysis and tips for dealers

Maximise your dealerships' sales and profits with AM's Best Practice Programme

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

The programme will run throughout 2016 and extends across AM's magazine, website and events portfolio, with 10 commercial partners providing best practice advice for their respective sectors.

It will play a key role in achieving the AM brand objective of providing franchised dealers with insight, analysis and proven working methods to enable them to maximise their sales and profits.

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

As the business of running a franchised dealership in the 21st century continues to evolve, these partners will help companies to stay in the vanguard of new developments as they come to market during 2016.

Important dates to watch out for include:

From March 1: our Best Practice Programme commercial partners will begin posting top tips on their specialist subject areas in a dedicated area on AM's website – am-online.com/best-practice-2016 –

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which will be updated with fresh tips every month. Meanwhile, each issue of AM magazine will carry an article focused on sharing knowledge and best practice related to one of the subject areas.

May 27: A special Follow The Leader section in the June Issue of AM will allow the Best Practice Programme commercial partners to showcase excellence in delivering exceptional customer service in their specialist subject areas.

Aug 26: A special section, You Never Stop Learning, in the September Issue of AM will enable the Best Practice Programme commercial partners to share key advice on how to improve costs, profits and efficiencies within their chosen subject area.

November 16: Each topic is the subject of a masterclass at Automotive Management Live, our new event being launched at the ArenaMK in Milton Keynes. See automotivemanagementlive.co.uk for further information.

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

"The 10 areas selected will be relevant to everyone with responsibility for revenues and profits at a dealership or dealer group level and will give nuggets of information usually only available as part of a supplier consultation."



Commercial partners:

Aftersales



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

Finance online



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

Auctions & appraisals



Cooper Solutions – it provides integrated dealer management solutions, including stock management and trade disposals

New cars



Supagard – it provides professionally applied car care products and is approved by most leading car manufacturers

Customer reviews



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

Social media



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

Customer service



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

Video



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

Finance in the showroom



Alphera – provider of flexible finance and insurance at the point of sale for all makes of new and used vehicles

Websites & digital



Gforces – as a provider of internet software and services for motor retail, it specialises in digital and mobile technologies

BEST PRACTICE: Finance in the showroom

Alphera leads the way in showroom finance

Alphera has spent 10 years investing in the tools and expertise to deliver effective and compliant finance products to UK dealers

Award-winning independent finance provider ALPHERA Financial Services UK, based in Farnborough, Hampshire, operates across the F&I sector with franchise dealers, independents and brokers for all marques (except BMW), providing wholesale and retail finance packages and insurance products for new and used vehicles.

This year (2016) marks a milestone for Alphera, in which the company celebrates 10 years in the UK market. This pivotal time in the development of the company follows a period of formidable growth and some major accomplishments.

Last year, Alphera was awarded the Credit Today Car Finance Provider of the Year and Motor Finance Europe Independent Finance Company of the Year awards, as well as celebrating continued double-digit growth.

As part of the BMW Financial Services Group, but operating independently of the German car marque, Alphera can offer the best of both worlds. With the ability to be agile and flexible, reacting to the changing UK market, it also benefits from the backing of a premium manufacturer, BMW. Having access to such funds means it can invest in, and take advantage of, significant automotive sector expertise to allow Alphera to fine-tune products and services to even better suit its partners.

For example, the UK market has moved on significantly recently following the massive legislative change with the arrival of the Financial Conduct Authority and the ever evolving consumer purchasing journey. Alphera has proactively invested to ensure its partners have the tools to

keep their customers happy and deliver effective, transparent and flexible finance solutions to meet the needs of a diverse marketplace – online and on the forecourt.

Alphera offers a consultative approach to its portfolio of award-winning products, which include its market-leading PCP product (Alphera Select), Alphera Hire Purchase, Alphera Shortfall and Alphera Tyre Insurance. As a specialist automotive finance provider, Alphera knows how to help motor dealers maximise their F&I

“Alphera knows how to help motor dealers maximise their F&I performance”

performance and how to use F&I products most effectively to help sell more cars.

Additionally, commercial finance provides funding options for investment in dealer businesses, such as equipment or building upgrades, as well as a means to fund stock acquisition. Alphera provides innovative vehicle finance solutions in more than 25 countries, including the USA, South Africa, Australia and Germany.

Alphera is inviting dealers and brokers to get involved in its 10-year anniversary celebrations through a series of events and best practice activities throughout the year. Dealers and brokers can get involved, and help to shape the next 10 years in motor finance, by visiting the Alphera website and following the activity via its social media channels.



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BEST PRACTICE: Auctions & appraisals

IT that enhances dealer performance and profits

Cooper Solutions' cloud-based appraisal and auction systems can deliver significant improvements in used car profitability

Cooper Solutions is the leading IT software provider for car and motorcycle dealers in the UK. Boasting a wide portfolio of complementary products, more than 1,700 franchised dealers across the UK benefit from Cooper Solutions' systems. Using the team's significant experience in the motor industry, combined with feedback from manufacturers and dealers, Cooper Solutions' products have consistently proven to enhance existing dealer processes, performance and profitability.

Cooper Solutions' cloud-based systems solve specific business issues, helping motor retailers develop professionalism and efficiency of staff, enhance customer service, increase management control and improve profitability.

Having worked for BMW UK and run a Sytner BMW dealership for a combined 13 years, managing director Barry Cooper founded Cooper Solutions in 2001. The company has since grown to employ more than 30 highly motivated and talented people who develop, market and support various cloud-based applications that niche around franchised dealers' dealership management systems (DMS) from its Warwickshire-based headquarters.

Daily rate insurance cover

Cooper Solutions provides cover for more than 6,000 demonstrators and loan cars every day, from Minis to Maseratis and Fords to Ferraris. The cover ring-fences the risk to dealers' motor trade policies and via collision damage waiver can also provide a healthy revenue stream for service departments. Since 2004, when the FullCover policy was introduced, more than £10,785,000 has been paid out in claims, which has protected dealers' motor trade policies from subsequent increased premiums, while the daily rate premium charged has remained at 2004 levels.



"iPad appraisals and online auctions have further helped used car department profitability. Electronic appraisals are a huge step forward"

More recently, iPad appraisals and online auctions have further helped used car department profitability. More than 50,000 cars have been sold through FullAuction to buyers who pay no fees and are therefore happy to pay more than at physical auction. Electronic appraisals are a huge step forward, improving accuracy, customer perception and conversion rates.

Used car appraisal – the Midas touch!

South East dealer Beadles is one business that has benefitted from the 'Cooper Solutions effect'. The multi-franchise dealer has transformed the performance of its traded part-exchange cars using new online tool FullAppraisal. This follows the hugely successful adoption of its online trade disposal system, FullAuction.

The use of both systems makes the vehicle appraisal, valuation and remarketing

process far more effective, turning what used to be a marginally profitable activity into a valuable source of revenue and sales.

Steve Philpott, brand director at Beadles, said: "Since we adopted FullAuction in November 2014, our process for remarketing trade stock has been transformed. Using Cooper Solutions' latest offering, FullAppraisal, was a logical next step. It's an internet-based software package that takes the sales manager through a clear set of questions to create a complete picture of a car's condition and value on that day.

"The impact on our business has been massive. Last year, we were just about breaking even in trade-ins. Today we're making a significant profit on these vehicles. It's a much more efficient system that has completely changed our attitude towards part-exchanges."

For more information, please contact Cooper Solutions today on 08445 611 224, or email: sales@coopersolutions.co.uk



Cooper
solutions

BEST PRACTICE: Aftersales

Do you want to improve your service retention?

eDynamix provides the tools to make the customer-dealer aftersales relationship as long-lived and profitable as possible

eDynamix provides industry-leading software solutions, encompassing all core aftersales functions, to more than 550 dealerships in the UK and Ireland.

eDynamix was started in 2010 by three individuals with more than 40 years' combined experience in the motor trade and the skills to develop what quickly became a forerunner in the service plan arena. Our suite of products now includes Proactive Follow Up, Interactive Vehicle Health Check (iVHC), Online Bookings, Videolst and our latest product – MOTCleanse. We have 55 employees across four global offices, 47 of them in our research, development and support teams.

eDynamix has rapidly grown into a highly respected and trusted supplier within the automotive industry, consistently delivering the products and support to

help improve on the requirements of any aftersales department – reduced operating costs, increased productivity, increased customer satisfaction and retention and ultimately, increased profits.

We firmly believe the customer's relationship should remain with the dealer, not eDynamix. After all, it is the dealer who has sold the vehicle and who welcomes the customer back at every visit throughout the service lifecycle. Therefore, the dealer should have all of the necessary tools at their fingertips to quickly and efficiently manage customer queries, or carry out something as simple as amending, extending or cancelling policies, without the need to involve third-party suppliers.

By providing a single sign-on for all aftersales functions, including service plans, health checks and customer follow-up, our simple and intuitive applications

deliver this and allow the dealers to take care of their own customers and maintain an ongoing relationship with them.

Ongoing system reviews and enhancements, and a flexible approach to suggestions and requests, are key to the eDynamix strategy. One such development in 2015 was the introduction of vehicle excess insurance as part of a service plan. Through XS Paid, policies can be added to a monthly paid plan, providing further convenience to the customer and increased retention for the dealer. If the customer were to have an accident, a quick call to XS Paid ensures that the hassle of an insurance claim is removed from the customer and that any required repairs revert directly to the selling dealer's bodyshop.

As well as direct relationships with dealers, we have built several key relationships with manufacturers and suppliers in the UK and Europe.

At the start of 2014, eDynamix formed a strategic partnership with ASE's ProFit Optimisation Division, which is entirely focused on helping dealers improve profitability on a global basis. In most of ASE's dealer performance improvement work, opportunities exist to improve service profitability and customer retention. Mike Jones, ASE chairman, said: "ASE decided to approach eDynamix to become strategic partners in the first instance because of the excellence of the eDynamix product platform and the speed and quality of ongoing product development."

"ASE has access to numerous valued clients and has seen the eDynamix products help them improve profitability and customer retention. Delivering these opportunities is made much easier if ASE has access to best-in-class fulfilment tools".

Such is the success of the eDynamix platform in the UK and Europe that it recently launched in Australia, following market research and understanding the opportunities available.

"The customer's relationship should remain with the dealer. It is the dealer who has sold the vehicle and who welcomes the customer back"



For more information on eDynamix and to discuss our products, go to edynamix.com or call 0845 413 0000



BEST PRACTICE: Websites & digital

Building the latest tools to drive digital dealers

GFores' software, services and industry partnerships give dealers a secure, data-driven way to increase online conversion

The automotive industry is our passion. Creating the best automotive-specific software and digital tools, running the most exciting marketing campaigns and innovating new ways of increasing conversion online are the things that drive us.

GFores has many years' experience specialising solely in digital products and services for the automotive industry, working with a variety of manufacturers, franchised, and independent dealerships internationally. This has enabled us to build an enviable knowledge base of how buyers interact with dealerships based on 10 million monthly visits to NetDirector websites.

We use this insight day-in, day-out to inform software development and how this will have a positive impact on a dealer's business. Not only that, our services use Amazon Web Services servers – a company that has been defined as the leader in its field in Gartner's globally recognised Magic Quadrant analysis for the fourth year running. This means more stability, speed and uptime for clients using our SaaS software. With GFores' ISO 27001 certification, our clients can also be sure their data is subject to the most stringent security standards in the industry.

Using data to drive development is one of our guiding principles; we call it design by intelligence. Our aim is to create highly converting websites – that is to say turning site visitors into leads by providing the right information, and the means to contact the dealer whose website it is. The result is industry-leading software that creates great conversion rates thanks to the numerous built-in platform tools. With more than 50% of visits coming from mobiles, we also design our software on a 'mobile-first' basis, which has a positive knock-on effect for desktop users' load speeds, reducing the likelihood of them leaving a site.

Another thing GFores believes in is the



“Our aim is to create highly converting websites – turning site visitors into leads by providing the right information”

need for strong partnerships. We work with some of the biggest names in the business – such as CAP, Codeweavers, Reevo, iVendi, What Car? and many more. This sharing culture is beneficial for us and our partners, but most of all, for our clients. For example, in the hands of Thame Service Station, more than 20% of NetDirector CAP Valuations leads were being converted to sale.

Having a website is one thing, but attracting the right visitors is a must. Digital marketing is complex, but there's also enormous scope to precision-target the right people. We are spearheading the use of new technologies, for example YouTube TrueView advertising that plays a dealer's videos or promotes them via YouTube. Similarly, we've seen outstanding results from Sky AdSmart targeted TV advertising.

When backed up by multichannel marketing, it has created more than 250,000 impressions (people seeing a dealer's advert), resulting in hundreds of incremental vehicle sales for groups such as Think Ford.

Creating a successful digital dealership remains a tricky task with the continuous evolution of the web and the devices that access it. Keeping track of what is going on in the wider market, as well as the data a dealer website creates, makes this harder still. Increasingly, websites and digital tools created using real-world data are fulfilling dealer and manufacturer needs better than ever before. GFores continues to develop and push the online boundaries in order to achieve our core goal – to drive the digital dealership.

For more information, call 0844 846 4767, email info@gforces.co.uk or visit www.gforces.co.uk

GFORCES
driving the digital dealership

BEST PRACTICE: Online finance

Streamlining the online car finance process

The latest technology helps consumers to guide themselves through finance applications, reducing dealer risk and costs

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?

In doing so, dealers can reduce costs, increase sales and empower customers through rethinking and streamlining the car sales process. The key to this is to let go of the idea that a salesperson has to walk a customer every step of the way. Instead, they can complete part of the sale with a member of staff, but also do part of it online, either in the dealership or elsewhere at their leisure.

Crucially, this realisation allows dealers to move motor finance earlier in the sales process using online technology, such as our newly revised iVendi Platform, to self-serve on quotes and applications. Modern consumers tend to be very comfortable using sophisticated online systems of various kinds – from holiday websites to insurance platforms. It makes little sense for a member of dealer staff to be just working a PC for someone who is perfectly capable of doing so themselves.

Provide customers with the tools they need and they can generate their own finance quotes from a range of products that you choose, enabling them to look at different kinds of finance with different risk appetites and see the effects of different deposits and terms.

From our experience, having a range of online product information videos is crucial to the success of this innovation. For customers who may be faced with up to half a dozen different types of finance product in a modern dealership situation, short, simple videos create confidence by showing the pros and cons of each.

This can be done before the customer visits the dealership or in the showroom – and then you can check early for finance eligibility.



“It makes little sense for a member of dealer staff to be just working a PC for someone who is perfectly capable of doing so themselves”

Traditionally, the finance check is placed right at the end of the sales process, after hours have already been invested in the customer. However, in some dealerships, rejection rates are as high as 40%. That represents a huge amount of lost time. Check early for eligibility, even potentially

using a sample car, and you will immediately know if a customer is viable. You can then move on to the part of the sales process at which sales staff are traditionally most effective – actually helping the customer choose a new vehicle.

Importantly, where dealers have started to use these streamlining methods, we have seen almost uniformly excellent results. Doing business in this way does not just reduce wastage of resources – a more streamlined way of buying seems to create more sales.

It will also probably not have escaped your notice that providing motor finance in this manner is very FCA-friendly, giving customers a high level of control, a wide range of choice, excellent information and auditable processes.

It is an all-round win.

For more information, visit www.ivendi.com, email enquiries@ivendi.com or call 0845 226 0503



BEST PRACTICE: Customer reviews

How reviews turn car buyers into 'raving fans'

Most customers research their next car online and having positive, unbiased recommendations will give your dealership the edge

In a way, reviews are the tip of the proverbial feedback iceberg – they're the shiny bit we can use to demonstrate, good or bad, how our business is delivering on its promises to its customers.

Let's face it, if we see a business on Amazon or TripAdvisor with a positive feedback rating, whether we're looking for a book, a toy, a hotel, or a restaurant, it will influence our decision to buy from that company, use that item or experience that service. This is even more relevant when it comes to buying cars. According to Capgemini Cars Online, 65% of buyers will visit just one dealership. It's up to you to make sure you're top of their list.

If we need reassurance when making a decision on a latvé, we should surely look to deliver positive reviews to someone spending thousands on their next car.

In an online reality of blended retailing, where 97% of search is conducted online, your website is your shop window 24/7. Potential customers are searching – a lot – when you're asleep and they are just one click away from your five-star competition.

So, how do customer reviews help your dealership be the best? They help you to:

1. understand how your customers feel about your business;
2. understand how your lost sales feel about your business;
3. re-ignite lost sales opportunities;
4. understand your competitors and your sources of enquiry;
5. identify process improvement ;
6. create great sticky content for your website to encourage browsing;
7. display your scores online for comparison;
8. demonstrate that you do care about customer service;
9. improve your online presence/Google footprint;
10. generate genuine referrals.

Ultimately, in a world where customers are one click away from your competitors,



"JudgeService is independent. That means potential customers trust the unbiased customer reviews we publish"

we believe JudgeService will help you to create 'raving fans'.

So what is a 'raving fan'?

A 'raving fan' is that person who is so thrilled by the service provided they become an advocate of your business.

They recommend you to people without hesitation and would probably defend you against your competition. In turn, they themselves actively want to buy from you and they will remain loyal to you because they know you deliver.

If we get it right, they don't just tell their friends, they tell the whole online world. Better than that, they

become loyal customers, and if we do a really good job, raving fans.

Why choose JudgeService as your review partner?

JudgeService is independent. That means potential customers trust the unbiased customer reviews we publish.

We have been established for more than five years and have grown as car dealers recognise the need to improve customer satisfaction in the used car sector. We provide nearly 1,000 dealers

with a complete used car customer satisfaction monitoring, improvement and marketing tool.

That's why groups such as Bristol Street, Holdcroft, Lookers, Macklin Motors, Pentagon, Perrys, Peter Vardy, Sandicliffe, Swansway and many more work with us to understand their customers and promote consumer

reviews across their online and offline business.

Our reporting is unique in allowing you to review your performance as a business, drilling down to individual sites and even sales executives to identify where training or advice is required.



Contact JudgeService Research by telephone on 01423 225 166, email sales@judgeservice.com or visit <https://business.judgeservice.com>

JudgeService®

BEST PRACTICE: Social media

Social media is a key channel for dealers

Franchised dealers need to go where the customers are

A key marketing theme this year is how social media has matured and is now a core element of the marketing mix for many businesses.

This is partly driven by the usage of Facebook among older age groups, which is much higher than you may expect. More than three quarters of all 35-44-year-olds regularly use Facebook, as do nearly half of 45-54-year-olds. Across all the dealers' Facebook pages we manage for our clients, the 35-44 age bracket is consistently the most common and the most engaged.

The 'average' franchised dealer car buyer is in their early forties, a respectable age for a consumer who generally knows what they want. They are confident, experienced, more affluent than their younger counterparts and not afraid to negotiate.

So if you are still thinking social media is for teenagers, you may be underestimating your key customers and missing an influential channel for reaching them. It's time to join the social media revolution – after all, there are now more than 40 million business pages on Facebook!

Social media – dealers' options

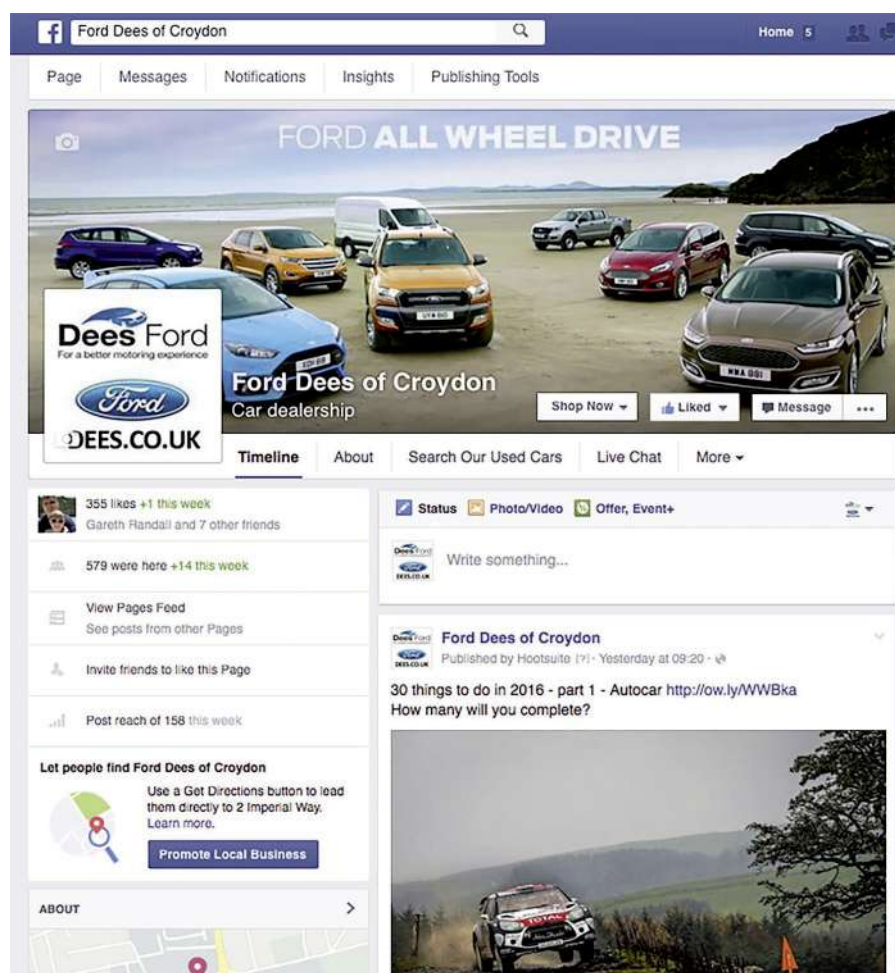
We've met lots of dealer groups recently to talk about social media. Without exception, all realise they have to get involved because their customers are doing it.

Over the past three years, we have worked with clients to establish the right way forward. In every case, we started with the customer – where do they go, how do they use social media?

Research shows that 'engagement' from local pages is far better, as a percentage, than from national pages.

This makes sense. Do customers visit a group head office? Do they go to a franchise 'home' dealership? No.

For example, a customer in Tunbridge Wells will never visit a head office in Swindon or care about the franchise base



"Engagement from local pages is far better than from national pages"

in North London. Customers will, however, visit their local dealership, 'check in' while there, search for cars at that site and share, like and comment on its posts.

What's more, dealerships don't have to pay for the coverage. There are numerous discussions about the death of 'organic' reach amid the ever increasing race for 'paid for' posts. However, we have found that the right content, delivered at a local

level, still drives 'organic' reach among local, engaged followers, who are either current customers or imminent purchasers.

As with all things online, content is king. Added functionality – used car searches, for example – helps, as does targeting the right users through data-driven tools such as 'Custom' and 'Lookalike' audiences.

We are working with dealerships to develop their social media content and our developers are working on the data-driven tools to refine the ability to engage with key existing and prospective customers.

So the message is simple – go where the customers are and give them what they need to engage with you.

If you'd like to join us on a customer journey, visit www.marketingdelivery.co.uk or call 01892 599 913

Marketing Delivery
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BEST PRACTICE: Customer service

Reassure customers that their phone query counts

Telephone answering helps dealers in busy periods or outside office hours, explains Ben Stevens, head of automotive at Moneypenny

Customer demands are evolving and the ball is increasingly in the buyer's court, leading to retailers upping their game to meet these expectations. Why? Because, in the automotive trade, reputation is everything.

As customers, we openly share stories of our experiences when buying a new car and willingly recommend a particular dealership to our peers. While we may be happy with the car itself, it's the buying process that really sticks in the mind and the care we receive before and after the sale will determine if we recommend a dealership or not.

At Moneypenny we've been looking after calls for thousands of business across the UK since 2000, either on an overflow or fully outsourced basis. Having seen firsthand just how important reputation is for customer care, we now offer a team of receptionists who are dedicated to supporting the automotive sector. This specialist support is now being sought by a large – and rapidly increasing – number of automotive retailers.

Working just as they were based in the showroom, all of our automotive receptionists are specifically trained to support their clients with brand knowledge, terminology and a thorough understanding of exactly what an automotive customer needs to consider a buying journey a success.

Customers assume their call is being handled by a member of our client's in-house team, and our technology allows a Moneypenny receptionist to instantly recognise recurring callers, ensuring they deliver the highest levels of service and build great relationships.

In the past, a sales team's primary goal was to sell, sell, sell. However, with unanswered calls a big grievance among car buyers, Moneypenny's ability to catch every call in the appropriate manner means retailers are making large strides towards



“Customer expectations have made restrictions such as daytime opening hours a thing of the past”

delivering advanced customer care.

Having this ‘safety net’ ensures all customer queries are met – from an early enquiry to a post-sales issue. Customer expectations have made restrictions such as daytime opening hours a thing of the past. A telephone answering service means a retailer's opening hours can – in theory – be extended, as someone is always there to take the call.

This is never more prevalent than in times of increased customer interest. An example of this is during recent new registration releases. On average, during the new registration release in October-

December 2015, the calls we received to some of our retailers almost doubled. This spike in interest means an enormous number of opportunities are potentially being missed by sales teams.

But with Moneypenny working there beside them, dealers know the customer will get what they need; a friendly greeting, a message taken and the reassurance that their query counts. In fact, so many retailers are recognising the benefits of Moneypenny in helping to provide flawless customer care, that automotive has become our fastest-growing sector.

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



BEST PRACTICE: New cars

Welcome to Supagard – the professional's choice

Supagard is eager to share the expertise it has picked up as a leader in the paint and fabric protection industry since 1988

Supagard has been the UK's market leader in professionally applied paint and fabric protection products for more than 28 years and its reputation for quality is second to none. In fact, Supagard has become so associated with paint protection that customers will ask for it by name as a way of describing the generic product, in much the same way people refer to "a Hoover" when meaning a vacuum cleaner – to 'Supagard' your car could be appearing in the dictionary any day now.

The company was formed in Glasgow in 1988 by Brian Quinn and John Orrick. They identified a gap in the market for quality paint and fabric protection, researched suitable suppliers and brought the first Supagard products to the attention of the motor industry – their first major success being with Nissan GB, which is still a valued customer. That success has grown and grown, with more than 16 manufacturers and hundreds of small, medium and large dealer groups now specifying the Supagard range as their products of choice.

There's no room for complacency...

Despite its unrivalled success, Supagard is committed to avoiding complacency. Managing director Jean Quinn probably summed up the attitude best: "As the UK's leading provider of paint and interior protection products, we continually strive to offer innovative products and marketing offers to our dealer and manufacturer partners.

"We're a family-owned business and we're very proud of what we stand for; it's more than just selling a product, it's about providing treatments for our customers' vehicles, which enhance their lifestyle by making them easier to clean and visually maintaining or improving their appearance.

"We're committed to a research and



"We're very proud of what we stand for; it's more than just selling a product"

development programme, which ensures that we offer only market-leading technology proven to make a demonstrable difference.

"We know that your chosen paint sealant provider is just a part of your wider business, but we aim to be with you all the way and I can say with confidence that you are in safe hands with our team."

Industry recognition

Supagard has regularly won industry recognition on the back of votes received by industry personnel. In particular, it has won the *Car Dealer Power Award* several times and has been the choice of *Automotive Management* readers for the past five consecutive years in *AM's Dealer Recommended* programme.

Supagard marketing director David Paterson said: "We are absolutely

delighted to be independently recognised by the industry on a regular basis.

"However, we're not a company to rest on our laurels and although we are proud of our history, we are confident that our best days lie ahead of us."

Maximising the opportunity...

Maximising the opportunity presented by paint protection is a skilled job. In order to support your achievements, Supagard offers a series of training programmes aimed at ensuring that valeting and sales teams are well equipped in terms of knowledge, practical skills and best practice.

Therein lies Supagard's motivation to support the *AM Best Practice Programme* 2016. Supagard fully endorses the best practice principle and believes it will be seen by many to be a worthy and credible representative within the programme.

To discover how Supagard can support your paint protection objectives, make contact with them via the following methods: Call 0141-633-5933 Email: info@supagard.com



BEST PRACTICE: Video

Boost sales and profits with personalised video

CitNOW's intuitive products allow staff to increase customer trust, leading to better conversions and retention in sales and aftersales

CitNOW is a personalised video presentation service dedicated to the automotive sector and rapidly capturing its imagination.

Established in 2008, CitNOW is the UK's largest and foremost provider of video support services to the automotive industry, providing sales, aftersales and bodyshop video services to 28 major automotive manufacturers across Europe. There are more than 4,000 live installations of CitNOW systems worldwide and the company counts 87 of the AM100 UK dealer groups among its customers.

The car-buying process has changed beyond recognition in the past 10 years. While consumers used to make an average of seven visits to dealership forecourts before making a decision on a new car, they now visit an average of just 1.2. Research is instead conducted online, using an increasing array of devices, including laptops, tablets and mobile phones.

Meanwhile, workshop customers typically have less time to spend getting second opinions on maintenance or repair work proposed by technicians.

CitNOW has led the way, providing sales staff with the means to help customers make an informed purchase choice and workshop technicians the ability to convert vehicle assessments into work.

Using the CitNOW suite of products can result in sales executives converting 50% or better in new car sales and aftersales red work increasing by 20% in just eight weeks.

However, it is not just an additional way to increase revenue streams. It is an important tool for building trust and loyalty with customers – empowering

them to make instant decisions through communication and transparency – and encouraging retention.

With intuitive apps that make creating personalised videos as simple as possible, a back-end system that automatically packages videos for distribution and a raft of support services for customers, including bespoke training for sales and workshop staff, CitNOW has helped the automotive industry in the UK and Europe stay one step ahead of buying trends.

The product and its benefits

With CitNOW, an inbound request can be responded to efficiently and effectively by launching the app on an iPod or iPhone and following the on-screen instructions.

CitNOW's best practice guidelines dictate that the sales executive starts with an introduction of themselves and their dealership, followed by a personal presentation of the vehicle in which the shopper has registered interest.

In the workshop, technicians are trained to begin each video with an image of the customer's number plate, before moving on to describe work that is required. This is designed to engender trust in the customer and increase the chance of work being approved immediately.



CitNOW also recommends workshops create a personalised video even when the customer's car has received a clean bill of health, to show the service is not merely a money-making device.

The influential power of video in today's environment cannot be understated – 75% of all pre-owned shoppers watch videos to research their next purchase.

CitNOW's service currently delivers more than one million bespoke, personalised videos from dealership to customer every year and uptake is consistently increasing. CitNOW provides an essential, modern convenience – taking the dealership and the workshop to the consumer.



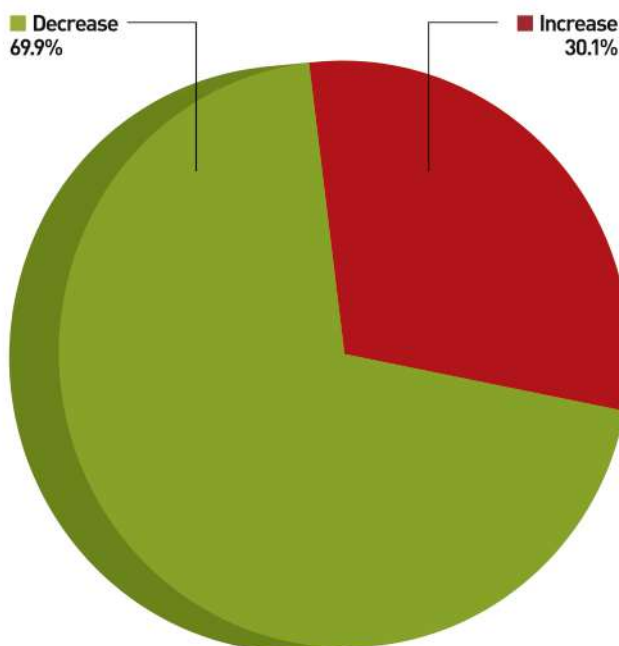
“Using the CitNOW suite of products can result in sales executives converting 50% or better in new car sales”

For more information, call 0118 997 7740, email reply@citnow.com or visit www.citnow.co.uk



AM POLL

Do you expect your used car margin to increase or decrease in 2016?



Dealers are feeling pessimistic about the likely profit from their used car sales this year, according to the results of AM's recent poll. Two in three expect their margin to decrease, which may mean they'll have to seek extra opportunities elsewhere to shore up their dealerships' bottom line, such as add-ons and aftersales.

Of course, a deterioration of margin is often a natural consequence of the rising volume of stock reaching franchised and independent forecourts. There is greater choice for the customer, but greater competition between dealers.

■ **Next poll: Where will your focus in 2016 be: on renewing your existing customers or on conquering new car buyers?**

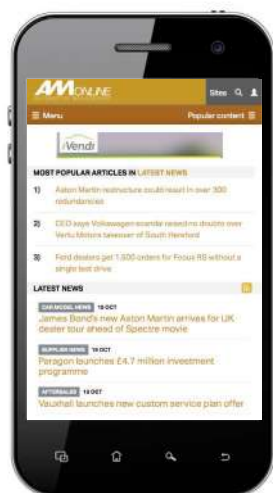
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You can now read the latest and most important UK motor retail news, features and insights even more easily on your smartphone, tablet, laptop or desktop PC.

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



ADVERTISING FEATURE

TAP INTO THE 3 LAWS OF SELLING

If you fail to satisfy the three laws of selling, your customer will simply go elsewhere to buy, says Simon Bowkett of Symco Training



Did you know there are three laws of selling that must be satisfied before you can sell anything to anyone?

The first law is the Law Of Comparison, which states that for someone to decide if they've got a good deal on something, they need to compare it to something else.

For example, say a friend has bought a house and they tell you they got a cracking deal on it. Then you ask them the hard question – "how do you know?"

They may say they bought it for less than other similar properties in the area – in other words, by shopping around – or by negotiating a discount with the seller. But how do they know the asking price was a fair one to begin with? In reality, they don't. It is simply the movement that makes us believe we have got a good deal.

The 'negotiating river'

Here's where the concept of the 'negotiating river' comes in. If you are standing by the bank of a river and jump in, the current is going to take you downstream. If you want to get out of the water directly opposite where you are standing, you will need to start further upstream, depending on the strength of the current.

Every customer's river flows by a different amount. If you offer a customer £2,000 for their trade-in, and their 'river' is flowing by £500, they will need to see £500 worth of movement before they decide it's a good deal. If you offer them £2,000, they are going to want £2,500. Even if you give them £2,500, they would still want £3,000. So if you want them to come out of the river at £2,000, you'll have to throw them in at £1,500.

It's that £500 worth of movement that tells them they've got a good deal, not the deal itself.

Satisfy the need for comparison

That's why we need to satisfy our customers' need for comparison – whether it's a car, a service or a tyre that they're buying. If we don't, nine times out of 10 they will feel the need to go elsewhere.

Watch my new sales training video on the AM website this month (www.am-online.com/symco, or at www.symcotraining.co.uk) to find out more about the Law Of Comparison, and next time we will look at the second law – the Law Of Value.

Improve your selling skills online

Register for the Symco internet channel, www.Symco.TV, and receive some free credits. Follow us on Twitter @SymcoSimon, or call us on 01829 760 679.

New for 2016!

Temporary and Permanent Bodyshop Personnel



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Paint Technicians
Panel Technicians
MET Technicians
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Bodyshop Estimators/VDAs
Bodyshop Managers
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AM ONLINE

AUTOMOTIVE MANAGEMENT

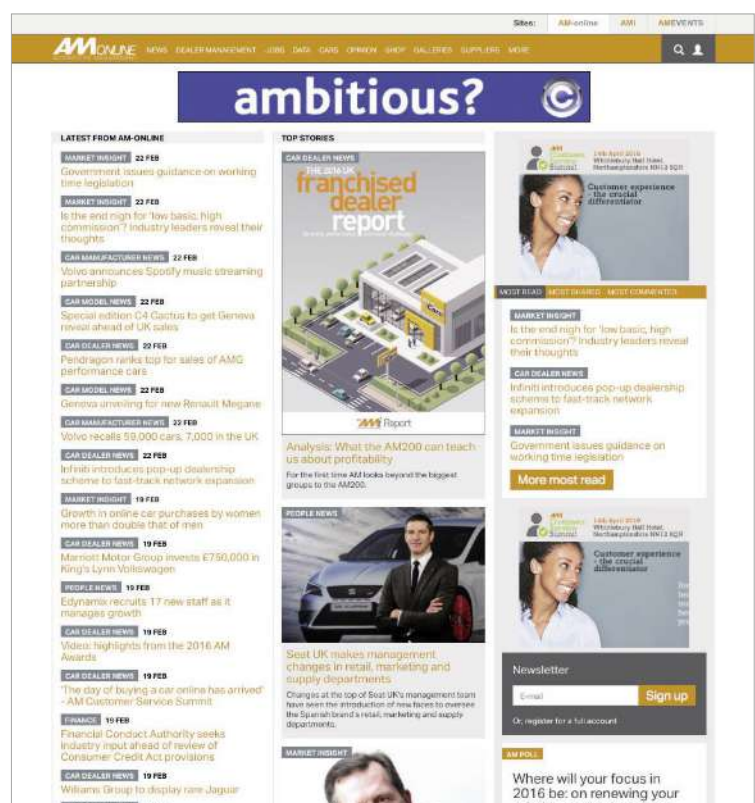
You can now read the latest and most important UK motor retail news, features and insights even more easily on your smartphone, tablet, laptop or desktop PC.

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



Visit www.am-online.com

Sign up to AM's free newsletters at: www.am-online.com/newsletter



Run your part-exchanges like a well-oiled machine

The internet has radically changed the part-exchange and disposal process for many dealers, from valuing trade-ins accurately to remarketing stock online

NEED TO KNOW

- Inaccurate part-ex appraisals risk losses at disposal
- Industry switching to digital part-exchange processes
- Online-only auctions are growing in popularity

By Tom Seymour

The "swapper" has always been a core element of automotive retail. The part-exchange process is intrinsically linked to securing a new car sale and many trade-ins are quality stock for the forecourt. However, with unwanted part-exchanges, turning the vehicle into cash as quickly as possible has to be the goal.

Guy Thomas, head of product for BCA, said the critical steps for dealers are accuracy, a realistic valuation and making an informed decision to retain or trade.

He said: "If the vehicle is not retained for retail then it must be remarketed quickly and efficiently for the best possible price."

The accuracy of the part-ex appraisal can mean the difference between breaking even on a vehicle or making a loss when it is disposed of. Many dealers do not aim to make a profit on the part-exchange, instead looking to make their money on the new car deal.

As one dealer put it: "If you're making a profit at disposal, you need to think about how many deals you're missing out on due to the price you're quoting for the part-ex."

While the part-exchange process hasn't changed much in decades, it is currently going through a transitional period, with many dealers throwing out the clipboards and paper of old and switching to digital systems.

Current best practice of conducting a digital appraisal through a tablet computer means that a set process must be followed – a sales executive cannot progress to the valuation until they have completed specific sections. In addition, such systems feed the data into reporting tools, allowing the sales manager or dealer principal to identify any poor practice by individual sales executives, such as logging incorrect mileage or service history data or failing to check a spare key is present.

Repeated poor practices could result in part of the sales executive's commission being held back.

Where possible, the appraisal should also be conducted with the prospective customer alongside, to ensure they see how the value they are quoted has been calculated. It helps to create trust and avoid confrontation.

Barry Cooper, Cooper Solutions managing director, said: "The way the appraisal is done is massively important in determining whether the customer will do a deal."

Cooper, who was a BMW dealer principal before starting his technology company, said dealers should not rush an appraisal, with the ideal duration being at least 10 minutes.

He said: "Every customer will check the

BACK TO BASICS APPRAISAL CHECKLIST

- Body condition
- Tyre depth
- Next service due
- Service history
- Mileage
- Registration number
- Specification
- Options
- MOT due date
- Two keys
- V5C
- Warning lights

value of the vehicle before they come to the showroom. You've got to help them understand that you've evaluated the tyres, the scratches, the chips, the lack of service history and you can show them why you're coming to a specific conclusion.

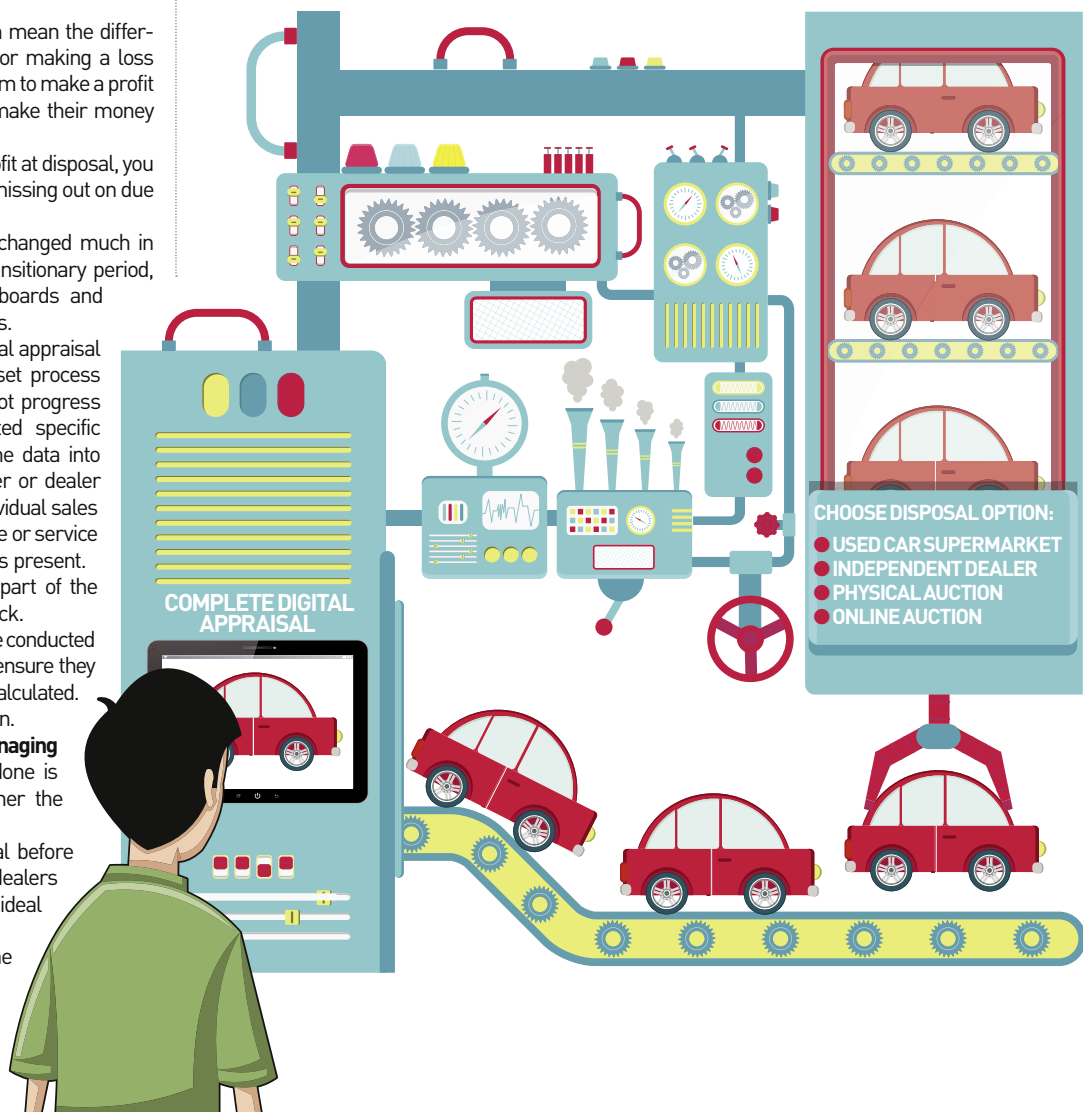
"I think where dealers can go wrong is disappearing to the sales manager's office and coming back with an offer with no real explanation."

Technology aside, there are standard checklists for an appraisal (see 'Back to Basics', left), but bringing systems into the picture can help increase accuracy.

Cooper said: "You can punch in the reg and look up the exact details of the vehicle. If you've missed that it's an automatic and you've got it down as a manual, it can make a huge financial impact. It also helps massively if the part-ex is out of franchise."

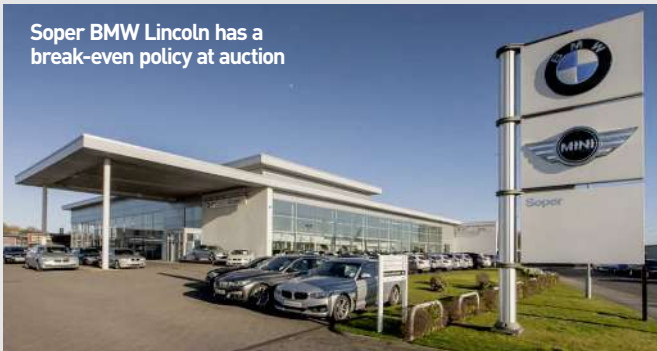
Matt Dale, G3 Remarketing joint director, estimated that an inaccurate appraisal could mean a 10% difference in the return from an individual unit.

He said unlike the big used car supermarkets, most franchised dealers don't have dedicated appraisers, so



DEALER CASE STUDIES: SOPER BMW LINCOLN AND STEPHEN JAMES BMW BLACKHEATH

Soper BMW Lincoln has a break-even policy at auction



Soper BMW Lincoln changed to a digital appraisal process more than six months ago and hasn't looked back.

Nigel Storey, general sales manager, said: "One of the main things it has done is really boost the interaction with customers. We're getting them much more involved in the appraisal, taking them through the process as it's done on the iPad."

Storey said customers come to the showroom having done their research on how much their vehicle is worth, sometimes to the extent that they have done more research on it than on the car they are buying next.

He said: "We'll accept that they have got a quote from Webuy-anycar.com and we'll even go through the same quote process with them, but with our help, we can point out what they may have missed."

"We find they're much more accepting of that because it shows where we are coming from and how we come to the price we are offering. They start devaluing it themselves."

The group is looking to maximise the amount of new or used car deals it is doing, so has a break-even policy at auction.

The aim for Soper BMW is to get

part-ex vehicles off site within 48 hours, with the details of the car fed through to the dealer's auction partner as soon as it is appraised. An auction collection once a week generally means cash is back in the business in under a week.

Storey tends to put vehicles up for sale for a four-day period, with vehicles generating the most interest over the Friday to Monday weekend period. He uses CAP as a guide for the value and usually sets the reserve at 10% below in order to drive interest.

Stephen James BMW also switched to a digital process last summer. Jon Taylor, general sales manager at its Blackheath site, said one of the benefits was it links the appraisal process across all four Stephen James sites.

If someone has gone in for a quote in the group's Bromley branch and walks away from a deal, but then visits another branch in the group to try someone else, every dealer in the group will know the part-ex has already been appraised and what price has been offered.

Taylor said: "It means we can be much more consistent. Making that process digital also means we've got a much better paper trail."



Stephen James BMW links appraisals digitally

ADVERTISING FEATURE

WHY E-APPRAISAL AND ONLINE AUCTION ARE 'NO BRAINERS'

By Barry Cooper, managing director of Cooper Solutions



Today's modern dealership is probably one of the most competitive environments in which to transact business. Retailers have to contend with stretching manufacturer targets and managing risk areas while continuing to provide a full

range of aftersales functions. With so much to do to ensure that every day is a success, it's often the less glamorous functions of the business that get overlooked.

The case for electronic appraisal is easy to make – improved customer perception, greater accuracy, consistency and the ability to transform paper processes to lead to higher conversion rates. Part-exchanges purchased using electronic appraisal can be quickly launched on an online auction site, as most of the work has already been done.

Transaction costs at physical auction will nearly always be greater than the profit earned by the retailer. Vendor prices vary, so auction companies turn to the buyer to provide the greater part of the transaction fee.

Bucking the trend, our online auction site, FullAuction, has sold more than 50,000 trade cars since it launched, without charging a penny in buyer's fees. After all, what does a buyer do when bidding for similar cars when one will cost over £250 in fees and the other is free?

'Bid more' is the obvious answer. Sometimes £50, £150, or maybe even more, and all from the comfort of an office or mobile device. Here the retailer clearly benefits with significantly higher trade profits. With profitability in mind, electronic appraisal and online auction are a remarkable combination. They are the future of automotive retail, yet available and cost-effective today.

For more information, please contact Cooper Solutions today on 08445 611 224, or email:

sales@coopersolutions.co.uk



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INTEGRATION

Integrating digital appraisal with a dealer management system (DMS) helps to smooth out the process and joins it up with CRM and disposal at auction.

However, CAP's Philip Nothard said integration is one of the biggest hurdles facing digital appraisals: "Integration is happening and I think the DMS suppliers are aware of that and want to make it happen, but it takes time."

The two dealers **AM** spoke to do not currently have their digital appraisal system integrated with their DMS supplier.

Nothard said: "What you want is to be able to put in the reg and it will take you all the way from appraisal, pull in all the relevant details from the DMS and then through for disposal with no re-keying."

having a tool helps to increase accuracy.

Tim Hudson, managing director for Manheim Remarketing, said data from its SellerAdvance digital appraisal tool shows a 97% accuracy rate.

Digital systems, such as SellerAdvance, Cooper Solution's FullAppraisal or BCA's Dealer Pro, can also pull in data from pricing guides to provide a starting point for part-ex values.

The sales manager or dealer principal should also be generating reports tracking how many of the appraisals being done have been converted into sales. The appraisals can also be provided to customers, with supporting images or video, so they can review how a dealer came to their conclusion.

Dale believes the adoption of digital appraisals will increase rapidly over the next 12 months. Cooper estimated that about 80% of dealers operated a paper-based part-exchange appraisal system two years ago, and said this proportion had fallen to about 50%.

Philip Nothard, CAP Black Book editor and retail and consumer specialist, said: "One of the big things that's becoming difficult is the specification check and making sure all the technology is accounted for and working."

"This is going to become even more difficult when cars have different levels of connected features and options which aren't even visible."

The registration or VIN look-up functions of digital systems will be crucial to identify the exact specification.

Which disposal method is best?

Dealers have four main options to dispose of vehicles – retailing stock themselves or at their used car supermarket sites, trading to an independent dealer, putting them out to a physical auction or putting them through an online auction.

Dale said the part-ex ideal is for a dealer to be clear of the vehicle and for it to be sold within 24 hours: "Realistically, if you've got things all working efficiently, that 24-hour window can happen, but you're looking at three to four days and perhaps up to a week before the cash is back in the business."

Many of the digital appraisal tools can connect the process to disposal systems, allowing the dealer to offer the car online to the trade while it is still on their premises.

When pricing a vehicle for auction, Cooper said dealers need to look at the stand-in value (the price the dealer needs to reach to break even on the vehicle), the reserve and the starting price.

He said: "You want bidders, and so setting the starting price low is a good idea and never higher than 75% of the reserve."

"The reserve really depends on what the dealer is looking to achieve with that vehicle. A lot of dealers will put the reserve at CAP Clean even if it's not in that condition."

"Some dealers are happy to cover the cost of the physical auction fee on the disposal and call it even. It really depends on how well they think they've bought it."



"A lot of dealers are still using Auto Trader as a way to gauge what sort of price they should be looking for and while that's fine, it's not the Bible"

Matt Dale,
G3 Remarketing

NEXT MONTH:
Websites
& digital

Thomas said any non-retail vehicles should be valued to sell, so an accurate appraisal leads to a realistic auction grade.

Nothard said the only thing that will come of an inaccurate appraisal is a dealer making a loss at auction.

He said: "If these vehicles go to auction and the dealer has missed the detail, part-ex stock can miss the first sale and then vehicles get a stigma. It slows down the sales process and stock turn."

Dale said the key to setting a price at auction is being realistic: "A lot of dealers are still using Auto Trader as a way to gauge what sort of price they should be looking for and while that's fine, it's not the Bible."

"Ready-to-retail stock will always carry a premium. The other trend we are seeing is that outlets buying up that part-ex stock don't want to acquire vehicles they're going to have to refurbish."

"If the vehicle needs work and it can't be done within most dealers' £150-£200 limit, it has to be priced accordingly to sell."

Physical auctions vs online auctions

Online-only auctions continue to grow in popularity and, according to Cooper, the choice between physical and online is based on time and logistics and the majority of the AM100 use a mix of the two.

He said: "It's a bit of a race against time as you're always looking to get that vehicle to sale before there's a drop in residual value and that will happen within the month."

"You want to get stock moving as quickly as possible and if you're looking at a physical auction, you may get one pick-up slot or two a week, but the time it takes you to get your money back will be at least 10 days."

"There are also a lot more overheads and transaction costs involved with physical auctions. The costs involved would be up to nine times higher than online only, from what we have seen."

Thomas said dealers should target the remarketing channel that has the buying power to deliver the best possible return in the shortest time.

Hudson said a physical auction had the benefit of letting buyers carry out their own visual inspection of vehicles, rather than relying on images and video provided on an online auction listing.

He said: "Seeing and hearing the vehicle moving can be advantageous to buyers in the physical auction environment."

The big physical auction players like Manheim and BCA will also offer dealers the mix of online and physical for the best of both worlds. G3 Remarketing was previously an online-only auction, but has now set up a physical auction space near its headquarters in Leeds.

He said: "The majority of our volume comes from ex-fleet vehicles between £6,500 and £7,000, which buyers are comfortably buying online, but we were finding it difficult to attract buyers for part-ex stock below £3,000 online."

"It's a confidence thing, because buyers like to see and touch vehicles that are a bit older."



Digital part-exchange appraisal methods can increase accuracy



For more information, please contact Cooper Solutions today on 08445 611 224, or email: sales@coopersolutions.co.uk

PLUG THE HOLES THAT LEAD TO LOST PROFIT

Do you feel that too much of the revenue generated by your dealership seeps away like water through a leaky bucket? Given that such leakage is often a result of mistakes which may influence customer perception, dealerships can benefit by improving their processes to plug those holes.

Cooper Solutions have developed a range of web-based products that enable dealers to improve their internal processes, resulting in higher margins without the need for increased revenue.

All of our solutions – which include electronic appraisal, online auction, used car prep cycle & stock management, day rate insurance and financial forecasting – have been developed exclusively for UK franchised dealers and no one else. That's why most of the AM100 choose to use our services.

To find out more about how we can improve your business, go to our website:

www.coopersolutions.co.uk

**CALL US TODAY TO DISCUSS HOW WE CAN
HELP PLUG THE HOLES IN YOUR BUSINESS.**

phone: 01926 855055 email: sales@coopersolutions.co.uk visit: www.coopersolutions.co.uk



INDUSTRY PROFESSIONALS SHARE THE BEST ADVICE ON MOTOR RETAIL ISSUES

The dealer's right to return part-exchange vehicles

By Graham Jones, director, Lawdata



One interesting aspect of the new Consumer Rights Act arises when a consumer exercises their right to a refund within 30 days.

Section 20 of the Act provides that the entitlement to a refund works on the basis that "the consumer is entitled to receive back in its original state whatever the consumer transferred". In many, if not most motor trade cases, that will be a part-exchange vehicle.

This can work both ways. Many customers are not at all interested in the return of their part-exchange vehicle – they know what problems it has, or were likely to occur.

On the other hand, a dealer may be only too pleased to return an expensive part-exchange, particularly if it needs work before being fit to re-sell.

In one recent case, the customer's demands to reject a vehicle for a full refund, on the basis of a very minor problem, coincided with the part-exchange failing an MOT in a very comprehensive manner, despite the customer having provided a recent clean MOT when they bought their new vehicle.

The customer suddenly seemed rather less enthusiastic about a refund when he realised that meant having his old car back.

Contrary to some rumours, there is no obligation on a dealer to retain a part-exchange for 30 days. The dealer is fully entitled to sell any car it owns; in which case any refund will normally be based on the agreed part-exchange figure.

**law
data**

As CI moves with the times, so should cleaning methods

By Jeff Hilton, automotive target market manager, Kärcher



In the car dealership survey we carried out last year, 100% of dealers said they felt cleaning of their premises is more important now than it was five years ago. And 97% of respondents said they felt it would continue to be either as important or more important in the next five years. Why is this?

The increased level of competition between dealerships has prompted more of them to ensure their premises are well presented. Also, increased internet research could mean customers make fewer speculative visits to dealerships, so the impression they get when they do visit a showroom must be first-class.

The nature of corporate identity (CI) development also plays a big part in this. Higher investment in CI prompts more dealers to take care of expensive assets such as new floor tiles. CI designs have changed, moving towards higher-spec finishes and lighter colours, meaning floor cleaning must be kept up. More showroom handovers mean more car movements, leaving tyre black, forecourt dirt and even water on showroom floors. And, of course, many new CI concepts make the workshop part of the customer experience.

As new CI designs often involve high-spec tiles with light-coloured grout, traditional cleaning methods like mopping can't be expected to keep floors like this looking new. Contact me for a free protocol for your dealership so I can show you how using the right combination of cleaning machine, brushes and detergent can reduce consumable costs, reduce cleaning time and above all give a first-class impression to your customers.

■ For more information, email jeff.hilton@karcher.co.uk.

KÄRCHER

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

'Cheap is not good, and good is not cheap'

By Martin Peters, sales director, Autoclenz Group



Much like the current weather conditions, the winds of change blow strongly in the ever changing labour market. Whether you are recruiting valeters, receptionists, sales executives or technicians, what was a straightforward process of recruitment

has become far more challenging. It's easy to get bums on seats, but to get the right people, who can fly your flag and engage with your business, is a different matter.

Our service is all about the people, but more importantly the right people. Our operators go through a gruelling, industry-leading, compliance-checking process to check their driving licences, their ability to legally work in the UK and that they are who they say they are. There is a cost to this and, more importantly, there is a cost to adhering to the new minimum living wage of £7.20 per hour coming in next month, which supports engaging the right people.

More than 30% of operators we are asked to engage with when winning new contracts from competitors do not pass our compliance-checking process for reasons such as having no driving licence, no passport / paperwork or working on a student visa, to name a few. This "grey" labour promotes lower rates with no questions asked, but the risks that go with this option far outweigh any potential short-term gains.

Who is working in your valet bay today?

■ To find out more about the difference at Autoclenz, please call Lucy on 01283 554682.



Why used dealers should make room for a van or two

By Simon Henstock, UK operations director, BCA



One of the spin-offs of the recovering economy has been the increase in demand for used vans from the small business sector. The first asset many small businesses, partnerships and sole traders are likely to acquire is company transport and that is invariably a van.

With interest from small businesses serving the civil engineering and building sectors, through to parcel delivery and courier operators, values for panel vans of all types and capacities have been maintained at a high level and demand has risen for virtually every type of commercial vehicle, from Lutons to tipper.

The upshot is that vans remain a good profit prospect, even as an infrequent sideline to the main business. For the used dealer who has the experience and knowledge to buy vans and has access to the right sort of retail customer, these are opportunities that should not be missed.

However, it is important to 'buy well'. The van is a calling card for small businesses, so condition must be good. Retail-specification vans with metallic paint, alloys and a cabin equipped with aircon and a good entertainment system will always attract buyers – in a small business, the boss is also likely to be the driver and the vehicle may even occasionally double up as family transport.

With access to the best sellers in the business, BCA brings the very best stock to the market with sales every day of the week, a national sales programme and a great selection of stock. Check out our comprehensive catalogues of commercials online at bca.co.uk and get vans working for your business.



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Will the new, higher-capacity 30kW EV make 'range anxiety' a thing of the past?

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Mazda rebuts concerns that it did not give its biggest-selling retail car enough marketing support.

FIRST DRIVE: AUDI R8 V10 COUPE - ON SALE NOW



Hi-tech supercar shows Audi is not all about conquering the company car market

By Tim Rose

Audi UK dealerships have recently begun handing over their first customer orders of a car referred to by the brand as "the state-of-the-art benchmark for Vorsprung durch Technik".

Translated from Audi's marketing speak, it means the R8 V10 is the fastest, most powerful production Audi ever. It features new technologies such as 'laser' lights and a customisable digital 'virtual cockpit' display, and makes extensive use of aluminium and carbon fibre-reinforced plastic in its structure.

The Audi R8 is obviously not crucial for its impact on sales volumes – annual sales in the UK are about 400 units – but the sports car plays a vital role as a halo model for the brand, reinforcing the idea that Audi is not all about conquering the company car market.

The R8 is also a good profit source for the 38 Sport Centres within Audi's UK network that specialise in R8 and RS models

"The whole car is head and shoulders dynamically ahead of any other Audi road car that we've ever been able to deliver"

Katie Purcell, Audi

– the coupé starts at almost £120,000 for the stock R8 V10 and almost £135,000 for an R8 V10 Plus. Buyers will typically add at least 10% to the invoice after going through the extensive options list and creating their dream car. On the media launch, we were driving cars with an on-the-road cost nearing £155,000.

From studying how customers bought the first-generation R8 since its 2007 launch, Audi has decided to eliminate manual transmission – it represented only 1% of orders – and make the new R8 available solely with S-tronic dual clutch automatic and steering-wheel mounted gearshift paddles. In addition, all R8s will come with the hand-built 5.2-litre V10 engine shared by the Lamborghini Huracán, now upgraded to either 533bhp in standard form or 602bhp in 'V10 Plus' guise. Quattro all-wheel drive is standard.

"The whole car is driver-focused and it is head and shoulders dynamically ahead of any other Audi road car that we've ever been able to deliver. That means acceleration, power, pace and nimbleness. This car is going to be really rewarding for the most demanding of drivers," said **Katie Purcell, product marketing manager for R8.**

Audi hasn't messed around much with the external styling of the R8, which means that for many customers it may be hard to distinguish the second-generation car from the original at first glance. However, the slightly sharper lines, 19in alloys,



Audi claims the new R8 is 13% more fuel-efficient than its predecessor



The R8 V10 is Audi's fastest, most powerful production car



Drivers will benefit from a 12.3in digital 'virtual cockpit' display

all-LED headlamps and rear indicators with sweeping function are among the visual cues. Once they are seated inside, there's no mistaking the new model, thanks to that clever 12.3in digital 'virtual cockpit' display and the sports steering wheel, which, in addition to the usual thumb-wheels, now contains buttons for the Drive Select mode, the ignition, the switchable exhaust, and one labelled with a chequered flag that delivers the owner's pre-saved dynamic preferences. The need to remove a hand from the steering wheel is minimised to allow the owner to focus on the drive.

Out on a test drive, the customer will notice that the engine pulls happily to its 8,500-rpm redline, with the whole instrument panel changing colour when it's time to change up a gear when using the lightning-fast paddles behind the steering wheel.

In a nod to the environment and efficiency, the V10 engine comes with a stop-start system and cylinder-on-demand technology, which shuts off one of the two cylinder banks when the engine is under light load. As a result, Audi claims a fuel economy improvement of up to 13% compared with the predecessor – the R8 V10 can achieve 24.8mpg economy and 272g/km CO₂ emissions in official tests (15% and 12% improvements over the old model), while the V10 Plus manages 23mpg and 287g/km.

However, thanks to the glorious sound of that engine when

revved, enhanced further by an optional sports exhaust system on the car we drove, it's unlikely any buyer will see similar figures.

A standard Audi Drive Select system offers the buyer a choice of four modes – comfort, auto, dynamic and individual – which alter the characteristics of the engine, steering, transmission and all-wheel drive system. A fifth mode, performance, is optional on the V10 and standard on the V10 Plus and has its own button. A control wheel can also let the driver select between dry, wet and snow settings for optimum grip.

Other standard equipment includes heated electric sports seats, leather upholstery and trim, climate control, front and rear parking sensors, a retractable rear spoiler, and a multimedia interface with navigation and an on-board Wi-Fi hotspot. The V10 Plus gets upgrades including sculpted bucket seats, a system that electronically adjusts the exhaust flaps for more noise, carbon fibre-style exterior details and a large, fixed, carbon fibre rear wing.

The R8 V10 is a technological masterpiece, a supercar that can flatter any prospective buyer who tries out the driving seat. To reward them for their choice and enable them to get used to the R8 in safety, all UK buyers are invited to join Audi at Silverstone for a complimentary full day's training in the R8's capabilities.

SPECIFICATION

Price	£119,500-£134,500
Engine	5.2-litre petrol: 533/602bhp
Transmission	7sp S-tronic auto with paddle shift
Performance	0-62mph 3.2-3.5secs, top speed 198-205mph
Efficiency	23-24.8mpg, 272-287g/km CO ₂
RV 3yr/60k	42%
Rivals	Aston Martin V12 Vantage S, McLaren 570S, Mercedes AMG GT S, Porsche 911 Turbo

WHAT YOUR CUSTOMERS WILL READ ABOUT THE AUDI R8

AUTO EXPRESS

The new Audi R8 is a big leap on from the original in terms of performance and tech, but still earns its 'everyday supercar' tag.

CAR

What the R8 V10 Plus brings that the 911 Turbo S, AMG GT S and in-coming McLaren 570S can't quite counter is a proper supercar-grade engine: big capacity, exotic cylinder count, no turbos and a high rev limit. Only the Aston Martin V12 Vantage S comes close to competing on this score. But that awesome mid-mounted lump is just one aspect of a performance so accomplished it may leave rivals running for cover in all areas.

TOP GEAR

You've got the superb graphics and design of the 'virtual cockpit' screen, the telematic features of a high-end saloon, brilliant ergonomics and quality. Yet it still feels like a supercar.

NISSAN LEAF 30KW - ON SALE NOW

Charging more for range security



The new Leaf has a range 25-30% bigger than its predecessor

By Tim Rose

Who knows where the term 'range anxiety' originates? Perhaps it was travellers with a bout of 'Delhi belly' and no idea how close the next public toilet would be. Or medieval archers desperate to take out a rival army before it could close on the castle walls.

In any case, range anxiety in the 21st century seems securely associated with electric vehicles. Carmakers promoting EVs are having to re-educate consumers, accustomed to covering 400 miles between weekly fill-ups, that they can change their habits, save money and protect the environment. The downside is being able to only cover 60 miles or so before the dread kicks in that they may not be able to complete the journey.

However, the fear of being stranded is not generally borne out by reality – data from the Office for National Statistics shows the average daily mileage of a UK driver is about 32 miles. Nissan, which launched the Leaf electric car in 2011, has often argued along similar lines. Yet consumer confidence is crucial, so now that battery technology has improved it has brought out a second Leaf model with a longer range and an eight-year battery warranty.

The original Leaf, with its 24kWh battery and official range of 120 miles – likely 80 in real life – remains on sale from £20,790. Yet those seeking more range security can now pay a £1,600 premium for a Leaf with a 30kWh battery that provides an official range of up to 155 miles, the greatest of its rival pure EVs. The results of our 60-mile test drive on a cold, wet January day

suggested a real-life range of 100-110 miles is likely to be its limit.

Buyers keen on the longer-range Leaf cannot purchase it in the base Visia trim. Instead their choice is Acenta or Tekna. Acenta comes with a rear-view camera, auto wipers and lights, alloys, a heat pump energy-saving cabin heater and the NissanConnect EV system, which lets owners keep in touch with the car by mobile phone to start charging, switch the heater on and view the remaining range. Tekna gains LED headlamps, leather seats, Bose audio and 360-degree parking cameras. The options list includes an upgrade of the on-board 3.6kW charger to a 6.6kW one, which will lift the one-hour charge range from 17 miles to 32.

There's certainly enough technology and comforts on the Leaf to satisfy someone trading in a mid-spec VW Golf or Ford Focus and the extra range this new model offers will reassure them.

The main objection for sales executives to overcome now will be the headline price. Sticking with a petrol-engined family hatchback could prove several thousands of pounds cheaper initially, but those choosing a Leaf get longer-term benefits, such as average running costs of 2p to 5p per mile.

SPECIFICATION

Price £24,490-£26,490 (30kWh model)

Engine AC synchronous electric motor: 108bhp

Transmission CVT auto

Performance 0-62mph 11.5secs, top speed 90mph

Efficiency 155 miles per charge, 0g/km CO₂

RV 3yr/30k 28.6%

Rivals BMW i3, Kia Soul EV, Renault Zoe, VW e-Golf

ADVERTISING FEATURE

CUSTOMERS WILL DRIVE DEMAND FOR SELF-SERVICE MOTOR FINANCE

By James Tew, director, iVendi



Self-serve motor finance is set to become one of the major industry trends of 2016, we believe, and the main factor driving it will be a desire to empower customers.

In a post-FCA motor industry, there is a realisation that putting as much of the motor finance process as possible in the hands of the customer works well for all parties – and self-service motor finance fits this approach exactly.

For this reason, the technology to really put some momentum behind self-service finance is appearing at just the right time, technology that will allow customers to work through their own finance product choice, quotation and application either online or in the showroom.

Most experienced industry people automatically understand how self-serve works online, but it is the possibilities of in-showroom self-service that are proving to be the real "lightbulb" moments. There are all kind of ways it can be used to 'play' with the car sales process. You can more easily move finance to the front of the process if you have a high rejection rate, for example.

Perhaps most interestingly, you can simply leave the customer to work through the finance process themselves in the dealership, putting them in complete control. This is perfectly natural – customers have become very well versed in using online comparators in all kinds of areas, such as insurance and holidays.

All of this technology is included in the new generation of the iVendi Platform, which is being launched this month. The Platform is designed to provide the means to manage all of your motor finance activity and the self-serve technology included makes it, we believe, a genuine innovation.

Contact details:

www.ivendi.com

E-mail: enquiries@ivendi.com

Phone: 0845 226 0503



How to gain customers' trust to secure sales

Trust is tricky to build when you are trying to sell someone something. How do they know they can trust you, or if you are just trying to make a fast sale?

Retailers need to do everything they can to gain their customers' trust and this means understanding and delighting them at every step of the buying journey.

People often choose their car with emotion and justify the decision with logic, so retailers must do everything they can to connect with their customers' feelings. It ensures that they realise you know where they are 'coming from' and starts that trust-building.

So what are the challenges to building trust? Online search and winning their awareness isn't enough any more, because there is so much vying for their attention. Retailers must go further to truly connect with customers.

Websites need to give them all the information they are looking for and in the correct format – most will view using a smartphone or tablet, so not having a mobile-optimised website means customers will turn off at the first hurdle.

Social media channels can also help you to appear more 'human' and trustworthy, allowing prospective customers to engage with you prior to visiting the showroom, on a platform where they feel comfortable and in control.

Our research suggests car buyers are no longer making appointments; instead they are just turning up at the dealership expecting to be able to talk to a salesman and take a test drive. The sales process needs to keep pace with how consumers are behaving if it is going to enable you to connect with them and ensure that trust continues to build.

Perhaps the greatest change to consumers' behaviour is their need for transparency. It is found in all markets now and is expected to be in ours too – the internet has opened up our market, so everyone can see the price of everything, everywhere.

If you deliver transparency, consumer confidence and trust in

Retailers must do everything they can to connect with their customers' feelings



“Retailers need to do everything they can to gain their customers' trust and this means understanding and delighting them at every step of the buying journey”

you grows. Displaying ratings, reviews and testimonials on your website and your advertising is a great place to start.

However, one of the elements that gives greatest confidence to car buyers and allows them to “turn up to buy” is the ability to get a valuation for their vehicle before they arrive at the dealership. Research confirms that this information gives them confidence and potentially turns them into more qualified leads. And, clearly, selling more cars is the end goal for all of us.

The growth of online valuation

tools has changed the way in which the part-exchange process works. The days of simply adding a margin to the purchase price and expecting to get a response are gone. Hours of internet research and immediate access to information via smartphones, means car buyers are privy to vast amounts of information – arguably as much information on pricing as sellers – before they set foot in a dealership, so retailers need to be more transparent in order to gain the confidence of consumers.

There are now so many online

vehicle valuation tools available, it's no wonder the average consumer can get confused as to what their vehicle is actually worth, but with experts agreeing the car valuation market now belongs to the consumer, top-up retailer profit margins are quickly becoming a thing of the past.

Consumers have all the tools needed to work out what a good deal looks like, and shrewd retailers know that in order to get a response, they need to meet the market, not try to make it. With one in five part-exchange deals breaking down due to a misalignment in consumer expectation and retailer offerings, it's time to take valuation tools seriously.

Access to information means dealers will need to ensure all their processes are transparent and open to scrutiny. Get that right and not only will you connect with your customers and build a real sense of trust, but you will sell more cars as a result.

HONDA CIVIC TOURER 1.6 I-DTEC EX PLUS

Safety first in the Civic Tourer



The City-Brake Active system is standard on all Civic Tourers

By Tom Sharpe

From time to time, I describe the audible collision warning systems fitted to ever-more autonomous modern cars as “parked van spotters”. When asked by a passenger what calamity the blaring tone indicates, it often seems the most appropriate answer, given that a vehicle parked at the roadside is most often the cause.

Thankfully, Honda's combination of cameras, short-range ‘lidar’ (laser radar) and radar technologies seems better judged.

The City-Brake Active system, which will apply the brakes if it detects an imminent collision at up to 18mph, is standard on all Civic Tourers. The system, having been introduced across the board to not only improve safety for occupants and to score highly in the all-important Euro NCAP tests, also drops the model down two insurance groups (to 17E).

A range of further safety devices,

“Honda's City-Brake Active system not only improves safety for occupants, but drops the Civic Tourer two insurance groups”

including the audible collision detection warning system, is available as part of an optional Driver Assist Safety Package, which is priced at £600 for Civic Tourers of SE grade and above.

Our EX Plus came fitted with the full gamut of assistance: frontal collision warning; lane departure warning (LDW); traffic sign recognition; blind spot information; cross traffic monitor (CTM) – which warns of approaching vehicles when reversing out of a parking space – and high-beam support (HBS).

Too much time spent driving down rural roads, where straying over a white line is not uncommon, often leads me to turn off the LDW, but the CTM

and HBS have both proved themselves real assets.

One piece of technology billed as safety equipment that may help on those rural runs, however, is Agile Handling Assist.

Aiming to improve agility and stability in cornering situations, the system subtly brakes the inner wheels to help direct the car into a bend.

While the Civic Tourer is not the most dynamic car out there, the result is a fairly responsive steer, something keen drivers may miss when the rise of driver assistance systems leads to the widespread adoption of fully autonomous vehicles.

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 CO₂

RV 3yr/30k 40.6%

Start mileage 7,367

Current mileage 11,062

Rivals Ford Focus Estate, Renault Megane Sport Tourer, Škoda Octavia Estate, Volvo V60

WHAT'S BEING SAID ABOUT THE CIVIC TOURER

AUTOCAR

SR and EX Plus include sat nav and heated front seats, while keyless entry/start and self-levelling headlights are top-spec-only. Two generous levels of sensor-based driver assistance and safety kit are also available.

CARBUYER

The Civic Tourer is more expensive than most in this class, including the Škoda Octavia and VW Golf estates. Cars like the Seat Leon ST don't offer as much space, but can be up to £3,000 cheaper than the Civic.

Guess the car competition



Nick Ashton, brand manager at Inchcape's Volkswagen Macclesfield business, correctly identified the Fiat Tempra Station Wagon in the last 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 with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, March 11, 2016.



MAZDA2 1.5 SE-L NAV

Mazda: 'The 2 is a core part of our growth'



By Jeremy Bennett

A dealer's concern in last month's *AM* – that registrations of the Mazda2 suffered because the sales and marketing spotlight was pointed elsewhere during a year that saw the brand introduce three new models and two facelifts – has prompted a robust response.

Amarjit Shokar, boss of 2012 *AM* Award-winning dealer Romford Mazda, said sales have been good, but could have been better if the small car had been given more marketing support.

Mazda2 sales were up 16% last year and **Mazda Motors UK sales director Peter Allibon** said it had been a "core component" in the overall brand's growth of more than 20% in 2015.

"Mazda2 is our biggest selling retail

car and so while its launch was closely followed by the new Mazda CX-3 and then the Mazda MX-5, 40% of our media spend in 2015 was focused on Mazda2."

The investment continues in 2016 with a Mazda2 television campaign airing throughout February.

"The car will demand a significant share of our media spend to deliver the significant retail volume we have planned for the year," said Allibon.

"The combination of this media investment and the consumer offers that keep the car accessible to a wide range of customers will help our network deliver the planned volumes profitably.

"Should opportunities arise to increase the UK's allocation of Mazda2 then we take a sensible view on this and align our marketing activity accordingly".

"This year is going to be one of consolidation with modest levels of growth," he said.

"The Mazda brand and our current product range gives us the capacity to grow beyond 50,000 annual sales, but our dealer network is profitable at that level, so if we do expand beyond this point we have to look at the size of our network and our own infrastructure to support those extra sales, while at the same time ensuring we continue to deliver the desired customer experience."

ARE MONEY OR DEBT WORRIES CAUSING YOU STRESS?

BEN, the not-for-profit automotive industry charity, has launched the second of its Four Pillars campaigns. Following on the November launch of the Mentally Fit pillar, the Financially Fit initiative has been designed to provide practical advice and information for anyone who is struggling with issues relating to managing their income or debt.

Financial worries can have a huge impact on people's lives, with the stress affecting their relationships, employment and their overall physical and mental health. Getting the right advice and support early on can dramatically reduce the impact of debt problems.

BEN's free and confidential helpline will enable callers to find out more about:

- Accessing free, confidential advice on managing income and budgeting effectively.
- Information on ways to take control of existing debts, including referrals to regulated debt advice services.
- Preparing for redundancy if you're at risk of losing your job.
- Identifying the welfare benefits you're entitled to.
- Planning for a better financial future.
- Retirement planning.
- Any financial assistance BEN can offer where appropriate.

David Main, BEN's chief executive, said: "With a recent survey showing that 20% of employees are concerned that their financial situation has affected their work, it's never been more important for employers to raise awareness of the support BEN can provide. Our aim is not just to help and advise the individuals affected by these issues, but to provide employers with the right tools to support staff and ultimately find a permanent solution."

A number of campaign materials are available, including posters, leaflets and digital assets. Employers can download these materials for free via the BEN website www.ben.org.uk/financiallyfit or by emailing financiallyfit@ben.org.uk.

Anyone concerned about their own or a dependent's money worries can speak to BEN free and in confidence by calling 08081 311 333.



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 ₂
RV 3yr/30k	38%
Start mileage	671
Current mileage	4,312
Rivals	Ford Fiesta, Vauxhall Corsa, Renault Clio, Peugeot 208

Jennings Group

Managing director Nas Khan reveals the strengths behind his privately owned multi-franchise dealer group.



Protecting your dealership

In a special section, *AM* reports on how you can defend your businesses from unwanted intrusions in both the digital and physical environments.

AM Digital Marketing Conference report

Advice and best practice from the expert speakers at our latest event.

First drive: Kia Sportage

After the sales success of its predecessor, which brought thousands of new customers into Kia dealerships, the fourth generation of Kia's medium-sized crossover SUV has some big shoes to fill.



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Aftersales Manager – Home Counties - £65K

Dealership Accountant – South East - £40K

Digital Experience Manager – South East - £NEG

General Manager Prestige - London and SE – £120K

General Manager - Scotland – £150K

Sales Controller (Volume) - London - £45K

Workshop Quality Controller – North London - £34K

Overseas

Automotive Financial Controller - North Africa - £50K

Techs, Paint Sprayers, Panel Beaters - Australia - £NEG

For all other vacancies please visit www.steele-dixon.co.uk or call the team on 01235 536 440



ACCOUNTANCY

11507	Temp Management Accountant	Suffolk	£Neg
11505	Temp Management Accountant	Lancashire	£Neg
11504	Temp Management Accountant	Cheshire	£Neg
11501	Dealership Accountant	Bristol	£45k-£65k
11491	Management Accountant	London	£Neg +
11487	Management Accountant	Essex	£40k +
11484	Dealership Accountant	Bucks	£40k +
11481	Dealership Accountant	Northants	£40k pa +
11477	Temp Dealership Accountant	Herts	c£40k
11474	Management Accountant	Lancs	c£35k +
11466	Financial Controller	Wilts	OTE £45k
11457	Management Accountant	Kent	To £35k pa +
11460	Temp Dealership Accountant	Surrey	£Neg

OPERATIONAL

11509	Marketing Trainee	Lancs	£30k
11502	Brand Manager	Suffolk	£Exc
11500	Sales Controller/Retail Mgr	Hampshire	£40k OTE
11498	HGV Technician	Norfolk	£Neg + OTE
11492	Master Technician	Cambs	£37k + OTE
11486	General Manager	S Yorkshire	OTE £85k
11479	Dealer Principal	Kent	OTE £100k
11478	Dealer Principal	Surrey	OTE £180k
11475	Workshop Controller	Surrey	£30k + OTE
11470	Dealer Principal	W Midlands	£Exc
11468	Operations Manager	Berkshire	OTE £50k
11467	Operations Manager	Lancashire	OTE £50k

The talent's out there
The trick is finding it!



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Development Manager (Warranty) - based in the North West

Salary: £ Competitive + bonus + car + benefits
Location: based in the North West, covering NW England, North Wales and N. Ireland

Job Type: Permanent

QBE Insurance are seeking a Regional Development Manager to manage a portfolio of existing manufacturer Dealer clients and grow its market share within this environment by way of establishing new relationships within its franchised network across the North West of England, and N. Ireland.

This opportunity will appeal to a current Area Sales Manager looking to -

- Manage and develop an Approved Used Car Warranty Programme for a major vehicle manufacturer.
- Prospect and develop their network/territory with a white label warranty product.

The successful candidate will be able to demonstrate:

- Significant experience in a sales environment
- Experience working in Automotive industry
- Strong people management, training and influencing skills
- Developed commercial acumen
- Flexibility to manage a large geographical area
- Experience of working in a field based environment
- The ability to work without direct supervision
- Self discipline and motivation to work remotely (home office)
- Success in winning new business and developing a prospecting network to ensure a steady flow of new business.

To be considered for this role, please forward your CV and a covering letter to Owen.Wreford@uk.qbe.com
Closing date for applications is Friday 11th March 2016

Made possible by



LUXURY AUTOMOTIVE BRAND MANAGER

Location: Edinburgh

We are looking for an experienced Brand Manager to lead a state of the art luxury automotive facility in Edinburgh that has an already significant track record in achieving sales and profit within the Scottish region. The current facility is currently undergoing a transformation to the latest standards of the luxury automotive manufacturer and will be completed at the end of May 2016 and 2017 respectively and we are now seeking to find a candidate worthy of this exceptional challenge of leading this new retail facility.

It will be anticipated you will have a proven track record in a GSM or Dealer Principal role preferably in the specialist market in Scotland, and are now looking for a new demanding challenge.

The role is for a dynamic Brand Manager where you will be required to be driven to achieve the growth expectations of the new facility, and as such you will need the capability to mould the future structure requirements to efficiently meet the demands of a luxury retailer.

You will need to display a desire and belief that our facility in Edinburgh will become one of the UK's finest and most profitable partners, this is our vision, but you will need to ensure that, the strategy and supporting actions you create ensure the journey starts on your appointment.

You will work with the already successful New and Used car teams where a 'One Team' and a 'Completely Satisfied Customer Culture', is alive and successful.

For us passion means working "with your heart" as well as with your head. Working smartly with a passion that pays full attention to detail, working with enthusiasm to reach our ambitious objectives, and working to guarantee utmost client satisfaction.

Your style will be to consistently get the basics right but also be at the forefront to embrace new technologies and ideas to make every transaction opportunity special and profitable. The ability to maintain and promote a culture for delighting team members and customers is a key requisite for this demanding role as is the need to meet the exacting standards and targets of our highly respected manufacturer partner and in so doing expand our luxury sports car market share.

To achieve this you will need to be adaptable with both a hands on approach and strategic objective planning skills that will motivate your team to deliver profitable growth. This is an extremely high profile role which will be demanding and rewarding in equal measure.

Striving for excellence means following the world with attention and with an open mind to enrich our competences.

If you believe your ambition and passion for success matches ours then please send a covering letter explaining why you feel you are the ideal candidate please send your CV to Garry Bagley garrybagley@sytner.co.uk

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