

AM

AUTOMOTIVE MANAGEMENT

JAGUAR F-PACE / P92

First SUV will be a global best-seller, says Jaguar



Most AM100 executives, manufacturers and the SMMT have said they want to remain, but an AM-online poll of the UK motor trade shows ...

52%

WANT
OUT OF
EUROPE

BREXIT POLL / P8



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In or out - the motor retail industry speaks on Brexit

There is less than a month to go until the June 23 referendum on the UK's membership of the European Union. It is possibly the biggest decision UK voters will make this century. In the next few weeks, the lobbying by the Remain and Leave camps will reach its peak in their attempts to sway the undecided.

Yet there are not so many undecided among the hundreds of *AM*-online respondents to our Brexit poll. As our cover reveals, the majority of respondents want to leave Europe – turn to page 8 for our analysis.

In any case, to echo a sentiment from Robert Forrester of Vertu Motors, we can't control the uncontrollables. So until the British public has had its say on June 23 and the votes are counted, the motor retail industry must carry on regardless.

Franchised dealers are still facing a decline in average return on sales, and last month's drop in retail new car registrations signals that the market challenges are still here. However, the opportunities remain as strong as ever. Dealerships which source and sell their stock professionally, provide customers with the right experience, and deliver great value in aftersales will continue to prosper. And *AM* will continue to champion them.

■ Talking of championing franchised dealers, *AM* is launching its first ever trade exhibition, Automotive Management Live. Backed by the National Franchised Dealers Association (NFDA), it will bring hundreds of motor retailers and dozens of industry suppliers together under one roof on November 16 to discover everything they need to know about operating a modern showroom and workshop effectively. Find out more about it on page 6.



Tim Rose
Managing editor

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“People are happier in a working environment where there is a gender balance. It reflects the world in general”

Julia Muir, Page 42

“It has been proven that employee job satisfaction is positively related to customers' perceptions of the service they are receiving”

Jim Saker, Page 46

“For the salesman, the sale is the high point, but to the customer it is the handover”

Dom Threlfall,
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AM-ONLINE READERS
VOTE TO QUIT EU



JAGUAR F-PACE
JAGUAR BELIEVES ITS FIRST
SUV MAY BECOME ITS BEST-
KNOWN GLOBAL BRAND

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53 EXHIBITORS*
38 SECTORS*
15 SPEAKERS
8 MASTERCLASSES
1 INSPIRING EVENT

NOVEMBER 16, 2016, ARENA MK, MILTON KEYNES

*SO FAR...



In association with



AM is pleased to bring you its biggest daytime motor industry event yet

Automotive Management Live is a day-long exhibition packed with innovative ideas, best-practice advice and the latest products for used car retailers and franchised dealers, who are invited to attend for free.

Taking place across 2,800 square metres of floor space at the Arena MK, Milton Keynes, the expo will also feature product launches, grand prize draws and business-boosting drop-in clinics, as well as legal and regulatory updates to help bring all of your industry knowledge up to date.

Stephen Briers, editor-in-chief of AM, said: "We're really excited to be launching this new event for the UK's motor retail industry in 2016. We expect it to become one of our flagship events, alongside the AM Awards and AM100 Dinner, because the quality and breadth of information will be essential for people employed in motor retail at any level."

Sue Robinson, director of the NFDA, said: "We are delighted to be part of this important event for the motor industry and would encourage all dealers to participate from all sectors of their business."

Demand is strong, so visit automotivemanagementlive.co.uk now to express your interest in a free registration slot and we look forward to seeing you on November 16.

Find out more and register (dealers go FREE) at: automotivemanagementlive.co.uk

Exhibitors

So far, 53 exhibitors from 38 industry sectors – including website designers, legal experts, finance providers and remarketing firms – have signed up to appear.

AA Garage Guide
Alpha Financial Services
Automotive Compliance
Autos on show
AutoWeb Design
Autovolo
BCA
Buyacar
Call it Automotive
Car Care Plan
carwow
CBW Design
CitNOW
Codeweavers

Cooper Solutions
Dealer Management Services
Diamondbrite
Drive Development Solutions
DSG Group
Dura
EDT Automotive
EMac
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GardX International
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Motors.co.uk
Movex
Nextgear Capital
NFDA
Nick Stone Media
Pentana Solutions
Perfect Channel

Premia Solutions
RDS Global
Reef Business Systems
Reynolds & Reynolds
Rhino Events
Rotary Lift
Spidersnet
Supagard
T Cards Direct
Titan Dealer Management Solutions
Total UK
TRACS Solutions

Best-practice masterclasses

As part of AM's Best Practice Programme, industry experts will share their most effective working methods and crucial advice in a dedicated masterclass area throughout the day, allowing dealership managers to optimise those areas of their business.

Masterclasses will be hosted by: GForces, Judge Service, Marketing Delivery, iVendi, eDynamix, Cooper Solutions, CitNOW and Supagard.



The F&I Theatre

To the side of the main exhibition area, the F&I Theatre will be your place to learn the latest on FCA regulation in an engaging and interactive way.

Speakers from Alpha Financial Services will share the latest news from the world of motor finance in one session.

In a separate session, executives from Car Care Plan will provide insight into developments affecting point-of-sale insurance.



Legal clinic

Book a slot in advance to receive one-to-one, confidential advice on legal matters at our legal clinic, hosted by LawData.



The Hub

Meet fellow dealers in an informal setting to relax after seminars or catch up with industry gossip. Hosted by AM and the NFDA.



“We are confident that delegates who attend Automotive Management Live will take away a host of new ideas they can consider for their own daily operations. These best-practice masterclasses will cover aspects that are fundamental to the success of any motor retailer.”

Stephen Briers, editor-in-chief, AM

live.co.uk. Tweet us on @AMLive2016 if you are attending #AMLive

Brexit poll: Motor retail industry votes to leave EU

AM-online poll contradicts views of manufacturers and AM100 dealer groups

By Tom Sharpe

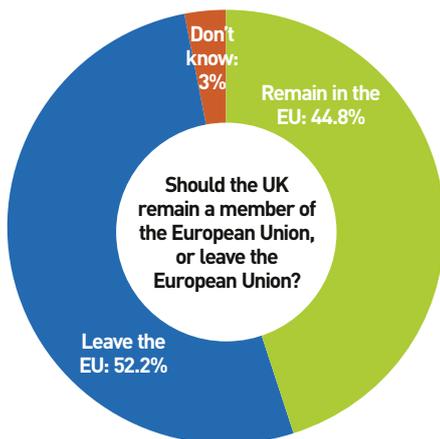
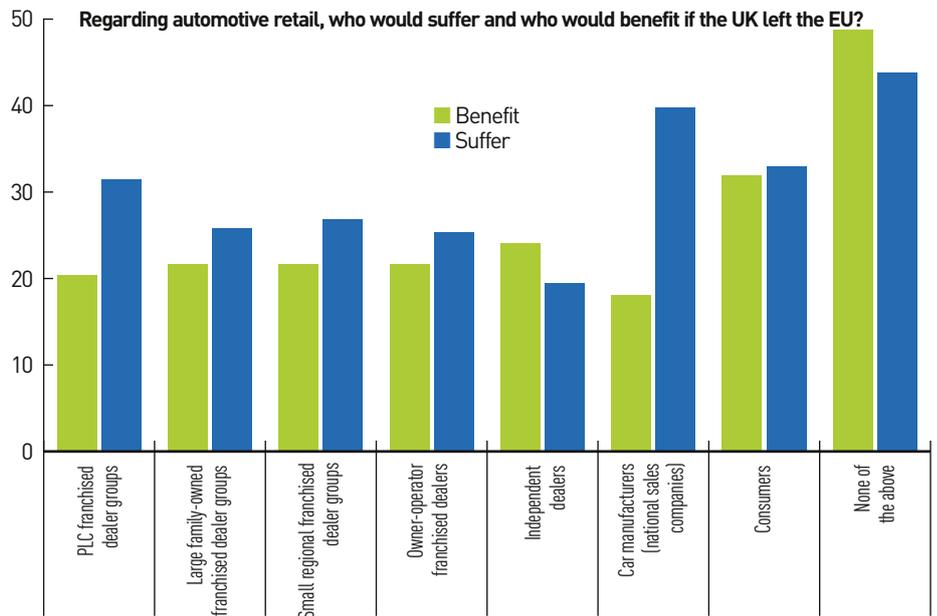
More than half of AM-online readers think Britain should exit the EU.

Some 52.2% of respondents to our online poll said the UK should leave the European Union, with 44.8% voting to remain and just 3% undecided.

This is in contrast to most national polls run over the same period, which have suggested the remain vote will triumph in the June 23 EU referendum (a ComRes poll on May 19 found 52% in favour of remain, 41% for Brexit and 7% undecided).

AM-online's poll result also flies in the face of thinking among senior automotive retail executives. Of those who answered the question in this year's AM100 questionnaire, 75% said they did not want Britain to leave the EU. Only 4% were for Brexit.

Manufacturers, too, are overwhelmingly opposed to Brexit. A poll of SMMT members conducted



Source: AM-online poll

earlier this year found 77% backed the 'remain' camp.

SMMT chief executive Mike Hawes said at the time: "Being in Europe is vital for the future of this industry and to secure jobs, investment and growth."

BMW has gone a step further, writing to all its UK employees to make it clear that "our employment base could be affected" in the event of Brexit.

When asked if uncertainty surrounding Britain's potential departure had affected their business, just 14.3% of respondents to AM-online's poll said it had, with 62% saying it had not and 23.7% uncertain whether there had been any effect.

Asked whether leaving the EU would harm the economy in general, more respondents said no (48.4%) than yes (44.7%), with 6.9% undecided.

However, when asked which distinct sections of the automotive retail trade would benefit or suffer if the UK left the EU, respondents believed only independent dealers would benefit (24.1%) more than suffer (19.5%). And they believed car manufacturers (39.8% suffer/18.1% benefit) and PLC franchised dealer groups (31.5% suffer/20.4% benefit) would bear the brunt of any post-Brexit changes.

Vertu Motors chief executive Robert Forrester said no preparations had been made for a changing

Leave

"The reason why things won't change for the worse? Because nobody will allow it to: allowing it to do so benefits nobody."

"The economy will sort itself out and could flourish without all the uncompetitive diktats from Brussels."

"The EU is an unaccountable, undemocratic and expensive bureaucracy with no mechanism to effect change."

"Perhaps we can get down to some sensible pricing structures outside of the EU and grow the business for the benefit of ourselves and our customers."

market, however, adding: "I can't control the British electorate."

Cambria Automobiles chief executive Mark Lavery said: "We are just approaching our 10-year anniversary. Two years after our inception, we ran headlong into the global financial situation and I don't see Brexit having that same effect."

Writing in last month's *AM* magazine, **Professor Jim Saker, director of the Centre for Automotive Management at Loughborough University**, questioned whether manufacturer/dealer contracts would be legal outside the EU and whether removing the restrictions of Block Exemption regulations could trigger a restructure of the franchise system.

Despite these uncertainties, just 18.2% of respondents said they had discussed Brexit with their manufacturer partner and a mere 5% had sought legal advice.

Mike Allen, markets analyst at Zeus Capital, said he felt treaties and legal issues would be an early priority for manufacturers in the event of Brexit.

However, he added: "If we stayed, there might be a lot of margin incentive for manufacturers with a strong pound perhaps reaching 1.50 against the Euro."

Demographically, AM-online's poll reflects a trend in the wider UK population – older voters are more likely to be in favour of leaving the EU.

Of those who voted to leave the EU, the biggest concentration was in the 51-65 age group, which was 54% for Brexit, 42% against. This was almost exactly opposite to the split among 18-35-year-olds, where 57% voted to remain and 40% to leave.

Those over 65 were almost 67% in favour of Brexit while 36-50 year-olds were evenly split.

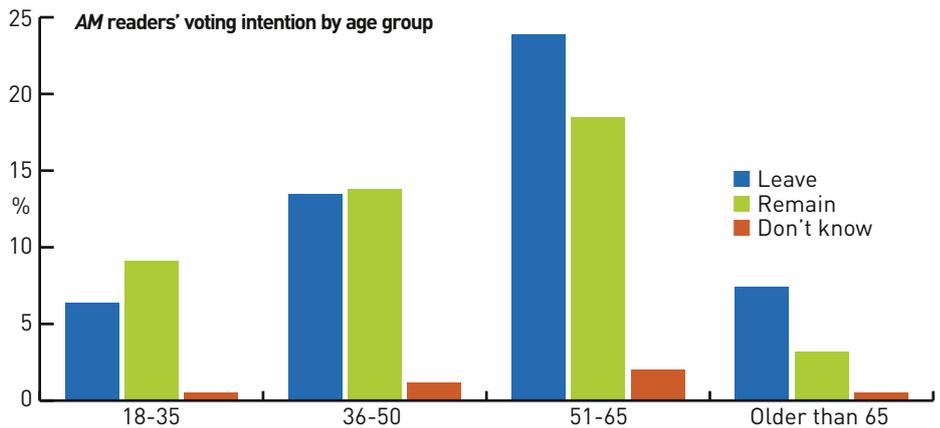
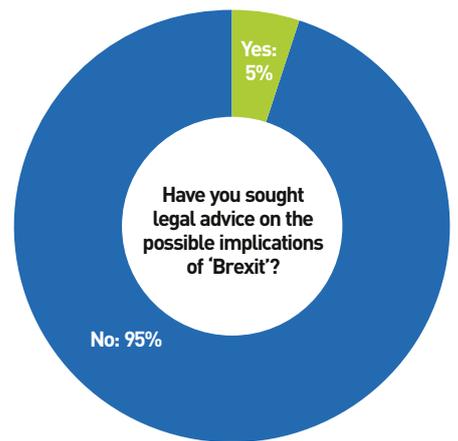
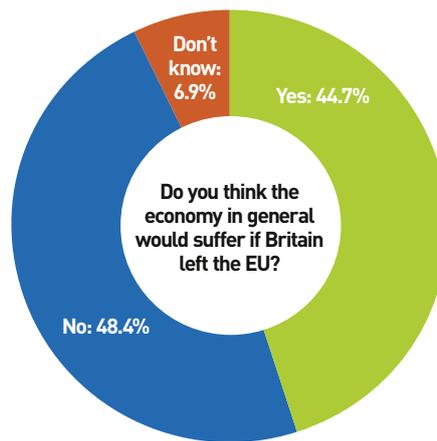
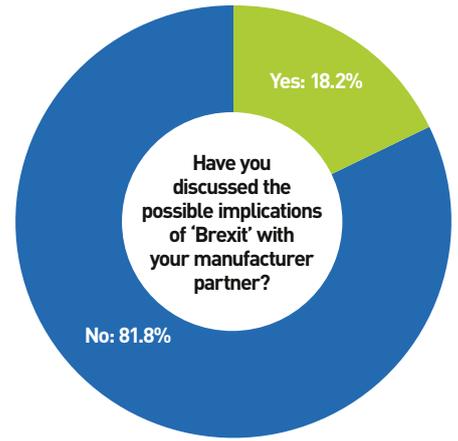
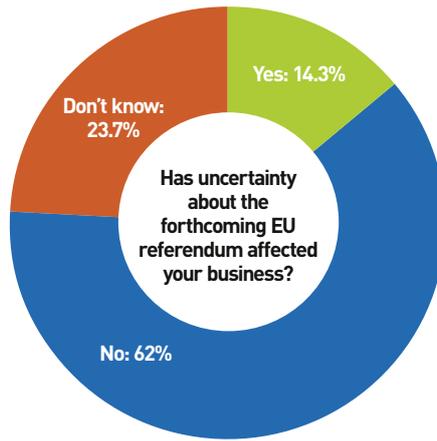
The biggest response to AM-online's poll came from the South East, which voted almost 55% to leave the EU, against 41.4% who wished to stay. However, respondents in London voted strongly to remain [54.6% remain; 39.4% leave].

The strongest 'leave' vote was from the North East, where 81.6% of respondents voted in favour of Brexit, despite Nissan's Sunderland plant employing 6,700 people in the region.

Nissan chairman and chief executive Carlos Ghosn has said staying within Europe makes sense for "jobs, trade and costs".

In Wales, 75% ticked the 'leave' box. Northern Ireland emerged with the biggest remain vote of 58.3%, followed by Scotland's 57.1%.

■ The poll was compiled from data gathered on AM-online from 406 respondents between April 20, 2015 to May 17, 2015.



Remain

"Leaving the EU would be suicidal for the UK. Unfortunately, we are not hearing enough unbiased, factual views."

"This whole debate is ridiculous and if facts were given honestly we would all see that Brexit has the potential to put the UK into recession."

"Leaving the EU introduces uncertainty in an industry where we don't need uncertainty."

"It would be lunacy to leave the EU. I'd rather stay in and reform it from within."

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Driver data protection

The European Parliament has adopted stricter data protection rules to protect drivers' privacy.

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Online classifieds

Almost half of people aged 55 and over do not visit classified websites when researching a car purchase, a poll has found.

ONLINE

Grow digital tools, not car showrooms, says Seat boss

Carmakers must consider digital needs as much as showroom demands, says Seat president Luca de Meo.

He said carmakers need to consider whether the investment they expect franchised dealers to put into expanding showrooms could be better spent on digital tools.

De Meo told *AM* that he sees change in the motor retail distribution model accelerating within the next 15 years because of consumer's digital habits and fewer people browsing cars in showrooms.

"It makes you think, 'do I need exactly the same thing as I had 20 years ago when people are simply not going to the showroom any more.'"

"So maybe rather than asking someone to treble the size of their showroom because we have more cars, we have to think that maybe

it's more important to invest in a decent configurator that really works and connects with the dealer.

"I feel the responsibility of helping our retailers, our partners, to jump into the digital age," he said. "The distribution is a big system with a lot of people and a lot of investment by people over decades, so our job is to help them make the jump – the ones that want to, that are there, and that have the resources to do it."

De Meo's concern is that the automotive consumer experience is becoming extremely complicated, while a lot of the big brands that have emerged in the past 15 years have put the customer experience at the core of their competitive advantage.

Think of Apple, Netflix, Easyjet or Amazon and you realise that most of the big brands facilitate access

Seat president Luca de Meo



and experience, he said.

"We as an industry are staying complicated. So I think there's a strategic opportunity to work on it. It doesn't just mean product, but the whole package from product through distribution."

He said automotive is going through one of the biggest disruptions of its history, because of new ownership models, electrification, and the connected car.

"We're putting our product in the middle of a digital ecosystem, and it's a big opportunity."

IN BRIEF

NISSAN

Nissan Motor has taken a 34% controlling stake in Mitsubishi Motors with a £1.52 billion investment. Nissan chief executive and president Carlos Ghosn said the alliance would cover purchasing, common platforms, joint manufacturing, technology development and target shared cost savings.

PEUGEOT

Peugeot has launched a new media campaign in the UK. Peugeot will use the new 'Confidence. Built in' message for its ads and the 308 GT Line is the first model to be promoted.

The campaign will run across TV, radio, press and social media and is designed to encourage potential customers to take a "closer look" at Peugeot.

RENAULT

Renault has recognised five UK car dealerships in its annual Dealer of the Year awards in Paris. Among 105 winners selected from 2,500 global entrants were Shelbourne Motors; Gravells; Mackie Motors; Renault Orpington; and DSG Morecambe.

PARK'S MOTOR GROUP

Park's Motor Group's McLaren Glasgow dealership has been named as the supercar manufacturer's European Retailer of the Year 2015 following just 12 months of trading.

RMI

The RMI has officially opened its Academy of Automotive Skills. The training facility in Southam, Warwickshire, will act as a leading industry resource for MOT tester training.

VOLKSWAGEN

Volkswagen has opened a new flagship showroom that the manufacturer said sends "a very clear message" about its plans for continued growth.

The facility – Volkswagen's largest UK showroom to date – is at Brentford, West London, and has space for 90 new and used cars over four floors.

Operated by Inchcape, it has about 70 staff and provides full sales, aftersales, service and repair services functions.

Director of Volkswagen UK, Alex Smith, said: "West London Volkswagen sends a very clear message that the brand here in the UK is continuing to gear up for growth."



IN BRIEF

MOTORPOINT

Motorpoint, the largest independent car dealer group in the UK, has raised £100 million in an initial public offering. It sold 50,000,000 shares priced at 200p each, which gives the company a market capitalisation of £200m. Motorpoint is listed on the London Stock Exchange and its shares had risen to 225p at the time of going to print.

WILSON AND CO

Wilson and Co unveiled new facilities at its Bolton showroom following a £1 million refurbishment. A 50% increase in floor space will allow the Vauxhall retailer to display 14 new cars at the upgraded site on Manchester Road.

NATIONWIDE ACCIDENT REPAIR SERVICES

Nationwide Accident Repair Services has acquired DWS Automotive Repair Solutions. DWS operates a chain of 17 repair centres. DWS will bring additional capacity across a part of the country where Nationwide is currently under-represented, around the M25.

MOPAR

Mopar, the service, parts and customer care division of Fiat Chrysler Automobiles UK, has introduced a range of service plans.

Called Easy Care, the plans are being offered to owners of all new models in the Fiat, Fiat Professional, Alfa Romeo, Jeep and Abarth ranges, and contain all the scheduled servicing requirements, for between one and five-year periods.

BELMONT GARAGE

Belmont Garage has become the latest addition to MG Motor's growing dealer network. The Surrey-based operation, which has been established since 1929, has branches in Sutton and Epsom and already represents Hyundai.

DATA PROTECTION

The European Parliament has adopted stricter data protection rules to protect the privacy of drivers.

There will be a higher standard for consent, the definition of 'personal data' will change and there will be tougher sanctions for breaking the rules.

Businesses have been given two years to comply with the new regime, which has been designed to deal with issues arising from connected products and services, including vehicles. The new rules, now enshrined under the General Data Protection Regulation (GDPR), apply only to personal data. However, Stephan Appt, a partner at law firm Pinsent Masons, said: "Data that identifies drivers indirectly would be considered personal data."

Driver consent for data-sharing services will therefore be crucial, with the new rules making it clear that it must be "unambiguous" and communicated by "a statement or clear affirmative action", he said.

VOLKSWAGEN



Volkswagen dealerships are introducing hand-held tablet devices and video in an attempt to transform customers' aftersales experience.

The manufacturer's 227-strong retail network will introduce the Aftersales Digital Reception (ADR) throughout 2016.

At the start of the process, a service adviser will greet Volkswagen customers with an electronic arrivals form on a tablet and inspect their car – taking photographs if required – and talk them through the selected service/maintenance process. As the car undergoes its 34-point visual check, a video is created showing the customer any work that has been identified.

More than 800 service advisers are undergoing training online and at the Volkswagen National Learning Centre in Milton Keynes as part of the roll-out.

Kevin Rendell, Volkswagen UK's head of service and parts operations, said: "Advisers consulting with customers, technicians demonstrating what work needs to be done via video and simple online explanations showing why work has to be carried out all combine to make the service process much less intimidating."

MERCEDES-BENZ RETAIL GROUP

Mercedes-Benz Retail Group said the sale of its Manchester and Birmingham market areas to Hong Kong-based automotive retailer Lei Shing Hong was a "one-off deal".

The sale of nine dealerships led to suggestions that Mercedes-Benz would withdraw fully from its manufacturer-owned dealer group.

A spokesman said: "That is not the case. This is very much a one-off deal with an established and well respected business partner and comes as part of a European project and a new strategic plan for sales and aftersales Europe."

Lei Shing Hong is the world's largest Mercedes-Benz retailer, selling 120,000 units from sites in Asia, Australia and mainland Europe.

It is expected to retain all 596 staff at the sold sites: Birmingham Central, Tamworth, Solihull, Birmingham Used Cars, Manchester Central, Whitefield, Macclesfield, Stockport and Manchester Used Cars.

VERTU

Vertu Motors posted a 16.8% increase in turnover, to £2.4bn, for the year ended February 29.

Adjusted profit before tax rose by 24.5% to £27.4m as the group – which now has 112 franchised sites – returned record results.

Chief executive Robert Forrester said: "Our after-sales success is an area I'm particularly pleased with and that has really seen us reaping the rewards of a five-year plan to increase our service plan penetration and make our aftersales operation sustainable."

Forrester said Vertu dealerships were achieving 45% service plan penetration on used cars and had 90,000 customers signed up to its own scheme.

Vertu reported that after-sales gross margins increased to 44.8% (2015: 43.5%) on a £189m turnover in the 12 months to February 29, with service revenues up 6.5% year-on-year.

CAMBRIA

Cambria Automobiles posted a 14.7% revenue increase, to £278.4 million, in its first-half results. For the six months to February 29, underlying profit before tax was up 40.1% at £4.6m and underlying net profit margin up 22.8% to 1.67%.

Chief executive Mark Lavery highlighted the role played by streamlining the group's used car operation – which saw a 4.4% rise in used vehicle sales (to 7,417) with a 9.7% improvement in profit per unit.

He said: "In terms of return on investment there are few business out there that are achieving what we are at the moment."

Cambria's new vehicle sales rose 5.1% (to 5,637 units) with a 15.4% increase in profit per unit with revenues from aftersales increasing by 8.6% with gross profit improvement of 5.8% (to £13.1m).

Lavery said Cambria aims to become a £1 billion turnover operation and is still on the hunt for "viable acquisitions", with talks ongoing with a number of businesses.

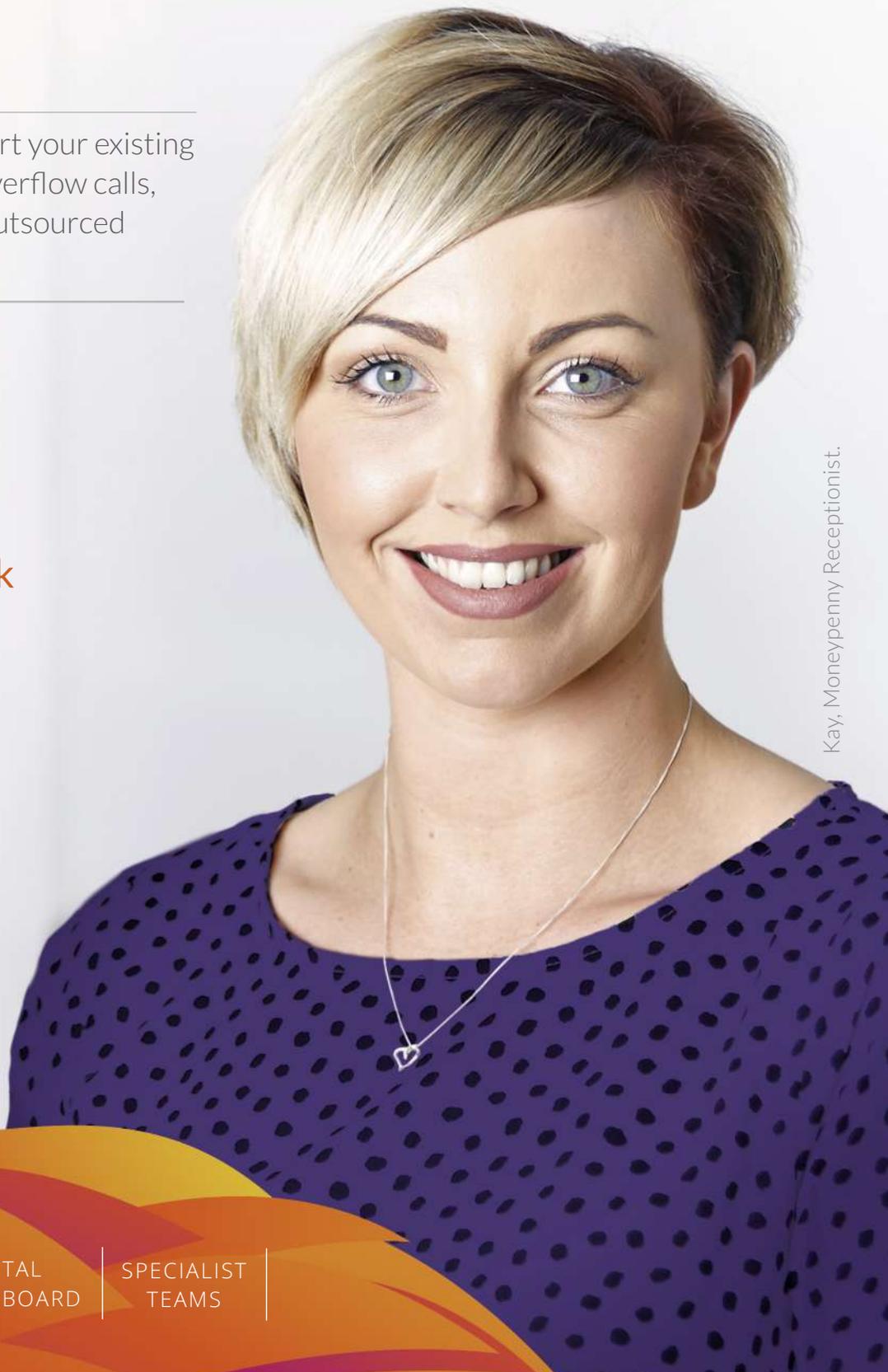
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FIAT PROFESSIONAL



Fiat has entered the burgeoning pick-up segment with the new Fullback, but the vehicles will be sold only by Fiat Professional commercial specialists.

With Mercedes-Benz and Renault also poised to enter the pick-up segment, which has experienced four years of growth and is expected to account for about 45,000 vehicle sales in 2016, the Italian brand is introducing the Mitsubishi L200-based Fullback to the UK market.

Powered by a 2.4-litre turbo-diesel engine with 148bhp or 178bhp, the Fullback can carry up to 1,045kg and is due to arrive this month.

Ricky McFarland, country manager for Fiat Professional UK, said: "We think that, for the first six months, we should sell around 1,000 units and then next year, who knows?"

"If you compare our offering to that of the L200 it is clear. Fiat Professional can now offer businesses a full range of commercial vehicles from the same location. That puts us in a really strong position, I think."

Pick-up sales were up 18% in 2015, with full-year registrations totalling almost 40,000 units.

However, McFarland said that, despite the sales potential of the Fullback, it would not be sold from Fiat's franchised car dealerships. He said the 74 Fiat Professional sites were free to sell the pick-up to retail customers, however, and said that the sales could be a boost for the commercial network, which is already planned to expand to about 83 sites within the next two years.

PSA GROUP

PSA Group is targeting SMEs in an attempt to expand its commercial vehicles operation and is calling on its franchised car dealerships to "embrace" the concept of van sales.

More than 34% of all PSA Group sales in the UK last year were commercial vehicles.

Jeremy Smith, Citroën's head of commercial vehicles and business centre operations, said: "The whole 180-strong network can deal in commercial vehicles, but perhaps many do not put enough into it."

"I want all dealers to sell more vans. If you're a Citroën dealer and you decide 'I'm not really bothered about commercial vehicles' it is pretty much like a Tesco supermarket saying 'I don't think we'll bother with fruit and veg.'"

Nick Crossley, Peugeot's head of business sales, added: "The big growth in the market is coming from SMEs. It accounts for about 55% of the market and we'd like to see our whole network doing a little more to nurture their relationships with local businesses and help us grow in that area."

"The margins are quite tight in LCVs, but sales do bring the opportunity to considerably grow aftersales. With over 30% of Peugeot's sales coming from the commercial side, you can't afford not to embrace that added income."

Citroën has 80 business centres, which handle sales to SMEs and fleets of up to 50 vehicles, returning an average return of 1.2%, according to Smith, who added: "I think they are earning less this year than they were last year, but other brands have dropped off far more significantly."

Peugeot, meanwhile, has 55 centres.

VAUXHALL

Vauxhall has improved its fleet aftersales offering with new fleet service plans and fleet warranties.

The new service plans, which are administered by Emac, allow businesses to lock in the fleet parts pricing and labour rate for vehicles across Vauxhall's car and commercial vehicle range.

Routine servicing for vehicles is covered, in line with Vauxhall's recommended schedules, as well as extras such as brake fluid and cam belt changes.

Genuine Vauxhall parts are included in the price, as is the labour of Vauxhall-trained technicians.

To support a mobile fleet, the fleet service plans are not locked to one site. Servicing can take place across the network of retailers, so if a driver happens to be 200 miles away when their vehicle's service is due, they can visit a site local to them.

CLASSIFIEDS

Almost half of people aged 55 and over do not visit classified websites when researching their next car purchase, a YouGov poll has found.

The online poll, commissioned by car search engine Carsnip, found 44% of over-55s who had bought a car did not use traditional classified car sites, such as Auto Trader.

Over-55s were half as likely to use online car search tools as 18- to 24-year-olds.

Alastair Campbell, Carsnip CEO, said: "Over-55s are a powerful consumer group in the UK, but while car dealers and manufacturers have done plenty to make the process of finding the right car easier for them, the same can't be said for the traditional classified site. Existing online car search just isn't good enough – it needs to do better."

Some large regional and demographic differences across the UK were also revealed.

People in Wales were least likely to have used a traditional classified site the last time they purchased a car (68%). People in the East of England were most likely to have used a car search website at 78%.

PEOPLE NEWS

ALASTAIR CASSELS



Vauxhall has promoted franchise manager Alastair Cassels to UK retail network development (RND) director. Chris Roberts, his predecessor, has been moved to the role of European RND director.

COLIN MASSEY

Colin Massey has been appointed as general manager at Jennings Group's multi-franchise Stockton site. Massey was previously sales manager at Jennings Ford, Middlesbrough.

GERRY KOURIS



Alpha Financial Services has appointed Gerry Kouris as marketing manager. Previously at Fiat Group UK (capital goods division), he takes responsibility for Alpha's dealer and media marketing strategy in the UK.

JASON JEGGO



CitNow has appointed Jason Jeggo as head of sales for the UK. Jeggo worked most recently as sales and client services director for Douglas Stafford.

ROBERT HAWES



Revive! has appointed Robert Hawes head of its UK mobile division. Hawes has spent six years as head of division for Smart repair company Up-to-Scratch.

ROB LEWIS



Bristol Street Motors Ford has appointed Rob Lewis as general manager of its Gloucester branch. Lewis started his career in 1980 as a trainee technician and has worked across sales, aftersales and servicing.

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LDV



LDV wants to establish a network of 40 van dealerships and reach 1,000 annual registrations by 2020.

With backing from Chinese manufacturer SAIC, Irish importers Harris Automotive have brought the brand back to the UK market.

Mark Barrett, general manager of LDV UK, said: "LDV is a very promising start for us. Our investment into this project has been considerable, but we feel like we are backing a winning horse."

LDV already has 10 UK dealers with 3,000 stock vehicles planned to be in place by the end of August and Barrett said each had a bonus structure based upon just more than 140 sales during the first year.

However, he said the initial range, which was composed of a mid-sized G10 panel van, V80 panel van, the EV EV80 panel van and a Luton-type flat-bed, would expand, leading to greater sales ambition.

"There is an MPV and an SUV on the way and that will be another great opportunity for the dealership network. I have seen pictures of the new model and it looks fantastic," he said.

"By the end of this year we will have 16 dealerships in place in the UK and we want to expand that to 40 by 2020. We've already attracted quite a lot of attention and, hopefully, there will be no shortage of takers."

WHITE DOVE GROUP

White Dove Group has opened a £1.25 million Škoda showroom in Cardiff.

The retailer, on the city's Hadfield Road, officially opened its new facility to the public at an event attended by 150 guests.

Ron Hughes, chairman and managing director of White Dove Group, said: "The £1.25m investment will allow the company to expand in line with ŠKODA's own global expansion programme.

"We need to keep pace with change and this new development means we will continue to offer the highest levels of customer service to keep up with the national demand for the growing range of Škoda models."

At the heart of the upgrade to White Dove Group Škoda is the newly refurbished, state-of-the-art showroom, which benefits from additional natural light and is designed for a more customer-focused experience.

The site also has a new service department workshop with MOT facilities.

BUYING HABITS

Research into consumers' new car buying habits shows most will visit three or more dealerships before making a purchase.

The motor retail industry regularly cites figures from Google that suggested dealer visits had fallen from an average 2.2 visits in 2012 to 1.7 visits in 2015.

Separate research by Auto Trader in 2015 said the figure was 2.2 dealerships.

However, according to consumer research by Buyacar.co.uk, a third of consumers visit three dealerships and nearly the same amount (33.4%) visited four or more. The total percentage of those visiting at least three dealerships is 67%.

It also looked at two age groups: 54-and-under and 55-and-over. Buyacar found the younger demographic were more keen on dealership visits – 66% had visited three or more dealerships.

ADVERTISING FEATURE

SYSTEMS TRUMP GOALS

By Andrew Howells, chairman, CitNOW



Have you read *How to Fail at Almost Everything and Still Win Big* by Scott Adams, the famous Dilbert cartoonist?

In the book, he shares his life strategy, which aside from embracing failure, reflects that systems trump goals. If you're

a runner, finishing a marathon in under four hours is a goal, exercising daily is the system. Losing 5kg is a goal, eating healthily is the system.

Goal-orientated people mostly fail. Here's an example many of us can relate to – joining a gym. Signing up was easy, setting a goal didn't hurt, but turning up at 6.30am soon became less than fun. Plus, burning more calories, eating less food and probably not drinking ensured our misery was truly complete.

While we don't shy away from talking about 'what good looks like' when we meet a dealer team, when it comes to using CitNOW, we focus more on practice than goal-setting.

What a dealer should really be looking for from their video is a system that increases their chances of success, whether that's in sales, aftersales, or any other aspect of their business.

Let's use the example of CitNOW Sales. We don't want the sales executive to stop sending personal videos, just because they've done two today already. Execs are trained to 'repeat' on the next opportunity.

The reality is, this increases the odds of getting lucky. Put another way, it reduces stupidity. The system simplifies, there is no need to overthink it. With that comes success.

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VIDEO CASE STUDY AT:
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20 New car registrations

New car registrations grew 2% year-on-year in April, but a 2.5% fall in private new car registrations was offset by fleet and business growth.

21 Dealer profits

The average UK motor dealer made a £98,900 profit in March, up 6.5% on March 2015.

25 Used cars

BCA values for part-ex and ex-fleet used cars were up in April, but Manheim reported falls in both sectors

Sponsored by



SUV market soars as MPVs and superminis struggle

Supermini registrations down 9.2% and MPVs plummet 23.8% in first quarter

Retail market demand for new superminis and small and medium MPVs suffered a decline in the first quarter of 2016, but the consumer's appetite for SUVs shows no sign of lessening.

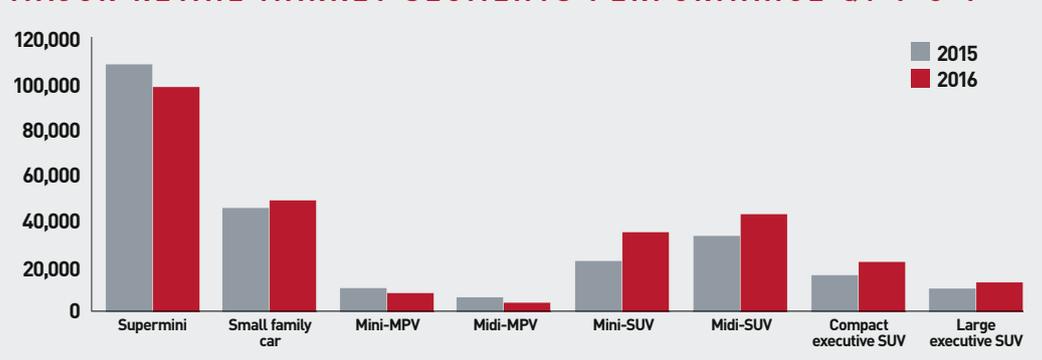
Analysis of SMMT data shows that although superminis have long remained the strongest segment for new car registrations, their retail sales volume in Q1 this year of 98,216 cars was down 9.2%, or 9,898 cars, on Q1 2015.

The Ford Fiesta, Vauxhall Corsa, Peugeot 208 and Kia Rio were among the fallers.

There were 2,165 fewer mini-MPVs registered in the quarter, a 23.8% drop to 8,151 units, and the SMMT data also recorded a 37.6% fall in midi-MPVs, to 3,947 units. The traditionally strong performing models, such as the Vauxhall Meriva, Nissan Note, the soon-to-be-replaced Renault Scenic and the Volkswagen Touran, all suffered significant sales declines.

The remaining significant drop in

MAJOR RETAIL MARKET SEGMENTS PERFORMANCE Q1 Y-O-Y



the retail market related to the small executive car segment, home to the Mercedes-Benz C-Class and BMW 3 Series, which declined by 4,516 units, or 23.8%, to 14,455 retail registrations.

Growth in Q1's retail new car market was strongest in the SUV segments, which is a real positive for the franchised networks as retained margin is often greater.

The mini-SUV market rose 56.8% year-on-year, with volumes

increasing by 12,588 units, to 34,761. The Vauxhall Mokka continues to lead the segment, ahead of the Nissan Juke and Renault Captur, but newer market entrants such as the Honda HR-V, Jeep Renegade, Mazda CX-3 and Suzuki Vitara are providing more choice and rising rapidly as a result.

Retail activity in the midi-SUV market, which includes models such as the Nissan Qashqai, Kia Sportage, Renault Kadjar and

Hyundai Tucson, increased by 28.7%, or 9,500 units, to 42,631.

Prestige brands were not excluded from the growing interest in lifestyle 4x4s. The market for compact executive SUVs such as the Volvo XC60 and Range Rover Evoque rose by 36.5%, or 5,830 units, to 21,788 registrations, while the large premium SUV market, which includes the Audi Q5, Volvo XC90 and Range Rover Sport, increased by 26.8%, or 2,709 units, to 12,831 registrations.

RETAIL SEGMENT STARS



Compact executive SUVs – Land Rover Discovery Sport

It grew its Q1 segment share year-on-year from 15% to 22.2%, stealing share particularly from the Range Rover Evoque (which still had a 22% segment share), Volvo XC60, and Mini Countryman.



Superminis – Ford Fiesta

Although the Fiesta's sales volumes were down 6.9%, at 23,705 units, the market leader increased its segment share from 23.5% to 24.1% in Q1, while its nearest rival, the Vauxhall Corsa, lost 1.3pts.



Small family cars – Ford Focus

The Focus was the dominant model here, increasing registration volume by 14% and recording a 17.7% retail segment share in Q1 to overtake the Volkswagen Golf, which was the leader in Q1 2015.



Large family cars – Mazda6

Its 25% share of its retail segment in Q1 put it in first place, with 1,311 registrations, compared with the 18% slice it held in Q1 2015, when the Ford Mondeo wore the crown with 21.4% share.

FINANCE STATS

The point-of-sale (POS) consumer new car finance market recorded new business growth of 17% by value and 10% by volume in March, compared with the same month last year, according to the Finance & Leasing Association (FLA).

Overall, new business was up 19% by value and 13% by volume.

The percentage of private new car sales financed by FLA members through dealerships reached 82.7% in the 12 months to

March, up from 81.9% in the year to February.

The POS consumer used car finance market also reported new business growth in March, of 8% by value and 6% by volume.

Geraldine Kilkelly, head of research and chief economist at the FLA, said: "The performance of these markets in the first quarter of 2016 is slightly ahead of the single-digit growth expectations for 2016 as a whole."

APRIL NEW CAR REGISTRATIONS

A 2.5% fall in private new car registrations in April has been offset by increased activity in the fleet and business markets.

New car registrations in the UK made a modest gain of 2% overall in April, according to Society of Motor Manufacturers and Traders (SMMT) figures.

The market growth in April was led by the fleet and business sectors, up 6.1% and 2.8% respectively.

A total of 189,505 cars were regis-

tered in the month, the most in April since 2003, when 194,312 new vehicles found homes.

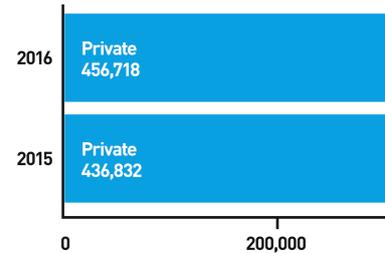
Registrations for 2016 to date are up 4.4% on the same period last year. April's figures follow a bumper March in which more than 518,000 cars were registered – the second-biggest month on record. Demand for cars has been high, after 43 consecutive months of growth in the market led to an all-time high of 2.63 million car registrations in 2015.

MARCH MOTOR FINANCE MARKET: NEW CARS

Source: FLA

| New cars bought on finance by consumers through dealerships | | | | | | |
|--|----------|-------------------------|----------------------|-------------------------|-----------------------|-------------------------|
| | Mar 2016 | Change on previous year | 3 months to Mar 2016 | Change on previous year | 12 months to Mar 2016 | Change on previous year |
| Value of advances (£m) | 3,198 | +17% | 4,999 | +19% | 17,005 | +18% |
| Number of cars | 184,546 | +10% | 295,743 | +13% | 1,017,532 | +12% |
| New cars bought on finance by businesses through dealerships | | | | | | |
| Number of cars | 59,614 | +5% | 123,146 | +6% | 515,278 | +6% |

REGISTRATIONS BY MA



FINANCE OFFERS

Ford ran a close-to-0% finance deal in Q1 to boost sales, but has since switched to a 2.9% deal across most of its range. Prices have been adjusted slightly, stretching payments over a three-year period, rather than the two-year 0.9% deals it was running in the previous quarter. Carefully moving the numbers around has meant monthly payments on each model have barely moved. The three-year period also means the optional final payments have reduced across its deals.

Skoda, too, has eased back on its financial support for offers in Q2, moving away from 0% on every model but the Superb hatch in Q1 to a 2.9% offer across the majority of its models. Payments are still within the £300 price barrier on all models, even Octavia and Superb.

However, 0% deals have not been abandoned by every manufacturer. Renault has continued its wide 0% offering on Twingo, Clio and Captur from Q1 into Q2, showing that it is still supporting customers to get into its smaller models. The French brand is putting £500 towards entry-level Clio Play models, more than £1,000 to bring down the price of the Kadjar and as much as £6,000 off its Zoe electric vehicle.

Top finance offers for retail buyers

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

Retail new car finance offers
Choose a manufacturer

| Model | Finance type | Deposit | Term | Monthly payment | Final payment | APR | Offer ends |
|--|--------------|-----------|------|-----------------|---------------|------|------------|
| Skoda | | | | | | | |
| Citigo 3-door SE 1.0 MPI 60 PS | PCP | £849.41 | 42 | £139 | £3,139.88 | 2.9% | 30/06/2016 |
| Fabia SE 1.0 MPI 75ps | PCP | £875.06 | 42 | £169 | £4,986.04 | 2.9% | 30/06/2016 |
| Rapid SE 1.2 TSI 90ps | PCP | £995.38 | 42 | £245 | £4,760.15 | 2.9% | 30/06/2016 |
| Rapid Spaceback SE Tech 1.2 TSI 90ps | PCP | £2,223.75 | 36 | £188.86 | £5,494.50 | 2.8% | 30/06/2016 |
| Octavia Hatch SE 1.2 TSI 110ps | PCP | £2,679.75 | 36 | £195.08 | £7,211 | 2.9% | 30/06/2016 |
| Octavia Estate Greenline III 1.6 TDI 110PS | PCP | £3,258 | 36 | £277.24 | £7,774.83 | 2.8% | 30/06/2016 |
| Superb Hatch S 1.4 TSI 125PS | PCP | £2,859 | 36 | £233.39 | £7,461 | 2.8% | 30/06/2016 |
| Superb Estate S 1.4 TSI 125PS | PCP | £3,039 | 36 | £229.84 | £8,699.40 | 2.8% | 30/06/2016 |
| Yeti S 1.2 TSI 110PS | PCP | £2,581.50 | 36 | £178.35 | £7,488.90 | 2.9% | 30/06/2016 |
| Yeti Outdoor S 1.2 TSI 110PS | PCP | £2,581.50 | 36 | £177.69 | £7,513.2 | 2.9% | 30/06/2016 |
| Ford | | | | | | | |
| Ka Zetec Black/White Edition 1.2-litre 69PS | PCP | £1,863.96 | 48 | £119 | £2,558 | 2.9% | 30/06/2016 |
| Fiesta Zetec 1.25-litre 82ps 3-door | PCP | £3,672.86 | 36 | £159 | £4,561 | 2.9% | 30/06/2016 |
| Fiesta Titanium 1.0-litre 80ps 3-door | PCP | £3,830.19 | 36 | £169 | £5,109 | 2.9% | 30/06/2016 |
| Fiesta ST 1.6-litre Ecoboost 182ps | PCP | £4,131.09 | 36 | £199 | £6,482 | 2.9% | 30/06/2016 |
| B-MAX Titanium 1.0-litre Ecoboost | PCP | £4,525.11 | 36 | £199 | £5,371 | 2.9% | 30/06/2016 |
| Ecosport Titanium 1.0-litre Ecoboost 125ps | PCP | £3,734.22 | 36 | £169 | £7,285 | 2.9% | 30/06/2016 |
| Focus Zetec 1.0-litre 100PS | PCP | £4,500.81 | 36 | £199 | £6,165 | 2.9% | 30/06/2016 |
| Focus Titanium 1.0-litre Ecoboost 100ps | PCP | £5,007.05 | 36 | £209 | £6,818 | 2.9% | 30/06/2016 |
| Focus ST-1 2.0-litre Ecoboost 250ps | PCP | £5,377.85 | 36 | £229 | £10,242 | 2.9% | 30/06/2016 |
| C-MAX Zetec 1.6-litre 125ps 5-seat | PCP | £4,382.43 | 36 | £219 | £6,496 | 2.9% | 30/06/2016 |
| Grand C-MAX 1.0-litre Ecoboost 100ps | PCP | £5,729.95 | 36 | £239 | £7,137 | 2.9% | 30/06/2016 |
| Kuga Titanium 2.0-litre TDCI 150ps FWD | PCP | £5,701.50 | 36 | £239 | £10,188 | 2.9% | 30/06/2016 |
| Mondeo Titanium 1.5-litre TDCI 120PS Econetic | PCP | £6,212.06 | 36 | £265 | £8,600 | 2.9% | 30/06/2016 |
| Mondeo Vignale 2.0-litre TDCI 180ps | PCP | £7,050.80 | 36 | £295 | £11,236 | 0.9% | 30/06/2016 |
| Edge Titanium 2.0 Duratorq TDCI 180ps | PCP | £6,987.37 | 36 | £299 | £15,047 | 0.9% | 30/06/2016 |
| S-MAX Titanium 1.5-litre Ecoboost SCTI 160ps | PCP | £6,542.24 | 36 | £285 | £11,473 | 2.9% | 30/06/2016 |
| Galaxy Titanium 1.5-litre Ecoboost SCTI 160ps | PCP | £7,078.91 | 36 | £319 | £11,899 | 2.9% | 30/06/2016 |
| Ranger Double Cab Limited 2.2-litre TDCI 160ps | PCP | £6,827.74 | 36 | £349 | £10,341 | 2.9% | 30/06/2016 |
| Renault | | | | | | | |
| Twingo Play Sce 70 | PCP | £1,449 | 24 | £149 | £4,970 | 0.0% | 30/06/2016 |
| Clio Play 1.2 16V 75 | PCP | £2,282 | 24 | £159 | £6,077 | 0.0% | 30/06/2016 |
| Captur Expression + Tce 90 | PCP | £2,204 | 24 | £179 | £7,675 | 0.0% | 30/06/2016 |
| Kadjar Dynamique Nav dci 110 | PCP | £299 | 24 | £299 | £9,603 | 5.9% | 30/06/2016 |
| ZOE Dynamique Nav | PCP | £1,168 | 24 | £99 | £6,300 | 3.9% | 30/06/2016 |
| Dacia | | | | | | | |
| Duster Ambiance 1.6 16V 115 | PCP | £823 | 48 | £149 | £3,502 | 7.9% | 30/06/2016 |
| Sandero Ambiance 1.2 16V 75 | PCP | £728 | 48 | £89 | £2,301 | 7.9% | 30/06/2016 |
| Sandero Stepway Ambiance Tce 90 | PCP | £1,677 | 48 | £99 | £2,764 | 7.9% | 30/06/2016 |
| Logan MCV Ambiance 1.2 16V 75 | PCP | £1,174 | 48 | £99 | £2,495 | 7.9% | 30/06/2016 |

WE'LL HELP YOU GET THERE

Mike Hawes, SMMT chief executive, said: "After such a strong March, April's steadier performance was to be anticipated, and is in line with our expectations for the year.

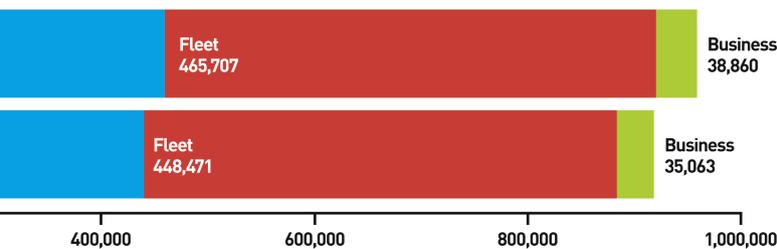
"Consumer confidence remains high as buyers continue to capitalise on attractive finance deals, although this could be affected by political and economic uncertainty in the coming months."

Sue Robinson, National Franchised Dealer Association director,

said: "Various factors such as inflation experiencing only a minor growth, interest rates held at 0.5% as well as low-cost finance offers encouraged consumers to commit to buy new cars."

Richard Jones, managing director of lender Black Horse, said: "April's figures continue the trend of growing sales for the industry, with continued low interest rates and manufacturer subsidisation remaining key drivers of this growth."

MARKET SEGMENT



DEALER KPIS

Source: ASE

| Key ratio | Rolling 12 months Mar 2016 | Rolling 12 months Mar 2015 | Benchmark |
|----------------------------------|----------------------------|----------------------------|-----------|
| Net profit as % of sales | 1.24% | 1.34% | 3.0% |
| Overhead absorption | 53.6% | 54.7% | 80% |
| Used: New sales | 0.92:1 | 0.88:1 | 1.5:1 |
| Expenses as % of gross | 64.7% | 63.4% | 50% |
| Sales per salesman | 187 | 185 | 150 |
| Used vehicle stockturn (days) | 55 | 56 | 45 |
| Return on used car investment | 73.8% | 76.0% | 100% |
| Overall labour efficiency | 82.8% | 82.2% | 100% |
| Service gross profit % on labour | 75.7% | 75.7% | 75% |
| Service expenses as % gross | 59.8% | 58.9% | 40% |
| Hours per retail job card | 1.60 | 1.62 | 2.5 |
| Parts gross profit | 22.4% | 22.3% | 22% |
| Parts expenses as % growth | 43.8% | 44.2% | 40% |
| Parts stockturn | 7.1 | 7.5 | 8.0 |

The average UK motor dealer made a £98,900 profit in March, according to ASE, a 6.5% year-on-year increase and the largest ever average monthly profit for UK dealers.

The record March took Q1 profitability 8% higher than Q1 2015. "It was reassuring to see that all of the activity undertaken during the first quarter was not in vain," said **ASE chairman Mike Jones**.

"In spite of this profit increase, we have seen a continued decline in return on sales compared to the prior year as a result of continued rise in turnover.

"We also saw a continued increase in new vehicle sales and dealer self-registrations, however we are pleased to note that in March this was much more heavily weighted to an increase in sales.

"While registrations rose by 5.4% in the month, dealer new car retail and fleet sales rose by 4.6%."

ADVERTISING FEATURE

BLACK HORSE COMMENT

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



Sales growth is key to any business success, and Britain's appetite for new cars is continuing to grow. However, despite the encouraging figures, such as the 17-year high for the key month of March, none of us

can be complacent. We all need to continue matching consumers' changing behavioural trends and expectations – particularly when it comes to the role of digital.

It is against this backdrop that Black Horse has prioritised investment in our IT systems. We're focused on helping you streamline your customer interactions, so they match the immediacy that consumers experience online. Our award-winning Black Horse SignIt system, for example, provides a quicker, simpler and more efficient approach to authenticating and signing finance agreements online.

As part of our commitment to support your business, we are continuing with our digital innovation, and this is being recognised within the industry.

We recently won the Independent Finance Company of the Year at the 2016 European Motor Finance Awards, partly on the strength of streamlining the digital experience for dealers. Our portal helps dealers access a range of tools, while sharing important information and staff training to assist customer conversations.

The judges also commended us for other approaches to supporting dealers, including ongoing guidance on new regulations and compliance. Our track record in working with intermediaries to improve business volumes has also been highlighted at other prestigious awards, including AM's Dealer Recommended Award – which we received last year for the fifth time.

But we're not resting on our laurels and more innovation will follow – watch this space.

RISERS & FALLERS

TOP 10

| | |
|---------------|---------|
| Infiniti | 111.06% |
| SsangYong | 108.39% |
| Abarth | 91.27% |
| Smart | 85.83% |
| Jaguar | 81.63% |
| Jeep | 51.76% |
| Bentley | 28.04% |
| Renault | 17.88% |
| Mercedes-Benz | 17.71% |
| Honda | 17.45% |



The news that the new car markets in Germany, Italy and Spain grew strongly in April has coincided with an ease-off in the UK by several major brands. We are four months into 2016 and Ford, Nissan, Volkswagen and Peugeot still feature in the top 10 fallers in the UK market to date.

The brands growing most quickly year-on-year are the smaller distributors.

Infiniti and SsangYong together sell fewer new cars in a year than Ford does in its quietest month, however their respective new models, Q30 and Tivoli, are bringing extra volume to their small dealer networks.

BOTTOM 10

| | |
|--------------|---------|
| Ford | -2.18% |
| Nissan | -3.96% |
| Seat | -4.48% |
| Dacia | -5.06% |
| Aston Martin | -5.97% |
| Volkswagen | -6.02% |
| Peugeot | -6.47% |
| Mitsubishi | -15.50% |
| Lotus | -17.78% |
| Maserati | -19.50% |

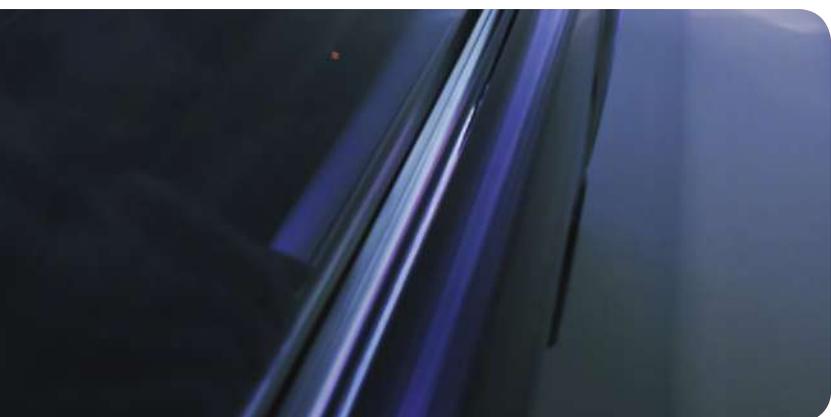


NEW CAR REGISTRATIONS

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

| Marque | April | | | % change | Year-to-date | | | | | |
|---------------|----------------|----------------|----------------|----------|----------------|----------------|----------------|----------------|----------------|-------------|
| | 2016 | % market share | 2015 | | % market share | 2016 | % market share | 2015 | % market share | % change |
| Ford | 23,311 | 12.30 | 25,018 | 13.47 | -6.82 | 117,208 | 12.19 | 119,822 | 13.02 | -2.18 |
| Volkswagen | 16,877 | 8.91 | 18,690 | 10.06 | -9.70 | 74,320 | 7.73 | 79,078 | 8.59 | -6.02 |
| Vauxhall | 16,037 | 8.46 | 16,538 | 8.90 | -3.03 | 91,069 | 9.47 | 91,714 | 9.96 | -0.70 |
| Audi | 13,668 | 7.21 | 13,264 | 7.14 | 3.05 | 61,048 | 6.35 | 58,183 | 6.32 | 4.92 |
| Mercedes-Benz | 12,077 | 6.37 | 10,082 | 5.43 | 19.79 | 59,316 | 6.17 | 50,393 | 5.48 | 17.71 |
| BMW | 10,980 | 5.79 | 10,891 | 5.86 | 0.82 | 57,475 | 5.98 | 50,915 | 5.53 | 12.88 |
| Nissan | 10,029 | 5.29 | 9,844 | 5.30 | 1.88 | 53,872 | 5.60 | 56,091 | 6.09 | -3.96 |
| Hyundai | 7,183 | 3.79 | 6,628 | 3.57 | 8.37 | 32,551 | 3.39 | 31,494 | 3.42 | 3.36 |
| Kia | 6,866 | 3.62 | 6,143 | 3.31 | 11.77 | 31,028 | 3.23 | 28,408 | 3.09 | 9.22 |
| Peugeot | 6,804 | 3.59 | 7,498 | 4.04 | -9.26 | 37,795 | 3.93 | 40,411 | 4.39 | -6.47 |
| Toyota | 6,644 | 3.51 | 6,634 | 3.57 | 0.15 | 37,432 | 3.89 | 36,844 | 4.00 | 1.60 |
| Škoda | 6,617 | 3.49 | 6,688 | 3.60 | -1.06 | 27,039 | 2.81 | 25,419 | 2.76 | 6.37 |
| Land Rover | 6,482 | 3.42 | 5,549 | 2.99 | 16.81 | 30,600 | 3.18 | 26,154 | 2.84 | 17.00 |
| Renault | 5,196 | 2.74 | 4,140 | 2.23 | 25.51 | 29,155 | 3.03 | 24,733 | 2.69 | 17.88 |
| Citroën* | 4,639 | 2.45 | 6,458 | 3.48 | -28.17 | 25,993 | 2.70 | 31,716 | 3.45 | -18.04 |
| Mini | 3,994 | 2.11 | 3,938 | 2.12 | 1.42 | 20,172 | 2.10 | 18,899 | 2.05 | 6.74 |
| Fiat | 3,890 | 2.05 | 3,695 | 1.99 | 5.28 | 22,555 | 2.35 | 21,744 | 2.36 | 3.73 |
| Seat | 3,500 | 1.85 | 3,525 | 1.90 | -0.71 | 16,890 | 1.76 | 17,683 | 1.92 | -4.48 |
| Honda | 3,353 | 1.77 | 2,471 | 1.33 | 35.69 | 23,062 | 2.40 | 19,635 | 2.13 | 17.45 |
| Volvo | 3,324 | 1.75 | 3,056 | 1.64 | 8.77 | 14,832 | 1.54 | 13,647 | 1.48 | 8.68 |
| Jaguar | 2,405 | 1.27 | 1,151 | 0.62 | 108.95 | 11,085 | 1.15 | 6,103 | 0.66 | 81.63 |
| Mazda | 2,314 | 1.22 | 2,614 | 1.41 | -11.48 | 19,505 | 2.03 | 17,344 | 1.88 | 12.46 |
| Suzuki | 2,303 | 1.22 | 1,819 | 0.98 | 26.61 | 13,848 | 1.44 | 12,009 | 1.30 | 15.31 |
| Dacia | 1,898 | 1.00 | 2,320 | 1.25 | -18.19 | 9,351 | 0.97 | 9,849 | 1.07 | -5.06 |
| Mitsubishi | 1,392 | 0.73 | 1,470 | 0.79 | -5.31 | 7,977 | 0.83 | 9,440 | 1.03 | -15.50 |
| Porsche | 1,361 | 0.72 | 1,322 | 0.71 | 2.95 | 4,687 | 0.49 | 4,052 | 0.44 | 15.67 |
| Jeep | 1,303 | 0.69 | 605 | 0.33 | 115.37 | 5,049 | 0.53 | 3,327 | 0.36 | 51.76 |
| DS* | 902 | 0.48 | 0 | 0.00 | 0.00 | 6,186 | 0.64 | 0 | 0.00 | 0.00 |
| Smart | 900 | 0.47 | 701 | 0.38 | 28.39 | 3,737 | 0.39 | 2,011 | 0.22 | 85.83 |
| Lexus | 835 | 0.44 | 1,044 | 0.56 | -20.02 | 5,172 | 0.54 | 4,730 | 0.51 | 9.34 |
| Alfa Romeo | 345 | 0.18 | 299 | 0.16 | 15.38 | 1,953 | 0.20 | 1,737 | 0.19 | 12.44 |
| Infiniti | 335 | 0.18 | 175 | 0.09 | 91.43 | 859 | 0.09 | 407 | 0.04 | 111.06 |
| Abarth | 287 | 0.15 | 159 | 0.09 | 80.50 | 1,314 | 0.14 | 687 | 0.07 | 91.27 |
| MG | 272 | 0.14 | 308 | 0.17 | -11.69 | 1,264 | 0.13 | 1,167 | 0.13 | 8.31 |
| Subaru | 272 | 0.14 | 223 | 0.12 | 21.97 | 1,257 | 0.13 | 1,173 | 0.13 | 7.16 |
| SsangYong | 257 | 0.14 | 165 | 0.09 | 55.76 | 1,640 | 0.17 | 787 | 0.09 | 108.39 |
| Bentley | 195 | 0.10 | 103 | 0.06 | 89.32 | 653 | 0.07 | 510 | 0.06 | 28.04 |
| Maserati | 94 | 0.05 | 148 | 0.08 | -36.49 | 421 | 0.04 | 523 | 0.06 | -19.50 |
| Aston Martin | 41 | 0.02 | 71 | 0.04 | -42.25 | 315 | 0.03 | 335 | 0.04 | -5.97 |
| Lotus | 24 | 0.01 | 47 | 0.03 | -48.94 | 111 | 0.01 | 135 | 0.01 | -17.78 |
| Other British | 80 | 0.04 | 95 | 0.05 | -15.79 | 249 | 0.03 | 261 | 0.03 | -4.60 |
| Other imports | 219 | 0.12 | 179 | 0.10 | 22.35 | 1,237 | 0.13 | 688 | 0.07 | 79.80 |
| Total | 189,505 | | 185,778 | | 2.01 | 961,285 | | 920,366 | | 4.45 |

*Citroën's monthly registrations included DS until May 2015. As the Citroën result for April 2015 is for both brands, please combine the Citroën and DS registrations for April 2016 when comparing year-on-year.



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April a mixed bag for UK auction houses

With no UK-wide data from the National Association of Motor Auctions (NAMA) available before *AM* went to press, there is a mixed picture of April's wholesale car markets left by the data of the two major auction groups, BCA and Manheim.

Ex-fleet stock

Manheim's analysis for April showed the average selling price of ex-fleet vehicles dropped £431, or 4.7%, since March, to £8,874. The average value was £357, or 3.9%, down year-on-year.

BCA saw its average ex-fleet car value rise £158, or 1.6%, in April to £9,899. The total was 2%, or £199, ahead year-on-year, helped by average mileage being 5% lower.

Simon Henstock, BCA UK's chief operating officer for remarketing, said:

"Buyer demand was strong across the range of vehicles, reflecting an underlying confidence from the trade."

However, he warned that seasonal

pressures are likely to be felt as volumes of vehicles rise and demand softens. Pricing will need to be realistic to generate buyer interest.

"Unless sellers are pricing in line with condition and market sentiment, we may start to see a build-up of unsold stock across the remarketing sector," he said.

Trade-in disposals

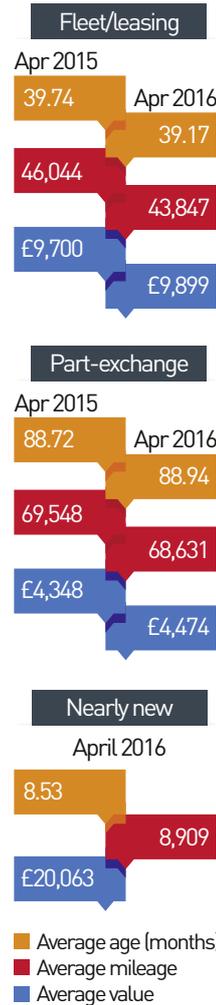
BCA reported that average values for dealer part-exchanges improved for the second month running, reaching £4,474, a £92 or 2.1% rise and the highest value on record. That figure was ahead year-on-year by £126, or 2.9%. The average mileage of part-exchanges was marginally lower than that of a year before, at 68,631, compared with 69,548 in April 2015.

At Manheim's auction rooms the average part-exchange value for April dropped by 0.2%, or £72, month-on-month to £3,600. Year-on-year, the average value was up 4.3%, or £151.

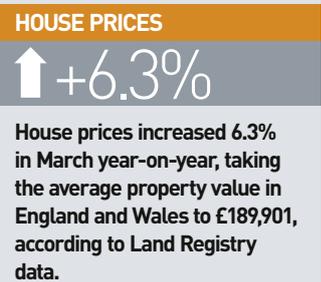
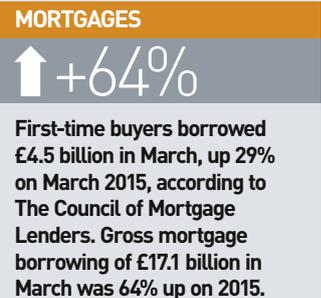
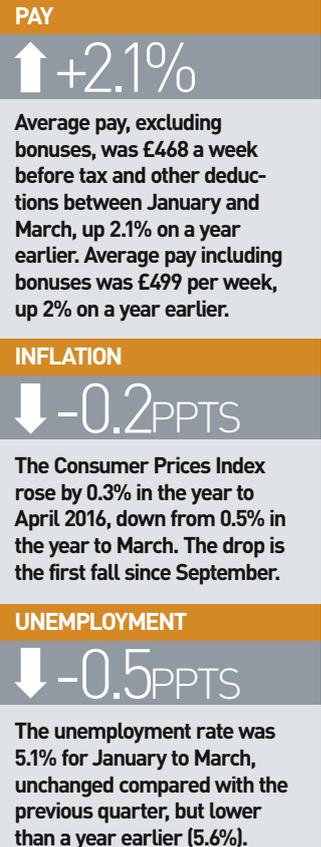
"We may start to see a build-up of unsold stock across the remarketing sector"

Simon Henstock, BCA

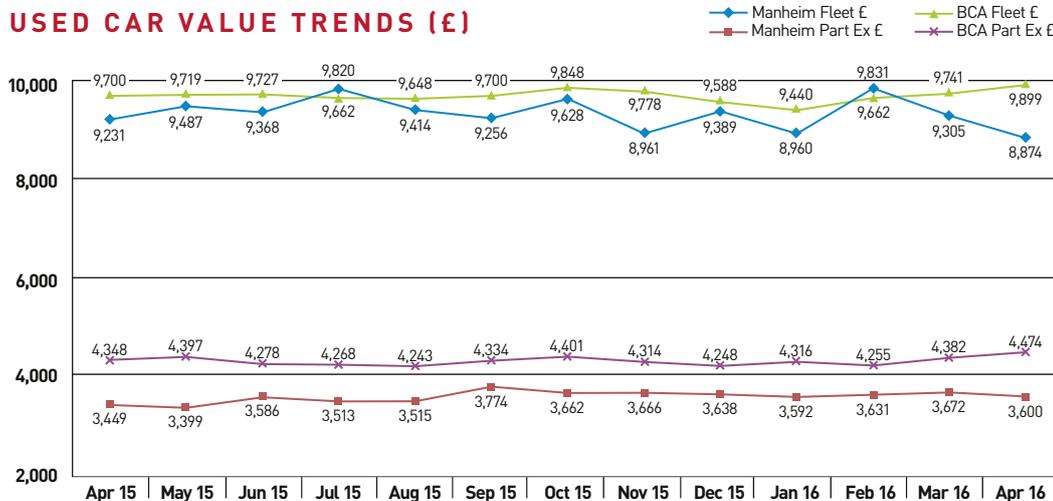
YEAR-ON-YEAR



ECONOMIC INDICATORS



USED CAR VALUE TRENDS (£)



| Used cars bought on finance by consumers through dealerships | | | | | |
|---|----------|-------------------------|----------------------|-------------------------|-----------------------|
| | Mar 2016 | Change on previous year | 3 months to Mar 2016 | Change on previous year | 12 months to Mar 2016 |
| Value of advances (£m) | 1,206 | +8% | 3,460 | +15% | 12,564 |
| Number of cars | 113,250 | +6% | 327,231 | +12% | 1,181,910 |
| Used cars bought on finance by businesses through dealerships | | | | | |
| Number of cars | 3,211 | -30% | 9,075 | -14% | 37,510 |

Source: FLA

30

Face to face

Clive Brook explains how acquiring two Volvo showrooms from his former employers left him 'battle-hardened'.

34

Salary survey

Annual BDO survey finds chief executives' pay rose 39% in 2015, as average motor retail wages increased 2.6%.

39

Company values

How do you put a culture in place that motivates and evaluates staff beyond just pay?



42

The UK Automotive 30% Club

Founder Julia Muir says a lack of women in dealerships' boardrooms, workshops and showrooms is hurting their business.

'Where we are is exactly where we want to be'

Honda has ditched its 80,000-registration target for next year, but believes a new range and transformed finance and aftersales operations give cause for optimism

NEED TO KNOW

- Japanese brand registered 53,417 cars in UK and had 1.55% market share in 2015
- Honda said it is on track for 60,000 registrations in 2016

By Tom Sharpe

Two years ago, Honda predicted its UK dealer network would enjoy 80,000 annual registrations and a doubling of profits by the end of 2017. Last year, the brand registered 53,417 cars in the UK, flat on 2014, leaving it some way short of its target.

So when **Phil Crossman, managing director, Honda UK**, tells *AM* that "where we are is exactly where we want to be", he reveals how ambitions have been tempered for the Japanese brand.

However, Crossman insists there is cause for optimism – a new range of products, improved customer retention and the promise of "natural, organic growth".

Honda UK's ambitious 2017 targets were designed to arrest a decline that developed as a "perfect storm" – the global recession, Japan's tsunami and the Thai floods – caused production levels to stutter and weakened the yen.

In 2014, the year those targets were announced, Honda's UK dealers had a three-car range that returned 53,544

"Numbers are about 15% up this year. In a couple of months, we were in the lead until the last couple of days"

Phil Crossman, Honda

registrations and an average return on sales of 0.9%. The revival plan, revealed to *AM* by former Honda UK head of cars Leon Brannan in January 2015, spelled out a path to increased sales, customer retention and, crucially, profits.

Today, Crossman offers a more pragmatic reassessment of the brand's progress, conceding that it would fall well short of the ambitious targets.

"We had a lot of comments with cars, you know 'where's Honda going, has it lost its mojo?' That comment only ever applied to cars in Europe. Elsewhere, the company was doing really well."

On UK registrations, he said: "About August, we stopped going backwards and we've been on the up-and-up."

"Where we are is exactly where we want to be. The brand has delivered a whole new range of products on time and we believe it's been received by both the press and the customers exactly as we hoped it would be."

Crossman believes 60,000 cars will be registered in the UK this year, 62,000 in 2017 and 64,000 a year later. In the first three months of this year, Honda registered 19,709 vehicles – taking its market share to 2.5% (up from 1.6% for all of 2015).

The arrival of the HR-V compact SUV (2,206 registrations in the first three months of this year), a new Jazz hatchback, face-lifted CR-V SUV and the flagship Civic Type-R performance car last year have all helped.

KEY HONDA PRODUCTS



CIVIC

UK-built and a core model, Civic registrations have rallied since the introduction of the 1.6-litre i-DTEC turbodiesel engine. A total of 16,266 were registered in 2015, up 3.03% on 2014.



HR-V

Voted Car of the Year 2016 by *AM* readers, 2016 will be the HR-V compact SUV's first full year on sale. Prices range from £18,495 to £26,055 with a choice of 1.6 i-DTEC diesel or 1.5 i-VTEC petrol engines.



CR-V

Boosted by the then-new 1.6-litre i-DTEC turbodiesel's claims of 64.2mpg fuel efficiency and 115g/km CO₂ emissions in 2014, the CR-V recorded 16,307 registrations. Last year, sales fell 4.51% to 15,571.



JAZZ

Priced from £13,130, the Jazz treads a path between a hatchback and MPV, with an average owner age of 62-63. With 18,465 sales in 2015, the Jazz was Honda's best seller.

46

View from the business school

Why measuring staff, not customer, satisfaction may boost service levels.



50

AM Executive Breakfast Club

Nudging customers' unconscious thought processes can give dealers an edge, says Susannah Schofield.

54

AM Customer Service Summit report

Add 'magic touches' to improve your customer service, delegates were told.

HONDA'S HALO PRODUCTS

Honda has a wide product portfolio, including motorcycles (25,000 annual UK registrations) and power tools, not to mention a £3 million executive jet, the first of which it delivered into the European market last month.

Building the brand's reputation for four-wheel vehicles – and drawing customers into dealerships – are two flagship models.

Honda introduced the 306bhp Civic Type-R last year and, this year, one UK dealer will benefit from sales of the £130,000, 550bhp, hybrid-powered NSX supercar.

About 1,600 Type-Rs will be sold in 2016, with production to end in mid-2017, and 120 £5,000 deposits have been placed on the NSX. With only 55 brought to the UK each year, many customers face a wait.

Crossman said: "The buzz surrounding the Type-R and the NSX tell you all you need to know about the importance of a halo product.

"People were putting £5,000 deposits down on NSXs two years ago, without having seen the car, knowing the price or knowing the spec."

He said one dealership based in

the South East (London) would be the sole UK supplier of the NSX when it arrives in the summer, with a second possibly added later.

Crossman said the "immense" aftersales investment required from NSX dealers, including a requirement for week-long technician training in Japan, would make it "unfair" to sell the car more widely.



The HondaJet and the NSX are used to show off Honda's technical expertise

Crossman said: "Unlike many of our competitors, the introduction of HR-V has not affected our C-segment sales. We're actually growing our Civic volume (5,925 in Q1, up 17% year-on-year)."

On Honda's overall registrations, Crossman said: "Numbers are about 15% up this year. For December, January, February and March we have been top of the growth chart pretty much for the whole month.

"In a couple of months we were in the lead until the last couple of days, when people overtook us, but our rate of growth is fantastic. That's good steady growth. It's not been forced, it's natural demand."

However, that demand has come at a cost: "We have sold out of Type-R, we've sold out of HR-V and, ironically, by the end of March, we will have sold out of Civic petrol – our core car."

With lead times of the Mexico-built HR-V being massaged down from just over three months to a month for certain grades, Crossman said supply is still an issue, with America's

1.4 million sales holding greater allure than the heavily discounted European market.

He is keen to see UK dealerships receive a greater allocation of cars: "I'll take every HR-V and Civic I can get my hands on."

Giving dealers the tools to retain customers

Honda has transformed its approach to customer retention in the past three years, thanks to the introduction of a five-year service package and the wholehearted adoption of PCP finance offers in 2013, with HP all but outlawed among its retailers.

Three years ago, the manufacturer had just 23% PCP penetration in a market where the average was 80%. PCP penetration levels now mirror the industry average at 75-80%.

Crossman said: "Jazz remains our biggest challenge in terms of PCP penetration, but I think that's as much to do with the customer profile. The average Jazz customer is 62 or 63. I'd say we do 98% PCP with the new cars

that are attracting a younger customer. It's going really well."

Crossman was bullish about the success of the service plans, meanwhile, which are sold at some expense to Honda. He said: "Of all the Hondas in the service parc, around 60% of those have got a service plan on them and within two years that will be 90%."

"That is a fabulous tool for our dealers because it means that customers will come back to the dealership and – particularly if you add in a PCP – that gives our dealers great retention and a great opportunity to re-sell."

Honda is still hoping to double dealer profitability

Return on sales at Honda's 166 dealerships is about 1.5%, a 0.6 ppt rise year-on-year. Crossman said the top 10% had "always" returned 3.5% and said he hoped to see 3% achieved by all of its 78 partners.

"We're happy with our network. We've come through some hard times and we want to support our core businesses," he said.

Honda is currently refreshing its corporate identity, focused on showroom interior decor, with an anticipated cost of £20,000-£30,000. Other improvements for the retail business are sought through used cars, which Crossman said had been "steady... not brilliant".

"If I could gift our network anything right now it would be 5,000 three-year-old cars and that will come in the next two or three years. Those cars will come back with a service plan, on a PCP and they will be re-sold."

Crossman said Honda's typical turnaround time for its cars was currently four years, but he said he would like to see vehicles returning to dealerships after about two-and-a-half, providing quality used stock and up-selling customers.

However, he is wary of shorter turnaround times: "Some brands are returning at one-and-a-half [years] and I'm not sure that's the best thing to do because we are going to ruin the used car market if we're not careful."

"It's not new cars that are going to cause the problem. It's that the country is going to run out of space and we will be scrapping good 10-year-old cars."

Investing in the future

Although the targets have been downgraded, Honda continues to prepare for greater sales.

It has invested in a new crop of smaller 1-litre and 1.5-litre petrol engines to go in an all-new Civic next year and a manufacturer apprenticeship scheme has already delivered 700 technicians into the dealer network.

Crossman said: "We could get to 80,000 [registrations] with the range we have got now but it would be very stressful, it would mean discounted sales. The network's capable, but we want to do that without resorting to those tactics and daily rental. Our sales will grow and grow and grow."

"I'd rather set targets for the retention we can get and how much we get through the workshops because if we take care of that then the sales will take care of themselves."

"We'll get to 100,000 sales, but we won't get there this year."



"If I could gift our network anything right now it would be 5,000 three-year-old cars and that will come in the next two or three years"

Phil Crossman, Honda

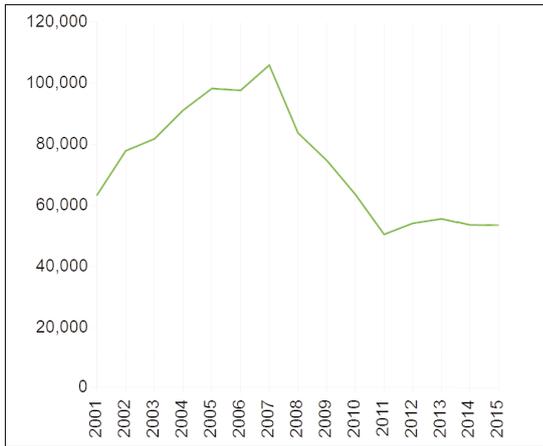
166 dealerships are currently in Honda's UK network

1.5% The network's average return on sales for 2015

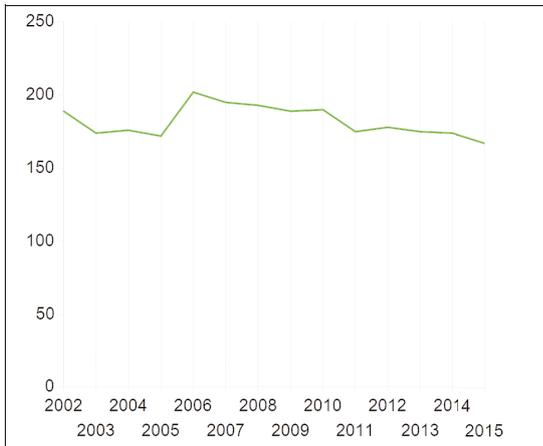
HONDA MARKET SHARE (%)



HONDA REGISTRATIONS



HONDA NUMBER OF RETAIL OUTLETS



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

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CLIVE BROOK, MANAGING DIRECTOR CLIVE BROOK

Interview by Tom Sharpe

GOING IT ALONE

Battle-hardened Yorkshireman" is not the first impression that comes to mind when you are greeted by a smiling Clive Brook at one of his Volvo dealerships.

However, during the course of acquiring two struggling Volvo showrooms – in Bradford and Huddersfield, seven years

apart – from his former employers at Harratts Group, the franchise manager-turned-managing director of Clive Brook acknowledged that he has overcome unexpected and unwanted hurdles to find the "drive" to succeed.

"Ask my family and they will say that I have become battle-hardened," said Brook.

"Has the move from group employee to franchise owner changed me? It probably has, but I like to think that I have always stood by the same set of principles."

Buying Harratts' Volvo operation off Leeds Road, Huddersfield, in April last year marked Brook's return to the facility at which he started out his automotive career as an apprentice technician.

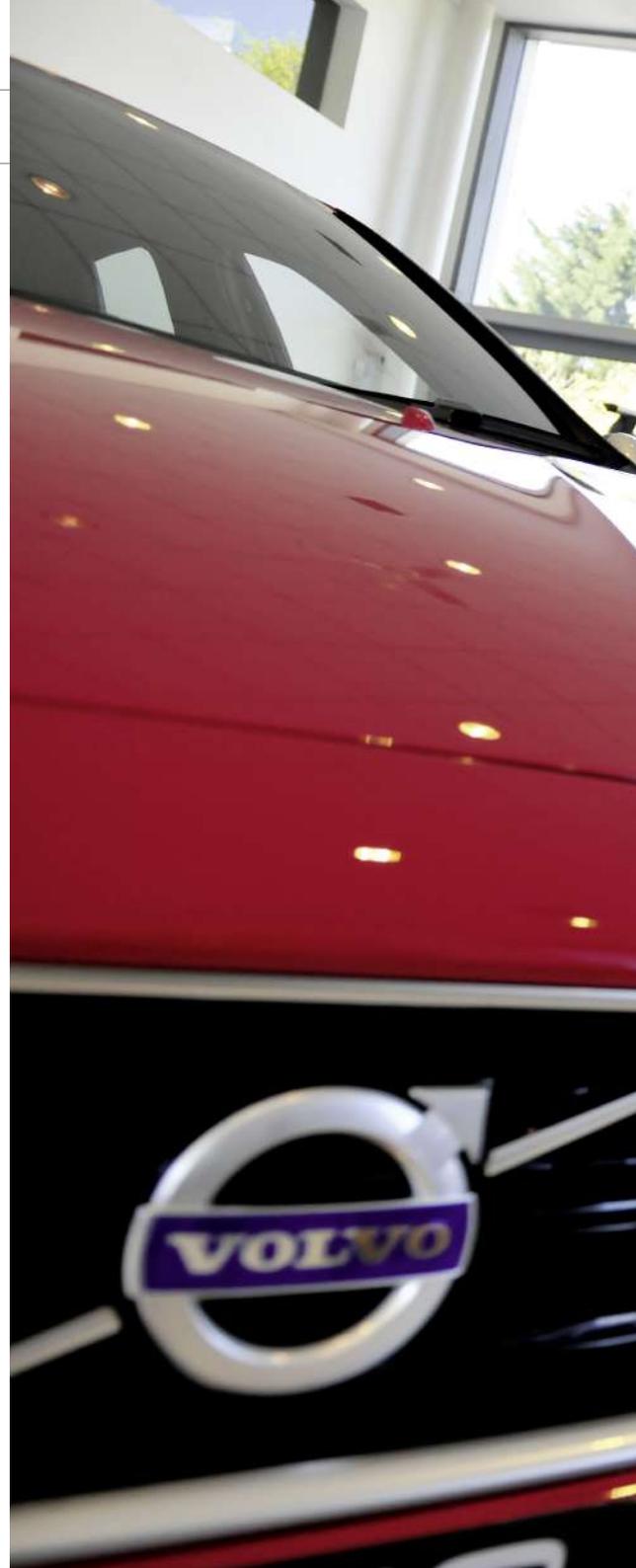
After taking up the apprenticeship at the then Olaf Olsen Volvo outlet, Brook abandoned his plans to study history at university in Newcastle and became a salesman.

"I remember seeing the salesman in their company cars and nice suits and thinking 'all this grease and mess isn't for me... I could make a career at that, though,'" he said.

A shift into sales and a year-long stint at JCT600's Bradford

"I've got an ambition to sell a thousand cars. I'm not looking for a bigger site, but I could still do more new cars"

Clive Brook



Ferrari operation followed, before a return to the Huddersfield Volvo site to become sales manager, at the age of 25, at what had become a Fletcher Group operation with a second Volvo dealership between Wakefield and Barnsley.

After Harratts appointed Brook to run its Barnsley Volvo operation in the mid-1990s, he was then involved in the acquisition of Volvo Huddersfield and further sites with the same brand in Sheffield, Huddersfield and Bradford.

'Look, I'll buy one of your businesses'

While Brook was made Volvo franchise manager at Harratts the purchase of the Leeds Volvo franchise brought an increasing realisation that he had his own ideas about how the business should be run, a situation which came to a head at a group meeting in November 2007.

He said: "I basically stood up in the middle of the meeting and said 'look, I'll buy one of your businesses'. I knew that I had effectively handed in my resignation, but I also knew that



Clive Brook managing director
Clive Brook: 'I needed to do something for myself'

I needed to do something for myself."

Brook asked for the Huddersfield site where he had cut his teeth in the trade, but was offered the then ailing Bradford operation and secured the £350,000 funding needed to complete the deal. The mood went from "let's get going" to "survive or die" as the recession bit and he battled for custom with his previous employer.

Eight years on, and the Bradford operation is doing well. Brook is projecting a £17 million turnover for the year, after achieving a £5.5m turnover for the first quarter, which included a bumper March in which the business made just under £170,000 profit.

The Huddersfield operation should turn over £12m, he said. If his estimates are realised, it would mark an impressive turnaround for the business. Brook acquired it from Harratts Group in spring 2015 as part of a £1.7m move that included the property at both Huddersfield and Bradford sites and which Brook said was two-and-a-half-years in the making.

"It was a drawn-out affair. Before the acquisition was finalised, I got wind of the fact that Volvo had decided Huddersfield was not going to be a market area any more. I actually travelled down to Maidenhead and argued the case of a business which wasn't even mine at the time. Thankfully, they listened."

Since Brook took over the Huddersfield facility, he has invested in the building, website and DMS database and increased the headcount from 11 to 20.

Propped up by a used car operation, which Brook describes as "the core of the business", the two facilities are starting to perform well together, with a current return on sales of 1.3%, but 2% "within sight" (see panel on page 31).

A used car man at heart

A Volvo man from day one of his automotive career, Brook speaks highly of the current management team at Volvo UK and the direction the brand is taking. 

£29m

Clive Brook's projected turnover for 2016

1.3%

Clive Brook's current return on sales. Brook says 2% is 'within sight'

He describes himself as a used car man at heart, however, and keeps the two showrooms' diminutive forecourts packed with more than £800,000 worth of used Volvos.

Brook said he devotes 70% of his time to the sale of 350 to 400 used vehicles through the Bradford site alone and is targeting the same volume from the similar-sized Huddersfield operation.

Brook tracks auctions and private customers alike in pursuit of sub-100,000-mile, sub-seven-year-old vehicles that can be fed into the Volvo Selekt approved used scheme.

He said the business has changed its approach to used cars in recent years, selling fewer vehicles for low returns of about £1,000 to locations well out of the dealership's area, and focusing on more profitable sales closer to home.

"It makes no sense selling cars all over the country. You want customers that you can build a relationship with because they will return to buy cars if you treat them well and grow the aftersales operation too," said Brook.

Although used cars take the lion's share of his attention, new car sales are also boosting Clive Brook's fortunes. He is more ambitious than most about how many sales the Swedish manufacturer can achieve in the UK.

The launch of the premium XC90 SUV in 2015 helped Volvo to record 43,432 total registrations in 2015 (up 5.76% on 2014) and 11,508 vehicles in Q1 of 2016 (up 8.07% on 2015) and the new S90 and V90 will join the range this year.

Brook said Volvo officials recently appraised his Bradford site ahead of implementation of the Volvo Retail Experience (VRE) corporate identity – to be ushered in by 2020. They told him he should be selling 300 vehicles a year at the 1.28-acre facility.

"We've consistently sold over 400, without any fleet," said Brook. "I think 431 is the most, which we did in the scrappage year.

"I can see my sites comfortably selling over 500, maybe a little bit less in Huddersfield, but over 500. I've got an ambition to sell a thousand cars. I'm not looking for a bigger site, but I could still do more new cars."

Brook said the full margin profitability of XC90 SUVs retailing for more than £60,000-£70,000 had been a welcome bonus in recent months and a recent visit to Gothenburg brought cause for further optimism about future products.

He said he has expressed his confidence at conferences that Volvo could hit 70,000 cars a year – "I've put my name in blood" – but he believes the Volvo Car UK management team talks sensibly about volumes.

"In terms of the product 50,000 is ambitious, but I think where we are today, late 40s up to 2020 and beyond. I can see that."

Pursuing every sales lead

Personable staff and a friendly approach have helped Clive Brook attract a loyal following in the eight years since the Bradford showroom opened under the new company name.

The West Yorkshire operation aims to be "good" rather than



Brook said he devotes 70% of his time to the sale of used vehicles



Clive Brook's technicians are undergoing training to become multi-skilled teams (MST)



"It makes no sense selling cars all over the country. You want customers that you can build a relationship with because they will return"

Clive Brook

"nice", though, with Brook admitting: "Nobody wants a nice doctor, they want a good one. I think the same applies to a dealership."

Stringent lead management processes have been put in place to ensure every sales opportunity is maximised.

Brook said: "Why is there this acceptance that six out of your 10 enquiries doesn't result in a sale of a car? When I took over the business, I had to deal with that fairly quickly because it's not a statistic I've ever been comfortable with.

"I lost the previous company's marketing power – Harratts were very good marketers – so I thought the only thing I can do quickly is to make sure we've got to increase our conversion." Brook said he very quickly achieved a 20% cut in lost



CLIVE BROOK'S 10-YEAR GROWTH PLAN

Profitability is a word that continues to crop up in conversation with Brook.

He said he has seen plenty of instances where dealer groups have over-reached themselves through rapid acquisitions and he has no desire to expand his own operation beyond Bradford and Huddersfield just yet.

Brook is keen to see growth, however, and has ambitions of achieving 3% RoS.

He said: "I have no desire to own a yacht in Cyprus. The money we generate will be put back into the business. I want to see it grow."

The plan currently extends to 10 years, but Brook, now 52, said he would be making clear his eventual "exit strategy" to staff imminently.

He said: "In time, I would love to see succession, for a member of the senior management to step up.

"I may well be involved in the business at 65, but not with everyone else dictating what is going to happen. It would need to be the right time to leave the business and not when Volvo or Kia, Mercedes or Ferrari are knocking on the door saying 'you stupid old git... get out!'"

90%

Clive Brook's service plan penetration on new cars

the output. For me, that process is probably identifying a car a week. Across the two businesses, that's a hundred grand."

Brook also employed Selby-based Autoweb Design to look after the business's website, determined to understand "from what point the business can initiate the sales process".

The online presence has helped to generate leads, but Brook does not believe the future of car sales lies with the internet.

He said: "Carwow cannot demonstrate a car. They can't do a product presentation of the car. The internet is not necessarily going to give a customer the best buying and ownership experience because they might just buy the wrong car.

"That's definitely where we come in. Recognising people early in the journey. I don't want my salesman to shut down on a customer as soon as they find out they aren't buying a car today, I want them to be excited at the prospect of the future sale and make sure that they come back."

Putting a local focus on aftersales

Brook acknowledged that he sought to sell used cars across the country at very small margins to get off to a strong start after acquiring the Bradford franchise in 2008, but he said a focus on the local market has since evolved.

Locally sold used cars now come back for servicing, helping an aftersales operation that accounts for 42% of the business' profits (£99,000 during Q1 for Bradford).

Emac provides the business's service plans and it currently has penetration of 90% on new cars and about 40% on used, said Brook.

"We look at the 10% of new car customers who don't buy it because there's something wrong if they don't," said Brook. "Three years at £300 or £500 for five years. It's a great deal."

Clive Brook's technicians are currently undergoing training to become multi-skilled teams (MST), a process which will see teams of two working on vehicles to cut a service times to an average of 27 minutes and a basic service down to 20 minutes (Read 'Will many hands make light work of servicing?' in May's AM).

Brook said the idea will benefit his operations – where space is in short supply – by allowing customers to wait on-site while work is completed, potentially increasing showroom visits and minimising potential parking problems.

However, he does have concerns about the Volvo Personal Service (VPS) concept, which asks technicians to deal directly with customers.

"We've got technicians who came into the industry because they like talking to engines, not talking to people," he said.

"I'm not sure. We'll probably get to that, but it will require people who are different, perhaps, to the people that we've had in the past."



conversions caused by poor salesmanship.

He established a DMS system that allowed the business to log data and analyse the performance of sales staff and employed Harrogate-based Cymark Dealer Services to carry out post-enquiry research via follow-up calls. Based on a continuous follow-up of a strictly maintained showroom diary of customer data, these can help to determine if or why a sale was lost.

The system allows Brook to monitor the success of his business and, potentially, get a "second bite of the cherry".

He said: "I know how the ones who bought cars feel. It's the people who haven't bought – the six out of the 10 – [that I want to know about]. It is expensive, but it's a low cost relative to

Clive Brook is to adopt the Volvo Retail Experience corporate identity by 2020

Executive pay soars as lower salaries stagnate

Average chief executive's pay jumps 39% and finance director salaries increase 19% to five-year high as average motor retail wages increase by 2.6%

NEED TO KNOW

- Average pay in automotive retail was £39,000 in 2015
- Manufacturers 'are much more involved in recruitment'
- 'Low basic, high bonus' model proving difficult to shift

By Tom Seymour

Employee costs are one of the largest expenses in automotive retail and dealers have to get the balance right between keeping costs down and paying salaries high enough to attract the right people.

According to BDO's Motor Retail Motor Salary Survey 2015, the biggest change in automotive pay last year was at the top level. While still some way off the £222,000 paid to chief executives in 2011, average pay for the position increased 39% last year, to £181,000. Over the same period, finance directors' pay has leapt 19%, to £138,000 – its highest level in five years. However, pay for both job roles was static in 2014 and 2013.

Steve Le Bas, BDO audit director, said dealer groups are having to pay big money to attract top leaders. Figures for the upper quartile show some dealer groups are having to pay up to £306,000 to attract the best chief executives, while finance directors can command £258,000 at the highest level. The highest paid dealer principals were paid £152,000 last year.

Guy Liddell, Motor Trade Select managing director, said: "The senior positions in the industry are starting to see pay go up."

"Manufacturers are getting much more involved in the recruitment process, particularly for the senior level jobs. Getting the right person to 'please the franchise' can see competition for the best people pushing salaries up because there is generally a smaller pool of talent."

The next-highest average salary packages continued to be new car retail managers, fleet retail managers and used sales managers, whose total packages were in the region of £32,000-£80,000, a drop compared with last year at £37,000-£85,000.

The trend of listed dealer groups offering higher pay and better benefits than family-owned groups continued last year according to Le Bas and Ed Steele, Steele Dixon managing director.

Steele said: "There are certain dealer groups that are known for not paying well. Some dealer groups will also sacrifice getting the right person because they won't be flexible on salary, even within two to three thousand pounds."

"There are exceptions to that rule on both sides, however." Publicly traded dealer groups can offer share options and company car schemes as further benefits to tempt



"The senior positions in the industry are starting to see pay go up"

Guy Liddell,
Motor Trade Select

employees, whereas family-owned groups tend to want to keep firm control over shares at the company.

Steele said: "It's worth stressing there are dealer groups on both sides that are brilliant with what they offer and how they look after their staff, but there's always a spectrum."

Automotive retail vs national average

While some job roles have seen pay packets remain static, overall average salaries have increased by 2.6%.

Excluding chief executives, the average remuneration package in automotive retail increased from £38,000 in 2014 to £39,000 in 2015. The average UK salary in 2015 was £26,500, according to the Office for National Statistics.

However, Le Bas said pay levels are fairly stagnant, with the comparative average in 2011 being £37,000. The increase in 2015 was split evenly between small rises in base salaries and incentives.

Steele said he too had seen stagnation of salaries, particularly in lower level roles.

The lowest pay banding in the BDO statistics continues to be parts delivery driver, on an average of £15,000, up from £14,000 last year. Average salaries for the role have remained within a margin of £1,000 for the past five years.

Service advisers' pay has stayed the same for the past four years.

Steele said some dealer groups face problems because they have not reviewed pay for certain job roles for as long as 10 years. When it comes to recruiting someone new, they do not pay the going rate because they are worried about increasing pay for current staff.

Steele said: "Ignorance is bliss to some extent. That goes for the employee and the employer."

"Some dealers don't really think about pay reviews or what

PENSIONS AND THE LIVING WAGE

The number of employees making pension contributions in the automotive retail industry increased to 75% last year, from 55% in 2014, with it now being mandatory for UK employers to offer enrolment.

However, Le Bas explains that the figure is never likely to reach 100%.

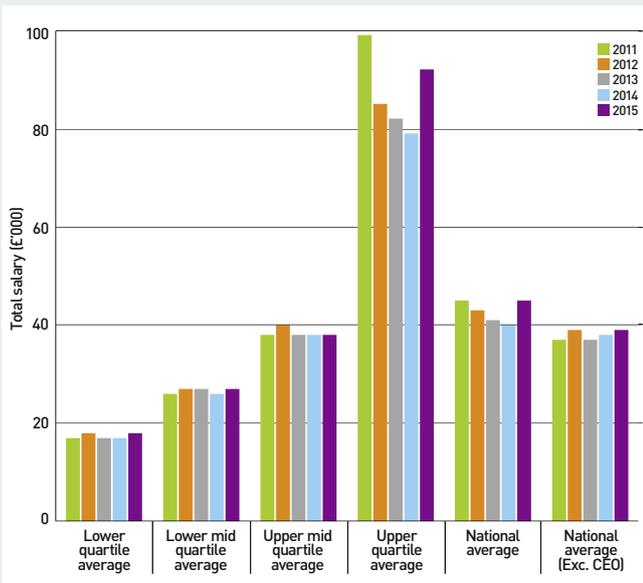
He said: "Some employees will always opt out of the pension schemes, particularly younger employees who don't want to contribute to a pension in that stage of their life, they would rather have the extra cash when it comes to pay day."

BDO is predicting an increase in salaries overall this year, partly due to dealers continuing to experience good levels of profit and also due to the introduction of the living wage in April this year.

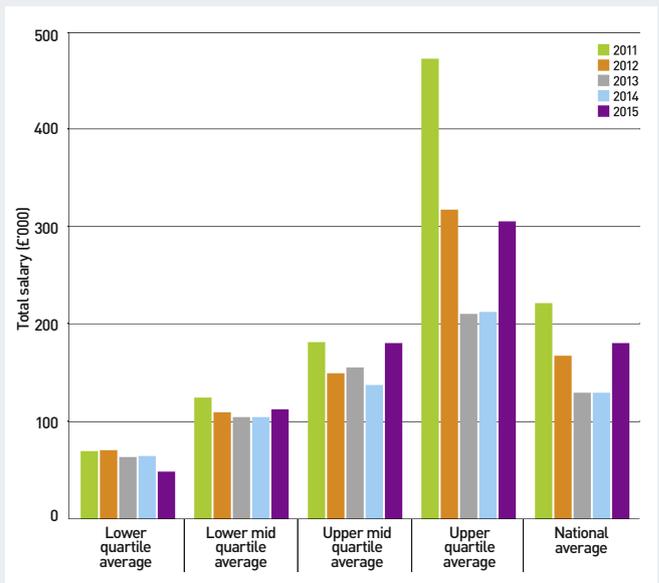
All workers aged 25 and over are now legally entitled to at least £7.20 per hour.

As a result, lower-paid roles are expected to see a higher than average increase in the salary report next year. There is a target in place for the living wage to increase to more than £9 an hour by 2020.

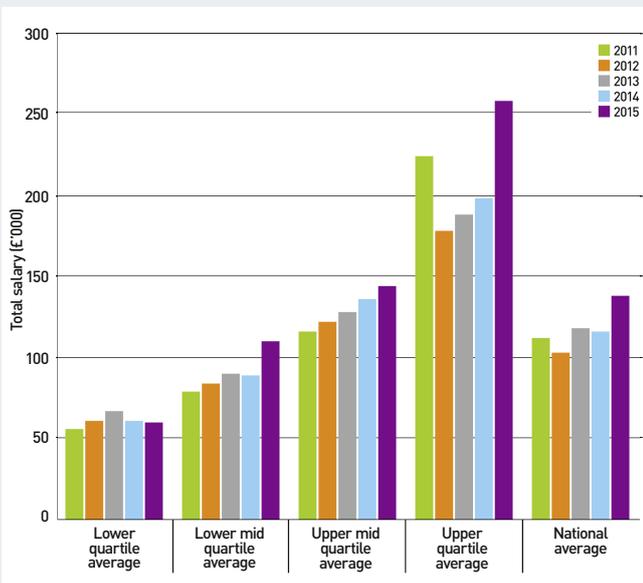
ACROSS ALL JOB TYPES



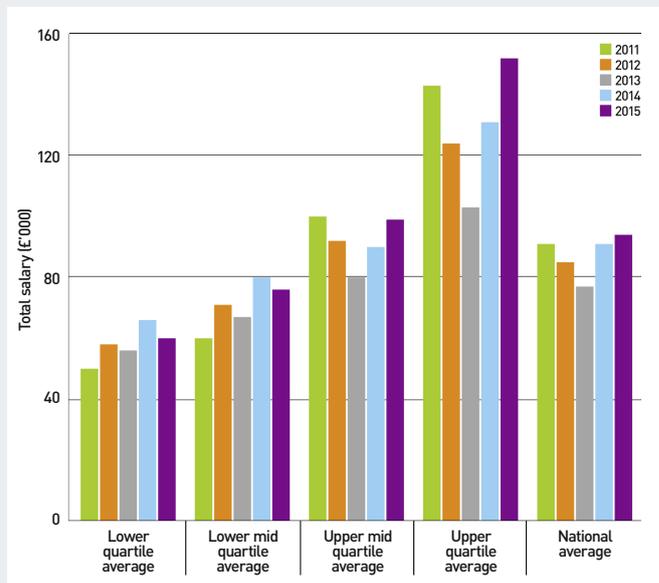
MANAGING DIRECTOR/CEO



FINANCE DIRECTOR



DEALER PRINCIPAL



Source: BDO Motor Retail Motor Salary Survey 2015

is going on in the industry until it comes time to recruit. Employees looking for a new job are also often unaware that what they are being paid currently is below the going rate. Pay is a taboo subject in the UK. We don't talk about it. It's like asking someone their age."

Steele said over the past five years, expectations for earnings in many job roles have gone up, but actual earnings have not.

Basic and bonus

Another trend that refuses to budge is the ratio between basic pay and bonuses.

The automotive retail industry continues to talk about increasing basic salaries to take the onus off staff having to chase volume. However, BDO's figures show this isn't changing, with up to 67% of a sales executive's annual salary made up from bonus. The average basic pay for a retail sales



executive in 2015 was at £14,171 with a bonus of £21,355, for a total figure of £35,623.

Steele said while many would like the ratio to change, the reality is that manufacturer target bonuses continue to drive the industry.

Le Bas agreed that while there is a groundswell of opinion that things should change, there have been no large moves to make it happen.

He said: "On the premium brands we have seen a higher level of basic, but that is to attract the best people. It is very competitive at the moment and no one is moving so premium-brand dealers particularly are having to increase their offers to tempt people to move. The industry is pretty dyed in the wool and nothing dramatic has happened."

Malcolm Miller, managing director at automotive learning specialist RTS Group, said the traditional pay and reward system for sales executives is still built

around a smaller basic salary, with commission and bonuses on sales or profit.

"There are pros and cons to this, with some sales people making a healthy salary, but on the other side it can lead to high staff turnover and in turn customer satisfaction can suffer," he said.

Miller added that beyond the financial reward, staff are looking to work for the best brands and the best managers: "The long hours and 'low basic' culture of many dealerships often overlook the importance of non-financial rewards. Having a supportive manager, enjoyable work environment and flexibility over hours can be just as much of a motivator as higher pay.

"In a recent survey, the CIPD (Chartered Institute of Personnel and Development) found nearly half (42%) of employees have left a job because of a bad boss. Pay and reward is important, but working for a supportive manager and, particularly, receiving a good induction to the business are important factors too."

Steele said dealers don't need to get caught up in gimmicky

benefits seen at places such as Google (barista training and unlimited chocolate bars, for example).

He said: "Things like unlimited Mars bars and a bottle of beer on a Friday can be quite superficial.

"When it comes down to it, people want to be paid what they feel they deserve, they want to be respected and they want a good manager. If a dealer group can get those three things right, they will attract and retain the best people. Everything else is ancillary."

■ BDO's Motor Salary Survey digs down into the detail of automotive retail pay across 26 positions, from chief executive to parts delivery drivers.

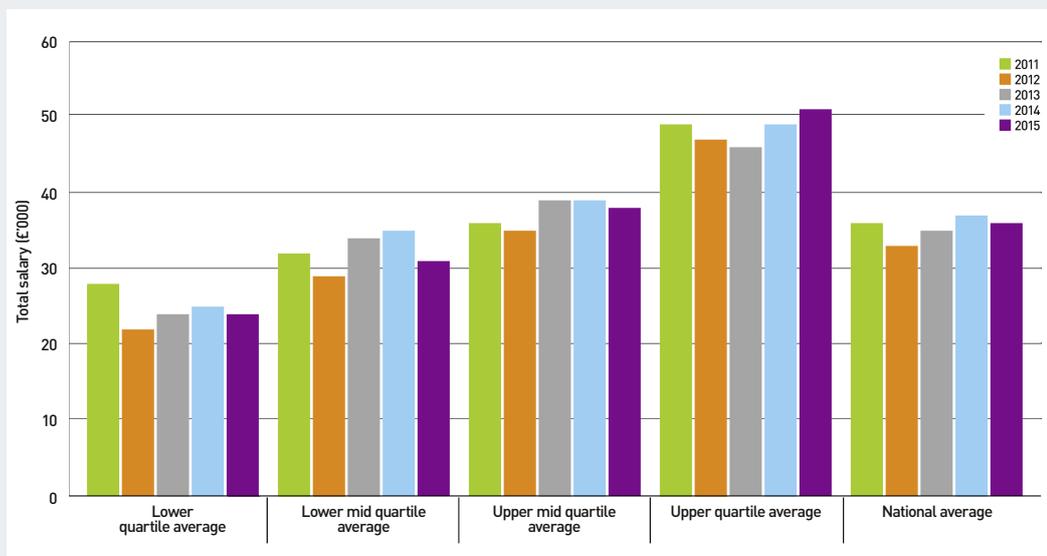
The data has been compiled confidentially from 285 dealership locations in the UK and a minimum sample size was established for each position to ensure anonymity. Dealers participating in the survey ranged from single-site dealerships to large publicly traded dealer groups.

■ For more on pay and motivation, attend the AM/IMI People Conference on June 16. For more information, visit ampeopleconference.co.uk.

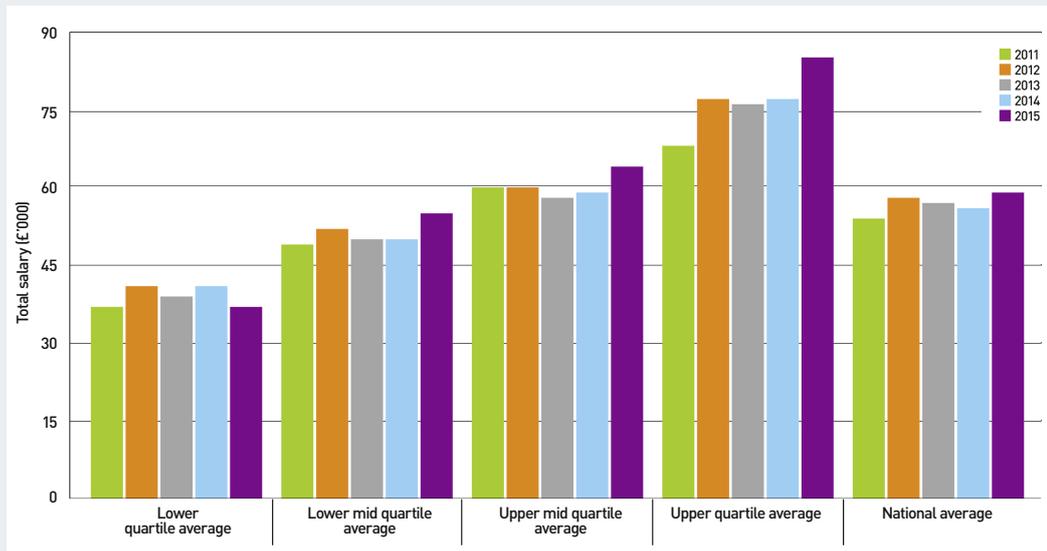


67%
of a sales executive's annual salary is from bonus, says BDO

RETAIL SALES EXECUTIVE



RETAIL SALES MANAGER



Source: BDO Motor Retail Motor Salary Survey 2015

NATIONAL AVERAGES

| Managing director/ chief executive | |
|---------------------------------------|----------|
| 2015 | £181,000 |
| 2014 | £130,000 |
| 2013 | £130,000 |
| 2012 | £168,000 |
| 2011 | £222,000 |
| Finance director | |
| 2015 | £138,000 |
| 2014 | £116,000 |
| 2013 | £118,000 |
| 2012 | £103,000 |
| 2011 | £112,000 |
| Dealer principal | |
| 2015 | £94,000 |
| 2014 | £91,000 |
| 2013 | £77,000 |
| 2012 | £85,000 |
| 2011 | £91,000 |
| Retail sales manager | |
| 2015 | £59,000 |
| 2014 | £56,000 |
| 2013 | £57,000 |
| 2012 | £58,000 |
| 2011 | £54,000 |
| New retail sales executive | |
| 2015 | £36,000 |
| 2014 | £37,000 |
| 2013 | £35,000 |
| 2012 | £33,000 |
| 2011 | £36,000 |

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The AM100 Dinner; the networking event of the year

The AM100 publication is the annual industry guide to the 100 largest dealer groups in the country, according to their company turnover.

In addition, the AM100 provides a detailed analysis of the state of the industry and looks at the key issues facing dealers and their customers.

The AM100 is an invaluable opportunity to meet friends and colleagues in the retail industry and be amongst the first to see the official unveiling of the new AM100 listing of UK automotive retail groups ahead of publication in AM.

John Lloyd will be the guest speaker at the AM100 dinner this year which will be held on June 16 at the Park Plaza Riverbank in London.

John Lloyd has been behind some of the most successful and well-loved TV and radio (and adverts) of the last three decades. He's also written or co-authored over 30 books, and is the driving force behind developing a new concept of education based on his BBC panel show, QI.



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Company values

Dealer chiefs often talk about instilling 'company values' in staff, but how do they choose them, how do they communicate them and how are they measured?

NEED TO KNOW

- Company values – such as integrity, transparency, fairness – can motivate staff and reassure customers
- Values need to be clear and simple to communicate

By Ian Halstead

Facing tight margins and fierce competition, innovative management teams increasingly seek to motivate and reward staff without pushing up payroll costs and one of the ways they do this is by instilling their employees with their company's values.

These are typically desired behaviours such as honesty, integrity, transparency and fairness. However, choosing them, explaining them to staff, and then monitoring their implementation is rarely straightforward.

Company values played an important role for **Robin Wilson, managing director of Wilson & Co**, in integrating the group of dealerships – in Bolton, Boston, Chorley, Grimsby and Scunthorpe – he formed in 1998.

"They were all family firms which had fallen by the wayside, and it took 18 months just to turn them around. In the early years, it was more about leadership than instilling values, and it wasn't until two or three years ago, when we looked to expand, that I thought we needed a set of values to guide existing staff and new recruits," he said.

"We probably spent two or three months discussing the

"It was vital that we could put the values into words which meant something to all the staff"

**Robin Wilson,
Wilson & Co**

values, what they would mean to everyone, what they would mean to the business and how their importance could be communicated. It was overwhelming at times, but it was vital that we could put the values into words which meant something to all the staff."

Tracy Roberts now works for the national motor trade recruitment agency, **Automotive Recruitment Consultants**, but in 2014, she project-managed the launch of Wilson & Co's values structure.

"There were around 250 staff on five sites, so making sure they were all aligned with the new values was one challenge, but before that process, we had to make sure that the values themselves were consistent," she said.

"Robin was determined that the new structure would be easy to understand and embrace, but it's surprising how much work it took to establish values which were clear and simple, and which could be communicated in an easy to understand way.

"Robin also wanted to give the staff a say in how the values were devised and delivered, so we set up a team of eight people from across all the sites, who worked in different teams.

"The values can't just be words on a webpage, or they're meaningless, so we decided to bring all 250 people together for a launch that was fun and engaging, but which also got the key messages across."

Not every member of staff was on board with Wilson's new approach, however: "Certain individuals didn't take to the values, and decided to leave, then one senior person retired, and another decided the travelling was too much," Wilson said.

"Even two years on, we're nowhere near where I would like us to be, but we've got a series of reward and recognition systems in place, extra time off for birthdays, as an example, and over the last 12 months, our staff turnover has more than halved.

"I still believe our values are a discipline to be followed on a daily basis, and twice a year we carry out performance reviews to make sure they are still

relevant, still understood, and still delivering better standards of customer service.”

Inside each showroom of Yorkshire dealer group **Colin Appleyard**, large posters declare the group's values, or 'APPYS' – Attitude, Part of a team, Proactive, Your promises and Success – for staff and customers to see.

Managing director Robin Appleyard recently told *AM* he believes his company's strapline of 'feel like family', and the 'APPYS' values that help to define it, are a real strength to the business, because people want to buy from people they trust and have built a relationship with.

“Our customers come back time and time again, and the 'feel like family' is what we're all about,” he said.

Neil Addley, managing director of Judge Service Research, said the key issue facing dealership management is understanding the impact of their values upon staff behaviour.

“Feedback is vital, and the leader of a business has to be prepared for honest responses. If an employee asks how something squares with the company's values, it's a sign that they are really trying to buy into those values. If people see things happening that don't sit with the values, they are hollow,” he said.

Addley believes recognition systems, formal or informal, are vital: “I used to work for CD Bramall and Reg Vardy, and if the chief exec came by one day, and praised you for a job well done, it stuck with you for months.

“Equally, you need formal appraisals of staff to see how they are meeting their goals and to be sure those goals are continually aligned with your values. Inevitably, it's harder to roll out a new system of values across a major dealership group, rather than just a single-site dealer.”

He said groups that are successful at introducing new systems of values have leaders who are committed to change and use multiple means to get their views across.

“They will probably blog, and use social media, and increasingly we're seeing them using YouTube to share videos, either from themselves, or someone whose views they admire. However, whatever medium people use to deliver their values, it's crucial that they then monitor satisfaction levels.

“You need the correct data to judge how staff are delivering your values, and to see if the behavioural changes you desire are happening.

“The use of company values and recognition systems offers dealers a great chance to boost sales, and reduce staff turnover, by being better than their peers, because, increasingly, customers are just one click away from going elsewhere.”

Darren Williams, director of Elements PRMC, an automotive management and PR consultancy, agreed with Addley on the importance of recognition. Williams, who formerly owned the *AM* Award-winning dealership Grants Seat, said the motor industry is driven by results and margins are slim, “but success has to be about more than just the numbers”.

“I love the motor trade, and have worked in it all my life, but it frustrates the hell out of me, because it is often so poor at doing the simple things well,” he said.

“It's commonplace for sales staff to work at weekends, but dealers must be more creative in how they work out their rotas, especially for the new generation, who place a higher premium on their leisure time than was traditionally the case.

“A dealer could, for example, make sure that every sales executive got a Friday-Saturday-Sunday off every fourth week. You wouldn't need more resources, you'd just need a different mindset.”

Williams said most dealers also need to improve their



Company values

“I went to one dealership in a multi-site group, and he'd got the list of values, but then put them on the wall of an office where no one worked”

Darren Williams,
director of Elements
PRMC

induction schemes, as the highest levels of churn are still during the first 12 months.

“I think dealers need to develop a culture more like High Street retail, where the work is equally demanding, but the nature of employment is much more flexible.”

When he ran his Seat dealership, Williams implemented a range of incentives to reduce staff turnover.

“We'd focus on selling a particular product, or on achieving one of our KPIs, and then make the reward flexible according to the individuals concerned – 'drive days', 'helicopter rides', 'pamper weekends' or 'foodie nights'. We used league tables to really engage everyone, and then the winners would have a little handmade trophy on their desks.”

Williams said communicating a company's values effectively was crucial: “When you adopt values, they must reach the people in the front line. I went to one dealership in a multi-site group, and he'd got the list of values, but then put them on the wall of an office where no one worked.”

Feedback from customers and staff is also important to evaluate if the new approach is working.

“It will increase motivation if the management team give examples of great behaviour, and great customer service, to highlight what is being looked for, and they have to keep refreshing and revisiting the values,” said Roberts.

“Unfortunately, I don't yet see a consistency of approach with regard to company values. You see big PLCs who don't get it, small independents who do, and vice versa. I'd say more dealers think they need values than a few years ago, but they still find the process of engagement very tough.”

Rachel Astley, JCT600's head of HR operations, explained how the AM100 dealer group refreshes and monitors its 'reward and recognition' structures across 18 brands and 50 different sites.

“There is a wide array of processes which help give 'life' to these values; on the recruitment side, through the company intranet and within the individual dealerships.

“Even on the exit interviews, we want to know if people think our values are just a hollow front, or something real. We score their responses on a five-point scale, and the percentage agreeing, or strongly agreeing, that the values really mean something is always very high.

“Although the official churn rate is only marginally lower than our peers, our return rate is unlike anything I've seen.

“The history of the company is also an integral element of the induction process. Three times a year, we have a presentation to new managers over dinner, and chairman Jack Tordoff is always there. Someone once asked which was the most important of our values, Jack stopped to think and replied: 'Integrity'.

“It was a great moment, because you could hear his sincerity. Those real family values still shine through.”

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Why dealers need to get the gender balance right

The lack of women in dealerships' boardrooms, workshops and showrooms is hurting their business, says Julia Muir, the founder of the Automotive 30% Club

NEED TO KNOW

- Members of the 30% Club aim to have women filling 30% of key leadership positions by 2030
- Industry 'needs to modernise its image with women'

By Jeremy Bennett

Dealers are failing to meet the needs of half the car-buying population, their workforce is unrepresentative of their customer base and, as a result, they are failing to meet their full financial potential.

So believes **Julia Muir**, who has spent her working life in the automotive industry and is working to redress the gender balance in automotive retail.

Muir, who started out at Perrys Motor Sales and spent 11 years at Ford, is the **founder of The UK Automotive 30% Club**. She describes the club as a "group of progressive, forward-thinking" dealer group and manufacturer bosses, who aspire to filling 30% of key leadership positions with talented women by 2030 – or '30 by 30'.

The goal is to create a pipeline of female talent, providing skills relevant to the digitised automotive industry, from entry level to potential chief executives.

The club held its first meeting on March 14 and founder members include dealer groups Vertu Motors, Lookers, Group 1 Automotive, TrustFord, Vantage Motor Group and manufacturers Toyota, Mazda, Kia and Bentley. The Institute of the Motor Industry is also a member.

The club is open to all automotive companies that commit to achieving '30 by 30'.

Muir said she began to understand the problems created by gender imbalance while working at Ford as a brand manager in the early 2000s. While Ford itself worked hard to ensure diversity, there was a lack of understanding in the market about the female customer – or how to attract women to work in the sector.

"I feel strongly that there isn't such a thing as the female market. Women are half the population, differentiated only by one pair of chromosomes," Muir said.

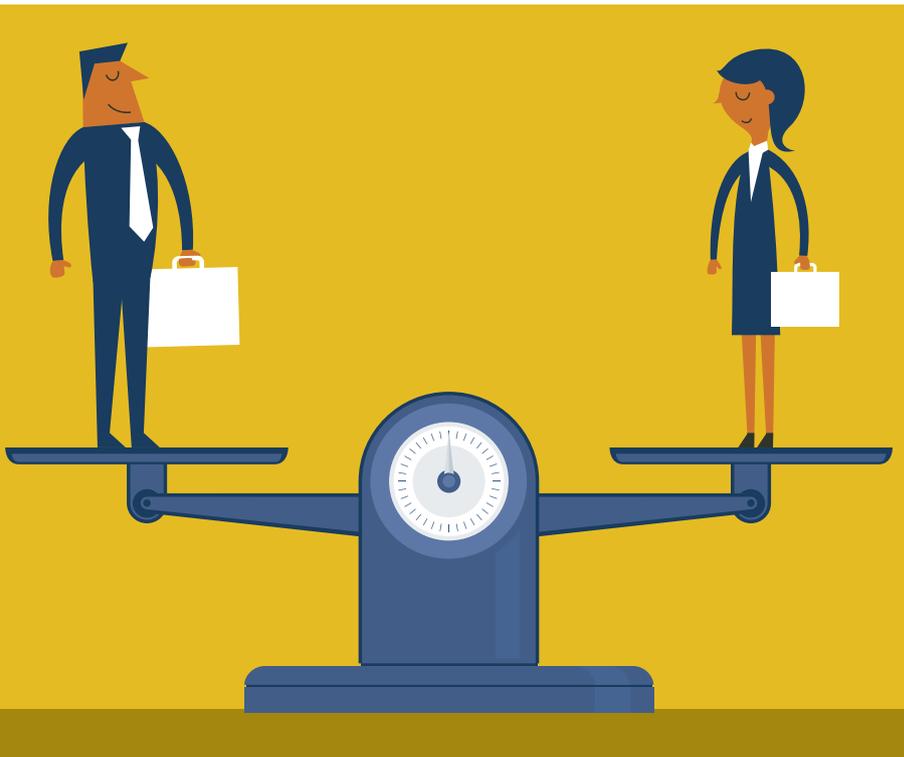
"But it has become very easy – and common – to say 'we don't employ many women' therefore we don't understand the female market."

She also believes women are under-represented in the automotive workforce because of tired clichés: "The industry doesn't attract women to see the reality. It isn't people covered in oil with spanners or in a sheepskin coat on a used car lot."

Muir's teaching at Loughborough University's Centre for Automotive Management, on providing great customer experience, highlighted the role authentic leadership and employee engagement plays in creating a comfortable working environ-



Julia Muir,
founder of The
UK Automotive
30% Club: 'The
industry doesn't
attract women to
see the reality'



ment, which in turn means customers feel comfortable visiting the business.

"When customers go to a dealership, they enter an inherently different environment. It's a combination of different businesses in one place, different practices and cultures pulled together, most markedly the showroom and workshop," Muir said.

Gender imbalance can add to this, she said. "Research shows people are happier in a working environment where there is a gender balance. It reflects life outside – the world in general."

Entering an environment, such as a dealership, where this is obviously not the case can lead to negative reactions from female customers in particular, who find it intimidating.

"If we can improve the gender balance, we will not only achieve a happier, more productive working environment, the industry can present a better face to customers," said Muir.

The impact of the digital revolution

Another factor makes the issue more crucial – the digital revolution.

"Women buyers are finding the digitisation of the search and selection process in buying a car very appealing. They can do huge amounts of research before they enter a dealership.

We've known for a long time, since my days at Ford, that women will do the research in the car buying process. And doing it online means it can be done more easily to suit their lifestyle."

The negative aspect of this though, is that it means women can avoid intimidating, male-dominated, dealerships.

"So a woman, armed with the previously impossible level of knowledge and buying power, still at the point of visiting a dealership, takes along a man, a brother, a friend, a partner," Muir said.

"The user friendly and informative focus manufacturers and dealers have imbued in their online offering, has to flow through to the physical experience of the dealership."

Four stepping stones to '30 by 30'

Muir said a company's culture is established from the top, so senior managers have to lead any change. She is establishing a HR directors' forum that will become the driving force for the 30 by 30 initiative. Business heads will re-group once a year at a dinner and conference.

The 30% Club members identified the general manager as the 'key leadership' position that would give female employees the operational experience required to progress further up the career ladder. However, to achieve a 30% mix in this position, there have to be enough female managers to recruit from.

Muir identified four stages to achieving this.

Stage one: 'Reach out'

To generate awareness of women's role in the automotive industry, the 30% Club will reach out to schools, colleges, universities and other networks of young people. It will also be part of the Education and Employers Task Force's 'Inspiring Women' programme, led by lawyer Miriam González-Durántez. This sees businesswomen offering an hour of their time to talk in schools and demonstrate the role women have in industry.

Muir's club will run a programme of events called 'Inspiring Women in Automotive'. This will encourage women in the automotive industry to give up one hour to talk in schools in the locality of their dealerships to "erode the stereotypes around the lack of females in the sector", such as that the only route into it is via an apprenticeship.

The 30% Club is also in partnership with the charity Speakers for Schools, established by ITV Political Editor Robert Peston, to get high-profile people to share their experiences with children. Automotive 30% Club founder members have also agreed to take part. Work experience opportunities at their businesses will then be posted on the site getmyfirstjob.co.uk.

"Simply wanting to reach out to kids who already are interested in cars or want to be a mechanic is not the answer," Muir said. "You've got them hooked already."

'WOMEN ARE DISENFRANCHISED BY THE AUTOMOTIVE INDUSTRY'

Women are "unequivocally disenfranchised from the automotive industry", according to a recent study by an automotive research and innovation company.

Different Spin researched 48,345 UK women – aged 18-64 and with average earnings of at least £32,001 – with a mixture of one-to-one and "deep dive" interviews and research panels. It published its findings in February in a report called 'Mad Maxine: does automotive fail women?' Key points included:

- 90% of female consumers surveyed would not visit a car dealership without a male partner, male family member or male friend.

- 56% said they felt patronised by car advertising.

- 34% believe no car brand understands women.

Kate Cooper, global strategy partner at Different Spin, said: "In today's connected world, consumer experience is your brand. Your brand is defined, not by a marketing team or agency, but by how people experience it.

"Our study shows unequivocally what we think the industry has known instinctively for some time – women are disenfranchised by the automotive industry.

"The picture is a nuanced one. There are

elements of the experience that delight and dismay the female consumer in equal measure.

"Marketing, dealership and service experiences are disproportionately exasperating and are driving a wedge between women and automotive as a whole."

Cooper said the industry is ripe for disruption and suggested it may take a "bold new entrant from Silicon Valley" to create a delightful experience for every female car buyer.

"It is time to stop iterating and start innovating. It is time for a consumer experience revolution in automotive," Cooper said.

Download the report at different-spin.com/women.

◀ We need to talk to kids who are thinking about being doctors or accountants to convince them of the opportunities in automotive and, by doing so, draw from a much deeper pool of talent.”

Stage two: ‘Welcome in’

This looks at whether the recruitment process itself may be excluding women and examines how thinking about the wording of job ads could have an impact.

Muir explained that men would apply for a job if they could meet only 60% of the requirements.

However, she said: “Research shows women will only apply if they meet all of them.”

There is also the issue of unconscious bias, such as where a male general manager may look at a CV from a woman and judge her as less suitable than a man with identical achievements. Muir said one, unnamed, dealer group had started ‘blind’ recruitment – where applicants’ names are removed – and far more women than previously are being selected for interview.

Stage three: ‘Pull through’

This focuses on the need to help women along the ‘talent pipeline’, convincing them of their potential to progress.

“The problem is linked to cultural norms that women shouldn’t be go-getting and ambitious, but caring and nurturing,” said Muir.

“To overcome this, senior management have to reach down and pull women up – ‘You should apply for this job. I think you are capable’. It also means not letting the talent leave the business through neglect.”

Stage four: ‘Hold on’

“In the automotive industry, people seem to be expected to work 18 hours a day and to be visible – at your desk, in the workplace – the whole time. If you can’t do that, because you have children, you’re given a non-operational role, in a career slow lane,” said Muir.

“But in other industries you can be trusted to work all hours, but not always at your desk.”

She said Apple employs part-time workers because it reflects society more: “They have a more rounded life, they have other interests and in doing so meet a wider range of people – just like their customer base.”

She counters the suggestion that staff costs go up when employing more people part-time.

“We need to talk to kids who are thinking about being doctors or accountants to convince them of the opportunities in automotive”



Julia Muir

“You pay each individual less, so the overall wage won’t go up. In fact, it can be lower than employing full-time workers, but you’re still covering all the hours needed.”

Muir said the rise of digital technology companies has created a new challenge for the automotive industry.

“Younger people are gravitating towards digital companies where there is a better understanding of work-life balance. It’s one of the reasons our sector is struggling to find people.”

What’s next for the 30% Club?

Muir acknowledged that not all businesses will survive – they will change or die, she said.

“Technology is allowing our work tools to change, which is changing customer behaviour and expectations. Our shopping experience is much more carefully designed to be from a customer’s point of view, not the retailer’s. Those that can best fit the new environment will survive.”

The founding members of The UK Automotive 30% Club realise this, Muir emphasised.

“Everyone in the club knows the importance of achieving a more realistic gender mix. It leads to better decisions, more profitability, better customer experience and employee engagement.”

Why 30%? A number of studies have shown this level of diversity of any kind in a workplace can make a positive difference to a business’s performance. However, Muir said it is just a starting point.

“The founding members are fully aware of the problem. They have all agreed the target and the timeframe and the feeling is, let’s stop moaning and do something about it.”

VERTU: ‘IT’S NOT ABOUT QUOTAS’

Ensuring a gender balance means doing as much as possible to guarantee the business is as “efficient and effective as possible” believes Robert Forrester, the chief executive of AM100 group Vertu Motors.

An analysis of the number of women in certain roles at Vertu revealed a striking disparity compared with the numbers of men (50% of his accounts team are female, but only 13% of sales executives), Forrester acknowledged. Six months ago, just 10% of its sales executives were women, so the trend is in the right direction.

However, Forrester said he is not interested in “social engineering or quotas” as much as he believes that a better balance of talented women to men is going to be beneficial as the business begins to more accurately reflect its customer base, and society. In December, Forrester told AM that 85% of car sales were influenced by female customers.

Vertu has been actively trying to tackle its gender balance for two years and is now working with Loughborough University to bring women into aftersales positions immediately after graduating. One has already been appointed as service manager.

Working patterns are being examined to ensure an appropriate work-life balance and Vertu formed a working party last year to identify blockages to career advancement.

WHY A REPRESENTATIVE WORKFORCE IS GOOD FOR BUSINESS

Employing a workforce representative of your customers delivers a variety of viewpoints and greater levels of experience, which improves decision-making and problem-solving.

This is the conclusion of a *Financial Times* report in May 2014 on various studies into workplace diversity.

Quoting research by the New York-based Center for Talent Innovation, the article said when teams had one or more members who represented a target end-user, “the entire team was as much as 158% more likely to understand that end-user and innovate accordingly”.

The FT cites an 80% improvement in business performance among companies with high diversity levels.

A Deloitte report found an “80% improvement in performance when levels of diversity and inclusion were high”

The FT also mentioned a 2012 report from Deloitte based on the experiences of 1,550 employees in three Australian businesses. It found

an “80% improvement in business performance when levels of diversity and inclusion were high”.

According to consultancy McKinsey, companies with the most women on their boards of directors significantly and consistently outperform those with no female representation – by 41% in terms of return on equity and by 56% in terms of operating results.

However, last year McKinsey found that women were unrepresented in the corporate ‘pipeline’: 45% in entry-level professional positions, but 17% in the most senior roles.

Source: mckinsey.com/global-themes/leadership/a-ceos-guide-to-gender-equality

Available now: The 2016 UK Franchised Dealer Report

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AM's fourth edition of our annual UK Franchised Dealer Report drills down into the detail of the risks and opportunities presented in 2015 and includes expert insight into what lies ahead.

Using the latest available company accounts, the financial performance of the UK's largest franchised dealer groups, the AM100, is looked at in depth. In addition, for the first time, we also examine the next tranche of dealers, down to the AM200, to understand how these smaller multi-site operations compete just as effectively as the big groups, and sometimes more so.

THE 2016 UK franchised dealer report

Structure, performance and future challenges



THE AM100 UK FRANCHISED DEALER REPORT

ACQUISITIONS SHOW NO SIGNS OF SLOWING AFTER 2015 JUMP

By Paul Day and David Kitching, partners at AM100

The acquisition market has seen strong continued momentum in 2015, with total value rising sharply and deal volume increasing significantly. This is the first time since 2008 that the UK's largest franchised dealer groups have acquired more than 100 vehicles in total. The market is generally expected to continue with a similar level of activity in 2016, with a number of key players set to continue their expansion plans.

Key findings:

- Total value of acquisitions reached £1.2 billion in 2015, up from £800 million in 2014.
- Deal volume increased by 25% year-on-year.
- Acquisitions are primarily focused on the AM100 and AM200 segments.
- Key players include AM100, AM200, and various independent dealer groups.

Outlook for 2016:

The market is expected to remain strong, with continued growth in acquisitions. Key factors include the need for scale, the desire for better margins, and the need to improve operational efficiency. However, there are also challenges, such as the need to manage debt and the impact of regulatory changes.

THE AM200 UK FRANCHISED DEALER REPORT

THE USED CAR MARKET: PAST, PRESENT AND FUTURE

By Steve Hurrell, partner at AM200

The used car market has been a key driver of growth for the franchised dealer industry in recent years. However, the market is facing significant challenges, including a decline in new car registrations and a shift in consumer preferences. This report examines the market's performance and offers insights into the future.

Key findings:

- New car registrations fell by 1.5% in 2015, with a projected decline of 2.5% in 2016.
- The used car market is expected to grow by 3.5% in 2016.
- Key challenges include a decline in new car sales, a shift in consumer preferences, and a need for better financing options.

Outlook for 2016:

The used car market is expected to continue to grow, but at a slower rate than in previous years. Key factors include the need for better financing options, the need to improve operational efficiency, and the need to manage debt. However, there are also opportunities, such as the need for better customer service and the need to improve the overall customer experience.

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Let's ditch CSI scores and measure staff satisfaction instead



By Professor Jim Saker

It started about 15 years ago, when virtually every car manufacturer training programme suddenly started to show what was affectionately known as the 'fish' video.

The video featured the now famous Pike Place Fish Market in Seattle (if you are one of the more recent recruits to the industry and haven't seen it, there is a link on the right). The film told the story of how this small fish stall had transformed its performance and reputation by throwing fish around.

To a cynic such as myself, on first viewing I must confess I thought it was massively self-indulgent and over-hyped. However, having paid two visits to the fish stall, I have been won over – not necessarily by their retailing skills, but by the orientation that their fish-throwing process causes in the interaction between staff and customers.

Their four principles about customer service do not deal directly on the customer. Instead, they concentrate on the attitude and approach of the staff.

- The first principle is about 'play' – basically, staff should enjoy themselves.

- The second is about staff choosing their attitude at the start of the day.

- The third principle is encouraging staff to make the customer's day by doing something memorable.

- Finally, the aim is to 'be present' for the customer, implying that the staff should be fully engaged in any interaction with customers as opposed to simply treating it like a process.

Essentially, the basis of their philosophy is that by having a happy and satisfied staff, you are more likely to have happy and satisfied customers. Over the years, the fame of the fish stall has grown to such an extent that they now run seminars and workshops for corporate organisations.

How do employees influence customer satisfaction?

The influence of employee satisfaction on customer satisfaction has received considerable attention in both academic marketing literature and in practice.

It has been argued that the behaviour of employees plays an important role in shaping customer perception of business interactions. The theory is that satisfied employees are likely to be more friendly, enthusiastic, attentive and empathetic toward customers than ones who are dissatisfied. This satisfaction could be down to remuneration, job status or simply boredom.

The concept of 'partner effects' recognises that a person can be verbally and non-verbally influenced by the characteristics of a counterpart, in this case the interaction of the staff member and the customer. Additionally, the 'contagion effect' explains how satisfied employees influence others around them to feel good.

It has been proven that employee job satisfaction is positively related to customers' perceptions of the service they are receiving.

Also in the academic literature, there is the notion that employees who have higher levels of job satisfaction also believe they are able to deliver better levels of service than those who are less motivated. Happy or satisfied employees are expected to be more inclined to share these positive emotions with customers. There have been a number of studies around the world to suggest it is almost a universal truth that satisfied employees are more likely to produce behaviours that lead to satisfied customers.

One additional aspect of this came in a study that we conducted into car salespeople, their personality, job satisfaction and the way they went about doing their work. An interesting issue arose around the concept of 'organisational citizenship behaviour.' This is a person's voluntary commitment to an organisation that goes beyond their contractual tasks.

To put it bluntly, how far is an employee prepared to go beyond what would be expected of them in their normal job role? Would the employee act in the best interests of the organisation at the expense of their own benefit?

Is it time we measured employee satisfaction instead?

Positive organisational citizenship behaviour has been shown to have a major impact on organisational effectiveness. These types of behaviour are discretionary and are born out of a positive attitude to the organisation in which the person works.

So where we should invest our management time? We talk about raising customer satisfaction as if it were an independent variable. Customer satisfaction is driven by the behaviours and performance of the staff that customers encounter as part of their interaction with the organisation.

If those staff are satisfied, the customer is more likely to receive a level of service they are happy with. The question is whether we should scrap customer satisfaction surveys and concentrate on keeping our staff satisfied instead.

You may even end up with a group of people that will go the 'extra mile' for the benefit of the organisation purely on their own initiative.

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.



To view the Pike Place Fish Market 'fish' video, go to am-online.com/fish



"It has been proven that employee job satisfaction is positively related to customers' perceptions of the service they are receiving"



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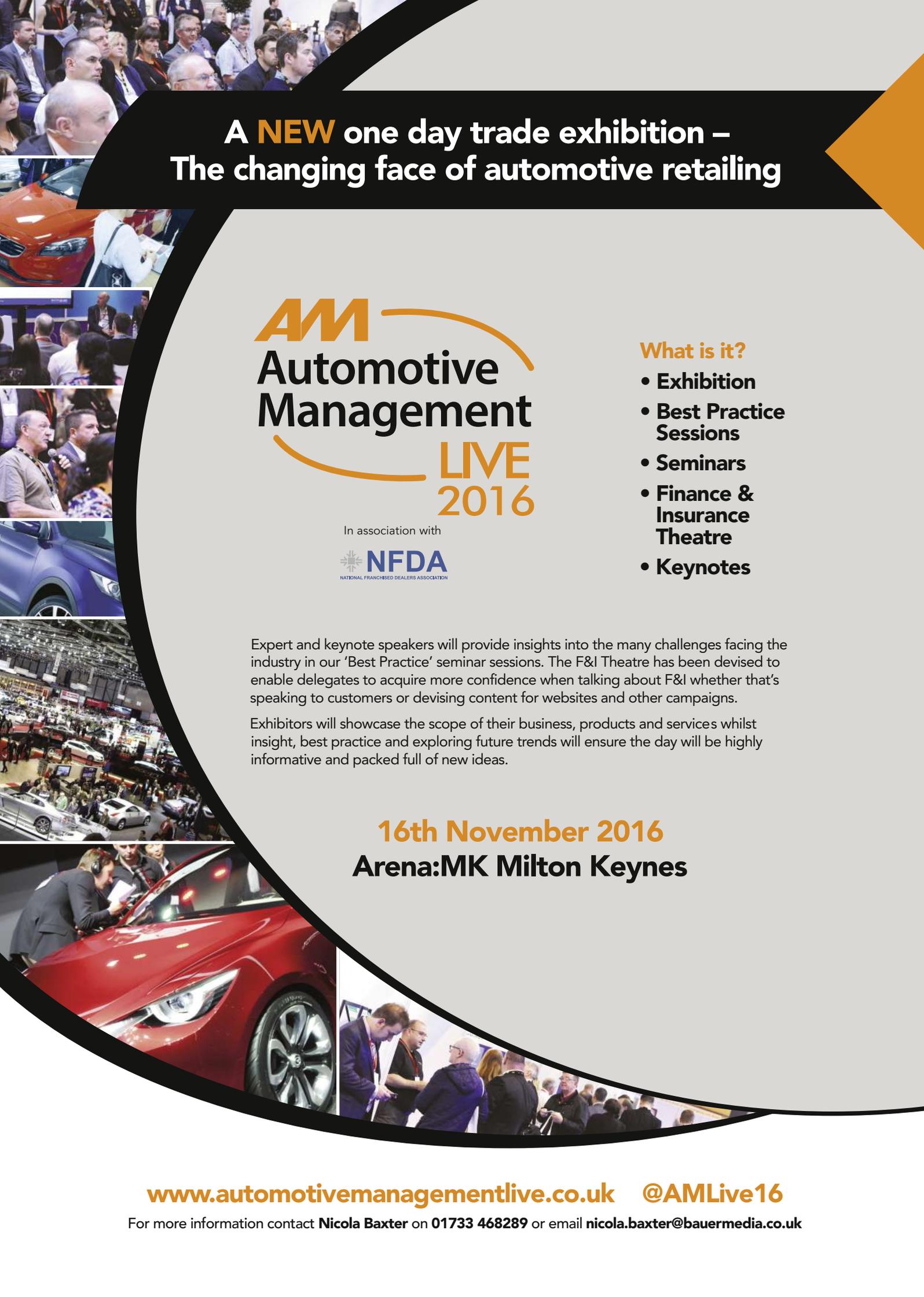
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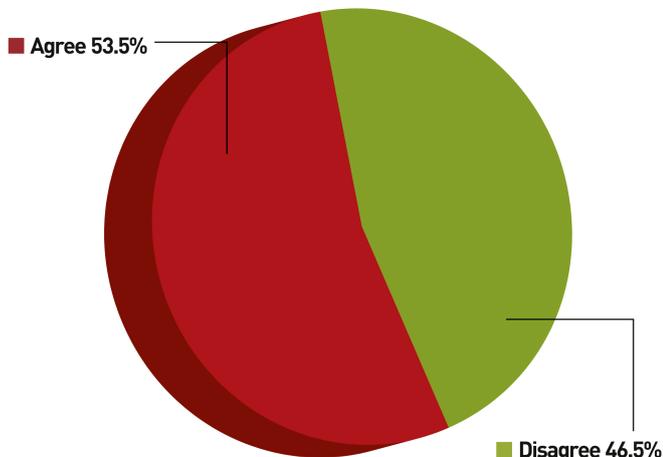
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AM POLL

The National Living Wage will ultimately benefit businesses by giving more people higher spending power. Agree or disagree?



Opinions are split in the motor retail sector on whether the National Living Wage (NMW) will benefit businesses.

The NMW came into effect on April 1 this year, and immediately benefitted 1.3 million low-paid workers aged over 25. Initially, it is set at £7.20 an hour, but the Government has a target of it reaching more than £9 an hour by 2020. It has not impacted on the National Minimum Wage bands, which still apply to employees aged 16 to 25.

However, major employers have expressed their fear that it may impact their profits. **Sue Robinson, director of the National Franchised Dealers Association**, said several employers have already raised concerns and are now looking for other ways to cut wage bills, including reducing overtime and bonuses, and cutting employee benefits.

Robinson said: "We do believe that employees must be properly rewarded and it is concerning that businesses looking for ways to counterbalance this rise in costs can resort to job losses or reducing staff working hours."

■ **Next AM Poll: Do manufacturer relationships and franchise contracts support dealers with their long-term strategic planning?**



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ADVERTISING FEATURE

MAKE SURE YOU FOLLOW THE 'GRANDMA RULE'

Never make your customers' decisions for them, says Simon Bowkett of Symco Training



Have you ever been guilty of thinking "does the customer really need this work done"? I know I have.

Say, for example, they are having a major service. They're also getting their cam belt replaced, the brakes need to be done and they need new discs. Added to that, they're down to 3mm of tread on their tyres. They've got a big bill already. Do they really need new tyres on top of everything else? Maybe, you may say, I just won't bother offering it.

That's a mistake. Because really, we should be letting the customer decide. Not ourselves. So let's start allowing every customer to take an educated decision rather than an ignorant risk.

One simple question

A good way to help us make sure we do that is the Grandma Rule. It's the subject of my new sales training video on the AM website this month (am-online.com/symcotraining, or at www.symcotraining.co.uk).

The Grandma Rule requires you to ask one very simple question when you have a car in your workshop – if your grandmother was buying that car, would you insist on this work being done before she bought it? If the answer is yes, then offer it to the customer.

Say, for example, she was buying a car and you knew that by having 3mm of tread left on the tyre you were doubling her stopping distance on the motorway. Would you insist that the dealership change the tyres? I would.

What if the tyres had 6mm of tread left? Would you sell her a new set of tyres? I wouldn't in this case, because that wouldn't be doing her a service.

Vehicle health checks

Think about this the next time you've got a vehicle in for a health check and there's red and amber all over it. Don't start cherry-picking the work they actually need. Let the customer decide.

In fact, many of the businesses I work with actually have a picture of 'grandma' up in their workshop. Why don't you put one up too? If you think about the Grandma Rule every time, it will make your life a lot easier.

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Influence how people buy with 'the unconscious brain'

AM EXECUTIVE
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Most customers make decisions they cannot affect and learning how to nudge their thought processes can give dealers an edge, says Susannah Schofield

NEED TO KNOW

- Products on red backgrounds sell faster online
- Dealers can strengthen customer desire by making them familiar with a product, such as in a test drive

By Tim Rose

A few lessons in how to comprehend and influence the behaviour of consumers left members of the AM Executive Breakfast Club with a stronger understanding of the 'unconscious brain'.

Susannah Schofield talked to delegates about neuroscience and how everyone develops an unconscious bias, depending on how they feel at any given moment.

"The unconscious bias enables us to make decisions, before we make decisions," she said.

A large proportion of the brain's activity is unconscious – people don't actively need to think when they're eating or walking, for example.

But that unconscious activity gives businesses an opportunity to influence the consumer in a way most would never be aware of. For example, Schofield said wine retailers have discovered buyers can be influenced by playing classical music. Romantic music in a florist boosted the average price of bouquet bought by 30%, she said.

Colours can also influence consumers – on Ebay, products on red backgrounds sell faster and for more. Red signals authority, but also a bit of loss, said Schofield. She said blue is calming and encourages consumers to contemplate and possibly reconsider their decision. Purple "encourages reaction".

She said in the digital realm the ease of the customer journey is vital and businesses should not use surveys or pop-ups that interrupt the consumer just as they're trying to do something or buy something, because it will turn them off.

People are creatures of habit. If they try a new website, but struggle, they will go back to their usual site, she said.

Her key pointers:

- Have an offer that engages. Tap into the emotions that make people feel they want or need something.
- Understand customer segments, and what influences whom. Research what motivates people, and don't assume.
- Answer the customer's reason not to buy up front – tackle it head first.
- Make people feel more relaxed and ready to buy.
- Understand how you can start to influence how people can buy and sell.

"Customers struggle to influence their unconscious brain. They make decisions all the time that they can't affect,"



"Understand what your business is doing well in your customers' eyes and your employees' eyes"

Susannah Schofield

Schofield added. She said for most people, the fear of loss is far stronger than the desire to gain. Italy conducted a trial of driving points five years ago, but rather than drivers gaining points for offences, as they do in the UK, the Italians gave drivers 12 points to start with and took some away for offences. For those who lost all their points and their licence, the loss was psychologically worse and the associated shame changed how people drove.

Building on those emotions, dealers can strengthen customer desire by making them familiar with a product. This makes the product gain value to the consumer and explains why the test drive can be such a critical part of the consumer's car-buying process.

Schofield also talked about 'choice architecture', whereby retailers make the core products they want to sell look better value by pricing the entry-level product quite high and keeping the step up to the core product quite small. It influences the consumer to justify choosing the core product with more features.

Schofield works with Royal Mail and said the company illustrated how businesses need to change with the world – its letter deliveries were badly affected by the rising use of emails and social media, but online shopping has led to a huge increase in its parcel business.

Click-and-collect and home delivery are here to stay, she said: "The future will be about getting things to people quicker and more conveniently. But the physicality of items arriving will continue."

Businesses need to regularly consider what they could or should be doing differently. Her advice to dealer group leaders was to carry out a gap analysis to understand why staff are motivated.

"Understand what your business is doing well in your customers' eyes and your employees' eyes. When that matches up, it's an amazing opportunity, but when it doesn't, it shows a huge risk.

"Don't fear failure. Learn from it. It's uncomfortable, but makes us better and more rounded," she added.



The next meeting of the AM Executive Club is on September 9 at Simpsons In The Strand, London. The event, which includes networking and business inspiration, is free to all board level directors at franchised dealers – email nicola.baxter@bauermedia.co.uk if you would like to attend.



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Please contact Clive Walton, e-mail: clivewalton@btconnect.com mobile 07770 685927.

Please do not contact the dealership as they will not have any relevant information.

New app promises 'end-to-end' parts procurement

The pathways between body shops, manufacturers, parts suppliers and dealers throughout Britain's motor industry are notoriously complex and difficult to navigate.

Many dealers have tried to drive efficiencies into their own operations, but the absence of an effective procurement platform across the sector means repair information, data about parts availability, and orders typically rely on a chain of phone calls, emails and voice messages.

According to automotive data and software company Audatex, even the largest and most focused dealership groups have missed out on sales of manufacturer parts because the operating environment lacks transparency and certainty.

To bridge this gap, Audatex has created an app, InPart, that connects dealers, bodyshops and manufacturers.

"We are always looking to devise ways to increase satisfaction for our customers and partners; whether they are dealers, motorists, repair shops or other elements in the supply chain," said managing director Paul Sykes.

He said all of Audatex's solutions are created in-house and are designed to deliver "ever higher levels of accuracy and efficiency" by providing real-time management information.

"InPart is an end-to-end procurement tool, which

integrates with Audatex software, so you can check prices, buy parts and track orders through a simple electronic process, which reduces paperwork and time spent on administration, which in turn increases productivity," said Sykes.

"This new app was created to increase transparency, improve 'straight-through' processing and enhance customer service levels."

Reading-based Audatex entered the sector 20 years ago, operating at the vehicle damage estimating end of the market, but now provides products and services for all aspects of a vehicle's life-cycle.

Sykes said it works with 2,200 bodyshops, has relationships with every major insurer going back at least a decade, and processes 2.2 million claims a year.

Audatex also benefits from its place within the giant Solera Holdings group, which provides software to the motor claims processing industry, alongside Solera's other major UK subsidiaries – automotive data and services specialist cap hpi.

Sykes said feedback from its dealership and bodyshop partners calling for a more efficient closed-loop system, was one of the main catalysts for the new InPart app.

"We've been working on the technology behind this app since 2014, because we wanted to ensure it was as close as possible to what dealers



"Dealers will increasingly turn to innovative digital technology to enhance their productivity and increase their customer retention levels."

Paul Sykes, managing director, Audatex

2.2 million

the number of claims Audatex processes in the UK each year

2,200

bodyshops have signed up with Audatex

£1.32 bn

the value of parts processed per year in the Audatex system at any time

required before it entered the marketplace, and we then tested it via a pilot programme during 2015," he said.

Sykes said the trial went well and that dealership and bodyshop partners fed back positive comments about how it worked and the quality of information they were receiving.

"The pilot programme validated our beliefs that this was a tool the market would find extremely useful, and it identified one or two aspects where we could make InPart even better through fine-tuning.

"The input from dealers was not only very useful, but much appreciated because they're the ones in the front line."

Since the pilot programme concluded, Sykes said Audatex had introduced InPart to major dealers across the country. He added that it is already evident that Audatex is receiving higher-

Audatex
a Solera company



| Order No. | Vehicle | Part | Req Order Ref | Qty Order Number | Date | Place of delivery | Method of delivery | Expected delivery date | Buyer | Ordered by | Comments | Source |
|-----------|----------|----------|---------------|------------------|----------|-------------------|--------------------|------------------------|-------|------------|----------|--------|
| 1001 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1002 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1003 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1004 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1005 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1006 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1007 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1008 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1009 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |
| 1010 | BMW 118D | 118D1100 | 118D1100 | 1 | 11/11/11 | BMW | BMW | 11/11/11 | BMW | BMW | | BMW |

quality management information, which is enabling users to increase their part sales and to improve their margins.

"Cleaner data is critical to increasing operational efficiency in any business sector, and as the level of transparency increases in the marketplace, then dealers, bodyshops and everyone involved in the process will be able to make better and more timely decisions, based on greater understanding," said Sykes.

He believes the arrival of InPart underlines the motor industry's gradual move away from being a business-to-business (B2B) provider to the business-to-consumer B2C marketplace.

"Audatex and cap hpi are market leaders. We are constantly looking to bring together an abundance of data, and to devise and deliver technological solutions and services which use that data for the benefit of our customers," said Sykes.

"In the widest sense, we see our role as offering our customers the chance to give their customers ever-higher standards of service, and a memorable customer experience.

"As the industry moves even further towards the B2C model, I am sure that dealers will increasingly turn to innovative digital technology to enhance their productivity and increase their customer retention levels."

Stewart Myles, head of Audatex's crash repair department

"From a dealership perspective, InPart has been designed to integrate seamlessly with their existing databases. We have regional development managers to assist dealers with the new system, but so far, they haven't been called in often, because the app is very intuitive to operate.

"At any one time, we'll have more than £1.32 billion worth of parts in the system, which is a remarkable figure, and underlines how important it is for every element to operate as efficiently as possible. Probably the biggest benefit for dealers is that the new app allows them to receive higher quality management information (MI) with regard to dynamic pricing.

"We feed this data back to individual dealers as a matter of course, but can also feed it back upstream to the manufacturers, if that is required, and the more traffic we can get through the system, the better the MI will be."

"I am convinced this will be a genuine game-changer for our industry"

Tony McKeown, parts consultant

Tony McKeown, independent parts consultant

"My background is in parts distribution and parts sales, for manufacturers and in the aftermarket. I've been in the industry for quite a while, but when I heard about this concept I was genuinely excited about the benefits it could deliver.

"I could immediately understand where Audatex was coming from, but also see how much this app would be appreciated by the main dealer groups and the bodyshops. I've seen many initiatives come, and seen most of them go, but am convinced this will be a genuine game-changer for our industry, because it finally brings forward the procurement platform which has been needed for so long.

"As I visit the major dealers, it's clear that they already understand the benefits of InPart and are keen to get involved."

To find out more, email rachel.pattison@audatex.co.uk, phone 01189 323 535 or visit audatex.co.uk/inpart



Add 'magic touches' to improve your customer service

Personal attention, engaged staff and a few tricks from the hospitality industry will keep customers coming back

By **Tim Rose, Tom Sharpe and Jeremy Bennett**

Innovative thinking, empowered staff and a culture of change underpin the customer service on display at **Pebley Beach**, the winner of AM's Excellence in Aftersales award in 2015.

Managing director Dom Threlfall said to achieve success dealers need a freedom to tailor their approach, but this is not always encouraged by car manufacturers. He also believes all workers must be engaged in order to raise standards – his staff regularly meet to discuss improvements without a senior management presence dominating.

It was a view shared by **Linda Moir, former head of event services at London 2012 Olympics and ex-director of in-flight services at Virgin Atlantic**. She said the best ideas – “magic touches” – were those thought up by staff who have regular contact with customers.

In both Virgin and London 2012, she said it was empowerment and pride that brought success. Virgin Atlantic staff came up with a bedding-down process that saw customers taken away from their seat to a lounge to have the area prepared for sleeping, returning to find a complimentary teddy. At London 2012, Moir rallied 15,000 volunteer ‘Gamesmakers’ who engaged with visitors and entertained them – one rapped the daily sports news, others created a toilet paper finishing tape for children to race through.

At Pebley Beach, Threlfall said tactics included electronic welcome boards that display customers’ names on arrival. He said the concept, borrowed from hotels, had brought a “wow factor”. A telephone system linked to the dealership management system (DMS) meant service and reception staff can identify a customer when the phone rings and give a personal greeting. The system also gives staff the option of putting the phone down on an internal call to take a customer call and Threlfall credits it with the conversion of 46% of calls into an appointment.

Threlfall advised dealers to always walk their customers to their cars after a car purchase or service rather than giving the impression that the deal is done and it’s time to move on to the next one. He added: “For the salesman, the sale is the

high point, but to the customer it is the handover. Make it special, put it on Facebook, film it.

“If a customer is satisfied with a dealership’s sales, but not their service, there’s a 17% chance of them returning. Those satisfied with sales and service will return 93% of the time.”

Threlfall said being seen to remove tape from the door sill when a customer is taken to their car following a service – placed to preserve the owner’s seating position – was a touch employed by his technicians to communicate an attention to detail.

Lessons have also been learned from a survey of how waiters and waitresses can boost their tips. Threlfall suggested personal touches such as a hand-written ‘thank you’ on receipts and “appropriate personal contact” could prove positive.

Pebley Beach’s policy of deferring as much amber work as possible may be alien to some operators. Threlfall said: “People aren’t in the habit of seeing us, so defer the work and they will come back. It’s a dangerous game to play because they could just go to Halfords, but I think it’s a great trust builder.”

Ditching unnecessary wiper and bulb checks and sign-written courtesy cars were other tactics aimed at winning over customers. He said: “Sign-written courtesy cars. Why would a customer want to drive one? If we want them to



Manufacturers need to give dealers the freedom to tailor their approach to customer service, delegates at the AM Customer Service Summit were told



“For the salesman, the sale is the high point, but to the customer it is the handover. Make it special, put it on Facebook, film it”

Dom Threlfall, Pebley Beach





SPEED IS OF THE ESSENCE

Consumers want good service, fast, and dealers that fail to deliver could be headed for a crisis, said Carwow.

Using data from more than 11,000 car purchases made through its website in the first quarter of the year, the company's sales director John Miele said only 25% of customers bought from the cheapest dealer.

He compared five of Carwow's dealer partners, selling the same brand, in a 30-day period. The best performer made 20 sales with the lowest average discount - 7.6%. It responded in just 12 minutes. The worst performer discounted heavily, but responded too slowly.

Miele warned that 50% of consumers said they will go elsewhere if they don't get a response within an hour.

"You could retain more margin if you care more about the leads you get," he said. "Respond more quickly and be friendly and informative and you won't have to give away so much of your margin."

Sonia Williams, digital sales executive at Sutton Park Group, a Midlands-based dealer with six franchises, understands how critical speed of response was.

"User reviews on the site made it clear that being available from 6am until 11pm was important to them," she said. Williams has sold cars at 10pm and on Christmas Day.

"This may seem silly to us, but not to the customer who wants to buy a car - who feels they have the right to buy a car - at this time." If she couldn't respond, she said an acknowledgement of the call, with an explanation (a "thank you" or "I'm picking up my child from school"), is still a positive response.

"The only reason a customer would go to a dealership now is for a test drive," said Williams.

Marketing Delivery managing director Jeremy Evans warned that not making the best use of customer data can prove disastrous.

Many salesmen fall into the trap of moving on to the next enquiry after three or four days, marking their previous lead as "lost", but Evans urged dealer management to make contact with the 75% of leads who do not buy a car. He said: "45% of those we contact are still in the market."

"Social listening" on Twitter and Facebook is also essential, said Evans, adding that online comments and survey responses must be noted and addressed.

Evans said: "Sometimes you can't win, but you must move fast, even if it is to deliver a simple apology."



advertise our business we should be paying them."

Threfall believes dealerships should be working harder than ever to make sure their customers are happy. "Our average customer visits 1.76 times a year, so we need to do all we can to keep people coming back to us."

At **Cambria Automobiles**, monthly digital workshops, specialist staff in each dealership and key performance indicators (KPIs) all help it to serve customers better in the digital world. **Marketing director Ian Godbold** told delegates Cambria has a digital specialist at each of its dealerships, required to merchandise the vehicles correctly - with multiple images, quality video and unique, stand-out descriptions. They are targeted on speed to market - if a car brought into stock is not PDI'd, valeted and marketed online within 48 hours, that gets escalated to head office. They're also targeted with producing SEO-rich content.

Cambria had a vision of improving its customer experience online through video. Godbold said since Cambria added videos of every car for sale its Net Promoter Score (NPS) had improved, feedback is positive, the group is achieving double-digit conversion rates from click to lead in the website, and dwell time on a full vehicle detail page has doubled as consumers are engaging for longer.

Sales staff are also able to engage the customer better, and Godbold said the proportion of no-shows for appointments has fallen as a result. Godbold said 45% of consumers who come to its vehicle detail pages are watching a video.

AutosOnShow marketing director Rachel Price said consumers' expectations are being set by other industries, and it's important for the automotive industry to match those expectations, by starting to consider in a more digital way what the customer is looking for.

17%

the chance of a customer returning if they are satisfied with a dealer's sales, but not their service, according to Pebley Beach's Dom Threfall

93%

the chance of those satisfied with sales and service returning





A NEW APPROACH TO KPIs

Catherine Hutt said dealers need to change how they measure success



Dealers' key performance indicators (KPIs) need to change to support the needs and expectations of a new generation of customers, warned Catherine Hutt, principal consultant for automotive and transport, at Frost & Sullivan.

So, while traditional KPIs could include revenue, sales volume and conversion rates, a mixture of in-store and 'off-store' indicators such as brand awareness, customer digital engagement, customer age, lead response time, the satisfaction levels of vehicle configurability and the number of virtual versus physical test drives will be of increasing importance.

Hutt emphasised the importance of dealers and manufacturers working together in this new landscape to "further evolve their strategies from brand awareness to digital replication of sales processes", or an acknowledgement that not only marketing will be digital, but also retailing.

Among the things they need to work on, she said, were the ability to remotely help customers select a car, online full or partial payment online, online finance pre-approval or full approval and fixed-price selling.

Hutt gave a number of 'mega trends' that Frost and Sullivan had identified will affect the automotive industry, such as its prediction that 19% of total retail sales will be online by 2025 and more than 4% of all new cars will be sold online. In preparation, manufacturers are expected to spend almost £3.5 billion this year on more than 100 digital stores globally.

Hutt said future dealerships will be strategically located in city centres, with showrooms 15% to 20% smaller than the current average by 2020 and limited display stock.

THE IMPORTANCE OF LEADERSHIP

Reaching the goal of excellent customer experience requires clear and strong leadership.

Jo Causon, chief executive, Institute for Customer Service, warned that chief executives spent lots of time looking at the company's financials. But financials show you where the company has been, while customer experience data tells you where you're going to go, she said. It's an indicator of how well a business is performing.

"We are facing into some of the most challenging and complex times. Customer expectations have fundamentally shifted, the environment in which we're working is much tougher, and we have a real opportunity to differentiate in the experiences we create," said Causon.

Boards need to focus far more on reputation and trust, because customer service strategies drive those. The top performers measure the right things, things that matter to the customer, she said.

Leadership, people skills and engagement have become more important, but there is still a disconnect between the board level activities and ownership of the customer experience, she said.

"Customer service is not a function or a department. It's not what the contact centres or your frontline staff do, it is absolutely every part of an organisation. Whether we're measuring customer experience and holding people to account in whatever roles we have will be increasingly important.

"There are pros and cons in any type of organisational structure, but the thing that makes the greatest difference is the leadership. And where the leadership is genuinely focused and measuring the importance of customer service, it doesn't matter how we structure our businesses."

The army's modern style of leadership and motivation may provide lessons to franchised dealers, said **Captain Gary Barrow**, an Iraq and Afghanistan veteran.

Before it defines exceptional customer experience, a business must first consider how it motivates people to serve customers to the required standard.

"It's a set of shared values, the sense of being part of a team, and a sense of not wanting to be

Gary Barrow:
'Leading by example is the most fundamental aspect'



the one that lets the side down. That's how we build a fully functional team," said Barrow. Staff need to have trust in their leaders and in their team that they can cope with anything.

"If you want someone to do exactly what is in their job description and no more, payment is enough. If you want them to go above and beyond, there must be something more."

The military has core values, said Barrow, to which recruits sign up. Those values then become theirs. The leadership framework reinforces those values at every stage: "Leading by example is the most fundamental aspect if you are to get buy-in from anybody," he said.

Leaders must push people out of their comfort zone, to allow them to grow, and to fail without becoming a failure, he said. Micro-managing will get the job done correctly, but won't allow staff to flourish.

Along with motivating, punishing is also important. "A standard you walk by and do nothing about is a standard you accept," he said.

Andrew Grant, vice president in automotive at MaritzCX, advised delegates to ensure a "closed loop" process around customer experience measurement.

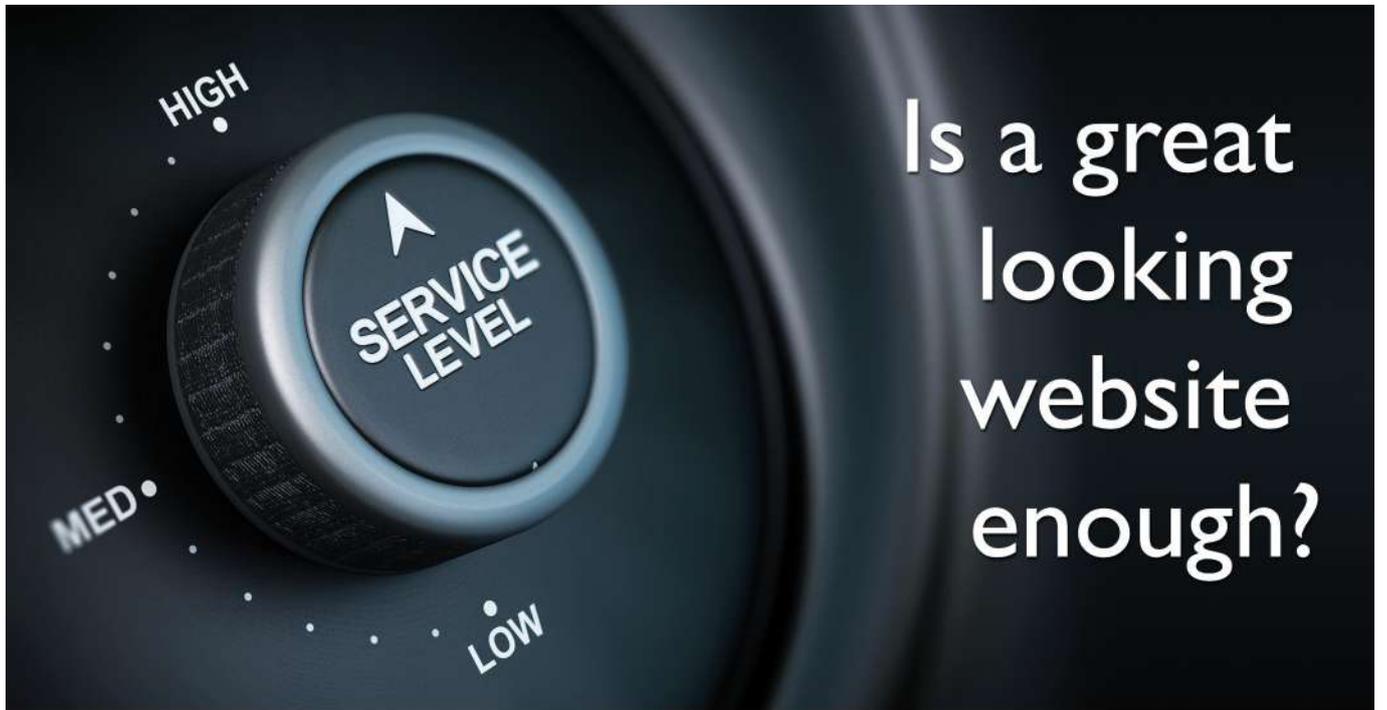
"When you do something customer experience-related, check with the customer that it was right for them," he said.

Globally, 89% of companies said this will be the area they are competing on mostly this year. However, 72% of those working in customer experience said the way they are going about it is not proving very successful, he said.



"Customer service is not a function or a department. It's not what the contact centres or your frontline staff do, it is absolutely every part of an organisation"

Jo Causon, Institute for Customer Service



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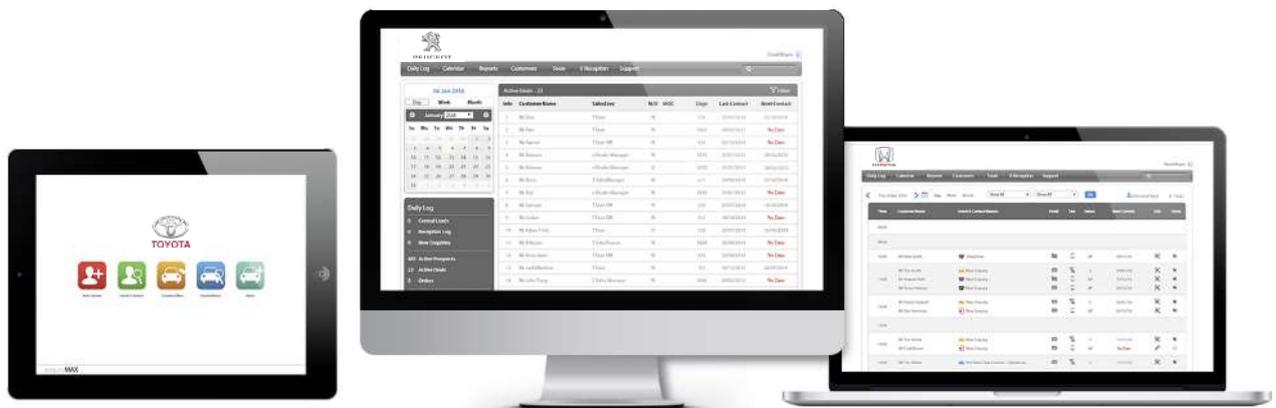
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How key tracking can protect profits and secure your site

Every car dealer wants to boost the number of vehicles they sell, but what if not being able to keep track of all those extra vehicles and their keys opens you up to lost profits or, worse, crime?

One such dealer, Listers JLR Droitwich, turned to Traka Automotive for a solution and has been left in no doubt about the benefits of a DMS-integrated key management system that can track vehicles across several sites and delivers information about each at the touch of a button.

Amanda Binner, head of business at Listers JLR Droitwich, said: "Every car is easily located, the system displays all the data about each car at any given time and who has the keys and we haven't lost a single key since it was installed.

"Looking back, I can't believe how we operated things with the old 'peg in, peg out' (PIPO) system that so many other dealerships are still persevering with every day. For us, going back would be like swapping our iPhone for an old Nokia 6310. There is no going back."

Currently, the 12th largest UK group in the AM100, with annual sales of more than £1 billion, Stratford-Upon-Avon-based Listers Group currently represents 14 franchises in 40 dealerships across the Midlands and Lincolnshire.

As investment being lined up for the group's all-new Droitwich JLR site, ahead of its opening in July 2015, it was clear that security and efficiency could be boosted dramatically by the inclusion of a state-of-the-art key management system.

The group's management were all-too aware of the boost in sales that its new facility would bring to the business and the growing problems that would be faced by staff trying to locate cars quickly if they stuck with the existing PIPO system.

Listers decided to use Traka Automotive's key management system at the new site and a nearby PDI centre, which makes use of a secure compound with space for more than 300 vehicles on the Berry Hill Industrial Estate.

The Traka system allowed both Droitwich sites to be networked with all Listers single-franchise Land Rover and Jaguar sites within a 40-mile radius, including: Listers Jaguar Solihull; Listers Land Rover Solihull; and Listers Land Rover Hereford, which opened in January 2016.

Vehicle details are transferred automatically from Lister's DMS into the key management system as soon as they arrive on site, taking less than a minute to upload make, model, VIN, status, registration and customer details to the eTag system that powers each facility's Traka key cabinets.

Each new set of keys is then attached to an iFob, which holds all vehicle information, before they are placed into a secure Traka key cabinet.

As soon as the iFob attached to a set of keys is slotted into the cabinet, an electronic record of its location, together with the identity of the key's last handler, is made available to authorised users of Traka's eTag software via their desktops.

Listers staff can then access each cabinet by using a unique four-digit pin code assigned to them when they log in to each cabinet.

The networked key management system gives staff real-time desktop access to highly accurate information about Land Rover and Jaguar stock and its location.

Anthony Hope, brand director at Listers JLR Droitwich, said: "Although the Traka Automotive system is not cheap, I was able to build a business case for its installation across several Listers sites very quickly, especially after both Jaguar and Land Rover enhanced their security – imposing a limit of five sets of keys per each vehicle's keyless vehicle module (KVM - the remote unlocking module a car's keys talk to) port.

"This means that if keys are lost, there is a strong likelihood that we will also have to purchase a new KVM port alongside any new key being

"Looking back, I can't believe how we operated things with the old 'peg in, peg out' (PIPO) system"

Amanda Binner, head of business, Listers JLR Droitwich



The Traka system allows Listers to network its Droitwich sites with all its single-franchise Land Rover and Jaguar sites within 40 miles



“With the Traka system, we’ve simply eliminated this cost [of lost keys]”

Anthony Hope, brand director, Listers JLR Droitwich

ordered – bumping up the overall cost per loss event to nearly £750. With the Traka system, we’ve simply eliminated this cost to the business.”

The system at Listers JLR Droitwich currently has capacity for 540 sets of car keys, but is due to be expanded shortly to handle a further 360.

Across all five Listers’ Jaguar, Land Rover and JLR sites now on the networked Traka Automotive key management system, there is capacity for 1,260 sets of keys and the system may be employed at other Listers operations.

Binner said: “The Traka system is so slick and straightforward to use. It saves hours every week. I’m sure that its success at the JLR operation will see it used elsewhere.”

Spelling out some key advantages of the system, Binner said managers could quickly detect who had a set of keys last and make enquiries if they were not in a cabinet at the end of each day.

She added: “Likewise, I can run a quick report to check if a new demonstrator key is out over the weekend. If speeding tickets arrive through our door, we can run checks using eTag and pinpoint who had the car in question at that time. In this way, we’ve cut costs and risk of prosecutions considerably.

“It’s made a real difference to efficiency, produc-

tivity and morale. Those responsible for preparing, moving and valeting our stock probably see the most benefits as they save time every time they need to locate a vehicle.”

In the eight months since its introduction, about 3,000 unique keys have been added to the Traka system at Listers’ PDI centre and the system has recorded more than 19,000 iFob-attached key movements – a figure eclipsed by the 39,000 movements at the retail centre.

Across all networked sites, more than 20,000 key searches are run on a monthly basis and the number of recorded key movements exceeds 30,000 per month.

Karl Hill, Listers’ Land Rover used car sales manager, is in no doubt about the Traka system’s benefits. He said: “I have been unfortunate enough, in a previous role, to see a vehicle stolen because we didn’t know where it was.

“Someone had gained access to the cabinet and taken the keys, but we had no idea where they were.

“That won’t happen with the new system.

“The information it holds and the ease of use have transformed the way we operate. I love it. I even get a bit of stick around the site because I’ve been known to refer to the system as ‘my baby.’”

www.traka-automotive.com
Email: sales@etagsolutions.com



How to build on the boom in showroom finance

Despite an increased compliance burden, finance levels have grown strongly, but what can dealers do to make sure volumes, values and penetration continue to rise?

NEED TO KNOW

- Consumers must find compliant finance 'easy to access'
- Dealers should look at 'balanced' incentive schemes
- Digital tools can help to speed and streamline processes

By Tom Seymour

This February, the rolling 12-month total of new cars financed by members of the Finance and Leasing Association (FLA) by consumers in dealerships passed the one-million mark for the first time.

In 2015, 81.4% of private customers funded their new car purchase through dealer finance, up 10% year on year, while used car finance grew 9%, according to the FLA.

The trend for growth is continuing – point-of-sale consumer new car finance business grew 27% by value and 22% by volume in February, compared with the same month a year earlier.

Dealers' adherence to the Financial Conduct Authority's (FCA) regulations looms large over the point-of-sale finance process in the showroom. As the majority of retailers have got to grips with meeting compliance with FCA regulations, the spotlight is moving from authorisation to enforcement.

Kirk Franks, Alpha head of national sales, said: "The FCA changes have meant quite a lot of processes have changed at the point of sale.

"Dealers have to be really prudent, but it can only be seen as a positive. The sale process has become much more focused now, it gives customers more transparency."

Karl Werner, MotoNovo Finance divisional chief executive of motor, acknowledged that while dealers need to make sure everything they do is compliant, there is still pressure on sales and margins and still a threat from third-party finance.

He said: "We must keep our 'foot to the floor' if we are to expand dealer finance's value.

"Central to the development of finance will be taking market share from direct, supermarket and high street lenders.

"Already, secure dealer finance can offer competitive pricing, affordability, flexibility, high acceptance rates and a higher level of consumer protection than unsecured loans."

Werner said this message has to come across to prospective customers in the showroom.

He said: "We must also keep the offer easy to access; fresh and compelling, demonstrating through both the products and finance-buying experiences that customers can get the 'good outcome' mandated by FCA compliance."

Andrew Smith, managing director at Consumer Credit Advisory Services (CCAS), said a simple way of checking whether a dealer's showroom finance process passes Treating Customers Fairly (TCF) is the 'friends and family test'.

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

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

Compliance monitoring

The finance houses agree that while most dealers have got to grips with what the FCA expects from them, the goal in the showroom now is to make sure that process is consistent.

Jo Jenner, Mann Island Finance managing director, said: "Every customer must be treated fairly and no party should be exposed to unacceptable risks, this has to be central to the finance offering."



USED PCP IN THE SHOWROOM

Used PCP finance is starting to gain traction in showrooms across the UK, moving from 34% to a 39% share for the 12 months to February 2016, according to the FLA.

Philip Nothard, consumer and retail specialist at Cap HPI, said: "With rising used volumes, sustained levels of consumer demand are vital to the stability of the market.

"The growth of PCP in the used sector is helping to support demand. The 'iPhonification' of motorists' behaviour is a trend set to continue as motorists get more comfortable with a 'cost to use' over a 'cost to drive' model."

MotoNovo said its sales increased by 35% and the majority of its business is dominated by the used vehicle finance market.

However, the unsecured loan market is also growing, up 9.7% in the past 12 months, according to the most recent Bank of England data.

Karl Werner, MotoNovo Finance divisional chief executive of motor, said: "The used vehicle market is particularly susceptible to the return of unsecured lending and if, as an industry, we do not embrace change, a return to the pre-recession era of what seemed like

terminal decline for dealer finance is a risk that would impact almost all motor dealers."

Werner argues that the scope for further growth in new car PCPs, which dominate new car finance, is inevitably limited as it is already at more than 80% penetration. He believes the next area for growth in showroom finance will be with used PCPs.

Werner said: "As dealers focus on the profit opportunity afforded within the used sector and improving supply in the new to two-year category, there is certainly growth potential within used car finance."



“Dealer finance can offer competitive pricing, affordability, flexibility, high acceptance rates and a higher level of consumer protection than unsecured loans”

flexibility, high acceptance rates and a higher level of consumer protection than unsecured loans”

Karl Werner, MotoNovo Finance

Jenner said an F&I mystery shop of 24 dealerships conducted by Which? in March found shortfalls in the point-of-sale finance experience, including a number of issues obtaining a written finance quotation, with some dealers providing an incomplete quote and others failing to provide any information at all.

Mann Island advises its dealer partners to conduct regular reviews of their showroom and online sales practices and procedures to ensure standards are maintained.

Jenner said: “Central to this review is making sure all information provided to customers about the dealership and the products available through it is ‘clear, fair and not misleading.’

“Dealers also have to ensure the information enables the customer to assess whether a particular product suits their needs and circumstances – and whether they can afford it.”

ADVERTISING FEATURE

A DECADE OF POWERFUL PARTNERSHIPS

By Spencer Halil, director, ALPHERA Financial Services UK



So far in 2016, the automotive industry has seen record new car registration figures from the SMMT, significant finance penetration volumes from the FLA and substantial excitement about the high-profile launches of technologically advanced vehicles in the autonomous and alternatively fuelled segments.

Add to this excitement the data from Cap HPI showing increases in both showroom traffic and online activity in March, and the picture for UK motor dealers looks fairly positive. Like many others in the industry, we’ve keen to see this upward trend continue.

Of course, the other highlight for 2016 is that we are celebrating our 10th anniversary as ALPHERA Financial Services UK. Established in 2006, many of our founding principles of transparency, customer-centricity and innovation remain the same – but with an even better product range, enhanced customer service offering and larger dealer support team.

We’ve also taken our 10th birthday as a unique opportunity to bring together the diverse voices across the motor finance sector to create an insightful report into Financing the Car of the Future. Our intention, building on our successful decade in the UK and Alpher’s broader global experience, is to generate debate and prompt industry change.

Collaborating with representatives from car dealers, brokers, universities, trade bodies and technology organisations, we will be covering topics as diverse as alternatively fuelled vehicles, building relationships online and the changing nature of customer expectations.

The final report will be produced in line with Alpher’s 10th birthday celebrations at the end of 2016, with sneak previews of some of the chapters released throughout the year. We’re really looking forward to creating something distinctive that will help shape the next decade of motor finance and we would love everyone to get involved by visiting alpher.co.uk/10-years-alpher.



Alphaera celebrates

10 years in the UK

"This year is pivotal in our development. Celebrating 10 years in the UK, through recession and boom times, is a great achievement"

Spencer Halil,
director of ALPHERA
Financial Services UK

A decade of powerful partnerships:

Award-winning independent finance provider, ALPHERA Financial Services UK, is celebrating its 10th anniversary in 2016, with a commitment to further share and develop best practice with its partners. Commemorating the momentous milestone of 10 years in the UK market, Alphaera is delivering a series of high profile events and thought leadership activities throughout the year.

Spencer Halil, director of ALPHERA Financial Services UK, explains: "We've taken our 10th anniversary year as a unique opportunity to bring together all of the voices in the incredibly diverse motor finance sector to produce a valuable report into Financing the Car of the Future. Over the coming months, we will be taking an innovative and collaborative approach to gathering the insight to propel the industry forward in the era of the empowered consumer and rapid advances in vehicle technology."

Topics which will be covered in the report include alternatively-fuelled vehicles, building relationships online and the changing nature of customer expectations. The final report will be produced in line with Alphaera's 10th birthday party celebrations at the end of 2016. However, sneak previews of some of the chapters will be released throughout the year, starting with a media day in London in May 2016.

Halil adds: "Building on our experience of the UK market in the past decade, and Alphaera's unique positioning across the worlds of both automotive and finance, we're really looking forward to creating something distinctive which will help to shape the next decade of motor finance. While we've started the research process, we are offering an open invitation to everyone in the industry to get involved, share insight and join us on this journey. We'd love to hear from you."

Get involved and help to
shape the next 10 years
of motor finance

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The provision of a complete and accurate written quotation should be seen as a “minimum requirement”, said Jenner, and all customer-facing staff should make sure this happens.

Staying compliant doesn't have to mean customers are bored to tears during the sales process either, but it takes work.

Jenner said: “I firmly believe that the required standards can be built into a tailored and distinctive dealer approach that differentiates the business, elevating the customer's buying experience and making the dealer's finance proposition compliant, but memorable.”

It's up to dealers to work with their wordings to keep things engaging. The finance houses can work with dealerships to help fine-tune the process.

The role of the business manager

Compliance has also placed a greater importance on the role of the business manager to be the centre of FCA knowledge. Does that mean the role is now essential for automotive retail?

Franks said: “I think deciding whether you have a business manager or not really comes down to what processes an individual dealer has adopted.

“Without a business manager, though, you're looking at the sales team to each have that increased individual competence on the FCA's regulations.”

James Broadhead, Close Brothers Motor Finance chief executive, believes the role of the business manager should not be overlooked.

He said larger dealerships in particular still need a business manager because the range of products available is much wider than in the past and they can provide knowledge and expertise that customers are unable to find elsewhere.

He said: “While many expected the role of the business manager to diminish, we have in fact seen the reverse happen over the past few years.

“Smaller dealerships may not always have the resources to employ a specific business manager, but it's crucial that the skills and knowledge that a business manager provides are not lost.”

A balanced scorecard

As part of compliance monitoring, dealers are looking to use the suggested ‘balanced scorecard’ approach from the FCA. It means the way business managers or sales executives are incentivised is not just based on sales volumes, but will include other measures that determine how much bonus is awarded.

An example of the measures in a balanced scorecard approach may include; sales results or financial contribution; sales quality results; customer satisfaction; and other key performance indicators (such as cancellation rates, upheld complaints and the mix of products sold).

Broadhead said larger dealerships in particular are leading the move away from deal-by-deal incentivising and are instead rewarding a balanced performance over a month or quarter.

Franks believes the balanced scorecard approach is now starting to be adopted by dealers across the board.

He said: “Rather than just looking at one area to perhaps hit a sales target, dealers are looking at balancing out the deal across customer service, finance penetration or add-on sales.”

MotoNovo takes an incentivised approach to FCA compliance, making sure its sales process is balanced.

It launched its MotorV8 monitoring and reward programme built around supporting TCF in August 2015.

More than 3,000 of MotoNovo's dealer partners are using the



“While many expected the role of the business manager to diminish, we have in fact seen the reverse happen over the past few years”

James Broadhead, Close Brothers Motor Finance

system, which takes customers through a digital survey after they buy. It encompasses the whole buying experience, not just the finance element.

Dealers can reward staff who score highly for compliance and customer service.

Werner said the data captured from customers can help to shape training and marketing programmes for the future. The MotoV8 programme also acts as a way for dealers to capture evidence of their sales process in the showroom in the event of an FCA audit.

Technology

Shaun Harris, Codeweavers sales director, said digital tools should not be seen as mutually exclusive from the point of sale.

He said: “We must recognise that with handheld devices, the range of online finance tools are equally as comfortable in the showroom where customers can use them to develop their own finance proposition as they walk around a dealership as they can online.”

Dealers can use data from finance tools to find out how many customers have printed or emailed themselves a finance quote, find out the number of leads generated that should be coming into the showroom, establish the most popular finance products based on traffic activity and trends on what stock is attracting the most attention.

Harris said: “Dealers can refine their finance offer and plan their stock mix. Perhaps, above all they know the scope of the opportunities that may have been missed and then take corrective action to drive consumer interest to action.”

While the rollout of tablet computers to aid the process is happening, Franks believes this approach hasn't been adopted on a mass level yet: “I think there's still some way to go with tablet technology in the showroom.

“I think one of the main barriers getting in the way of that is integration with the dealer management system. Depending on what DMS a dealer has, it might not be so easy to link in their finance offering with what they have installed at the dealership.”

Speed of approval

Broadhead said technology was also a big help in improving speed of sale and speed of approval for finance for customers.

He said: “Another significant development is the ability to pre-screen customers so that they can place the finance with the most appropriate partner. Dealers are able to qualify their customers, sometimes using a national credit score or soft search to identify the most appropriate product or finance provider for the customer.

“This ultimately allows dealers to assess the customer before proposal to their finance partner, which significantly improves the efficiency of the whole process.”

However, Broadhead said it is more important that the customer gets the right decision, than a wrong decision quickly.

Close Brothers uses a human underwriting team rather than an automated process, which Broadhead believes makes things more flexible for customers. Alphera uses a similar approach with its own underwriting specialists.

Broadhead said customers will often look to do the finance application groundwork online before visiting the dealership.

He said: “We are therefore seeing many more dealerships aiming to provide customers with the ability to receive a quote, an approval and the documentation all online, so that in essence, the transaction can be completed online before the visit to the dealership.”



For further information, please call 0370 505 0137, email info@alphera.co.uk, visit www.alphera.co.uk or view us on Twitter @AlpheraFS

Digital media – bringing the dealership to life

Giving customers a rich online experience is key for modern motor retailers

When picking out some of the most forward-thinking retailers operating in the UK, it's fair to say Argos now ranks among them. It has revitalised its in-store retail model to complement its online presence. Digital interfaces have replaced bland stores and the experience feels far more interactive.

Other retailers, such as Halfords, have embraced 'click and collect' to bolster in-store sales, using their websites to display stock in great detail. Halfords uses interactive 360-degree images to better display its wares, as well as all the detailed information a consumer may expect before committing to a purchase.

Digital media spans a huge array of different online assets; from images to video, through to interactive media and even virtual reality. In automotive retail, there is a rapidly increasing appreciation of the way digital media can help dealers capture and convert consumers online, then bring this digital journey into the showroom.

At GForces, we consider digital media to be a cornerstone of the modern digital dealership and also an increasingly relevant part of the physical one. We believe this so fervently that we have a dedicated media services team, which constantly develops some of the most innovative products and tools on the market across the spectrum of creative digital media.

Creating rich digital media

Imagery has been the bread and butter of online vehicle retail for years, but as other business sectors have advanced the way they represent their products online, so the expectations of the automotive industry have also grown.

Over the past five years, the use of online video among the UK's top 200 retailers has increased from just 27.5% to 75.5%. It is a massive increase and no wonder – video increases page views by 26% and conversion to lead by up to 75%.

Advancements online don't stop, and now there are even more types of media that dealers need to think about. Providing an interactive web experience for users is especially on-topic at the moment, but traditionally such media is expensive, time- and resource-heavy to create. It is also



“Advancements online don't stop, and now there are even more types of media that dealers need to think about”

expensive to purchase off the shelf – if even available ready-made.

With the democratisation of interactive assets and the technology needed to create them, however, this kind of technology is within the reach of almost any car dealer. Smartphone apps have been developed that enable car dealers to create their own 360-degree interactive 'walkaround' images of used stock. For new vehicles, some web providers have created interactive assets – such as interior and exterior 360s – that dealers can purchase and integrate into their sites 'off the shelf'. Moreover, these asset banks are being constantly expanded as new vehicles are launched, and they have proven to increase conversion by more than 10%.

Deploying rich digital media

Creating high quality images, video and interactive content is one thing, but getting it online can be just as time-consuming without the right tools for the job.

Automating the distribution of content to

the live web takes a lot of strain off dealer staff's shoulders, and creates significant efficiencies.

A great example of this is the way used car assets can be appended to a vehicle's digital profile in back-end software. Along with the car's technical profile (i.e. VRM, performance and specification) software such as NetDirector Stock enables dealers to add images, video and now 360-degree interactive walkarounds. This method of collating all of the assets needed to advertise a car effectively is what we term digital stock preparation.

Improving the user experience

All these media types are increasingly coming together to provide a joined-up browsing experience. For car buyers – used to the way other industries are digitally representing their products – this continuous improvement is fantastic news. For the dealers providing it, it's even better: engagement and conversion rates go up, browsers become motivated buyers, and the motor retail industry gradually makes its name as a leader in providing a rich web experience.

GFORCES
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THE **AM**
BEST PRACTICE
PROGRAMME

FOLLOW THE LEADER

Our Best Practice Programme commercial partners showcase their excellence in delivering exceptional customer service

In association with our commercial partners:



Alphera drives exceptional customer service in showroom finance

A good first impression, knowledgeable sales staff and a compliant, transparent approach will make your dealership stand out on finance

Marking a milestone 10 years in the UK in 2016 and continued year-on-year growth, award-winning independent financial provider ALPHERA Financial Services UK is celebrating the proactive approach taken by its partners to deliver exceptional customer service in the wake of evolving consumer demand.

Samantha Kerry, head of sales development at ALPHERA Financial Services UK, believes a continued commitment to training and transparency is a key component of the success of Alphera's dealer and broker partners. Focusing on growing their product knowledge, understanding transparent processes and being able to anticipate customer needs are all essential elements of the relationship between Alphera's partners and the end consumer.

Kerry explains: "As an industry, we have been aware for a long time that the development of online research and sales functionality means that consumers are increasingly empowered when it comes to selecting their next vehicle, and the finance arrangements that come with it. With so much shopping around, it becomes clear that rate and convenience are not the only decision-making factors.

"Armed with that knowledge, it is important that dealers and their financial services providers are focused on creating an environment in which consumers feel valued, listened to and in which they are being offered the right product for their individual needs.

"Going beyond compliance, this transparent and knowledgeable approach makes good business sense for dealers

who not only want to secure the sale today, but who are considering the longer-term goal of customer retention and loyalty.

"With more than 81.9% of private new car sales now financed at the point of sale, according to the Finance and Leasing Association (FLA), the opportunity for dealers to talk finance with their customers has never been greater. However, with increasing competition, it is those dealers who are able to differentiate their offering and deliver exceptional customer service who will benefit in the long-term – and we're delighted that so many of our partners have embraced this approach and seen success as a result."

Working closely with Alphera's partner network, Kerry has identified three key areas that help dealers to stand out from the crowd:

First impressions count

While consumers have often done substantial research into the various finance options before they enter a dealership, it is still apparent that many people find the sector confusing and are not clear on the benefits of different finance solutions dependent on their individual circumstances.

Therefore, it is important that salespeople are approachable, knowledgeable, and able to explain the different options available to people in an open and transparent way. Finance conversations should not be seen as a challenge for the consumer to overcome.

Dealers should be comfortable and prepared to run through every finance package that may be suitable for the consumer, providing them with choice, but also helping them to understand how each



“ It is important that dealers and their financial services providers are focused on creating an environment in which consumers feel valued”

Samantha Kerry,

ALPHERA Financial Services UK



solution will interact with their existing financial arrangements and lifestyle decisions. At Alphera, we have consistently offered one of the largest and most complete product ranges on the market, including our innovative Alphera Select PCP and Alphera Hire Purchase products.

To help support our partners in delivering a great first impression when it comes to finance conversations, we provide a range of training options to ensure salespeople are confident in their product knowledge and up to date on FCA guidelines and legislation.

Customers should feel reassured that the person they are talking to understands their concerns and has the knowledge to address any particular issues they may have. They also want to know they will receive a prompt response. By bonding over a cup of tea in the showroom, salespeople can help foster a relationship that allows customers to feel comfortable in asking questions regarding their finance.

Transparency is key

The days of finance deals being struck in a back office, away from the prying eyes of the customer, are long gone. The most successful and loyal relationships come now from consumers who feel like they are part of the finance process.

We strongly encourage our partners to take advantage of the technology and software available to help walk customers through the finance process in an open and transparent way.

Indeed, by allocating sufficient time to complete applications and explain all of the jargon – without going overboard and taking up a whole afternoon – the consumer is likely to feel much more at

ease in the showroom. Engaging people in the finance process and walking them through every stage of the application helps them to feel ownership of the agreement and is likely to lead to far fewer complaints in the long term.

Aftersales – don't make it an afterthought

Customer service shouldn't stop at the showroom door and this is particularly important when it comes to the financial relationship that continues throughout the consumer's possession of the vehicle. All too often, the only touchpoint a consumer will receive is the monthly demand for payment.

However, there is a clear opportunity for dealers to increase the frequency and relevancy of their communication. Salespeople should make courtesy calls a priority and not just to check to see if clients are happy with the vehicle. By following up at key intervals of one, three and six months, dealers will not only endear themselves more by giving existing customers the chance to enquire about their finance product options, but can also use conversations to upsell. Timeliness is also critical and canny salespeople should call to coincide with key events such as dealer promotional events, plate changes and ends of financial quarters and years to maximise the chance of uptake.

By following up regularly, dealers are able to build upon the relationship and this will help put them at the front of customers' minds for future sales. Additionally, providing a clear, fair and transparent aftersales provision to the customer can greatly increase satisfaction scores, which are becoming increasingly important to manufacturers. Finally, don't underestimate the importance of referrals.



The secret behind delivering exceptional customer service

Cooper Solutions MD Barry Cooper offers advice on how retailers can use technology to improve sales and retention

All dealerships would agree that good customer service is paramount when it comes to both sales and aftersales. A customer who has confidence in the retailer's ability to meet their needs is a loyal customer, one who will return not only for their servicing needs but for their next vehicle, too.

At Cooper Solutions, we believe great service is inherently linked to impressing customers with simple, efficient processes that are quick, consistent and managed with the appropriate technology. Our mission is to provide niche, web-based solutions that complement the dealership management system (DMS), enhancing

performance, processes and profitability for both the sales and aftersales teams.

By listening closely to our many customers, we are able to constantly improve our offering and provide solutions that help retailers portray themselves in the best possible light. Along with the other niche software providers with which we integrate, we believe using dedicated solutions alongside the DMS is key to reducing data entry and allows the team to spend more time working with their customers.

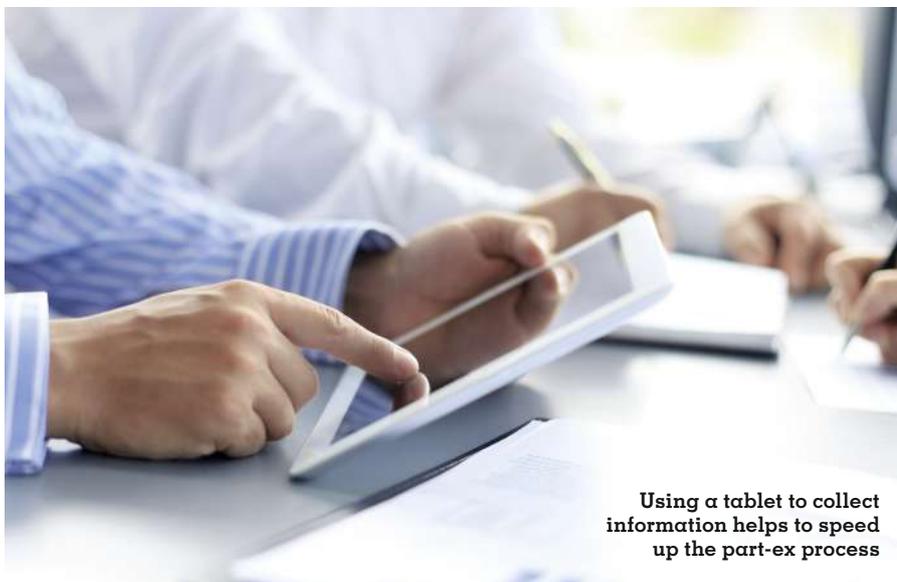
When it comes to working with potential purchasers, the sales team work extremely hard to present a professional image. We are helping them to move away from

outdated paper-based processes by providing a mobile vehicle appraisal tool called FullAppraisal, which allows sales executives to conduct the entire part-ex appraisal and valuation process in a way that is both modern and transparent. Customers are impressed by the speed with which their vehicle details are filled in by the VRM look-up and love the modern approach of using a tablet to collect information. The entire appraisal process is completed within the tool, including the collection of customer requirements and recording of damage markers, service history, mechanical checks and prep costs. Adding up to 15 photos and even video results in a comprehensive overview of the vehicle, providing the basis for an accurate and credible valuation.

As the process is web-based, a valuation based on integrated CAP data can be completed by a manager while the sales executive continues to work with the customer, maybe going for a test drive in their vehicle of choice.

To complement the sales appraisal process, retailers are able to carry out an online licence check in our FullCover application, ensuring that they meet their duty of care when managing a customer test drive. From the customer's point of view, the sales process is seamless and transparent, and increases their confidence in the valuation – it seems more "official" when it's done in this way.

Once the appraisal and valuation is complete, customers are able to view the details, electronically sign and have a copy emailed to them straight away. Many people get to see their appraisal in their smartphone inbox within seconds.



Using a tablet to collect information helps to speed up the part-ex process

For more information, please contact Cooper Solutions on 01926 855055,

Barry Cooper, managing director, Cooper Solutions:
 'great service is inherently linked to impressing customers with simple, efficient processes'



While the customer perception is reason enough to use electronic appraisal, the ability to report on performance is yet another benefit for retailers. Paper-based appraisals are notoriously difficult to report on, but team and individual conversion rates are much more visible when appraisals are managed electronically. This is achieved in part by the links with CDK's DMS, allowing the sales team to track the customer from appraisal to sale. A few clicks is all it takes to list the part-exchange on Cooper Solutions' FullAuction site, finishing the entire transaction in as profitable a way as possible.

The focus on customer service doesn't change once a deal is done. The aftersales team have an important role to play in ensuring the customer returns for servicing, maintenance and to buy their next car.

Many retailers struggle with the efficient provision of courtesy loan vehicles. Without a good booking system, they risk having unhappy customers, who

"Paper-based appraisals are notoriously difficult to report on, but team and individual conversion rates are much more visible when appraisals are managed electronically"

arrive at the service desk only to be told the courtesy loan they were promised is not available, or even that the service department was unaware of the customer's need for a loan.

Cooper Solutions customers use FullCover to ensure the right vehicle is provided at the right time. A seamless online licence check makes sure the service department fulfils its duty of care to customers by checking that they are adequately insured – our data suggests that two in 100 service customers don't meet the criteria for courtesy loan insurance, and should be prevented from driving away in a retailer's vehicle. When

a customer arrives at the service desk of a FullCover retailer, their car has been booked in advance, the changeover is slick and efficient, their driving licence is checked quickly (without the need to provide a DVLA code), and the customer drives away within minutes.

With the heavy focus placed on customer satisfaction by manufacturers, retailers cannot afford to ignore any opportunity to improve customers' perception of their dealership and the service they've received. Technology has an important role to play, smoothing the way for operational staff so they can do what they do best – focus on the customer.

or email: sales@coopersolutions.co.uk



Take a unified approach to managing the customer relationship

Integrating disparate applications in your aftersales department can save staff time, boost profitability and increase retention

Walk into many aftersales departments and on a service adviser's computer you are likely to see numerous applications and websites open; the core dealer management system (DMS) for controlling the day's jobs, a separate electronic vehicle health check (EVHC) system, maybe with supporting videos that are sent from an independent supplier's solution. This is all before an adviser has used their self-contained service plan system, or other supplier websites for pricing tyres or applying for finance for any red work that has been identified.

These disparate solutions for the core aftersales functions mean disparate management reporting, which can be time-consuming to assemble, error-prone and ultimately, expensive for the dealer. The cost of each of the individual systems can also quickly mount into a potentially large monthly bill, with each of the suppliers charging the dealer for their solutions, services and support, adding to the workload of the accountants when reconciling and paying invoices.

Launched in 2010, eDynamix set out with the goal of creating a unified solution, with one sign-on for all of these functions to sit beside and complement the DMS. This meant a service adviser's screen would not be cluttered with countless applications, and flicking between systems and screens to find and replicate information would become a thing of the past.

The idea was to empower the service adviser with all of the tools necessary to effectively and efficiently manage the relationship with the customer because, after all, once a customer has bought a

car from the sales department, their entire relationship with the dealer sits within aftersales. The approach also has added benefits in that it allows for centralised management reporting from multiple sources. Maybe, and most importantly, it helps to reduce a dealer's cost base because one supplier is being utilised to supply and support their core aftersales systems outside of the DMS.

iVHC

iVHC, our EVHC system, is data-rich, with live dashboards showing sold, deferred and declined daily work and powerful reporting allowing workshop controllers and managers to analyse workshop and individual performance. Including our Repair Plans and Finance Plans, our own fully incorporated photograph and video technology, integration with major tyre suppliers for stock check and ordering, and the ability for a customer to authorise work online, iVHC provides an end-to-end health check solution unique in the marketplace.

iVHC is used by large dealer groups with multiple workshops, smaller dealerships, motorbike dealers and independent workshops alike. With the ability to populate from most DMS's, or be used standalone, the system provides a customisable experience for both users and customers.

Repair Plans & Finance Plans

Repair Plans offer the customer the opportunity to pay monthly for amber work concerns or deferred red work items, identified as part of their recent iVHC, or for other items outside of the scope of a traditional service plan.

Our fully integrated Finance Plan allows dealers to sell red work concerns identified as part of an iVHC on the day and affords the customer the opportunity to spread the cost of these repairs over a set period.

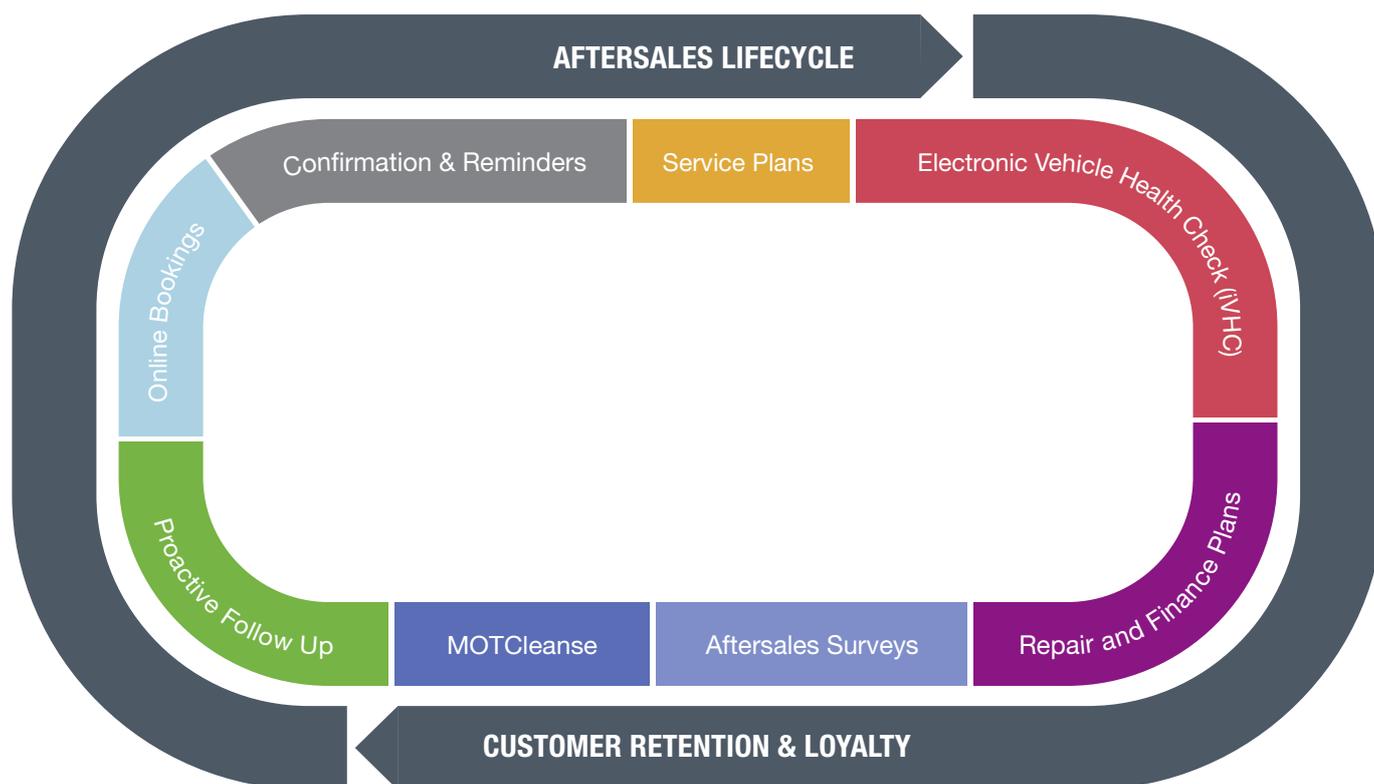
Service Plans

Through Service Plans, a quote can be configured for all future routine servicing, tailored to the requirements of each customer utilising the customised dealer menu pricing matrix. Using a VRM lookup ensures the pricing for the correct vehicle is automatically selected, reducing errors made at point of sale by building the vehicle using drop-down menus. DMS integration allows quotes to be created automatically overnight for jobs due in the following day, or for vehicles due for delivery, ensuring every customer is presented with a Service Plan quote.

The extensive and detailed reports and dashboards allow business managers and owners to closely and effectively monitor performance to an individual salesperson level. By cross-referencing vehicle sales

"It is not just about ensuring you have various systems in place to fulfil a long list of requirements, it is about having systems that guarantee your staff can complete their jobs effectively and efficiently"

For more information on eDynamix and to discuss our products,



from the DMS, the system can highlight any delivered vehicles that were not presented with a quote, for example.

The system is not only simple to use, but also gives the user complete control while sitting in front of a customer through live plan amendment for extension, increased mileage or the addition of further services, as well as immediate plan cancellation, reinstatement and transfer.

The Service, Repair and Finance Plan modules not only provide the customer with peace of mind by offering a fixed monthly price for their vehicle servicing and maintenance requirements, but also give the dealer an opportunity to increase customer satisfaction levels, and, ultimately, retention, using a unified solution.

Proactive Follow-Up

A dealer may have all the applications in place – to identify work through a health check, record service dates on a service plan and keep DMS records up to date – but it is how this data is used and communicated that ensures a customer is retained and loyalty is increased.

Proactive Follow-Up is the hub of our unified solution. It ensures that a communication opportunity with the customer is never missed. It provides a fully customisable, automated mechanism for

sending customer reminders, controlling operator calling lists, recording inbound and outbound call information and managing follow-up data from various sources in one place. With dealer-specific timelines and fully customisable templates, each customer can receive an email, SMS, phone call or direct mail at the correct time in their service life-cycle to help maximise the opportunities for the dealer.

Not only will the system draw information from iVHC for unsold red and amber work and send the specified communication when the concerns are due, but it can also contact the customer automatically if they've had a service plan quote but not confirmed, when the plan is due for renewal or when there is an upcoming service.

The system can link to the DMS to send service, MOT, air conditioning and brake fluid reminders using any selected media. Following successful booking, a confirmation can be sent, a reminder delivered closer to the time and feedback requested through an automated questionnaire following the visit.

Conclusion

It is not just about ensuring you have various systems in place to fulfil a long list of requirements, it is about having systems that guarantee your staff can complete

their jobs effectively and efficiently. This will help foster customer relationships, leaving you in the knowledge that they will return in the months and years ahead because they have been serviced well.

It is also about having systems that are cost-effective, that provide detailed and accurate reporting and that are supported as one, with one point of contact. eDynamix has all of the tools necessary to allow a dealer to manage and grow their business through improved staff efficiencies and increased customer loyalty and retention.

When asked about her experience with eDynamix, the systems and the support offered, Debbie Palfreyman, contact centre manager at Burrows Motor Group, said: "eDynamix works for us because time is money. All of the systems are easy to use and seamlessly talk to each other, allowing us to manage customers with ease, professionalism and speed.

"The reporting suite ensures that, at any point in time, we can see where we are, thereby ensuring we are both proactive and reactive. However, support for us is key – we now depend on the systems 100% and therefore speed and quality of response is paramount to keep our operators taking and making calls, our workshops busy and our advisers efficient, all of which eDynamix provides extremely well."

go to edynamix.com or call 0845 413 0000



Customer service in a digital age

A dealer's website is often a car buyer's first point of contact, but good customer service should flow from there to the showroom

Taking care of customers is at the forefront of any successful motor retailer's mind. Customers are the lifeblood of any business, and by providing excellent service you can keep them coming back time after time. In this day and age, online customer service is just as important as treating people right in the showroom. Thankfully, there are numerous tools available that can help dealers deliver outstanding service across the board.

NetDirector Reeveo
Reeveo's unique interface enables

conquest customers to see how highly customers rate a business. As Reeveo only contacts confirmed customers for their opinions, dealers can be confident that scores are genuine. Moreover, more than 20% of customers will typically give a rating. Seeing these reviews helps a potential customer trust a business long before they even make contact.

Through Reeveo, dealers gain a unique insight into what customers really think. This enables monitoring, which can identify weaknesses and inform continuous improvement. By doing so, dealers can improve their customer interaction (CI)

scores and, importantly, improve website performance in key metrics such as click-through rate, dwell time and return visits.

Call management

Dealer telephone systems are often neglected, but with so many leads coming from phone calls, tracking and keeping records of them should be a priority. Nowadays, there is no need to install complex local telephony systems, which typically come with a price premium. All-in-one cloud-based call-monitoring solutions are helping dealers to drive efficiency and convert more calls into sales.

Call recording, to enable critiquing of how customers are handled, should be top of the list for dealers wishing to improve their customer service. Other features that can help include missed call alerts, with the caller's details enabling prompt return calls from the dealership, and voice-to-email for missed calls, where voice messages are automatically emailed to the relevant person within a business.

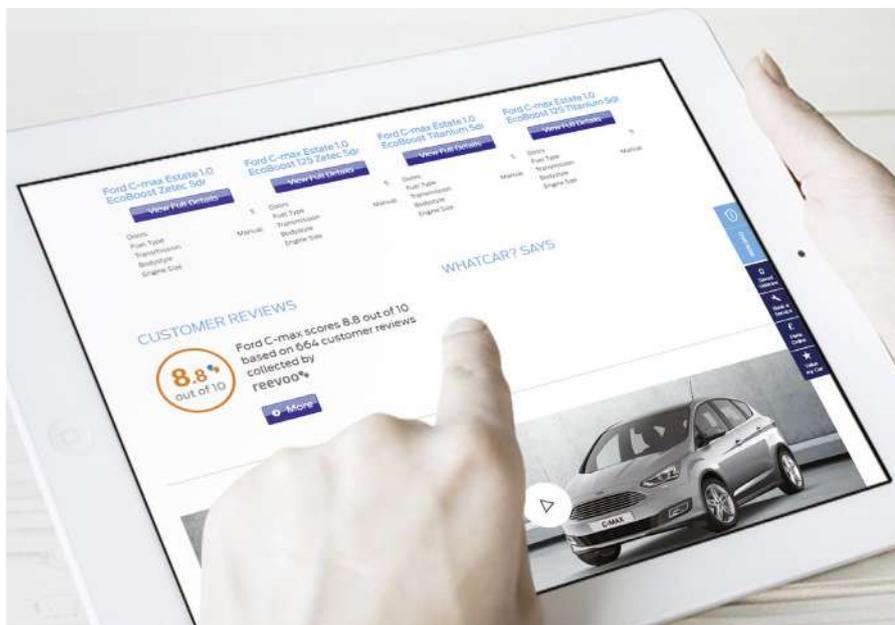
Another great business intelligence tool is trackable phone numbers. These can be assigned to specific campaigns, advertising or departments and by tracking these using lead-tracking software such as NetDirector LeadBeast, performance can be monitored.

Live chat

Live chat is already used by more than 40% of the UK's top 200 motor retailers and has fast become an important part of the way in which customers contact dealers. The effectiveness of live chat should not be underestimated either, with about 50% of contacts becoming strong leads – and we have tracked up to 20% of these subsequently becoming sales.

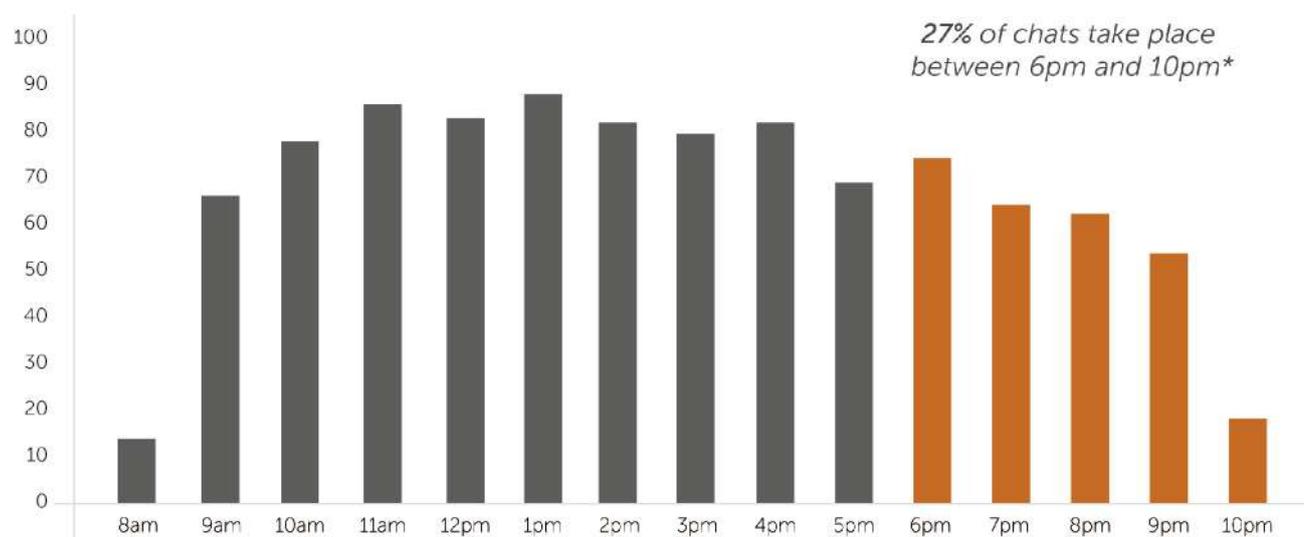
NetDirector Chat Manager is an example of a reporting suite that turns live chat from a useful contact method into a measurable,

“Tracking where leads are coming from, and how much they are costing, is fundamental to running a successful digital dealership”



For more information, please phone us on 0844 846 4767. Alternatively,

LIVE CHATS ACROSS A TYPICAL DAY



*Source: GForces Research

data-rich resource. It provides full chat transcripts, spam vs real chat reports, the time of day chats take place and how long they last.

This enables dealers to understand how customers typically interact with live chat, allowing them to make sure their staff – or an outsourced team – are on hand at the right times.

Track the leads your customers make

Tracking where leads are coming from, and how much they are costing, is fundamental to running a successful digital dealership. Without it, a dealer is blind to how well it is performing. Furthermore, by understanding where leads originate, dealers can know where to concentrate their efforts when responding to enquiries from customers.

NetDirector LeadBeast was the industry's first dedicated lead-tracking tool. It tracks visits and attributes leads to the various channels that feed them into a website. Offline sources, such as print advertising, can also be monitored through the use of trackable phone numbers.

The system gives you a huge amount of information to inform future marketing campaigns, driving efficiency and increasing return on investment. In practice, dealers using the system can use it to reduce their cost per lead by almost 60%, resulting in huge savings and better efficiency. In short, NetDirector LeadBeast underpins modern dealer marketing strategies.

Social media

Social media is fundamental in creating a business persona and with all of the UK's top 200 dealerships now having some kind of social presence, it is a necessity. Social media is also one of the most powerful and targeted advertising platforms, using customers' profiles to ensure they are sent marketing messages relevant to them.

Social engagement programmes help dealers contact their customers regularly, and in a personalised manner. Social media marketing is also a highly strategic way of advertising campaigns to support offers. Customers like the ability to contact dealers through social channels, so it's important that constant management of social media is in place to bolster customer satisfaction through regular engagement. Miappi, which collates social posts onto a 'wall' on a dealer's page, is a great way of promoting social media to new customers.

On-demand video

Online video is used by 78% of car-buyers, according to research by Google, and it is also one of the most influential factors when it comes to making a purchasing decision. When a consumer reaches a car-listing page with a video, typically 57% of their time on that page is spent watching it.

A great way of providing customers with an elevated level of service is by offering them the opportunity to 'walk around' a used car before they see it in person. NetDirector 360, for example, uses a mobile

app to create high quality 360-degree images, to which dealers can add information hot spots, pointing out good or bad features, and additional images or videos. These are highly effective at driving traffic from a website to the forecourt.

Bringing it together

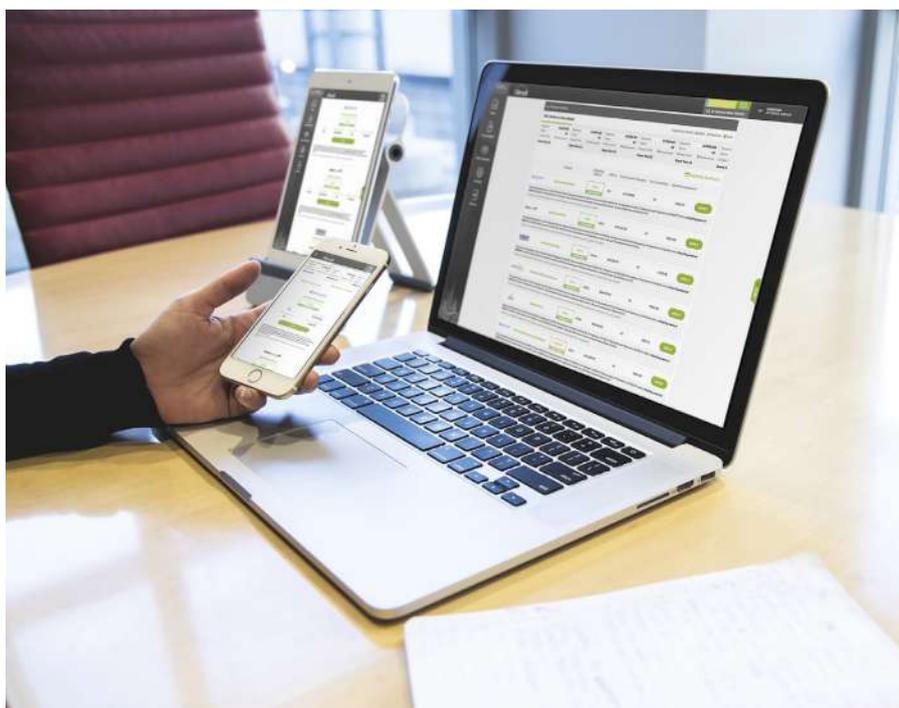
With the website being the first point of contact between the vast majority of car buyers and dealers, it's important to ensure the customer service experience begins as soon as the buying journey does. Making a good impression continues through the customer's first direct enquiry, whether online, on the phone or even by social media, and should seamlessly follow into the showroom and beyond.

With so many tools now available to enhance a customer's experience throughout the buying and ownership cycle, dealers have ample opportunity to create customers for life.



Streamline your finance sales process

New technology makes applications shorter, faster, and lower-cost



Even when a customer has made the decision to buy a car, it can still take an awfully long time for the average dealer to complete the sales process. Sometimes, sitting in a dealership, it can feel as though the clock has ground to a halt.

This is not just dull for the customer, who wants to get behind the wheel and drive away, but is actually costing you, the dealer, considerable amounts of money. Spending hours on end going through the process ties up resources and wastes time.

However, with technology that is now becoming available, the sales process can be made shorter, faster, lower-cost and more effective. Much of the secret lies in hybridising, so that the customer completes part of the sale with a member of staff, but also part online, either in the dealership or elsewhere at their leisure.

The latter may sound counterintuitive but the latest best practice thinking we see from many dealerships is that online car-buying and finance processes have overtaken showroom systems in the past couple of years in terms of ease of use and

New generation iVendi Platform 'brings best of the internet into the showroom'

The latest generation of the iVendi Platform – launched earlier this year – is designed to “bring the best of the internet into the showroom”.

It builds on previous, successful versions of the product, which were designed to provide a single point through which all dealer online motor finance activities could be managed, by also including sophisticated showroom finance options.

The key innovation is a new in-showroom finance comparator, which is designed to be used alongside existing elements of the Platform, including the Quoteware finance quote generator and Car Finance Checker finance comparator – products to which 7,000 dealers

throughout the UK are now connected.

The comparator is designed to bring all of the advantages of an online motor finance offering into a real-world sales environment. As part of the showroom process, the salesperson can sit down with the customer and use it to look at a range of different finance products and offerings for those with varying risk appetites.

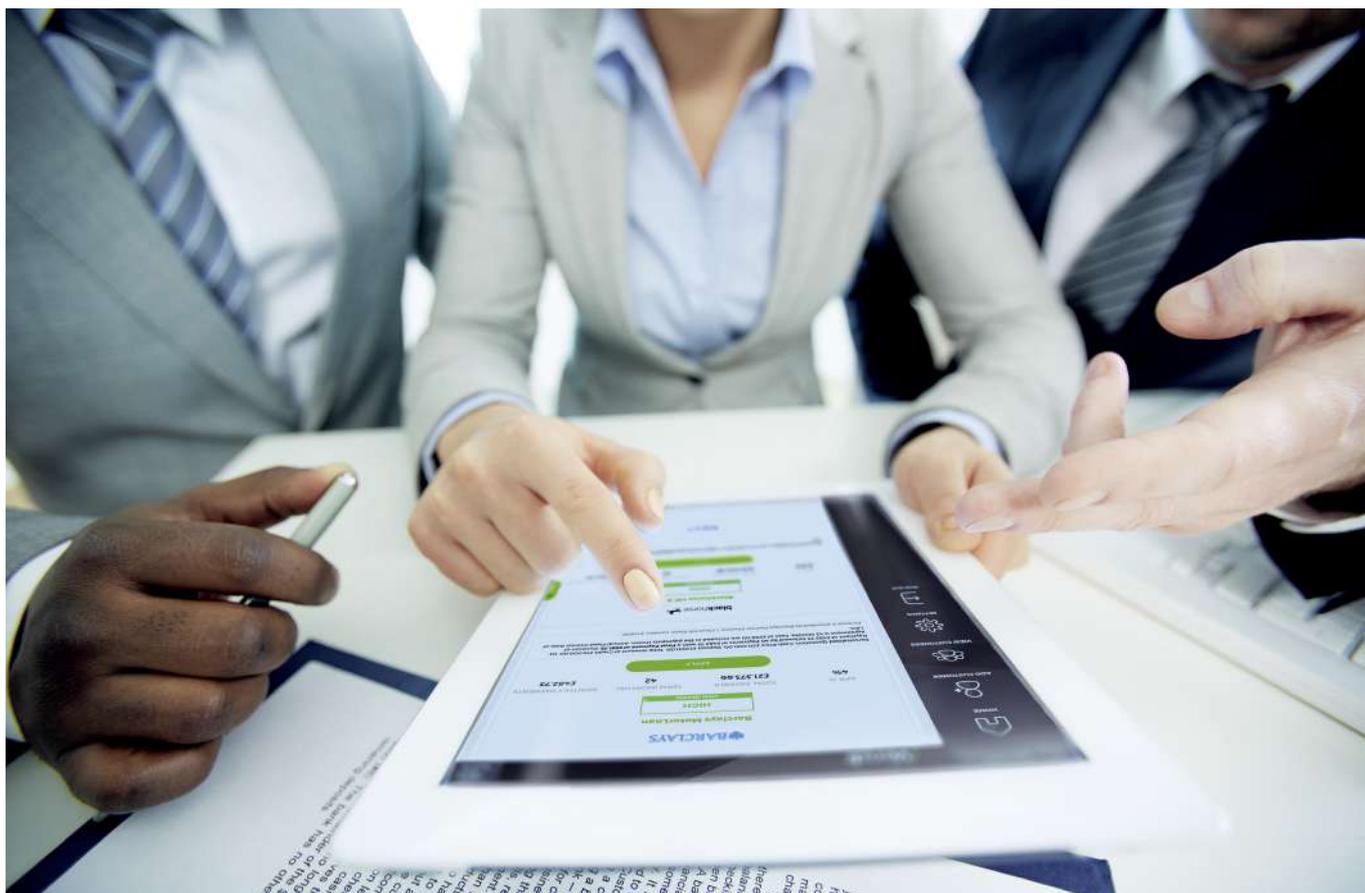
It provides a very structured, convenient and FCA-compliant way of presenting motor finance and is so intuitive that the salesperson can even leave the customer to decide on their own preferred finance solutions.

Other innovations in the iVendi Platform

mean it will automatically aggregate all types of online and showroom enquiries against a prospective customer and record all the quotations presented against each vehicle. It also integrates with all of the major dealer website providers and leading motor finance lenders.

Our belief is that the development of online motor finance has outstripped showroom systems in recent years, and that the new iVendi Platform will bring the two different types of offering into line. It is a genuine innovation and a much more effective and intuitive way to handle motor finance than a traditional showroom system.

For more information, please visit: www.ivendi.com email: info@ivendi.com



effectiveness, so it makes sense to move this technology into the dealership itself. Crucially, this allows dealers to move motor finance earlier in the sales process using online technology such as our newly revised iVendi Platform. We suggest the process should look something like this:

Check early for eligibility

This is perhaps where the single biggest gain lies. Traditionally, the finance check is placed right at the end of the sales process, after hours have already been invested in the customer. But in some dealerships, rejection rates are as high as 40%. That represents a huge amount of lost time. Check early for eligibility, using a sample car, and you will immediately know whether or not a customer is viable.

Enable customers to self-serve on quotes...

Modern consumers tend to be very comfortable using online quotation tools of various kinds – from holiday websites to insurance platforms. It makes very little sense for a member of a dealership’s staff to be just working a PC for someone who is perfectly capable of doing so themselves.

Let customers generate their own

About iVendi

iVendi is the UK’s market leader in digital motor finance, providing solutions used by the leading car portals, thousands of dealers and many major finance providers. We deliver a connected digital journey that provides both dealers and customers with an unprecedented degree of control over motor finance, completing the gaps so that the entire car-buying experience can be completed online.

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. This can be done before they visit the dealership or you can let them do it in the showroom.

...and on applications

If customers can handle their own quotations, there is little point in them not completing their own applications. Doesn’t it make more sense for them to fill out their own street name, rather than spelling it out to a salesperson with questionable typing skills?

Use product information videos

Among the most effective elements of the

online motor finance process are product information videos. For customers who, in a modern dealership situation, may be faced with up to half a dozen different types of finance product, short, simple videos show the pros and cons of each.

Build in effective tracking technology

Using online tools doesn’t mean you can’t get to know your customer. Tracking technology will let you see how each person is using your online services, the cars in which they are interested and the finance products they prefer. The amount of visibility dealers can now gain in this area is almost total.



Use reviews to find your dealerships' 'raving fans'

Analysing the responses of those who buy (and don't buy) your cars can improve customer service and boost sales levels

JudgeService is five years old and we have completed nearly half a million surveys on behalf of 1,000 dealers, with a team of 40 colleagues based in Harrogate. At our core is the vision of helping our customers to create raving fans.

In a world where customers are literally one click away from your competition, it is essential that you understand your customers' expectations and your performance and that to create loyalty, you go beyond the extra mile.

Through our surveys and reporting, we give car dealers the essential tools to improve and celebrate the customers' experience.

| | |
|-----------------------------------|---|
| Customers need to be lured | Fans come on their own because they want to |
| Customers give money | Fans give their hearts |
| Customers are delivered a service | Fans are inspired |
| Customers seek discounts | Fans seek performance |
| Customers complain | Fans forgive |
| Customers criticise | Fans promote |
| Customers demand | Fans defend |
| Customers will leave | Fans will remain |

Some of the differences between a raving fan and a customer are listed above. Some people may argue that while it makes sense to think of fans in relation to football clubs, it is hard to apply that to a business. We would say that Apple, Nike, Jack Wills, John Lewis and Bettys Tea Room in Harrogate prove it is possible to create fans

in any sector by delivering a great product or experience.

Used car customer satisfaction

With our ReAct product, we follow up customers who have bought from the dealer. This is primarily in used cars, although we do offer new car, Motability, service, aftersales and body shop follow-up as well.

Typically our response rates are between 35% and 40%, as customers are motivated to complete a survey so close to such a significant purchase. Our surveys use a game-like interface, which means we have a very low drop-off rate once someone has started the survey.

Dealers use our reporting suite to identify any trends in customer satisfaction scores and are able to drill down to sales executive level to spot really good behaviour and identify individual areas for improvement, such as offering finance, offering test drives and contacting the customer post-delivery.

As a result of completing the survey, customers leave online reviews or testimonials that the dealer can publish on their website, our website and on social media, such as Facebook or Twitter. Given that two thirds of searches are done when a dealership is closed, it is essential to present reviews to reassure customers that you are 'nice people to do business with'.

Some 88% of people trust online reviews as much as recommendations from friends or family, so it is important to publish all reviews without fear or favour, as we do. Most of our clients also present the number of customers who would recommend them to a friend on their website using our widgets or APIs. This is also great SEO content for Google.

Typically, our customers take these scores, which would be about 95% 'would recommend', and use them in their offline advertising, such as radio and TV.

Lost sales follow-up

Perhaps more importantly than surveying people who chose to purchase, is understanding why non-buyers did not transact. These can be people who are identified as lost sales, but also customers who have no future action or diary action planned.

The advantage of our researchers contacting customers is that they are able to gain an honest and impartial impression of the customers' experience. People open up to them over the phone and are



Neil Addley,
managing
director,
JudgeService

Contact JudgeService Research by telephone on 01423 225 166, email sales@judgeservice.com or visit business.judgeservice.com



JudgeService has done nearly half a million surveys on behalf of 1,000 dealers

happy to share what they liked about the experience, what they did not like and what the dealer would need to do to secure their business, if they have not purchased elsewhere.

Typically, more than 40% of non-buyers are still in the market, which presents instant sales opportunities, as the customer has detailed exactly what they are looking for. Where a customer has bought elsewhere, a dealer is able to analyse which cars they preferred, and indeed which competitor they used. This can be invaluable in preparing tactical marketing and identifying where product knowledge training is required.

Indeed, 26% of customers on average cite a lack of knowledge as the reason they did not purchase, with a further 25% of people stating they are waiting for a call back from the dealer. Other issues include the price they were issued for their part-exchange, availability of preferred vehicles and not getting on with the salesperson.

Finally, as we are able to track customers who complete both ReAct and ProAct

“In a world where customers are literally one click away from your competition, it is essential that you understand your customers’ expectations and your performance”

surveys, we are able to demonstrate a clear return on investment (ROI) as well as help the dealer improve the customer experience.

Knowledge is power

Knowledge really is power. With each of our surveys, we are able to help the dealer build a clear understanding of how they can improve the customers’ journey.

For example with AWACS (advanced warning about car selection), we contact a customer 18 months into their ownership to solicit their views on both the vehicle and the dealer, as well as their future purchase intentions.

Our in-house development team means

we are able to create new surveys to support the Motability scheme or vehicle conversions and present the findings in the same way we do in volume for used cars and non-buyers.

The key to improving both the customer experience and sales levels is in using the data both immediately when an email notification is received and also regularly using the reporting to identify trends, opportunities and coaching needs. What is measured is managed and what is managed normally improves. With used car loyalty being about 15%, there is a significant opportunity to get an unfair share of the market by looking after the customers we already have.

Monitor and manage your reputation online

To improve sales, boost retention and improve CSI scores, dealers must listen and respond to customers, whatever channel they use

Do you want to know what visitors to your dealership really think? In that case, asking as many of them as possible needs to be your strategy.

With manufacturer customer service questionnaires being sent out to new car purchasers only, and a typical enquiry/sale conversion rate of 25%, the vast majority of consumers who made an enquiry are not being surveyed. That's before we even think about the used car customers.

It stands to reason that the 25% who do buy a new car should be generally pretty happy – unless something has gone wrong between order and delivery – as they've got a shiny new car to drive off in.

The 75% who didn't place an order will have invaluable information that can be

used to refine the sales process, coach sales teams and provide product feedback.

A CRM programme seeking views about the service being received during the sales process can expose problems and reasons for sales being missed.

As Jon Head, group operations director of Ridgeway, said recently: "The programme with Marketing Delivery has given us a 'voice of the customer' insight from the many replies we receive. This enables us to catch sales which may otherwise have slipped through the net."

We see regular consumer replies to emails sent during the sales process, where concerns are aired and clarification or additional information is requested. How many of these consumers would take the time to give this feedback if there wasn't an easy route to reply?

We measure sales to customers who have received CRM messages at later stages of the enquiry – 10 days and on – and see many apparently "cold" leads come to fruition by keeping in touch and asking "Can we still help?" or "How is your search going?".

We also see a surprising number of "lost" leads come back to life when asked "Why couldn't we help?" – answers vary from problems with the sales executive (20%) to simply taking their time and actually still being in-market (45%).

Of course, replies can only come back to you if you send the messages from a monitored mailbox – noreply@ is never a good idea as it says "I want you to listen to me, but I don't want to listen to you".

It's good to talk!

In its 2015 "Cars Online" report, Capgemini found "around 80% of car owners contacted regularly (one to six times a year) feel satisfied or very satisfied. Provided the contacts are of the right kind, the more contacts, the better".

More worryingly, it also found that as many as 37% of people said they hadn't been contacted at all by their dealer or manufacturer in the past 12 months.

The review culture

Consumers are now mass marketing tools in their own right, consuming and broadcasting messages across multiple media channels, influencing friends and family along the way.

TrustPilot, Revoo, Feefo et al are seeking the views of consumers 24/7. Add in Google's ever increasing prioritising of reviews for businesses and it's clear that there's no place to hide poor customer service.

The good news is that encouraging happy customers to share their positive views has never been easier. Again, those who have been kept in touch with are most likely to be willing to share their views as



If you'd like to join us on a customer journey, visit www.marketingde

they already have a positive relationship.

Some 88% of consumers trust online reviews as much as they trust personal recommendations and 72% of consumers say positive reviews make them trust a local business more. Google tells us 87% of clicks are to businesses with three stars or higher.

Social services

If they are not using review sites to talk about your business, consumers are probably using social media instead – or as well.

Facebook reviews affect the algorithm that determines how likely your page posts are to appear in front of fans, so encouraging positive reviews from happy customers is a very good idea, as is responding to and resolving poor reviews.

Facebook reviews are practically impossible to remove so it's vital that any genuine grievances are publicly resolved in a timely manner – even if that involves saying "sorry, that wasn't good enough".

It is also important to encourage or incentivise happy customers to leave positive reviews and posts to offset the negative.

Arguably, the number one customer complaint channel is now Twitter, with more than 70% of complainers expecting a response within the hour – including at weekends.

However, 50% of the non-complainers – those seeking information about products or services – also expect an answer within the hour. When asked recently by a client how long they should take to answer a



“Consumers are now mass marketing tools in their own right, consuming and broadcasting messages across multiple media channels, influencing friends and family along the way”

customer query raised on Twitter, our response was “how long would you wait before answering the telephone”? A Twitter or Facebook post is a virtual ringing phone and should be treated as such.

In a recent study, the worst companies at

responding to complaints on Twitter took more than three days to respond. Perhaps it's no coincidence that the company at the bottom of the list also experienced an 8% sales decline last year as well.

Tools such as Hootsuite or Crowd Control HQ are becoming a business essential to allow “social listening” to take place across multiple social media accounts. Early resolution allows a business to demonstrate great customer service after things have gone wrong initially, enhancing their online reputation further.

Not so long ago, we showed a potential new client some comments being made about their dealership on Twitter, to which they replied “but we're not on Twitter”!

With more than 50% of the UK population active on social media, saying “we'll ignore it” is no longer an option.

Reputation management is not just about damage limitation, it's also a great way to spread great news about a business. “Shares” and “likes”, plus comments in reply to good news, helps spread the word, with Facebook's algorithm taking note of these positive engagements. Similarly on Twitter, “re-tweets” and “quote tweets” of good news will enhance the reputation and add balance to the inevitable complaints.



How to deliver 'red carpet' customer service

Make each customer feel like your biggest, says Ben Stevens, automotive business development manager at Money Penny

How confident are you about your customer service? Does every customer get your best treatment each and every time they pay you a visit?

A recent survey by new car website carwow suggests that almost 40% of people have been so disappointed by poor service at a dealership, they have taken their business elsewhere.

While that's no small amount, it can certainly be overcome. But how do you know if you're offering a great experience? At Money Penny, we often talk about rolling out the red carpet – making each client feel like they're our biggest and most special customer. It's this kind of service that wows people and creates long-lasting impressions and loyalty.

Having this client-focused mindset will ensure everyone you come into contact with receives your very best treatment.

So, here are a few ways to do that.

Treat customers as you want to be treated

Next time you have a really good experience as a customer, remember: that didn't happen by accident. Whoever served you would have had the aim of making sure you left happy – and so you did. Walk yourself through the situation again and make a note of what made you feel good – greeting, smiles, questions, farewell.

Ask yourself if you put that level of effort into how you treat your customers? How your customers are greeted when they walk onto the forecourt? Are staff genuine and ready to help, or could they be perceived as over-eager and inadvertently be pushing people away? If a client calls to check on an order, how easy is it for them to speak to someone? If they call post-sale with a problem, does your CRM system remember their name, so you can make them feel valued?

When it comes to customer service, there is no such thing as a little thing; all of these aspects work towards delivering an excellent customer experience.

At Money Penny, we tailor our telephone answering style to suit that particular client's needs. They decide how the call is answered, the greeting, and what information is taken so the service is just right for their customers. Each Money Penny receptionist in our automotive team spends weeks learning about the types of calls to expect; the requirements and expectations of dealers of all sizes and types, and any terminology they may need so they can seamlessly work as an extension of your own in-house team.

Go over and above the industry standard

When people talk about an 'industry standard', they are referring to the yardstick set by their competition. Many seem to think that 'standard' is good enough. And it probably is. But standard

isn't going to blow your competition out of the water or make you stand out in the marketplace.

The rewards of great service are there to be reaped. Word quickly spreads – and this is worth its weight in gold. Retailers that raise the bar are inevitably the ones that perform the best. Not only do they exceed their own expectations, but also the industry's. This can be hugely powerful.

There was a story I heard recently about a couple who travelled more than 80 miles to visit a large used car retailer. As it was a well-known dealership, their expectations were high. During their visit, however, they asked the sales person a few simple questions – the valuation of their car, payments, even if he would show them a particular model – and were surprised when he refused to help them. He suggested the couple 'weren't serious about buying' – regardless of their two-hour journey.

Confused and annoyed, they left and saw another dealership just down the



To discuss your needs as well as find out more about Money Penny's please contact: 0333 202 1005 / hello@money Penny.co.uk / moneypen



road. The manager there explained they weren't the first people to have had that experience. The result? Impressed by his friendly and helpful attitude, the couple bought a car from the second dealer.

The moral of the story is this; you can't become complacent with the service you offer – there will always be someone else who is willing to offer more.

Hire those who can do what you can't

Being busy is no bad thing. Quite the opposite, in fact. A high level of customers on the forecourt is a good indicator of a healthy sales book and targets being met. But even the best of us can't do everything all at once, regardless of how hard we may try.

This needn't be a stumbling block to success, however. The trick is to recognise what you are best at, or what you have the most time and resources for – and hire someone to do what you cannot. Whether that's an extra member

“You can't become complacent with the service you offer – there will always be someone else who is willing to offer more”

Ben Stevens, Money Penny



of the sales team to greet and take care of visitors or someone helping 'behind the scenes' when times are busy to make sure customers are being taken care of professionally and new business opportunities are not being missed.

That is how Money Penny came into being. The company's co-founder, Ed Reeves, returned from a holiday to find his graphic design business had lost its biggest client due to a badly handled call by the answering service he'd employed. Determined to do better

and help other businesses in similar positions, Money Penny was born.

Since then, Money Penny has helped thousands of businesses across the UK deliver the best possible service, as well as maintain a professional image and capture every new business lead.

Be it 'overflow' calls during the day or taking calls over extended opening hours – including evenings and weekends – the skilled receptionists offer all the advantages of an additional staff member, but at a fraction of the cost.

no-obligation trial,
ny.co.uk



The customer is not always right...

... but if you want to build goodwill and develop their loyalty to your business, you should treat them as if they are

Within weeks of entering the world of retail, those sacred five words are shared with you: "The customer is always right". Despite your inexperience and unrivalled enthusiasm, it doesn't take you long to work out that the customer is not always right. And therein lies the dichotomy.

So, do you spend your time in retail treating those sacred five words as codswallop and go about your business in denial?

Maybe there is a compromise that provides clarity for retail personnel and an increased chance of the customer receiving excellent service?

Enter a slight twist on the sacred words.

"Maybe it makes sense to write terms and conditions that develop loyalty, rather than protect ourselves against the small percentage of customers who may be liberal with the truth"

You see, when they are changed to "the customer should always be treated as if they are right", permission to apply this mantra to every customer is granted, regardless of whether you believe them to be right or not.

For those who wish to add a further layer of clarity, insert a few more words to create the following mantra: "The customer should always be treated as if they are right, even if you think they are wrong."

Sure, by adopting this approach, you will provide goodwill that was possibly unwarranted. However, the majority of retail customers are decent people who want to receive a level of service that makes them feel special, validated and appreciated.

Reassuringly, when they are made to



feel this way, their loyalty starts to be developed.

Maybe it makes sense to write terms and conditions of business that develop loyalty, rather than protect ourselves against the small percentage of customers who may be liberal with the truth?

It is this philosophy that motivated Supagard to repair the BMW headrest pictured above after a child had drawn on it with a permanent black marker. Although the guarantee excluded such graphical artwork, you could understand why a customer who had invested in a leather protection system expected the situation to be resolved.

By extending the sacred five words into 18 words, clarity and loyalty are simultaneously created.

To discover how Supagard can support your paint protection objectives,

10 customer service facts you may not know...

- 1** 81% of companies with strong capabilities and competencies for delivering customer experience excellence are outperforming their competition.
- 2** 96% of unhappy customers don't complain, they simply talk with their feet.
- 3** The average person will tell 12 people about a poor experience.
- 4** 13% of people will tell 20 people about their bad experience.
- 5** Repeat customers spend an average of 33% more than new customers.
- 6** More than a million people view tweets about customer service every week. 80% of the tweets have negative content.
- 7** 67% of customers have disconnected a telephone call out of frustration caused by not being able to speak to a real person.
- 8** 75% of customers believe it takes too long to connect with a company representative.
- 9** 84% of purchase decisions are influenced by word of mouth.
- 10** It costs six times more time, energy and money to acquire a new customer than it does to retain a current customer.

not cajoled or arm wrestled into such behaviour. Nor were they financially motivated to do so. Their behaviour was the net result of an award-winning cocktail of innate desire and exemplary leadership. Leadership that trusted them to make decisions they felt were right for the long term prosperity of the customer relationship. Such empowerment seldom disappoints.

After all, in the final analysis, you have to show loyalty in order to receive it.



Are these the ultimate examples of exceptional customer service?

Car retailer delivers early Christmas gift

After sending Christmas cards to their customers, a Midlands-based car retailer received a call from a customer to thank them for the card. The customer then went on to explain how the Christmas card had reminded her that she didn't receive a parcel shelf in the nearly new Corsa she had delivered almost two years earlier.

Without hesitation, the sales executive apologised to the customer and then asked whether she would like the parcel shelf delivered to her home address or place of work. The parcel shelf was duly delivered to the customer's home address three days later.

Crazy behaviour or a sound financial investment? Well, the customer referred seven people who became customers over the next two years.

This anecdote is also great testimony to the 18 sacred words referenced earlier in this piece.

Ritz-Carlton goes the extra 1,800 miles

Because of their son's food allergies, a family holidaying at the Ritz-Carlton, Bali, were always careful to transport their

own supply of specialised eggs and milk. However, on one occasion, the food was accidentally ruined in transit.

Having been made aware of the situation, The Ritz-Carlton restaurant manager tried to source the products locally. However, due to their rarity, he was unsuccessful. Recognising the distress that the lack of the specialised food could create, the executive chef at the Ritz-Carlton recalled that a store in Singapore sold the rare food. The chef then contacted his mother-in-law (who lived in Singapore) and asked her to purchase the food and then take a two-and-a-half-hour flight to deliver the specialised eggs and milk to Bali.

Later that day, the family were presented with the specialised eggs and milk that would allow their son to enjoy his Bali holiday.

Where desire meets empowerment...

Although there are several contributing factors, the two words that are the essence of such excellent service are 'desire' and 'empowerment'.

You see, both organisations had a natural instinctive desire to want to do the right thing by the customer. They were

A technology that builds and strengthens trust

Video can cement the connections between car buyer and dealer

The way we buy, run and maintain cars is changing. In truth, it has been changing for a while.

The days of trudging from showroom to showroom, taking test drives and haggling with the sales executive are long gone as the 'always-on' generation continue to expand their use of devices – from desktop computer to laptop, from smartphone to tablet.

In a society that is time-poor and consumerism rich, that has been shaped by the acceleration of technology and the increasing 'PCP-driven' response to the global financial meltdown, the second-most expensive purchase in a lifetime, a car, is now a commodity.

Equally, the way consumers want to be engaged and communicated with is changing.

TV figures are in decline as the

millennial audience turns to YouTube for its viewing pleasure, with 500 million hours of video a day consumed there.

But video is not just the bastion of YouTube – Facebook users watch 100 million hours of video content every day. Increasingly, consumers are demanding video as a crucial part of their everyday lives, as well as their transactions. Three quarters of shoppers will use video to research their next purchase.

That's where CitNOW comes in. Since it was launched in 2008, CitNOW has pioneered the use of video in the automotive industry. Last year, CitNOW delivered three million personalised videos – more than 65,000 hours' worth – which were created by sales departments, workshop technicians and bodyshops. More than 50% of the UK's dealer network now uses video technology in its sales and aftersales function.

And that figure is only going to grow. Why? Because the use of personalised video creates a new realm of engagement between business and customer, makes the consumer feel truly valued and informed and engenders the all-important ingredient of trust, allowing the customer to make faster, more positive decisions that impact directly on the bottom line of the business.

CitNOW in the showroom

With car buyers making an average of just more than one physical visit to a dealership before making a purchase, down from six visits 15 years ago, it is clear the buying process has changed immeasurably.

Personalisation has become increasingly important for all brands and the reason is clear – all consumers love something that is unique to them. However, personalisation is not just about calling



For more information, call 0118 997 7740, email reply@citnow.com,



CUSTOMER CASE STUDY

David Owens bought his Volkswagen Golf from Inchcape Volkswagen on the Wirral last year. The personalised video service he received via CitNOW persuaded him to buy from the dealership and increased the likelihood of him taking the car back to the dealer for service and repair work.

"It was a nice, personal touch," he explained. "The follow-up video I got a week or so later was also really good and really helped me to feel that I hadn't simply been forgotten once I'd bought the car and that I could ring up with any issues I had."

"During the purchase process, I was followed up on a daily basis to make sure that I knew that if I had any questions or needed to make any decisions, I could."

"The service allows you to make a decision on what kind of car you want and a salesman now sells you the car that you want. It's very difficult, with so much information about on the internet, to know whether to go into a showroom. But building a relationship like this convinced me."

"We need to move away from being product-centric to being customer-centric"

Alistair Horsburgh, chief executive, CitNOW

customers by their name, it is about making an emotional connection.

CitNOW's sales app allows sales executives to produce a professional-looking, personalised video for customers. The intuitive system is simple, and quick to use, but establishes an immediate relationship with customers who have registered an interest in a car or are looking for more information. Once a customer is engaged in the purchase process, it can be used to keep the customer informed of any decision-making required and up to date with the process of their new car arriving for collection or delivery.

Introducing personalisation has been found to significantly improve people's trust and empathy with the business, which in turn directly translated into increased purchase intent.

Having and nurturing consumer trust can increase sales, especially online, where choosing an alternative business to buy

from is often just one click away.

It's always been key for businesses to build a one-on-one relationship, where the offering is unique to the consumer and is communicated through the right channels at the right time.

But the big shift in personalisation has occurred through the use of technology, allowing brands to become more targeted. The companies that will be most successful are those which are able to keep up with the technology.

In the automotive industry, studies have shown that consumers want an individual experience in almost every phase of their vehicle's life cycle, but particularly when it comes to buying a car.

Customers demand technical expertise from dealers and expect more personalised and frequent communication between purchase and delivery. Half expect at least weekly notifications on delivery updates, while the majority (58%)

want to be able to adjust their order after the initial purchase.

Meanwhile, there is a strong correlation between customer satisfaction and loyalty, particularly for dealers.

Only 10% of non-satisfied customers say they would likely or very likely buy their next car from the same dealer.

But a staggering 87% of highly satisfied customers would purchase the same brand again and 85% of them would buy from the same dealer.

Alistair Horsburgh, chief executive of CitNOW, says successful dealers today are not expecting customers to fit in with their processes and preferred ways of doing things. Instead, they are understanding where the customer is in the process and assisting them with their decision.

"The aim should be to fit in with customers' preferences as far as possible. We need to move away from being product-centric to being customer-centric at every stage of the buying and ownership life cycle."

"Technology has, and will continue, to aid that process of a stronger connection. It is clear that the trust and transparency of video is helping turn the customer into a loyal advocate for brand."

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Can dealers hold back the tide on online sales?

Consumer expectations, FCA compliance and manufacturer pressure are among the reasons suppliers say online warranty sales by dealers are inevitable

NEED TO KNOW

- 'Customers expect to be able to transact online'
- Mazda, Land Rover, Audi, Renault and Vauxhall are already selling extended warranties online

By Debbie Kirlaw

Dealers have traditionally been slow to embrace online sales, such as finance or GAP, and many are currently resisting selling extended warranties online. But customers can now buy finance, tyres, parts and insurance without setting foot in a dealership and increasingly expect easy online interactions. Can dealers hold back the waters on warranties?

Probably not, say suppliers. **Car Care Plan** is one of the few companies with a structure in place enabling dealers to sell warranties online. In fact, 70% of its extended warranty sales take place online – 'white label' products sold by dealers and manufacturers via their own portal or branded purchase platforms.

Paul Newton, chief executive officer, said: "Our partners have already got to grips with offering warranty online. Online purchase is playing a significantly increasing role in sales volume and the sites are a valuable tool in helping retailers to retain their customers for longer. We all live in an increasingly online world and customers expect to be able to transact online.

"Making it easier for customers to transact should be a core aim for all dealers and letting customers renew their warranty cover online is a great way for retailers to extend their relationship with consumers. Car owners can extend warranty cover at their own convenience, can select a payment plan that fits their needs and can do all of this without tying up dealer staff in the showroom.

"More importantly, retailers can stretch their aftersales relationship with their customers beyond any complimentary

warranty period that has been included in the sale of the vehicle."

Newton said dealers need to ensure they offer customers a smooth online experience.

"That means a website that's easy to navigate, products that are easy to understand and pricing that's transparent and without any hidden surprises. Dealers also need to work with their warranty partner to make sure the offer is compliant and in line with FCA [Financial Conduct Authority] rules on selling."

Warranty companies are increasingly recognising the need to explore the online route with their dealer partners.

"Traditionally, dealers have preferred that extended warranty sales remain the preserve of the point of sale. However, in a changing market, we are encouraging dealers to look again at their approach to extended warranties and to the opportunities afforded digitally," said **AutoProtect director Nick Wake**.

While there are sound reasons to sell warranty at point of sale – it enables the product to be fully explained and enhances the customer relationship – Wake said the

THE MANUFACTURER'S VIEW

VOLVO CAR UK

Volvo Car UK offers online extended warranties to both new car customers and used car buyers, through its Volvo Selekt programme, in partnership with Car Care Plan.

It enables customers to take out an extended warranty, either with full payment or by monthly direct debit instalments.

Until now, existing customers have been directed online via a direct mail reminder, however, the brand is in the process of integrating the online warranty extension site into the main Volvocar.com/uk website so that all existing Volvo car drivers, subject to terms and conditions, have the opportunity to take out an extended warranty in this way. As a policy recognised and backed by Volvo Car UK, in the event of a fault occurring with the vehicle, the repair can be handled by any dealer in the network.

rise of the self-funded warranty and consumer online expectation would lead to more digitisation of the product.

Self-funded warranties enable dealers to cover their statutory warranty requirements without being subject to stricter FCA regulations associated with offering a full mechanical breakdown insurance (MBI) product. However, the risk remains with the dealership, as does the legal liability and administrative burden.

Wake said: "The attraction of offering an extended plan across all platforms, with the associated liability potential, has understandably been limited. However, regulation and digitisation may have some dealers re-thinking their use of such an option and this could have implications for online and point-of-sale warranty offerings.

"Dealers should make more use of a long-term MBI product as a retention and differentiator tool.

"They should also start testing online strategies that use warranties to connect to customers. A return to traditional MBI, built for the digital age, could offer dealers many benefits and less risk than their current approach."

Mapfre Warranty's 'Click & Buy' platform allows dealers to select products such as warranty, tyre and alloy and MOT insurance to distribute online either via a link from their own website or through their own email campaigns.

Nick Franklin, head of partnership & distribution, said: "What this does is gives the dealer the opportunity to meet more of their customer's needs throughout the ownership lifecycle, but without having to try and introduce a fourth or even fifth product at point of sale.

"We have already seen more integration between dealers and finance providers online. There's no reason why this principle shouldn't be extended to other products like warranty. If nothing else, there could certainly be more promotion of extended warranties online as a core part of the customer value proposition."

However, internet software and services provider **GForces** is not aware of any dealers selling warranties via its websites.

Tim Smith, group strategy director, said: "We certainly don't have any integrations with warranty companies for people to quote on and buy warranties via dealer websites. What some of our clients will display against used car stock is an indicative cost for a warranty based on their suppliers' figures."

GForces has investigated offering warranties online, but it said the level of interest did not justify further development. The time may well come when warranty quotation software appears on dealer websites, although Smith believes it is unlikely that direct selling will occur through dealer sites.

Warranty companies are effectively direct to market, he explained: "If a dealer was selling the product through their website, the warranty company is effectively competing with itself."

THE DEALER'S VIEW

SWANSWAY GROUP

Swansway, like many dealer groups, does not offer online purchase of extended warranties, but neither does the group consider it a 'point-of-sale' product.

Instead, said director Peter Smyth, it should be sold at 'point of service'.

Smyth is quick to acknowledge that as a group, extended warranties do not receive the same level of focus as products such as service plans.

He said: "With new vehicles, PCP funding is designed to persuade people to change their vehicles before the warranty expires. Aftersales is the key to keeping customers longer by utilising products such as extended warranties and service plans, but in particular, service plans. Extended warranties should be a point-of-service and not a point-of-sale product."

Smyth believes used car customers who did not buy an extended warranty when they purchased their vehicle, should be offered the product when the vehicle returns for a service: "Our service receptionists are becoming extremely good at upselling and we are seeing more uptake. Focusing our service team on selling extended warranties is something we will be looking at for the future."



Peter Smyth

"We all live in an increasingly online world and customers expect to be able to transact online"

Paul Newton,
Car Care Plan

He said FCA regulations would also probably keep warranty sales offline. Smith added that dealers only want to sell extended warranties on their own cars rather than risk higher claims with a universal online offering.

Wake agreed: "The challenge facing all direct-to-consumer warranties is the risk of adverse selection. Customers opting for an extended warranty online can display higher claims ratios. They may be purchasing based upon insight about a potential problem or simply recognise that an ageing car is more likely to develop a fault. This self-selection bias is a factor that can impact pricing."

Warranty as a retention tool

Research from **Trend Tracker** shows that manufacturers offering new cars with longer warranties benefit from higher servicing retention. However, while **director Chris Oakham** said used car warranties are "usually too short", Trend Tracker's research showed a warranty was more likely to result in motorists using their franchised dealer. When owners of sub-four-year-old vehicles who hadn't yet had their car serviced were asked, 60% said they would return to the network for the work to be carried out.

The worry for many dealers is that this preference depends on the relationship that the customer has built up with the franchise at the point of sale and that should they buy their warranty online, even from the same dealership, that servicing loyalty will be lost.

However, in the end, it may be manufacturers that give dealers the final push. Mazda, Land Rover, Audi, Renault and Vauxhall are among the carmakers already offering extended warranties online. Dealers' initial reluctance to dip a toe into digital warranty sales may soon soften if they see a revenue stream evaporate.



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INDUSTRY PROFESSIONALS SHARE THE BEST ADVICE ON MOTOR RETAIL ISSUES

Choose Just Add Water for known cost cleaning

By Jeff Hilton, automotive target market manager, Kärcher



More and more customers talk to us about flexible financing arrangements and their need to understand whole life costs. This is especially important in the motor trade, where cleaning machines are often used by a contract cleaner. As more dealerships

switch on to the benefits of using the right cleaning machines and solutions to suit their premises, it's essential that you are supported by industry-leading knowledge to ensure the right products are specified from the start.

We have just announced an innovative, easy way to manage floorcare machine specification, purchase, ongoing care and maintenance, called Just Add Water. For one fixed, monthly cost, Just Add Water allows the user to enjoy all the benefits of a fully personalised scrubber drier for their premises, including detergent, consumables and servicing.

The process begins with a comprehensive site survey to understand the specific cleaning needs. Kärcher will then advise on the machine, including specifying cleaning head, roller brush or disc pad and squeegee selection. We will also recommend the best detergent formula and calculate dosage rates, along with annualised usage and number of full water tanks per week.

This allows us to design the optimal solution and present a fully customised, three-year, all-inclusive finance lease package including warranty, servicing and consumables – providing complete peace of mind and control of costs; all you need to do is Just Add Water.

■ **Just Add Water is available until December 31, 2016, on all Kärcher Professional Scrubber Driers. To find out more, please visit karcher.co.uk/justaddwater, email cleaning@karcher.co.uk or call 01295 752142.**

KÄRCHER

Can you afford to ignore the possible effects of Brexit?

By Martin Peters, sales director, Autoclenz Group



In last month's issue of *AM*, Professor Jim Saker wrote about the potential effects of Brexit on dealers in the UK and how little any of these effects are being discussed.

I also recently read a separate article which highlighted that 6% of the UK workforce is made up of non-UK workers from the EU states. That's quite a figure, which stretches across all employment sectors, but most notably the service sector. If you were to take this current workforce out of the equation, what holes would it leave?

Valeting and associated services sit very much in this area and I would estimate that the percentage of non-UK labour significantly increases in this sector, to somewhere between 70% and 75%. So who is in your valet bay now and how could that change over the coming months if we exit the EU? Whether you manage your own in-house operation or outsource, the potential effect of Brexit would significantly affect recruitment of current EU-legislated labour.

To my mind, this strengthens the argument to outsource and give the problem to someone else, so you can focus on your core business.

Either way, Autoclenz is best placed to attract the right, fully compliant operators for your business regardless of the politics of the day.

■ **To find out more about the difference at Autoclenz, please call Lucy on 01283 554682.**

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.

A change is coming – are you ready for rising volumes?

By Simon Henstock, UK operations director, BCA



As anyone interested in the mechanics of the wider wholesale used car market will know, we are going to experience a potentially significant change in market dynamics over the coming months.

Strong new car sales over the past four years mean supplies of used cars across the broadest range of makes and models are more available at every age, mileage and condition than since the 2008 recession.

Used car buyers have almost accepted as the norm that they will have to battle for every single car. In contrast, volume vendors have generally enjoyed demand across the board, high conversions and strong values.

As volumes rise, however, expect those market dynamics to change. Buyers will have more choice and, as a result, will gravitate towards the better cars in the nicest retail colours and higher specifications and they may change the profile of stock they buy.

For anyone operating in the remarketing sector, this is when the wheat is sorted from the chaff. It is one thing to sell vehicles when demand outstrips supply – another altogether when those positions are reversed.

When volumes rise, you need the capacity, the footprint and the integrated service provision to deliver orderly remarketing into a swiftly changing marketplace. A diverse buyer base is required to accommodate every vehicle from, the nearly new ex-demonstrator car to a hard-worked commercial vehicle.

Anyone can sell nice cars in small volumes. Only the best operators can handle the good, the bad and the ugly in volume, day in and day out and still deliver market-leading results.



How to make adjustments on a VAT return

By Les Howard, VAT consultant, Lawdata

Ordinary accounting adjustments, such as if you receive a late purchase invoice or a credit note from a supplier, can be made on any VAT return, without a requirement to notify such adjustments to HMRC.

However, when you have made an error, subject to certain limits, HMRC does need to be notified. For example, if you have made an error in output tax or input tax calculations, it needs to be "corrected" in a specific way.

In principle, you can notify HMRC of every correction you make. But why would you? You will simply invite unnecessary attention from a VAT inspector, which can be disruptive to your business.

So, when can you correct an error on a VAT return? And when do you have to notify HMRC? This table tells you:

| Error | Include on return? | Notify HMRC? |
|---|--|--|
| less than £10,000 | Yes | Not required |
| greater than £10,000, but less than £50,000 | Yes, if the error is less than 1% of the Box 6 (value of outputs) figure on the return | Yes, if the error is more than 1% of the Box 6 (value of outputs) figure on the return |
| greater than £50,000 | No | Yes |

You can advise corrections on standard form VAT 652. This has space for a brief explanation. Or, send a covering letter with the form. Ideally, of course, you will word this so HMRC is confident the error was (1) genuinely made, (2) fully identified, and (3) not likely to recur.

Penalties and interest apply to the correction of errors. In many cases, an 'unprompted' disclosure of an error to HMRC will significantly reduce any penalties. Sometimes penalties are cancelled entirely.

See HMRC Notice 700/45 for more detail.

■ For specialist VAT advice, please call our legal helpline on 01767 310 000.



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Honda HR-V

One of Honda's most important cars this decade, the big-for-the-B-segment HR-V joins our fleet.

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Mazda2

Although it's hard to find anyone who will say a bad word about it, the Mazda2 has a tough fight in its segment.

FIRST DRIVE: JAGUAR F-PACE

JLR aims high with the F-Pace

Jaguar's first SUV will be its biggest global seller, says manufacturer

'This is an SUV that feels like a sports car,' says JLR



By Tom Sharpe

At a recent launch event in Montenegro, Jaguar Land Rover's UK managing director, **Jeremy Hicks**, spoke to *AM* about "future-proofing" its UK dealership network, at least in part, with a range of electric vehicles.

However, on a hillside just yards away sat the realisation of Jaguar's last look to the future – and the manufacturer believes it is poised to become its biggest global seller.

First showcased as the C-X17 concept at the Frankfurt Motor Show in 2013, Jaguar predicts its first SUV, now named F-Pace, will win 90% conquest customers in a premium SUV market that JLR expects to double, to 1.4 million units, by 2020.

Hicks said the popular XE saloon – currently claiming about 20% market share – would continue to be the UK's most popular Jaguar, but added: "F-Pace will probably be our biggest seller worldwide.

"It is hard for a British audience to comprehend, but this is the model that will be an introduction to Jaguar in many markets.

"Across the globe, the first car many people come to associate with Jaguar will be an SUV."

The 250-strong run of fully-specced, £65,035 F-Pace First

"This is the model that will be an introduction to Jaguar in many markets"

Jeremy Hicks,
managing director,
Jaguar Land Rover UK

Edition models sold almost immediately in the UK when they opened for orders in September last year.

Given demand for that car, Jaguar's price of £34,170 for the entry-level Prestige 2.0D – in a range topped by the £51,450 V6 'S' – should guarantee a warm response.

As the model arrived in dealerships in mid-April, new customers faced a four-month wait. Hicks said one of the key tasks would be "managing lead times".

Three F-Pace drivetrains are available within the F-Pace range from launch, with a choice of Prestige, R Sport, Portfolio and S specifications.

A 178bhp Ingenium 2-litre turbodiesel is available with rear- or all-wheel-drive – with a choice of manual or automatic transmissions in the latter – offering CO₂ emissions from 129g/km and 57.7mpg fuel efficiency in its most rudimentary form.

Claims of an 8.9-second dash to 62mph and a 138mph top speed are no doubt assisted by a lightweight chassis, which employs 80% aluminium to deliver a class-leading 1,665kg kerb weight among rivals largely weighing in at more than 1,800kg.

Performance-focused 296bhp 3-litre V6 twin-turbocharged diesel and 375bhp 3-litre supercharged V6 units reach 62mph



Following a sell-out First Edition run, JLR said 'managing lead times' would be a key task



Jaguar's InControl Touch infotainment systems take centre-stage in the cabin

in 6.2 and 5.5 seconds respectively, with top speeds of 150 and 155mph.

Both V6 engines are available only with all-wheel drive and the eight-speed ZF automatic transmission, the diesel returning claims of 47.1mpg and 159g/km, the supercharged unit 31.7mpg and 209g/km.

The F-Pace's Key rivals will be the Audi Q5, BMW X3, Mercedes-Benz GLC-Class and Porsche Macan.

JLR director of design Ian Callum's lines will undoubtedly give the F-Pace an initial edge in the eyes of many, but a blend of Land Rover off-road ability, Jaguar dynamics and its latest technology suite are what JLR hopes to succeed with.

The choice of rear-wheel drive or an Intelligent Driveline Dynamics all-wheel-drive system, which sends 90% of torque to the rear in most driving conditions, helps to deliver on the dynamic promise, along with torque vectoring, a system delivering minute braking inputs to inside wheels to improve cornering accuracy.

The all-wheel drive was ably demonstrated during extensive off-road driving exercises in Montenegro, which put the F-Pace's hill descent control and All Surface Progress Control (ASPC) to the test.

Part of an Adaptive Surface Response system, which

tailors the drivetrain to the terrain, ASPC operates like a low-speed cruise control at speeds of 3km/h to 30km/h, to negotiate snow, ice and wet grass.

The F-Pace's safety equipment uses stereo cameras to provide automated emergency braking with pedestrian recognition, lane-keeping assist and traffic sign recognition.

The array of on-board sensors also equips the F-Pace with a blind spot monitor, reverse traffic detection and adaptive cruise control with queue assist, allowing the F-Pace to follow crawling traffic at a safe distance.

It's 2,874mm wheelbase not only aids ride comfort and stability but liberates impressive rear legroom and 650 litres of boot space.

The F-Pace interior feels very much like the newcomer to the Jaguar range too.

A 12.3-inch HD virtual instrument cluster relays all the usual essential readouts as well as radio, trip computer and satnav displays via a crisp and colourful display, while an optional laser head-up display (£1,220) projects the same functions into the driver's eye line.

Taking centre-stage is Jaguar's latest InControl Touch infotainment systems.

The standard version delivers satnav, trip information, Bluetooth phone connectivity and parking sensor info to the cabin via an eight-inch screen.

The optional InControl Touch Pro system (from £1,710) functions via a 10.2-inch touchscreen. The system transforms the F-Pace into a Wi-Fi hotspot and can deliver Google Earth satnav imagery, 360-degree destination views and a host of online apps.

Anticipating that the F-Pace will reduce the average age of a Jaguar customer by 10 years, Jaguar has also ushered in the optional (£300) Activity Key.

Designed for those with active lifestyles it is a wrist band – waterproof to 20 metres – which allows the keys to be locked in the car during active pursuits. Returning to the car, a touch of the band on the 'J' of the boot badge unlocks the vehicle.

JLR officials are playing down the impact that the F-Pace could have on sales of the Land Rover Discovery Sport (£31,095 to £46,510), Range Rover Evoque (£30,600 to £52,200) and Range Rover Sport (£62,700 to £95,900).

However, Hicks said JLR had given Land Rover dealers the opportunity to drive the F-Pace on a manufacturer trip to Miami in an attempt to "convince" them that its new creation was a sufficiently different animal to its established 4x4s.

He said: "They were blown away. Typically, they said that it drives like a Jaguar. This is an SUV that feels like a sports car."

SPECIFICATION

Price £34,170–£51,450

Engine 2.0 Ingenium, 178bhp;
3.0 V6 twin-turbo diesel, 296bhp;
3.0 V6 supercharged, 375bhp

Performance: 0–62mph 5.5–8.9 seconds, top speed 138–155mph

Transmission: 6sp manual, 8sp automatic, RWD, AWD

Efficiency: 37.1–57.7mpg,
129–209g/km CO₂

RV 3yr/30k: 49.84%

Rivals: Audi Q5, BMW X3,
Mercedes-Benz GLC-Class,
Porsche Macan

WHAT YOUR CUSTOMERS WILL READ ABOUT THE F-PACE

CAR MAGAZINE

It's comfortable on the road and full of modern kit, even in the lower-spec versions. Don't forget that while you can't get the V6 engines in these versions, the Ingenium has better fuel economy and lower tax costs along with all of the grunt you'll need.

THE TELEGRAPH

Jaguar prides itself on segment-busting, which means its models often straddle distinct market segments. Dynamically, the F-Pace sits between the Porsche Macan and more staid rivals, in space it leads the class, and prices aren't outrageous.

AUTOCAR

It feels like a Jaguar, which is precisely as it should be. There's clear air between this and a Discovery Sport or Range Rover Evoque. But if you want a tall car that's good fun to drive, this or a Macan are your best destinations.

HONDA HR-V EX 1.6I-DTEC

A high-spec and spacious SUV



SPECIFICATION

| | |
|------------------------|---|
| Price | £27,265 |
| Engines | 1.6-litre turbodiesel: 118bhp |
| Performance | 0-62mph 10.5secs; top speed 121mph |
| Transmission | 6sp man |
| Efficiency | 68.9mpg, 108g/km CO ₂ |
| RV 3yr/30k | 40% |
| Start mileage | 8,098 |
| Current mileage | 9,061 |
| Rivals | Hyundai Tucson, Jeep Renegade, Kia Sportage, Nissan Qashqai |

WHAT'S BEING SAID ABOUT THE HONDA HR-V

WHAT CAR?

In some ways it is actually more practical than the Qashqai, and you get even more active safety aids, including traffic sign recognition and a system that helps you reverse out of your driveway onto a busy road. It's also predicted to hold on to its value.

TOP GEAR

It's a pretty sophisticated thing inside... and the packaging is something else. Rear space is positively generous. Not as good to drive as we hoped, but the interior design and space make up for it.

By Tim Rose

After six months of faithful service from a Honda Civic, we've swapped over to a HR-V, one of Honda's most important cars this decade and winner of the reader-voted 2016 AM Award for New Car of the Year.

This car is pretty spacious inside – boot space is 453 litres – and larger than typical B-segment SUVs such as the Nissan Juke and Vauxhall Mokka, so Honda is putting the HR-V in competition with the Nissan Qashqai and Hyundai Tucson in the C-SUV segment. As such, Honda UK has priced the crossover from £18,495. It just undercuts the cheapest Qashqai and Tucson in doing so, albeit for this money the buyer gets a rather noisy 128bhp 1.5-litre petrol-engined model in S trim, whose equipment highlights include front and rear parking sensors, DAB radio, Bluetooth,

“The HR-V may be an SUV with a coupé’s roofline, but it’s genuinely practical”

climate control and cruise control.

Our car is a highest grade EX model with the same 118bhp 1.6-litre turbodiesel used by the Civic, which promises more than 60mpg and a £20 road tax bill. It costs more than £7,000 more than the entry grade HR-V, so will appeal most to the Honda faithful who have plenty of disposable income, but it does come loaded with kit as a result. A panoramic

roof, leather interior, rear-view camera and LED headlamps are highlights.

Other useful features are Honda's 'Magic Seats', which allow the base of the rear seats to fold up to free up extra load space in the rear, and the Honda Connect touchscreen infotainment system with navigation and internet access. 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.

The HR-V may be an SUV with a coupé's roofline, but it's genuinely practical, and Honda's dealer network shouldn't struggle to sell the few thousand being shipped across from Mexico. A 5.9% APR PCP promotion is currently in their armoury, and a high value offer of five years' servicing for £555 is a compelling add-on that will ensure dealers can secure that vital annual contact with the buyer.

Guess the car competition



John Wilkinson, group procurement and purchasing manager at Marshall's Mercedes-Benz of Bolton dealership, correctly identified the Volkswagen Derby in last month's issue.

See if you can identify this month's model for your chance to win a

£20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, June 10.



MAZDA2 1.5 SE-L NAV

The Mazda2 has a tough fight in its segment



By Tim Rose

We've passed the half-way point in our long-term test of the Mazda2 supermini. Since its launch in March 2015, the model has provided a welcome volume boost to the Japanese brand's dealer network.

Examining supermini sales since the start of this year shows that the Mazda2 faces stiff competition in its attempt to receive broader attention in a big pond. It is currently 12th in the segment, and fighting hard to overtake the Hyundai i20 and Suzuki Swift. In the retail market alone, however, it is in 11th place with 3,204 registrations, just behind the Swift but ahead of the i20, whose volumes have fallen by almost a third.

Of course, the Mazda2 has little

"Buyers are singing the Mazda2's praises. Purchasers rate it 9.1 out of 10"

chance of catching the likes of the Ford Fiesta, Vauxhall Corsa and Volkswagen Polo. This trio accounts for 53% of retail supermini registrations – the Fiesta alone has taken 24% of the market with its 28,424 registrations in the first four months of 2016.

Nevertheless, buyers are singing the Mazda2's praises. Purchasers rate it 9.1 out of 10 on Reevoo, which is proudly displayed on Mazda's website. Comments include: "Comfortable and beautifully finished"; "Good performance and fun to drive"; and "smooth, comfortable and an attractive car inside and out". Buyers' gripes are scarce, but seem to concern some of the technology, such as the i-Stop stop-start system and the navigation system being complicated to use.

Another nice touch alongside the Reevoo information is the function to 'ask an owner' as well as previously asked questions.

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 CO₂

RV 3yr/30k 38%

Start mileage 671

Current mileage 6,839

Rivals Ford Fiesta, Vauxhall Corsa, Renault Clio, Peugeot 208

ADVERTISING FEATURE

ARE YOU RECORDING AND STORING FCA DATA PROPERLY?

By James Tew, director, iVendi



Dealers take the issue of FCA motor finance compliance very seriously, in our experience, with the possible exception of one key area. Our experience is that a significant minority are failing to record and store FCA data properly.

Most of these dealers are simply using a spreadsheet that is open to all users to record basic information. There is no central control over the document and often a sloppy attitude to ensuring the ongoing integrity of the data. It is very haphazard.

In our view, this is an accident waiting to happen. The data could easily be corrupted or lost and attempting to rebuild an audit trail would be extremely difficult or even impossible. If you were investigated by the FCA, you would have serious questions to answer.

That is why, at no extra cost, iVendi is adding an automatic FCA compliance data back-up tool to its latest generation of the iVendi Platform, which was launched in January and is designed to manage all aspects of dealer motor finance activity.

We have added this feature very much in response to the data issues we have seen at a wide variety of dealers. For users of our Platform, it provides a complete FCA-compliant data back-up to our secure servers without the dealer having to do anything. It is the only solution of this type on the market, we believe.

It can also be adopted by dealers who do not use the Platform for all of their motor finance activity, although in these circumstances, more of the data has to be added manually. In this case, it still provides a complete data infrastructure and back-up.

This is an issue that all dealers providing motor finance need to take seriously and we believe our solution is the most elegant and effective available.

■ iVendi recently gained full authorisation from the FCA, one of a handful of companies in its sector with this degree of accreditation.

Contact details:

www.ivendi.com

E-mail: enquiries@ivendi.com

Phone: 0845 226 0503





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Whilst prestige experience will be a benefit, attitude and character are more important to us. We will want to see that you have strong leadership abilities and deeply care about customer satisfaction and customer loyalty.

We offer a highly competitive remuneration package that is designed to attract and retain the best applicant together with significant career development opportunities.

If you recognise yourself in the description above, we want to meet you to discuss how you can help Group 1 achieve its exciting objectives in the UK and how we can help you achieve complete job satisfaction and career development. So if you have ever wanted to head a department which represents one of the best automotive manufacturers, this is your opportunity. Please contact Trevor Jones, Head of Business trevor.jones@spireautomotive.com

Global Automotive Company Hiring Now

We are currently recruiting for a global automotive manufacturer based in Luton, UK and have opportunities for English, German, French, Italian, Dutch speaking consultants.

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Working within a team the Technical Consultant is responsible for providing technical solutions to enquiries raised by the Dealers. To assist in resolving these enquiries as quickly and effectively as possible, the Consultants will need to access databases, view information used in prior cases and their rely on their own practical experience.

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- Problem Solving
- Follow process for questioning dealers
- Research Internal/External media
- Seek support from colleagues / Team Leaders / Back Desk
- Document all concerns and escalations
- Ensure quality standards are met or exceeded

To apply please email
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minacs

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SPONSORED DEALER PROGRAMME



2015 was a record-breaking year for Volvo Cars selling more than 500,000 cars globally for the first time in its 89-year history

In the UK, Volvo enjoyed its best sales result for 21 years. The award-winning All-New Volvo XC90 kick-started the introduction of a stunning range of new products that will see Volvo's full portfolio completely renewed over the next four years, driving further growth in the UK and globally.

In light of this success and continued growth forecast,

Volvo is looking for a small number of talented individuals to join its network as Sponsored Dealers. Candidates should be able to demonstrate a successful track record in the retail motor sector and be prepared to invest a low six figure sum. They must be driven and ambitious, and ready to make sacrifices to get the new business off the ground.

If you are interested in this exciting opportunity, in the first instance and in strict confidence please contact:
Tim Worrall - Avalon Management Consulting Ltd tel: 07720 443910 email: t.worrall@avalonconsult.co.uk



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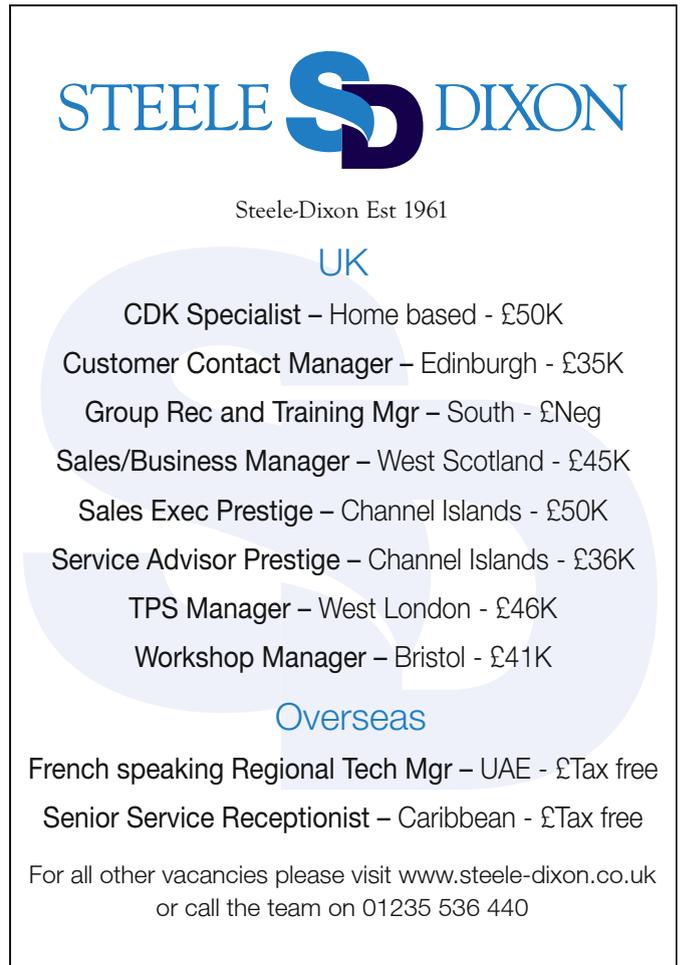
ACCOUNTANCY

| | | | |
|-------|----------------------------|------------|----------------|
| 11681 | Temp Dealership Accountant | Gtr London | To £45k pa Neg |
| 11679 | Temp Dealership Accountant | Kent | £45k pa |
| 11660 | Temp Management Accountant | London | £35k pa |
| 11659 | Dealership Accountant | Suffolk | £37.5k pa + + |
| 11638 | Temp Management Accountant | Gtr London | £Neg |
| 11635 | Dealership Accountant | Hampshire | £45k pa + ++ |
| 11630 | Management Accountant | Gtr London | £40k pa + ++ |
| 11629 | Management Accountant | Gtr London | £40k pa + ++ |
| 11628 | Management Accountant | Gtr London | To £35k pa |
| 11624 | Temp Management Accountant | Bucks | £37k pa |
| 11611 | Temp Dealership Accountant | W Midlands | £Neg |
| 11610 | Dealership Accountant | Leics | £40k pa + |
| 11604 | Dealership Accountant | Essex | To £50k pa + |

OPERATIONAL

| | | | |
|-------|---------------------------|---------------|----------------|
| 11687 | Sales & Business Managers | Durham | OTE £60k |
| 11686 | Sales Executive | Hampshire | OTE to £65k |
| 11685 | Dealer Principal | Co. Durham | OTE £100k+ |
| 11684 | Sales Executive | Surrey | OTE £40k |
| 11682 | Service Manager | Wiltshire | OTE to £50k |
| 11680 | Service Advisor | Bucks | OTE £32k |
| 11677 | General Sales Manager | Aberdeenshire | OTE to £40k ++ |
| 11676 | Sales Manager | Worcs | OTE £55k OTE |
| 11672 | Parts Advisor | Berkshire | OTE £22k |
| 11670 | General Manager | Kent | OTE £85k |
| 11669 | Vehicle Administrator | Lancashire | OTE £20+ |
| 11668 | B2B Sales Consultant | W Midlands | OTE £45k |

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- Sales Exec Prestige – Channel Islands - £50K
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CBS
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Development Manager

Job Type: Permanent full time

Locations: South West /South Wales

Job Description:
Car Benefit Solutions are the UK's leading provider of car ownership schemes in partnership with 22 leading Motor Manufacturer Brands. Owing to the unprecedented growth across all schemes, a new exciting opportunity now exists to join the field based Development Manager Team.

Working closely across all manufacturer partner dealer networks, the role is centred around maximising employer and employee participation of a unique employee benefit in the form of an employee car scheme. This involves interacting with all tiers of the dealer network's management and employee community.

This is both an exciting and diverse opportunity that requires a motivated and organised self-starter. You should be comfortable dealing at director level, possess a good understanding of both a dealership's framework and knowledge of the motor retail network is essential. Previous account management experience is preferable.

To find out more or to apply, please send a covering letter accompanied by your CV to:

Company: Car Benefit Solutions
Contact Name: Ian Parker (Operations Manager South)
Email: iparker@carbenefitsolutions.co.uk
Address: Car Benefit Solutions,
The Barracks,
Bolton Road, Bury,
BL8 2DA

www.carbenefitsolutions.co.uk

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Email: AM@bauermedia.co.uk



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Subscriptions
01635 588494. Annual UK subscription £99, two years £168, three years £238. Overseas one year/12 issues £149, two years £253, three years £358.

AM is published 12 times a year by Bauer Consumer Media Ltd, registered address Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA. Registered number 01176085.

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Printing: Headley Brothers Ltd, Kent

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Suzuki

Sales and marketing director Dale Wyatt explains why new launches and reliable profits are giving its dealer network reason to be cheerful.



Supplement: The Spring 2016 AM100

The trends within the UK's largest franchised dealer groups.

First drive: McLaren 570GT

The sports car manufacturer pitches its newest model range against the Porsche 911 and Audi R8.



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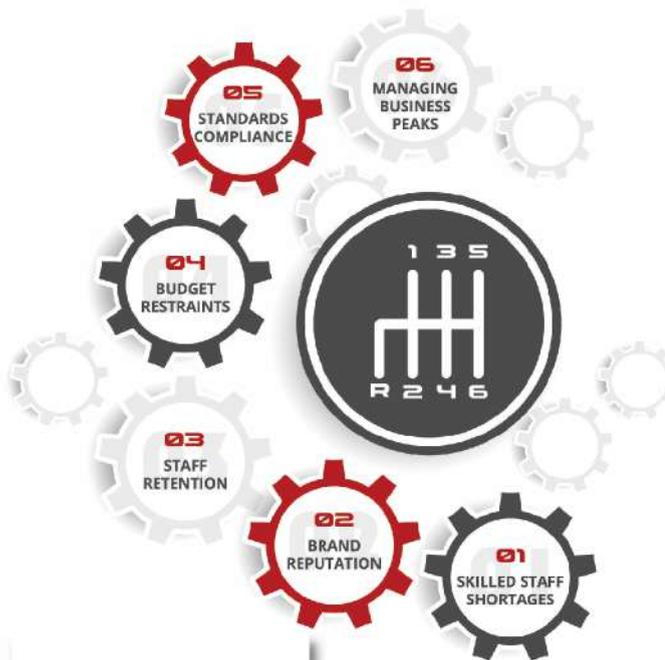
The Williams Group currently has 5 BMW and MINI centres, including 4 bodyshops, in addition to operating Jaguar, Land Rover and BMW Motorcycles franchises.

We currently have a fantastic and rare opportunity for an experienced Head of Business at our BMW and MINI retail centre in Manchester. The centre is set to undergo a fabulous redevelopment later this year, which will make it the best retail centre in Europe.

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