

AM

AUTOMOTIVE MANAGEMENT

AM LIVE REVIEW / P21

Expert advice on how
to run a better dealership



TRUSTFORD / P30

NEW HORIZONS

Chairman Steve Hood on shifting
TrustFord's strategic focus toward
used cars, online sales and fleet



SQUARE DEALS / P37

The critical
elements to
seal the sale



BEST PRACTICE / P54

'Treat social media
like you are running
Netflix – put on a show'

CITROËN C3 / P80

Looking for a
bump in the
B-segment





AM AWARDS: 2017

February 9 2017
The ICC, Birmingham

An evening dedicated to acknowledging exemplary performance and innovation is fundamentally important to our industry; high achievers deserve their time in the spotlight.

But the AM Awards is much more than a glitzy night out among friends and colleagues.

An AM Award brings with it the respect of the industry and publicly acknowledges the importance of your people and helps to strengthen the confidence of an individual or teams – as well as provide an independent mark of quality in your business that can be incorporated into your marketing strategy.

To book your tickets, please visit
www.am-awards.co.uk

Limited
sponsorship
opportunities
now available,
contact us for
details

Sponsors



For more information contact **Paige Phillips** on **01733 395133** or email **paige.phillips@bauermedia.co.uk**



am-online.com



am@bauermedia.co.uk



@amchatter



am-online.com/linkedin



facebook.com/automotivemanagementUK



am-online.com/ami/

Is 2017 going to be another year of shock and surprise?

Thinking back on 2016, it has been a year of shocks and surprises. But it has also been a period of a fair few innovations.

At the beginning of the year, it seemed possible that the UK's referendum on its membership of the European Union would merely send a strong message that we expected changes to the organisation. However, instead, we are set to leave. It also probably seemed unlikely back then that America would choose Donald Trump to be its next president.

In our industry, there have also been a few surprises. Marc Matthew and Peter Isted sold their AM Award-winning dealer group, Lifestyle Europe, to Hendy Group. Wessex Garages was taken over by Japanese-owned VT Holdings, and US-owned Group 1 Automotive grew its UK footprint rapidly by acquiring Spire Automotive.

Innovations have included SsangYong embedding sales-focused 'customer champions' in authorised repairers around the M25 after struggling to fill open points in London, and Group 1 partnering with Seat to open a permanent retail 'store' at Lakeside Shopping Centre near London.

Away from the capital, Peter Vardy has developed its second CarStore customer-centric used car outlet at Dundee, and Pendragon continues to roll out its Car Store sites to secure a national footprint for its Evans Halshaw Move Me Closer online car purchase service.

With all of that in the background, who knows what the next 12 months have in store?

In any case, I and the AM team wish you a Merry Christmas, and a prosperous 2017.



Tim Rose
Editor

IN THIS ISSUE

"It's really important that we have e-commerce to add to what we're doing, not make it a replacement opportunity"

Bek Hassan, Citroën and DS, Page 6

"We should not be feeling as though there is any kind of crisis under way. Conditions are simply likely to become a little more difficult"

Rupert Pontin, Glass's, Page 13

"Keeping our more 'senior' customers happy may have a bigger impact than we fully realise"

Jim Saker, Page 36

DEALERS AND SUPPLIERS IN THIS ISSUE:

Alpha Financial Services.....	27
ASE.....	15
Auto Trader.....	11
Barclays Partner Finance.....	47
BCA.....	17
Bolton Kia.....	42
Call It Automotive.....	38
Cambria Automobiles.....	8, 54
CAP.....	13
Car Care Plan.....	27
CarGurus.....	11
CDK Global.....	39
CitNow.....	22
Citroën.....	6, 80
Consumer Credit Advisory Service.....	26
Contact Advantage.....	39
Cooper Solutions.....	24
Cox Automotive UK.....	10
Customer Plus.....	49
DealerWeb.....	39
DealTrak.....	47
DS Automobiles.....	7
Edynamix.....	25
Electric Dog.....	54
Gforces.....	24
Glass's.....	13
Hendy Group.....	42
Honda.....	10
HR Owen.....	8, 42
Independent Motor Auctions.....	10
Ivendi.....	23
Jaguar Land Rover.....	10
JudgeService.....	25, 51
Luscombe Motors.....	61
Mapfre Abraxas.....	23, 47
Marketing Delivery.....	24, 38, 54
Marriott Motor Group.....	10
Marshall Motor Group.....	11, 54
Mercedes-Benz Retail Group.....	26
Mitsubishi.....	83
Motorline.....	8
Mussay.....	49
NFDA.....	8, 22
Nissan.....	82
Ogilvy & Mather.....	54
RA Creamer & Son.....	10
RAC.....	10
SMMT.....	8, 13
Sturgess Motor Group.....	61
Swansway Group.....	10
Symco.....	38
Sytner.....	39
Taylor Wessing.....	27
TestDrives2U.....	43
Thompson Motor Company.....	10
Thurlow Nunn.....	61
TLT.....	26
Toyota Financial Services.....	47
Trusted Dealers.....	49
TrustFord.....	30
Vee24.....	39
Vertu Motors.....	10
Volkswagen.....	10
Volvo.....	54

30

FACE TO FACE: TRUSTFORD

STEVE HOOD ON WHY TRUSTFORD WILL FOCUS ON USED CARS, FLEET AND ONLINE SALES



80

CITROËN C3 LOOKING FOR A BUMP IN THE B-SEGMENT



3



21

For the latest motor retail industry news, visit am-online.com
Sign up to get AM news daily by email: am-online.com/newsletter



7 SQUARE YOUR SALES
THE FOUR CRITICAL ELEMENTS
YOU NEED TO SEAL THE DEAL



AUTOMOTIVE MANAGEMENT LIVE
ALL THE EXPERT ADVICE FROM
AM'S FIRST EXHIBITION



YOUR NEWS

- 6 News insight**
Citroën banks on new products and online sales platform for rebound in dealer sentiment.
- 8 News digest**
The NFDA announces it will meet with Government ministers in February; Cambria posts 53.2% rise in pre-tax profit; Swansway takes over Thompson Motor Company; and Auto Trader says direct car sales are its biggest threat.

MARKET INTELLIGENCE

- 13 2017 market predictions**
Analysts agree that the new car market will fall in 2017, but not by how much.
- 14 New car registrations**
Fleet sales accounted for more than half the new car market for the first 11 months of the year.
- 15 Dealer profits**
The average UK motor retailer made a profit of £187 in October.
- 17 Used cars**
Used values fell in November, but are still ahead year-on-year, says BCA.

AML REPORT

- 21 Automotive Management Live Review**
AM's inaugural exhibition brought together almost 500 visitors and more than 60 exhibitors to network and share best practice.



INSIGHT

- 30 Face to Face: TrustFord**
Despite his move to Shanghai, chairman Steve Hood is still focused on the UK, where used cars, fleet and online sales form a large part of his 2017 strategy.
- 35 AM Executive Breakfast Club**
Treating employees like grown-ups will make them more productive, says former BBC HR director Lucy Adams.

36 Prof Jim Saker's view from the business school

Why car buyers trust family and friends more than Facebook.

38 Handling enquiries

Training staff to engage customers efficiently on every communication channel will minimise lost sales.

42 The test drive

In-depth knowledge and flexible service can help the test drive to redress the shift to digital.

47 Finance

Many suppliers see self-service as the key to compliant F&I sales.

49 The handover

More of the customer purchase journey is moving online, so make sure your handover is memorable.

61 Warranty

Prepared dealers can make the warranty experience into an opportunity.

AM BEST PRACTICE

54 Social media

Eight experts advise dealers how to use social media effectively and efficiently.

SHOWROOM

80 Citroën C3

Citroën has high hopes that its new-look C3 will be a top 10 performer in the B-segment.

82 Nissan Leaf

AM finally overcomes its anxiety about the EV's range.

83 Mitsubishi Outlander

Mitsubishi is trying hard to become a 'must-have' brand with consumers.

COMING SOON

86 In the new-look AM – published January 27

Vauxhall MD Rory Harvey on why its dealer network is backing its fight for market share; Auto Trader's chief executive Trevor Mather says it wants a role in facilitating manufacturers' direct sales; and the Toyota CH-R reviewed.

Half of Citroën's franchised dealerships will lose their DS representation from 2018



New cars and online sales will fix post-DS slump, says Citroën

Profitability has dipped, market share is falling and it finished bottom of the latest dealer attitude survey, but Citroën says 'we are in this for the long haul'

By Tim Rose

Citroën is banking on new products and an online sales platform to help its dealers offset the loss of the highly profitable DS franchise.

Citroën officially informed the franchisees in its 182-strong dealer network in summer 2016 that half of the sites will not represent the DS Automobiles premium-sub brand from 2018 ('Citroën tells franchisees half their sites will lose DS brand' – *AM* December).

Citroën and DS Automobiles managing director Bek Hassan and Citroën global chief executive Linda Jackson have since tried to reassure the UK network.

"The UK is a really important market for the brand, and we are in this for the long haul," Hassan said.

"We have these short-term challenges, yes, but ultimately we'll fix those challenges with our dealers, we'll do it together."

He said UK Citroën franchisees have seen the product pipeline, with increased volume expected from the new C3 (see our review on Page 80), and other unspecified models further ahead – Jackson told *Automotive News Europe* in early December that the brand was working on "an SUV with a twist".

She said: "Citroën will have an SUV. We are going to produce a vehicle in 2018 or 2019 based on the Aircross SUV concept we showed at the [2015] Shanghai show."

Hassan said the launch of an online sales platform in 2017 would support the network's sales, not compete with it.

"We'll work with our dealers to make it work for them and for us," he said. "It's designed for those customers don't have the time or inclination to walk into a dealership, but still want to buy some of our goods and services. It's a supplement to what we do, not a replacement of what we do today. That's the primary reason we have e-commerce."

Auto Express reported in October that Citroën was looking at a "fixed price" model for its online sales. At the time, Jackson said: "We call it 'fair pricing' where you get a clear price and you don't have to negotiate."

"We're testing this idea. And we have to work it through the dealer networks to make sure they're onboard with it."

Citroën is still considering how dealers can be rewarded for their roles. It acknowledged that there

ONE CAR AND VR – IS DS'S 'URBAN STORE' THE DEALERSHIP OF THE FUTURE?

The world's first DS Automobiles 'urban store' has opened at the Westfield London shopping centre.

The custom-built permanent store, operated by the carmaker's own Robins & Day retail group, aims to raise awareness of the DS brand, and to fulfil sales – about 150 units in its first year, *AM* understands.

Westfield London has an annual footfall of about 27 million, and Robins & Day had previously operated a pop-up outlet there.

Following its success, it decided to create a permanent presence, to make DS stand out to West London's shoppers and tourists visiting the complex.

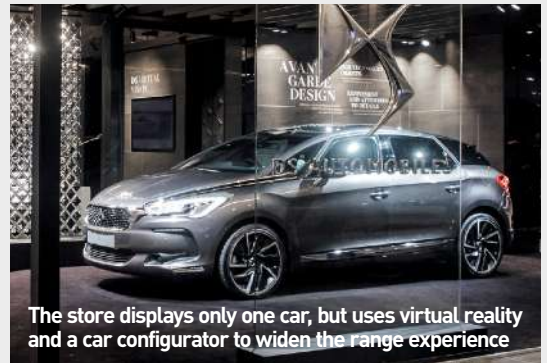
Stéphane Le Guével, director general of Peugeot Citroën Automobiles UK, said the store had been a year in the planning. "There's a clear correlation between customers for DS and the customers at Westfield," he added.

DS, launched as a styling sub-brand to Citroën six years ago, aims to become a standalone premium brand – which the carmaker concedes will take at least two product lifecycles.

Le Guével said spontaneous awareness of the DS brand currently stands at just 3% in the UK – too few consumers know about it.

The store displays only one car, but has a Dassault Systemes virtual reality device, which enables any prospective buyer to interactively experience the details, colours and accessories available to personalise any of the DS range.

Appointments to test drive can be booked on-site or in advance and fulfilled at the



The store displays only one car, but uses virtual reality and a car configurator to widen the range experience



complex – it can call on the demonstrator fleets of other Robins & Day DS outlets in London.

Other features of the outlet include a coffee lounge area with a car configurator table, swatches of leather, an accessory boutique and a private room for arranging finance options and signing contracts.

The seven staff work to a rota, with at least three manning the store at any point, and include some with expertise in regulated

finance. An off-site call centre supports it.

Pri Patel, who manages the team, told *AM* the outlet makes extensive use of smartphone apps such as Whatsapp, Rotacloud and Yammer to control staffing, cut down on administration and to share information.

The staff conduct prospecting, he said, but only to people who have visited the urban store or engage with them through social media.



"It's really important that we have e-commerce to add to what we're doing, not make it a replacement opportunity"

Bek Hassan, Citroën and DS Automobiles

is a different cost to the dealer in e-commerce as opposed to a traditional customer the dealer attracts and brings through the door. The implications of the margin and the cost must be considered, said Hassan.

"It's really important that we have e-commerce to add to what we're doing, not make it a replacement opportunity [where] you'd do some e-commerce deals on a lower margin than you would in the showroom."

With the new C3, Hassan said, there will be a larger mix of retail business, so it provides immediate leverage to improve, albeit volume supply won't come until Q1 2017.

Citroën believes the new generation C3 has potential to become a top 10 B-segment seller, which under current market conditions would mean more

than 17,000 registrations annually. The outgoing model was 17th in the segment.

Hassan said 97% of the cars Citroën sells go through the dealer network, so if it plans to increase its registration volumes, it will adjust targets, which are given monthly on a total volume basis.

"We feel we give the right targets to achieve the volume we're trying to achieve, understanding that it's always an emotive subject in the good times as well as the bad times.

"Emotion and motivation are directly linked, so if you don't motivate your dealers with some belief, you've a problem. So we have to get the targets right and our commitment is to do so."

However, Hassan would not reveal the market share Citroën is aiming for. For the first 11 months of 2016, it had 2.4% of the new car market, a 0.6ppt

decline year-on-year. DS has grown its market share by 0.3ppts to 0.6% over the same timeframe.

On the split with DS, Hassan recognised it has caused "hesitancy and concern over the future".

The official notice to dealers coincided with a period when the average profitability of the network has slumped from 1.2% to 0.5% after a lack of focus on retail sales.

Hassan said the brand knew franchisees had concerns, but he hadn't expected Citroën to come bottom for franchise value in the latest NFDA Dealer Attitude Survey.

"Clearly, the NFDA results were disappointing. We're not oblivious to the fact our dealers are saying they're unhappy, there's a problem, and the only thing we can do with that is react and work with them to resolve their problems," he said.

After the NFDA survey, Citroën spoke with its dealer council and dealer forums.

"I guess the separation of the two brands inevitably has caused some hesitation with our dealers, because separation of brands happens almost once in a lifetime, and this is something new for our dealers.

"We can't be oblivious to the impact of going through this transition, and it's really important to our dealer partners that we work with them, because they're the backbone of what we do."

FOR DAILY NEWS, VISIT:
am-online.com

TO GET AM'S FREE DAILY NEWSLETTER,
VISIT: am-online.com/newsletter

FOLLOW AM ON TWITTER: @amchatter

10

The Queen's Jaguar dealer closes its doors

R A Creamer & Son will cease trading after declining to meet JLR's dealer standards.

11

Direct sales 'the biggest threat to Auto Trader'

Manufacturers selling cars directly threaten classified site, says CEO Trevor Mather

BREXIT

NFDA and retailers plan to meet politicians in February

The NFDA said it will meet politicians in the House of Commons in February to discuss Brexit as retailers called for representation at UK PLC's "top table".

It follows a meeting between manufacturer representatives including BMW, Ford, Honda, Jaguar Land Rover, McLaren, Nissan, Toyota and Vauxhall and the Secretary of State for Exiting the European Union, David Davis, along with DFT and BEIS ministers, at an SMMT roundtable event in December.

Davis has said that the Government's Brexit plan will not be published until February.

The NFDA has yet to reveal which ministers will attend its meeting, but said it would allow director Sue Robinson and a delegation of retailers to highlight the importance of the retail sector and lobby on the need to consider Brexit's effects on the franchised network.

Some dealership and group bosses reacted to the manufacturers' meeting as evidence that the retail side of the industry was being "overlooked."

However, **Daksh Gupta, Marshall Motor Holdings chief executive**, – one of the retailers who will attend February's meeting – said that was not the case. Gupta said: "There are certain things that the



NFDA and SMMT do work very closely on, but I think it is a positive thing that we, as retailers, will have our own discussions with ministers in the new year.

"Although our fates are aligned in some ways, the changes affecting the OEMs after the referendum are quite different to those facing the retail side of the industry."

Graham Jacobs, Picador chief executive, said it was essential that retailers and the NFDA joined the SMMT at the "top table" during economic discussions.

He said: "As a member of the NFDA that's where I want them, without question."

"Over the past two or three years, the manufacturers have gained more and more control. It does feel like retail is overlooked at times."

The SMMT told AM that its event had been organised by the Department for Exiting the European Union and that it had not been responsible for the guest list.

The NFDA said it had a "strong and constructive working relationship" with the SMMT, with Robinson meeting Mike Hawes, SMMT chief executive, monthly.

It added: "The NFDA, representing retailers, has met with a number of MPs and ministers on a regular basis since the party conferences in October and we will continue to do so in the coming months."

"In addition, we have a meeting scheduled for the beginning of February at the House of Commons, which a number of dealers will be attending."

IN BRIEF

MOTORLINE GROUP

Motorline Group has started work on an £8.5 million showroom and service facility for its Nissan and Skoda franchises in Dartford. Planned to open in 2017, the 12-car Nissan and 10-car Skoda showrooms will replace the Princes Road facility and are being built on a 2.5-acre site at The Bridge, a 264-acre development adjacent to the Dartford Crossing.

HR OWEN

Berjaya Philippines has bought the remaining shares in HR Owen. Berjaya Philippines owned 72.07% of HR Owen and has bought the car retailer's remaining 26.31% stake for £149.8 million at £2.25 per share.

MOTABILITY

Car dealers who manage Motability scheme customers are being urged to sign up for free business briefings early next year. The half-day events, hosted by Motability Operations, aim to help dealers secure the highest level of rewards from the scheme. Briefings will take place in Birmingham, Bolton, Leeds, Newcastle, Belfast, Scotland, Duxford, Wales and at Heathrow Airport.

CARSNIP

Carsnip has surpassed its target to attract listings from 5,000 car dealers six months earlier than expected. About 6,500 dealers use the search engine, which had expected to reach 2,500 dealers by the end of 2016.

A1 MOTOR STORES

Automotive buying group A1 Motor Stores has added Motor World to its motor factor network. The deal, completed in November, will add 37 Tetrosyl-owned branches almost doubling A1's network to 77.

CAMBRIA AUTOMOBILES

Cambria Automobiles has reported a 17.3% rise in turnover and a 53.2% rise in profit before tax despite a "clear softening" of the retail market in Q2 and Q3.

Revenues rose to £614.2 million and profit before tax rose to £11.8m in the year to August 31.

Following a year of acquisitions, the group has 31 dealerships, representing 17 brands.

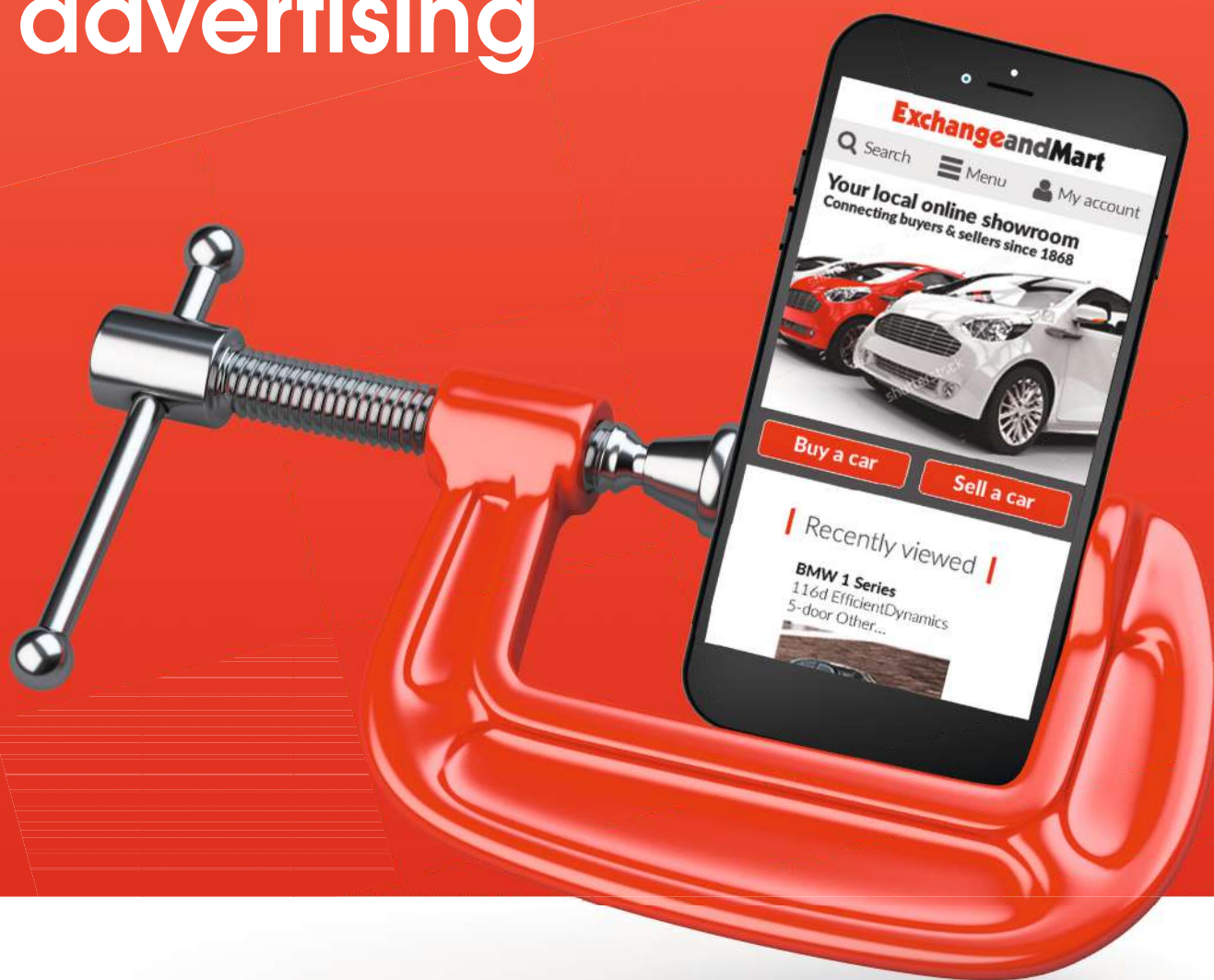
New vehicle sales were up 9.9%, with a 13.2% increase in profit per unit, and used vehicle sales were up 5.2% with an 8.1% improvement in profit per unit.

Aftersales revenue increased 8.1% to £65.5m – with gross profit

of £26.6m – with service and bodyshop hours sold up 3.7%.

Cambria said it generated gross profit growth across all core elements of the business, as well as delivering growth through the acquisitions of Welwyn Garden City Land Rover, Woodford Jaguar Land Rover and opening an Aston Martin site in Birmingham.

The sMart dealer gets 2 years fixed prices for their advertising



At Exchange and Mart we help smarter dealers keep their advertising costs down with our 2 year fixed price guarantee.

With a network of 168 regional newspaper websites, including s1cars.com in Scotland, we deliver a national advertising reach with local brand coverage.

Call: 01202 902438 Email: info@exchangeandmart.co.uk

www.exchangeandmart.co.uk/trade



We make your cars go faster

PEOPLE NEWS

MICHAEL McMULLAN



Independent Motor Auctions has appointed Michael McMullan as sales director following the acquisition of West Coast Motor Auctions in Poulton-le-Fylde, near Blackpool.

ALASDAIR STEWART



Cox Automotive UK has appointed former Volkswagen Group director Alasdair Stewart as its client director. Stewart will assume responsibility for the company's strategy surrounding the management of client relationships.

STEPHEN McNENEY

Stephen McNeney has been appointed new account manager for the RAC Approved Dealer Network. He will be promoting and selling warranty products to dealers in Aberdeenshire.

RIK SHIELD

Rik Shield will manage Vertu Motor's new Farnell brand Jaguar Land Rover dealership in Leeds. The £10.5 million centre is due to open in January.

DAVID HODGETTS



David Hodgetts will lead Honda's UK sales division from January 3. As managing director, he takes control of the company's sales operation.

NITHIA PILLAY



Volkswagen has appointed Nithia Pillay as its new group aftersales and customer quality director. Pillay has been part of the brand's global business for 12 years.

MARTYN THORLEY



Vertu's Bristol Street Motors Cheltenham Ford has appointed a new general manager, Martyn Thorley. Thorley held a number of management positions before joining the Hayden Road dealership.

SWANSWAY

Swansway Group has acquired Thompson Motor Company.

Thompson operates three Audi centres in Blackburn, Preston and Carlisle, along with three VW Group TPS operations in the same areas.

Swansway chairman Michael Smyth

said: "We have long admired Thompson Group, there's a great synergy between our two businesses; both Northern-based, both family-owned and run and both believing that engaged and motivated staff produce happy and satisfied customers."

"Swansway already operates Audi centres in Crewe, Stafford and Stoke, along with TPS operations in south Manchester and Trafford. This acquisition brings that to six Audi centres and four TPS operations, really significant growth."

The acquisition means Swansway will have more than 1,100 employees and a turnover in excess of £700 million.

VOLKSWAGEN

Volkswagen has announced 30,000 job cuts in a restructuring drive designed to help the company recover from the diesel emissions scandal.

The cuts will affect VW Group's Volkswagen operation only and will amount to 23,000 job losses in Germany alone.

The cuts are designed to help Volkswagen achieve £3.1 billion (£3.7bn) in annual savings by 2020 to fund a shift to electric and self-driving cars.

Herbert Diess, the head of the Volkswagen brand, said: "I am very sorry for those affected, but the situation of the brand at the moment gives us little room for manoeuvre."

Volkswagen employs 600,000 people worldwide, including 120,000 in Germany.

MARRIOTT

Marriott Motor Group has blamed margin pressure and the Volkswagen emissions scandal for a slump in profits.

Despite turnover rising by 3.3% (to £160.5 million) in the year to December 31, 2015, the family-run network of three Audi dealerships and five Volkswagen dealerships in East Anglia, reported a profit before tax of £208,300 – down £2.1m on a year earlier.

In a statement issued in its annual accounts, it said: "Group profitability has reduced

significantly against 2014 due to continued pressure on new car margins and the impact of the Volkswagen emissions scandal."

Marriott Motor Group had also invested in its Audi and Volkswagen facilities in Kings Lynn during 2015 and was preparing for the development of a new Audi facility in Ipswich, which had resulted in some "short-term operational challenges", it said.

Its new £8m million Audi facility on the Futura Business Park in Ipswich is expected to be completed by the end of 2016.

R A CREAMER & SON

The Queen's Jaguar supplier, R A Creamer & Son, has been forced to close after failing to meet Jaguar Land Rover's dealer standards.

Dealer principal Michael Quinn, the grandson of Jaguar founder Sir William Lyons, announced the end of the Kensington retailer's 90-year history with the brand.

"We cannot sustain the current business model, or rationalise the level of investment required," he told *The Daily Telegraph*.

"The majority of dealers have been expected to invest considerably and upgrade their businesses to improve capacity, profession-

alism and appearance. This involves great financial investment and property expansion, and would have required us to move."

"Both these factors would have added genuine complications to our business and the decision was taken not to embark on an expansion which might risk our ability to care for our employees."

The 14 staff will be taken care of through the estate of the business' last owner, the late Syd Creamer.

A Jaguar spokesman said: "We are asking all authorised Jaguar centres to upgrade their facilities to cope with increased customer interest."



DIESELGATE

The UK is one of seven nations facing legal action from the EU over a failure to take action against Volkswagen over the diesel emissions scandal.

The EU has given the UK, Germany, Spain and Luxembourg two months to respond to allega-

tions that they failed to take proper action against VW in the interests of the public.

The Czech Republic, Lithuania and Greece face action for not even including the possibility of fining carmakers over similar violations in their legislation.

The European Commission also

plans to bring Germany and the UK to account for refusing to share findings of investigations into potential emissions breaches.

A spokesman for the UK's Ministry of Transport told Reuters: "The UK will be responding in the strongest possible terms (to the EU action)."

CARGURUS

The founder of TripAdvisor has said "profitability isn't an issue" as his new venture, CarGurus, targets Auto Trader and Motors.co.uk.

Langley Steinert sold his former business in 2004. CarGurus, which launched in the US in 2007, now has 22 million unique monthly users across the Atlantic.

Steinert said Car Gurus UK has Auto Trader and Motors.co.uk in its sights following an 11-fold increase in



visitors in the past 12 months – from 100,000 to 1.1m.

"Our focus is on growing a bigger audience," he said.

"Thanks to the fact that we are a private company, we don't have to worry so much about revenue and profitability.

"Over 15 years operating in the US we are the clear market leader and we can

really afford to fund our UK push through that and, because we're not a public company, we don't have shareholders breathing down our necks."

AUTO TRADER

Direct car sales by manufacturers are the biggest threat to Auto Trader, but Brexit could prompt a two-year business boom for the UK, according to chief executive Trevor Mather.

Mather acknowledged that car sharing services and autonomous cars posed a threat to the traditional retail model that is the foundation of Auto Trader's business.

However, he said such changes were probably some way off, and added that direct sales by

manufacturers were more of a threat to retailers and, potentially, Auto Trader.

Mather said: "Cutting the dealer out of the equation to such an extent would reduce their requirement to advertise and would surely impact us. That is the worst-case scenario."

Mather added: "The main thing for us is that, if that direct sales model gains more traction, we have to be there, making ourselves available to the manufacturers and dealers, to facilitate that."

MARSHALL MOTOR GROUP

Marshall Motor Group has opened a flagship Jaguar and Land Rover site on Crane Boulevard, Ipswich.

The new Jaguar Land Rover retail concept showcases both brands operating side-by-side from the same 100-vehicle facility.

Marshall also represents Land

Rover in Bedford, Cambridge, Lincoln, Melton Mowbray, Peterborough and Oxford and the Jaguar brand in Cambridge, Lincoln, Peterborough and Oxford.

Its new Jaguar and Land Rover facility in Oxford opened on October 31 and the new Cambridge site was scheduled to open on December 19.



ADVERTISING FEATURE

YOUR VIDEO SUCCESS PLAN FOR 2017

By Andrew Howells, chairman, CitNOW



If you are already using video or considering it, here is a 10-point plan to put success in your way.

1. Volume is the first rule of video.

When starting out, focus on how many videos you expect each technician or sales executive to do every day.

2. To achieve #1, set some objectives. What does good look like? Spend time with your team explaining what you expect.

3. Don't set the bar too high. Every vehicle in your workshop is not going to get a complimentary CitNOW; neither will every sales enquiry.

4. As a manager, start with your own commitment video. It's easy to explain what you want and it signals that this is important to everyone.

5. Every week, set aside time to review three videos (from last week) with your team. What was good and what could have been better? This acts as a reminder for everyone, including you.

6. Your dashboard is your best friend. You can quickly see who is meeting their target and who is not. Plus, it is really easy to find three videos to show the team.

7. Focus on the easy wins. In sales, that is as simple as confirming an appointment. In aftersales, it could be red work identified.

8. Once your team is comfortable with #7, add inbound enquiries in sales and 'green videos' in aftersales; (nothing to report, but an improving CSI score).

9. Good habits take time to acquire. For best results, stay close to this for at least two months.

10. Focus on quality when the team is fully on board. Have a very prosperous 2017.

Contact details:

Tel: +44 (0)118 997 7740

Email: reply@citnow.com

Twitter: @CitNOW

For news and tips on selling more cars and parts more profitably subscribe to CitNOW's newsletter at citnow.co.uk



A BETTER WAY
OF DOING BUSINESS

blackhorse



SHOWROOM CLASSROOM

Trying to find time to train your employees? With new LetsULearn Premium all courses are run online. From financial promotions to product suitability, we can help deliver more skills for your staff, with less time away from your business.

DISCOVER MORE AT blackhorse.co.uk/dealerportal



14

New car market

Fleet sales accounted for more than half the new car market for the first 11 months of the year.

15

Dealer profits

The average UK motor retailer made a profit of £187 in October.

17

Used cars

Used values fell in November, but are still ahead year-on-year, says BCA.

Sponsored by

blackhorse 

New car sales will fall in 2017, but by how much?

Analysts predict 2017 new car registrations total will decline between 3.5% and 10%

The new car market is predicted to decline in 2017, but industry experts cannot agree by how much.

At **Glass's**, director of valuations **Rupert Pontin** predicts a 3.5% decline, to about 2.6 million registrations, which would still be the second-largest annual market on record.

The Society of Motor Manufacturers and Traders, which surveys member carmakers, is forecasting a 5% decline in car registrations next year.

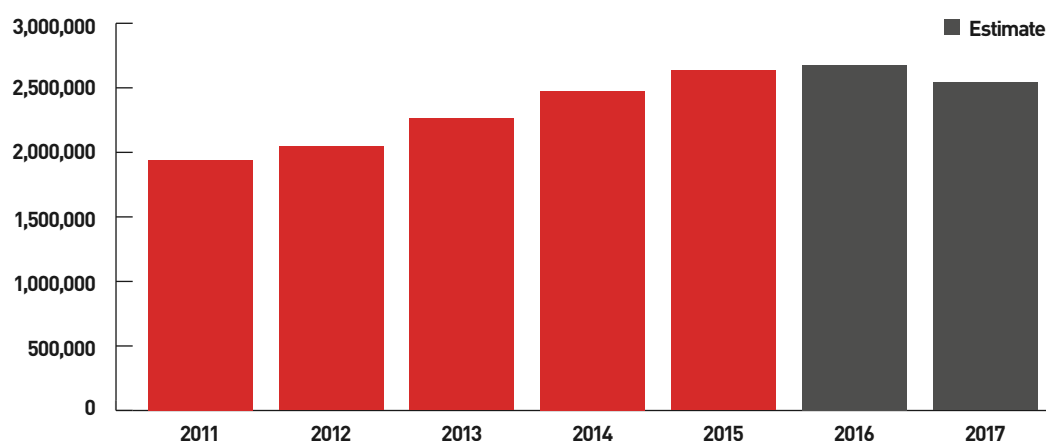
However, Cap HPI said almost half the dealers it regularly surveys expect a slump of about 10%. More than half of those already report that demand has worsened, with fewer consumers searching online.

Nevertheless, Cap HPI reported that eight in 10 dealers believe the

“Conditions are simply likely to become a little more difficult”

Rupert Pontin, Glass's

NEW CAR REGISTRATIONS



Source: SMMT

■ Estimate

used car retail market could remain level or even increase compared with 2016's forecast 7.6m sales.

Pontin said: "We should certainly not be feeling as though there is any kind of crisis under way and the underlying strength of the economy will be quite good. Conditions are simply likely to become a little more difficult."

Food and fuel prices are on the increase – figures this month show inflation rising – and this will have an unavoidable effect on the amount of disposable cash people have

available. Poor exchange rates are also eating into the margins of manufacturer national sales companies.

In addition, the SMMT recently warned that the Brexit process could result in a £1,500 average increase in new car list prices if import tariffs are imposed.

However, manufacturers are expected to continue to offer attractive new car deals, based around PCPs for private buyers and discounted leases for the fleet market.

FINANCE

Dealer finance penetration continues to rise, according to the Finance & Leasing Association (FLA).

Its rolling 12-month data to October shows point-of-sale (POS) finance penetration reached 86.3%, a 0.1ppt rise since September.

The FLA reported that growth in used car finance is outstripping that of new car finance – the consumer used car finance market grew 12% by value and 9% by volume in October, compared with the same month last year, while the consumer new car finance market rose 8% by value and 1% by volume.

Geraldine Kilkelly, head of research and chief economist at the FLA, said: "The performance of the POS consumer car finance market in recent months has been very much in line with industry expectations of broadly stable new business volumes in the new car sector, and single-digit growth in the used car sector."

OCTOBER MOTOR FINANCE MARKET: NEW CARS

New cars bought on finance by consumers through dealerships					
	Oct 2016	Change on previous year	3 months to Oct 2016	Change on previous year	12 months to Oct 2016
Value of advances (£m)	1,350	+8%	5,022	+9%	17,924
Number of cars	76,440	+1%	287,234	+3%	1,045,914
New cars bought on finance by businesses through dealerships					
Number of cars	42,949	-14%	121,548	-5%	504,218

MARKET INTELLIGENCE

FLEET SALES STILL PROPPING UP NEW CAR MARKET

Fleet sales accounted for more than half the market as new car registrations reached a record 2.51 million by the end of November, according to SMMT figures.

The number of private buyers fell by 1.2% during the month, but fleet continued to make up the shortfall as the UK new car market rose by 2.9% in November, with 184,101 vehicles registered on UK roads.

In October, private registrations slumped by 2.6%, with fleet taking up some of the slack with a 2.2% rise.

SMMT chief executive Mike Hawes

was upbeat about November's results, however, which saw registrations of alternative-fuelled vehicles rise by 25.1% to 6,663 units, representing 3.6% of the market – the highest ever achieved.

Petrol registrations, meanwhile, grew 7.9% to 88,541 units, while diesels just edged ahead on market share with 88,897 vehicles registered, a fall of -2.9%, the SMMT reported.

Hawes said: "Our industry continues to make vehicles that are ever safer, more refined, more

efficient and more enjoyable to drive – and the latest advanced technology and cutting-edge designs are continuing to attract buyers into showrooms.

"It's encouraging to see that alternative fuelled vehicles, although still a small proportion of the market, have seen strong growth this month, achieving a record market share.

"Long-term government support and incentives are essential if these vehicles are to command a larger market share in the future."

The manufacturers making the biggest year-on-year gains during November were:

- Infiniti +169.4%
- Jaguar +35.8%
- Seat +35.3%

The biggest fallers during November were:

- Dacia -42.4%
- Vauxhall -23.7%
- Land Rover -19.2%.

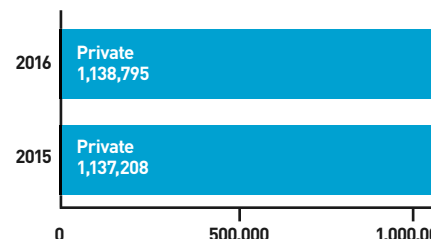


Year-on-year Infiniti registrations were up 169.4% in November

"Alternative fuelled vehicles have seen strong growth this month, achieving a record market share"

Mike Hawes, SMMT

REGISTRATIONS BY MARKET



FINANCE OFFERS

The top three premium brands have had a bumper year. As 2016 draws to a close, Mercedes-Benz, BMW and Audi are all riding high on positive quarterly and year-to-date performances.

The final push in Q4 will be adding incremental sales in comparison with 2015 and it is clear from this quarter's offers who is looking to push for market share.

Mercedes-Benz's status as the "third" premium German manufacturer is well and truly at an end as each manufacturer was a few thousand registrations shy of being tied for first place with one month left to go. BMW was in the lead as of November, with 167,527 units YTD.

Mercedes-Benz posted a 15.8% increase in registrations in Q3 year-on-year, to 48,289 units, and is almost matching that growth, at 14.63% year-to-date, to 159,608 units as of November. That confidence may be reflected in the absence of any real push in financial support in Q4.

While BMW has 0% offers on its i3 electric vehicle, 6 and 7 Series, as well as 2.9% APR offers on its 2 Series and 4 Series models, Mercedes-Benz's entry offer in Q4 is at 4.8% APR. That is a better rate than any of its offers tracked by AM

in Q3, but is still not as competitive as BMW and Audi.

By comparison, Audi matches BMW at 2.9% only on the large A8 saloon, indicating that BMW wants to secure the premium crown for 2016 with the additional volume those deals hope to bring.

BMW pushed its market share considerably in December last year to 17,181 units, an 88% increase in comparison with Audi at 9,144 units. Whether that is a natural increase or not ties in with how much importance you believe Munich HQ places on being known as the biggest premium brand in the UK market.

Audi has the lowest priced monthly payments in Q4 at £199 on its A1, BMW follows with £239 on the 1 Series and Mercedes-Benz's best Q4 deal is on the B250e Sport at £279.

Interestingly, BMW isn't limiting affordability to its volume players. A Z4 sDrive18i Roadster for £299 with just a £5,000 deposit sounds tempting, as does a M235i Coupé for £299 with under a £4,000 deposit.

Audi has also got its TT down to £249 a month after a £6,500 deposit.

Mercedes-Benz has no performance-oriented model below £300 a month.

BMW units are up 28.2% YTD as of November and up 7.1% in Q3 year-

Top finance offers for retail buyers						
For a searchable list of manufacturers' finance offers, go to am-online.com/offers						
Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR Offer ends
Audi						
Audi A1 Sport 1.4 TFSI 125 PS 6-speed	PCP	£2,711.68	36	£199.00	£8,950.74	6.30% 02.01.17
Audi A1 Sportback Sport 1.4 TFSI 125 PS 6-speed	PCP	£2,656.30	36	£209.00	£9,376.79	6.30% 02.01.17
Audi S1 Sportback Quattro 231 PS 6-speed	PCP	£4,368.12	36	£279.00	£15,202.24	6.30% 02.01.17
Audi A4 Saloon Sport ultra 2.0 TDI 190 PS 6-speed	PCP	£4,996.59	36	£319.00	£15,896.35	3.90% 02.01.17
Audi A8 SE Executive 3.0 TDI quattro 262 PS tiptronic	PCP	£8,712.59	36	£579.00	£16,855.85	2.90% 02.01.17
Audi A8 Sport 3.0 TDI quattro 262 PS tiptronic	PCP	£8,298.27	36	£659.00	£17,412.55	3% 02.01.17
Audi TT Coupé S line 1.8 TFSI 180 PS 6-speed	PCP	£6,461.28	36	£249.00	£14,885.55	6% 02.01.17
Q2 1.6 TDI Sport 115 PS 6-speed	PCP	£3,511.25	36	£289.00	£14,173.05	6.30% 02.01.17
BMW						
118i M Sport 5-door Sports Hatch	PCP	£4,339	48	£239	£9,908.60	4.90% 31/12/2016
220d XDrive Sport Gran Tourer	PCP	£4,299	48	£269	£10,106.55	2.90% 31/12/2016
220i Sport Convertible	PCP	£4,399	48	£299	£11,186.95	4.90% 31/12/2016
420i Sport Coupé	PCP	£5,519	48	£299	£11,438.55	2.90% 31/12/2016
420i M Sport Gran Coupé	PCP	£5,359	48	£319	£12,024.08	2.90% 31/12/2016
640d M Sport Gran Coupé	PCP	£9,569	48	£539	£19,277.93	0.00% 31/12/2016
Z4 sDrive18i Roadster	PCP	£5,169	48	£299	£9,657	2.90% 31/12/2016
i3	PCP	£3,999	24	£269	£14,526.20	0% 31/12/2016
Mercedes-Benz						
A180 AMG Line	PCP	£3,155	36	£299	£11,4500	4.80% 31/12/2016
B180d SE	PCP	£3,095.23	36	£309	£9,575	4.80% 31/12/2016
C200d AMG Line	PCP	£4,999	36	£349	£14,200	4.80% 31/12/2016
E220d AMG Line	PCP	£5,999	36	£379	£19,125	4.80% 31/12/2016
CLA Shooting Brake 180 AMG Line	PCP	£3,999	36	£319	£14,475	4.80% 31/12/2016
GLA 220d AMG Line	PCP	£3,055.05	36	£329	£14,400	4.80% 31/12/2016
GLC 220d 4Matic AMG Line	PCP	£7,125.57	36	£419	£22,150	5.50% 31/12/2016
GLE 250d 4Matic AMG Line	PCP	£6,999	36	£499	£25,875	4.80% 31/12/2016
GLC Coupé 220d 4Matic AMG Line	PCP	£6,440.26	36	£485	£23,675	5.50% 31/12/2016

on-year to 47,046 units. It will have to beat 43,082 units with the help of its offers in Q4 to post quarterly growth, a tall order considering its big push in December last year.

Audi has seen growth of 16.5%

year-to-date as of November at 165,985 units. Its Q3 performance was up 11.25% year-on-year. In order to beat BMW to the top, it will need to push beyond the 33,409 units registered in Q4 2015.

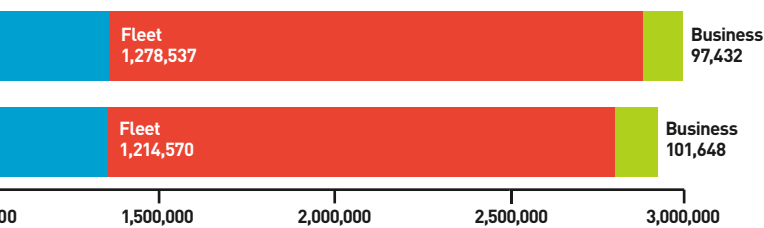
WE'LL HELP YOU GET THERE



Dacia registrations fell 42.4% in November compared with the same month a year earlier



ET SEGMENT



DEALER KPIS

Source: ASE

Keyratio	Rolling 12 months Oct 2016	Rolling 12 months Oct 2015	Benchmark
Net profit as % of sales	1.08%	1.31%	3.0%
Overhead absorption	53.0%	53.7%	80%
Used: New sales	1.0:1	0.92:1	1.5:1
Expenses as % of gross	66.1%	63.9%	50%
Sales per salesman	171	193	150
Used vehicle stockturn (days)	54.7	55.0	45
Return on used car investment	76.7%	74.6%	100%
Overall labour efficiency	83.3%	82.6%	100%
Service gross profit % on labour	75.6%	75.6%	75%
Service expenses as % gross	60.4%	59.7%	40%
Hours per retail job card	1.56	1.60	2.5
Parts gross profit	22.9%	22.5%	22%
Parts expenses as % growth	42.6%	44.0%	40%
Parts stockturn	8.02	7.28	8.0

The average UK motor retailer made a profit of £187 in October.

"Compared to the prior year, when retailers made a profit of £7,400, this represents a poor result," said **Mike Jones, chairman of ASE**, which compiled the results from dealer composites.

"We do, however, need to take into account that this result will have been heavily impacted by franchise 'fast start' campaigns and retailers are becoming increasingly conservative and only recognising bonus when all of the self-registered cars have been disposed of."

The pattern throughout 2015 and the first half of 2016 was for retailers to make a modest profit in the first month of the quarter, a large loss in the middle month and a significant profit in the final month. This changed in July 2016 with dealers posting a significant loss in that month. Compared with this, making any profit in October was a "step forward", he said.

ADVERTISING FEATURE

BLACK HORSE COMMENT

By Richard Jones, managing director, Black Horse



PCPs have been a significant contributor to the growth of the new car market over the past five years, with penetration levels reaching above 80%, alongside widespread finance subvention through deposit contributions or low-rate finance offers. There are

strong arguments for why PCP is still attractive – it gives customers good outcomes at competitive rates and avoids excessive capital getting tied up in a depreciating asset.

Anecdotally, there is a trend of guaranteed future values (GFV) moving closer to the market-assessed residual value at end of contract. What might be driving this, what effect does it have, and does it work in our customers' interest?

The last question is the most important, of course.

In a world where customers are moving towards deferred ownership or rental models, the monthly payment amount is an important factor in customer purchase decisions. With a PCP contract for a given vehicle value, the key factors in the monthly payment are term, interest rate/APR and the GFV. Increasing the GFV can reduce the monthly payment and the lender takes on more risk of the value being negative at the end of the contract, so where's the problem?

From a customer's perspective, there are two. The first is that knowingly setting a GFV that may be negative can compromise a customer's options at end of contract: (a) hand the car back, (b) part-exchange, or (c) buy the vehicle outright. In a negative GFV scenario, all options still technically hold true, but (b) and (c) could place the customer at a disadvantage, so are they genuine options anymore?

I question whether this is within the spirit of giving customers clarity and choice, especially where it could tie a customer into a single brand.

The second issue is the higher the GFV, the higher the balloon being financed and thus the total cost of credit goes up. The customer benefits in lower monthly payments, but they pay more overall and risk fewer genuine final options with any value in them at the end.

I believe we need to think about customer value holistically and how we can ensure the choices we offer to customers are genuine. I believe offering customers clarity and genuine choice is always the better option. We have a market that serves customers well and we have to ensure that remains the case.

RISERS & FALLERS

TOP 10	
Infiniti	149.16%
Jaguar	46.59%
Abarth	43.80%
Smart	43.18%
Bentley	41.74%
SsangYong	35.56%
MG	33.32%
Jeep	32.31%
Land Rover	21.03%
Mercedes-Benz	17.05%



As the year almost draws to a close, there has been some change to the largest fallers. Vauxhall is back after its November registrations were down almost a quarter on the same month in 2015. The combined year-on-year registrations of Citroën and DS look unfavourable too.

The top 10 risers, however, remain in place. However, almost all slowed their rate of growth in November, even the 4x4 brands Land Rover, Jeep and SsangYong – a sign that talk of winter uplifts in demand for such vehicles is questionable.

BOTTOM 10	
Ford	-4.63%
Peugeot	-5.00%
Fiat	-5.61%
Maserati	-5.86%
Vauxhall	-6.05%
Lotus	-6.70%
Volkswagen	-8.59%
Citroën & DS	-9.11%
Aston Martin	-9.62%
Mitsubishi	-18.97%



NEW CAR REGISTRATIONS

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



	November						Year-to-date				
Marque	2016	% market share	2015	% market share	% change	2016	% market share	2015	% market share	% change	
Ford	21,944	11.92	21,597	12.07	1.61	297,575	11.83	312,006	12.72	-4.63	
Vauxhall	15,976	8.68	20,945	11.71	-23.72	233,881	9.30	248,936	10.15	-6.05	
BMW	15,330	8.33	11,963	6.69	28.15	167,527	6.66	150,210	6.12	11.53	
Volkswagen	14,351	7.80	12,958	7.24	10.75	191,394	7.61	209,369	8.53	-8.59	
Audi	12,915	7.02	11,083	6.20	16.53	165,985	6.60	157,565	6.42	5.34	
Mercedes-Benz	11,382	6.18	9,929	5.55	14.63	159,608	6.35	136,362	5.56	17.05	
Nissan	10,269	5.58	8,803	4.92	16.65	141,897	5.64	144,162	5.88	-1.57	
Renault	6,572	3.57	5,844	3.27	12.46	79,044	3.14	69,615	2.84	13.54	
Hyundai	6,560	3.56	6,174	3.45	6.25	86,794	3.45	82,846	3.38	4.77	
Kia	6,037	3.28	5,103	2.85	18.30	85,576	3.40	75,023	3.06	14.07	
Škoda	5,978	3.25	4,815	2.69	24.15	74,715	2.97	69,883	2.85	6.91	
Peugeot	5,868	3.19	6,722	3.76	-12.70	92,776	3.69	97,662	3.98	-5.00	
Toyota	5,854	3.18	6,172	3.45	-5.15	92,104	3.66	93,940	3.83	-1.95	
Land Rover	5,278	2.87	6,535	3.65	-19.23	74,567	2.97	61,608	2.51	21.03	
Mini	5,093	2.77	4,917	2.75	3.58	61,601	2.45	56,211	2.29	9.59	
Volvo	4,072	2.21	3,790	2.12	7.44	42,960	1.71	39,865	1.62	7.76	
Seat	3,668	1.99	2,711	1.52	35.30	44,108	1.75	45,569	1.86	-3.21	
Fiat	3,387	1.84	3,747	2.09	-9.61	56,652	2.25	60,022	2.45	-5.61	
Honda	3,373	1.83	3,692	2.06	-8.64	55,812	2.22	50,623	2.06	10.25	
Citroën*	3,030	1.65	4,216	2.36	-28.13	60,338	2.40	75,237	3.07	-19.80	
Jaguar	2,905	1.58	2,140	1.20	35.75	32,302	1.28	22,035	0.90	46.59	
Mazda	2,521	1.37	2,432	1.36	3.66	44,498	1.77	43,276	1.76	2.82	
Suzuki	2,347	1.27	1,932	1.08	21.48	35,903	1.43	32,489	1.32	10.51	
Dacia	1,405	0.76	2,438	1.36	-42.37	24,608	0.98	24,225	0.99	1.58	
Mitsubishi	1,289	0.70	1,529	0.85	-15.70	17,178	0.68	21,200	0.86	-18.97	
Porsche	1,105	0.60	909	0.51	21.56	11,833	0.47	11,612	0.47	1.90	
Lexus	931	0.51	765	0.43	21.70	13,165	0.52	12,375	0.50	6.38	
Smart	921	0.50	705	0.39	30.64	11,172	0.44	7,803	0.32	43.18	
DS*	864	0.47	1,549	0.87	-44.22	15,318	0.61	7,257	0.30	111.08	
Jeep	735	0.40	768	0.43	-4.30	13,277	0.53	10,035	0.41	32.31	
Alfa Romeo	324	0.18	375	0.21	-13.60	4,589	0.18	4,695	0.19	-2.26	
Abarth	291	0.16	227	0.13	28.19	3,690	0.15	2,566	0.10	43.80	
MG	263	0.14	249	0.14	5.62	3,825	0.15	2,869	0.12	33.32	
SsangYong	245	0.13	247	0.14	-0.81	4,270	0.17	3,150	0.13	35.56	
Subaru	219	0.12	218	0.12	0.46	3,282	0.13	3,153	0.13	4.09	
Infiniti	194	0.11	72	0.04	169.44	2,813	0.11	1,129	0.05	149.16	
Bentley	111	0.06	88	0.05	26.14	1,820	0.07	1,284	0.05	41.74	
Maserati	94	0.05	84	0.05	11.90	1,285	0.05	1,365	0.06	-5.86	
Aston Martin	91	0.05	80	0.04	13.75	799	0.03	884	0.04	-9.62	
Lotus	36	0.02	29	0.02	24.14	334	0.01	358	0.01	-6.70	
Other British	103	0.06	43	0.02	139.53	770	0.03	683	0.03	12.74	
Other imports	169	0.09	280	0.16	-39.64	3,115	0.12	2,122	0.09	46.80	
Total	184,101		178,876		2.92	2,514,764		2,453,426		2.50	

*Registrations for Citroën and DS were combined as Citroën until May 2015. As the Citroën figures for year-to-date 2015 include Citroën and DS registrations, please combine the 2016 registrations for Citroën and DS when comparing year-on-year results.

WE'LL HELP YOU GET THERE

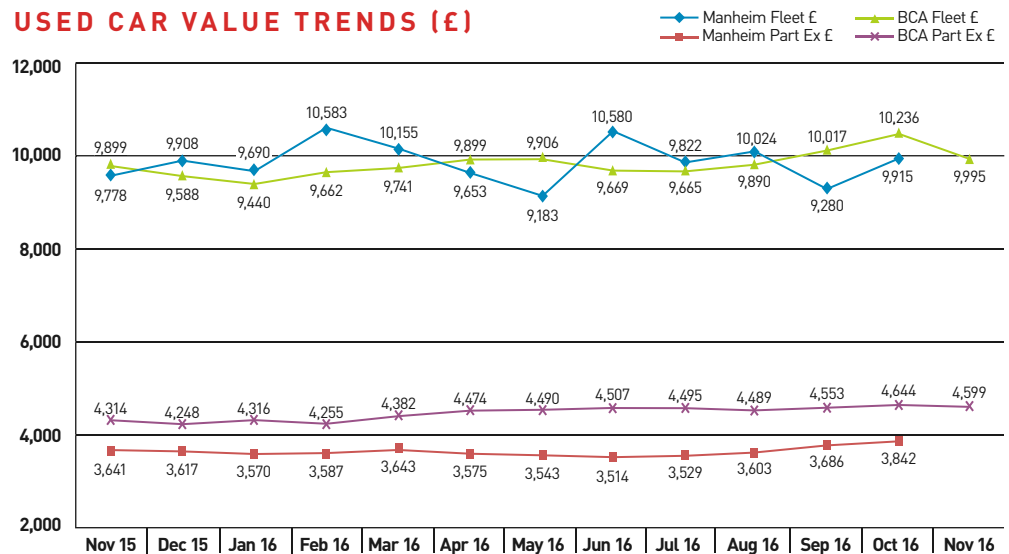
USED CARS

Average values fell in November, says BCA

Manheim's auction data wasn't available as *AM* went to press, but BCA said average used car values stalled in November as volumes continued to rise, particularly from contract hire, finance and daily rental sources.

The average value of fleet stock dropped 2.3%, or £241, to £9,995 from October's record £10,236, while average dealer part-exchange values fell 0.9%, or £45, to £4,599. Year-on-year, ex-fleet values were up 2.2%, or £217, with both age and mileage declining, and part-exchanges were also up 6.6%, or £285.

Simon Henstock, BCA's chief operating officer for UK remarketing, said a two-tier market is developing as volumes climb – retail-ready cars sell quickly but poorer condition, older and higher mileage examples need to be more carefully appraised.

USED CAR VALUE TRENDS (£)

AM

AWARDS: 2017

 **Dealerweb**

blackhorse 

Welcome to this year's AM Awards sponsors

Preparations for the 2017 *AM* Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 9, 2017.

There are 21 award categories, plus the Business Leader of the Year award and an induction into the *AM* Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career.

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

This year:

Dealerweb is sponsoring the Best Retail Group (more than 10 sites) Award

Black Horse is sponsoring the Retailer of the Year Award

We are delighted to receive the support of both Dealerweb and Black Horse for these two key award categories at what promises to be an industry highlight of 2017.

For more information on the *AM* Awards, including the sponsorship packages still available and details of how to book tables, go to www.am-awards.co.uk

Use Auto Trader dealer reviews to build trust in your dealership



Great experience

By [John S](#) on 12/09/16

Excellent experience from start to finish. Superb dealer and a pleasure to buy my vehicle from.

To find out more visit:
trade.autotrader.co.uk/at-dealer-reviews

84% 4:00 p.m.



AutoTrader

Search

Great place to buy.



By John C on 5 October | Verified purchase

Very happy with my experience with woods of Wirral. Helpful and friendly staff. All sorted within one day and could have driven away the same day.

Pleasure to deal with



By Thomas B on 29 September | Verified purchase

Everything great. Had a problem a few days after buying and they fixed it no questions asked.

Happy



By Helena W on 29 September | Verified purchase

Genuine car and company

Fantastic!



By Dereck P on 6 September | Verified purchase



Silver 430



Do you manage your customer experience?

View the range of luxury gifts for enhancing the automotive experience, from events & test drives to a gift with purchase, the handover moment and even awards for your top performing team members!

For further information on how Mussay can help your business, please call: 020 3011 0211 or email: business@boxcouk.com

www.mussay.co.uk



AML to grow after inaugural exhibition reaches capacity

Best practice masterclasses, expert F&I advice and 60+ exhibitors bring 500 to first Automotive Management Live

By Jeremy Bennett, Matt de Prez, Tim Rose and Tom Sharpe

Almost 500 motor retail industry professionals visited Automotive Management Live, our inaugural exhibition for dealers and manufacturers, on November 16.

The event, at ArenaMK in Milton Keynes, featured more than 60 exhibitors, large and small, plus eight dealer masterclasses and six expert F&I speakers,

bringing members of the industry together to network and share best practice.

The National Franchised Dealers Association (NFDA) backed the event, and its new chairman, Mark Squires, presented the results of its latest insights into consumer attitudes towards independent garages and manufacturer-approved repair networks.

Following the success of the first Automotive Management Live, which reached exhibitor capacity,

Chris Lester, events director at AM, announced that the 2017 Automotive Management Live event will move to Birmingham's National Exhibition Centre, where it will take place on November 9.

"We are planning to create even stronger features and partnerships for the 2017 event to grow the audience in line with a larger exhibitor base. We have some exciting new features now in discussion and development ready to share with exhibiting companies next year."

NFDA

NFDA chairman Mark Squires told franchised dealers attending Automotive Management Live that he was on a mission to sell the franchised network on its strengths, as he revealed the findings of the NFDA Consumer Attitude Survey.

Squires highlighted results of the survey that exposed the differences between the aftersales service offered by the franchised network, independent operators and fast fits. He said it demonstrated how many consumers rated franchised retailers highly, despite generally held perceptions that they were the less convenient and more expensive option.

He said: "Why does the NFDA feel it is its business to be involved in commissioning consumer research?"

Squires, a former chief executive of Benfield Motor Group, said franchised dealers "take a lot of flak".

"There are negative perceptions of us in the marketplace, but do we do enough to challenge that and put the record straight, making clear all the things we do offer?"

"That's our mission. It's a mission that will take us many years, I'm sure, but these are early small steps in that approach."

The NFDA's survey was carried out by Public Knowledge, which interviewed 1,000 motorists about their experiences of the aftersales sector.

Convenience and cost emerged as key elements, with 71% of respondents describing convenience as a retailer having 'appointments available at a time that suits you', while 53% wanted to use a workshop 'local to my home or workplace'.

Provision of a courtesy car (39%) was rated almost equal to provision of collection and delivery of the car (38%) overall, but more people regarded collection and delivery as being more important than the provision of a courtesy car.

Squires said all service providers are now expected to provide while-you-wait services, but noted the significantly higher positive experience of while-you-wait (WYW) services among consumers who use a franchised dealership.

Consumers who had previously used a WYW service said they would be willing to wait up to one hour and 14 minutes for their



service, including a vehicle health check (VHC) and a wash and vac.

Those who had never used a WYW service expected to wait an average of 49 minutes, however.

Squires showed attendees at Automotive Management Live that the survey challenged consumers' perceptions of value.

He said: "Our survey shows that, on average, the independent garage was just £12 cheaper than the franchised dealer for a service."

"The non-franchised chain is actually more expensive than the franchised dealer, despite being deemed the best value by our respondents' expectations."

"What clearer evidence do we need of the perception of value for money offered by our rivals?"

Independent aftersales providers did lead the way in terms of customer satisfaction, the NFDA's survey found.

Of those surveyed, 90% of customers were satisfied with their last experience at an independent garage, compared with 85% for a franchised dealer customer and 78% for those using non-franchised national chains.

The survey said those who regularly use a franchised dealer are likely to be impressed. It found that 90% of people who have used a franchised dealership in the past two years were satisfied with their service, compared with the 85% who refer only to their last experience.

Squires said the early findings of the Consumer Attitude Survey, which will be carried out twice a year with an expanding range of questions, give dealers something to work with.

He said: "These results give a real insight into where we are in the sector."

"It gives us the chance to pinpoint the areas where we can differentiate ourselves from our rivals and really sell our strengths."

BEST PRACTICE SESSIONS



Video

While video was described as one of the most important innovations in dealerships, dealer bosses urged caution in the way it is introduced to staff and shared with customers.

CitNOW chief executive Alistair Horsburgh invited bosses from Group 1 Automotive and Jardine Motors Group to share their experiences of video use in showrooms and workshops.

Darren Guiver, Group 1's deputy group managing director, warned against the use of video without alerting the customer first.

"Video is an innovation, but if it arrives in an inbox unsolicited a customer could worry that it forewarns them of the need to spend money on getting their car fixed," he said.

"So, at the point of booking the service, for example, or dropping the car off at the dealership, tell the customer they will receive a video via email or text – and then make sure you fulfil that promise."

Jason Cranswick, Jardine's operations director, agreed on the need to ensure appropriate business processes were in place, but said it went much further than the use of video.

"Simultaneous to introducing video, we re-established all of our sales and service core processes. We've given all of our team members a new operating framework – allowing for some latitude with video since it's not a one-size-fits-all tool."

"Dealers are challenged with building our own technological eco-system, of which video is a part, alongside the dealer management system and Live Chat and it only exists if our team members have the confidence, skills and behaviours to support it."

"The technology used by people doing great things is what will make the difference."

Both Cranswick and Guiver emphasised the importance of taking a sensitive approach to introducing video to the business.

"We did a roadshow of our dealerships, allowing staff to try it, adding humour to it and then video use grew organically as it became recognised as a trust builder for customers. There is no financial incentive attached to video use – colleagues now want to make videos," said Cranswick.

Guiver said: "Video is the new normal and the correlation between video open rates and improved customer satisfaction and profit levels speaks volumes."





New cars

Advances in the way motorists buy finance and other add-ons mean “the power now lies with them” – putting greater demands on dealers to forge relationships.

Mike White, commercial development manager at Mapfre, told visitors to his ‘Maximising showroom profitability’ presentation at Automotive Management Live that car retailers must place greater emphasis on selling opportunities outside the dealership.

Early contact, as many customers are now starting their buying journey with online research, and a more targeted focus on follow-up calls, are musts.

White described research suggesting that 41% of online enquiries to car retailers went unanswered as “alarming”. He said as much as possible should be done to attract customers

online and engage with them as early as possible.

Finance offers must be placed front and centre on any dealer website, he said, and efforts should be made to ensure retailers are given a head-start by data gathering ahead of any visit to the showroom.

White said many top AM100 retailers now have finance calculators on their websites and can gather customer data to ensure that those predetermined criteria are accessible at the dealership.

White said: “You don’t have to wait until you are sitting down face-to-face, ready to do the deal, to speak to them about their financing options.

“What we need to understand is that the customer can do all their research at home now, or even on the move. The power now lies with them.”

Taking this a step further, White suggested that video could be used to guide customers through their finance options as they grab a cup of coffee in the customer lounge once inside the dealership.

He said: “The dealer has to ensure customers receive good service and get all the information they need about the products on offer.”

Equally, he highlighted the need to contact customers after their visit – by email, social media or SMS – to provide additional information on relevant finance, GAP insurance or extended warranty products.

White said: “The deferred sale or just a call to deliver some TLC, they are all contact points where a dealer can ask about the car and discuss the customers’ buying decisions.”

Supagard

Online finance

Dealers should be prepared for online retailing, which is just ‘weeks away’, and offering choice is the key to capitalising on it, according to James Tew, chief executive of iVendi.

He told delegates that three quarters (74%) of new car buyers already know how they will finance their next car before going to the dealership, and 71% start the process online.

More importantly, 71% also like to use comparison sites. Therefore, Tew believes dealers should offer a range of prices through different finance providers.

“You have to give choice – give prices from other suppliers. Keep your lead price, but show the buyer that they are getting a good deal. If you don’t give them choice, they will just look elsewhere,” Tew explained.

Selling cars should no longer be about the screen price, he said, as current research showed about 43% of buyers would like to search by monthly payment instead.

He added: “I think the percentage is a lot

higher than 43% because I search on payment for everything in my life – everything I look at is a monthly cost. Payment search is front and centre of the consumer experience.”

To support this trend, iVendi has launched Car Finance Checker, an online service that can be embedded in a dealer’s website to pre-approve visitors while they are still in the research phase of their buying cycle.

Offering GAP insurance and other add-ons should also be considered at this point rather than the customer looking for it elsewhere.

“It’s too late in the process to give this to customers in the showroom, they may have already decided,” said Tew.

According to Auto Trader, only 7% of consumers trust used car dealers and Tew believes it is all down to offering choice.

“If transparency engenders trust, and trust is what we’re after, then we need to engender more transparency in the process,” he said.

iVendi



BEST PRACTICE SESSIONS



Social media

Facebook is an untapped resource for dealers to significantly expand their online presence, but too many fail to exploit its opportunities.

As Google has matured as a marketing channel, and become overcrowded and more expensive, Facebook is providing a number of practical opportunities to boost customer reach, said Jeremy Evans, Marketing Delivery's managing director.

Data-driven Facebook advertising is available with an average cost per click of 20p, 80% cheaper than Google AdWords, he said.

There are 50 million business pages on Facebook and Evans suggested the following to make them stand out: Use localised pages for each dealership ("customers don't visit your head office"), post news of local events, breaking news about your brands, handover pictures – all with images. Manage your reputation through reviews, replying to both good and bad.

However, Marketing Delivery believes 40% of Facebook's users don't 'like' brand pages. The alternative way to reach them is via Facebook advertising – but only 10% of dealers are using this in their social media marketing campaigns.

Where they are using it, the results are positive: in September and October, Marketing Delivery clients using Facebook advertising found that up to 60% of their total new vehicle display page referrals came from the social network's advertising, more than Google and Auto Trader.

There are several elements to Facebook advertising – users can access ratings and reviews on the platform and these now show up on the Google results page.

A Facebook remarketing pixel can sit on a dealer's website and it will match a user's details – via an email address – to its own profiles, if the user is logged into Facebook.

In a similar way, contacts from a dealer's DMS can be uploaded to Facebook with customers matched to existing Facebook profiles.

Facebook will then serve the dealer's ads on the site to these same people.

Google Analytics data can be used to see which users made enquiries and requested a call back, and dealers can use relevant Facebook ads to re-engage with them.

The pixel data can be used to target existing customers as well as a 'lookalike audience', where Facebook analyses characteristics of a large enough sample of users to create an expanded audience with similar demographics, interests and accounts.

Finally, Marketing Delivery's 'micro-audience' targeting uses additional data from its eCRM system's customer records to narrow down to a group of customers who have not purchased. They can be served ads about vehicles in stock or service reminders, for example, with the ads clicking through to booking pages or a Messenger function. Once they have transacted or made a booking, they will be removed from the targeted audience.

"This is data-driven marketing at every step of the digital marketing process and this is the next step from email and text messages to put you in front of customers via the technology they want to use," said Evans.

Marketing Delivery
DATA
DRIVEN
MARKETING

Websites and digital

The used car section of a dealer's website is the most popular with users, but have they been designed to maximise the number of conversions [the completion of an online contact form]?

Paul Hilton, GForces' retail sales director, used insight from traffic to dealers' sites built by the company, which amounts to 90 million visits and more than 88m sessions for the 10 months to the end of October 2016. Of these, 57% were to used car pages. There were more than 76m used vehicle searches, equating to 200m page views.

With this volume of traffic, dealers need to ensure site layout and content are optimised to exploit the interest. He suggested a simple test to find some basic information: "How hard is it to find your dealership's postcode? In one case, it took me four to five clicks and in another I resorted to Google to search for it."

He gave a number of best practice tips: Don't make the search experience too basic, but provide filters from the outset – when refining a search, 63% of users are looking for automatic cars and another 64% define diesel as their fuel choice. Also, 'estate' is the most filtered body style and favourite colour is black or white. Make it easy for users to specify their preferences from the outset, said Hilton: "Provide a drop-down that says 'show me all diesels' or 'show me all automatics'".

If you know you will always have certain brands' cars in stock, make it easy to find them with a 'filter by make'.

Hilton laid out the elements of the ideal vehicle detail pages, where typically 75% of all consumer enquiries to a dealer come from.

Auctions and appraisals

Dealers must prepare to move away from paper-based processes as consumers are increasingly demanding a more transparent digital service, Simon Whicher, product head at Cooper Solutions, told delegates.

The session examined the customer experience, illustrating how a digital process such as a vehicle appraisal can lift a customer's perceptions as well as providing a highly efficient and credible valuation method and help with FCA compliance.

"Look at your business – is what you are doing going to deliver the step change you want?" Whicher asked. "Change is definitely coming," he added.

David Abel, business development manager, told delegates: "Customers expect an experience and most of all they want excellent service. So why are we still using paper? This is their pride and joy, possibly their most expensive asset – treat it with the respect it deserves."

"Paper-based appraisals have served their purpose but, like a lot



Hilton used the Croyland used car supermarket's website (www.croylandcarmegastore.co.uk) as his best practice example.

Its vehicle pages have high-quality images, price, location, reviews, part-exchange pricing, finance calculator and four calls to action, all generating contact with the dealership, not 'share with a friend' or 'print specification sheet'.

On mobile, he said, you can make seeing multiple images a clickable option, "freeing up real estate to display a prominent call to action".

"It sounds so simple, but I could bring up 100 websites that have critical calls to action at the bottom of the page in a bland colour with the wrong terminology used," Hilton said.

"Let's build sites based on what is going to have the best impact on conversion rates."



of things, they need changing and updating. The simplicity of taking digital images and using e-signatures at key stages in the sales process helps firm up the duty of care with the customer," said Whicher.

He also described to delegates how a digital appraisal can generate the listing for that car to be sold on through Cooper Solutions' auction service, speeding up the time from that vehicle arriving on site and being re-sold.

"Avoiding duplication when entering information and eliminating chances that paperwork could be mislaid creates a more professional and engaging process with customers when they arrive on site and their part-exchange vehicle is appraised.

"The use of technology makes for a slicker and more efficient operation, which is easy to track and measure," said Whicher.

According to Cooper Solutions, transaction costs for online auctions can be nine times less than physical auctions. Meanwhile, vehicles that are more accurately appraised benefit from an average uplift of £125 per unit.



Aftersales

Customer loyalty can be improved by streamlining aftersales processes and adopting new mobile app technology, according to eDynamix.

Nick Horton, managing director of Profit Box, eDynamix's training partner, told delegates how over-complex aftersales systems can dampen employee enthusiasm and harm sales.

"Service advisers will usually have anything from three to six different systems and applications open in order to undertake their daily tasks, such as checking online bookings, obtaining service plan information and emailing video footage to customers.

"It makes working life overly complex, especially if these systems are not integrated. The consumer expects you to have all their information at your fingertips.

"As well as having to navigate between systems to provide the service level customers expect, the more applications a service adviser is using, the higher chance of process breakdown."

During the seminar, delegates were asked how many systems

they use outside of their DMS. Some were using up to 10 additional systems.

Horton went on to tell delegates about the importance of having a strong online presence.

"Customers want to feel connected," he said.

Not only do apps allow dealers to monitor sales performance away from the showroom, but an upcoming app from eDynamix has been designed for the customer to use.

"Customers need to be connected to us. By using an app, we can send them reminders of maintenance work and allow them to book service and MOTs online," said Horton.

eDynamix research has shown that average transaction values are 35% higher when customers are given the option to book online.

"The app also allows us to send a push notification to the customer asking for the vehicle mileage, this can be immediately updated on the system, along with changes to their contact details, meaning you are fully in control of that customer."



Customer reviews

Customer reviews on your website are not a 'nice-to-have' element, Neil Addley, managing director of Judge Service, told dealers at his masterclass – they should be considered an essential part of your business.

He supported the assertion in Auto Trader research findings that 30% of car buyers look for reviews of a dealer when buying a car, with more than 50% reading them as part of the buying process.

"With used car sales of 7.2 million in a year, this equates to 2.1m buyers wanting to see reviews of your business," said Addley.

Citing Judge Service's own findings, he said: "By using reviews, dwell time on your website can increase by about 10% and 88% of car buyers trust online reviews as much as they do comments made by people they know."

It was also important to

remember that most people will be looking at a dealer's website when the business is shut – between 7pm and 9pm – and so "the only way of telling them how good you are is if other people have done that for you".

Addley also stressed how reviews could "re-ignite" lost sales.

"About 40% of consumers who have been written off by sales staff as being mere tyre-kickers are actually still in the market to buy," said Addley.

"When we asked these customers what the reality was, half of them were actually either waiting for information from the dealer or for someone to call them back. So, use reviews to sharpen your business practices and ensure this incremental business gets added to your bottom line and not a competitor's."



F&I THEATRE



WHAT WILL BURST THE PCP BUBBLE?

PCPs have sustained a resurgence in the new and used car markets, but attendees were warned that the UK leaving the EU or renewed focus on consumer credit could end that.

Jerry Page, group F&I director at Mercedes-Benz Retail, called PCPs “the biggest single success story in motor finance over the past 10 years” and the catalyst behind double-digit growth in the finance market over the past year.

However, Page warned that the effects of Brexit or the yet-to-be fully felt force of the Financial Conduct Authority (FCA) could change that.

Andrew Smith, managing director of the Consumer Credit Advisory Service, also warned that the FCA could be about to get tougher on dealers.

On Brexit, Page questioned the mechanics of a finance model that places such a heavy reliance on steady residual values.

He said: “What is the total loan value in the market of PCP? There is no one place we can go to find out, but it is huge.”

He said an economy without shocks is more likely to be able to sustain that loan value, but that if “anyone assumes that Brexit won’t produce inhospitable trading conditions, expensive finance and consumers who don’t want to buy again, they may be in for a surprise.

“The dangers are really the adjustment in values – if the RV rate on those 5,000 white Fiestas coming back into the market at the same time suddenly impacts prices with a 5% drop, that’s a big hole – and those who come back to buy again just cannot afford to go into another contract.”

Page also suggested the FCA could pay closer scrutiny to how PCPs are sold, and not just the commission that dealers make on the deal: “The FCA

has to show some scalps and the fact that there are no severed dripping heads on spikes outside their offices does not mean that they are necessarily finished with it.”

Vulnerable customers – such as foreign buyers with limited English – could be one area of FCA focus.

Page said questions would be asked as to why 90% of contracts sold have a 10,000 mile-a-year average mileage allowance and why many incentives are available on PCP deals only.

He said: “I think that we are likely to see a greater emphasis on transparency. For now, perhaps it’s worth thinking about whether you, as a dealer, could explain these things if the FCA came knocking.”

Smith made it clear that every stage of the sales transaction should be evidenced in case the FCA calls.

“If you can’t prove it, it simply doesn’t happen in their eyes, it’s as simple as that.”

He highlighted the need for retailers to be able to evidence a structured approach to selling products – filing evidence in customer folders which document each sale end-to-end – as well as a regulatory business plan and a process to regularly review and address customer complaints.

He said training should be provided to sales staff to ensure that they exercise due diligence when selling PCP and PCH finance plans, ensuring that they question when someone with a commute of 50 miles wants a 6,000-mile-a-year plan.

Smith said: “You have to ensure that you do not lead them into something that’s to their detriment.

“With the right evidence of the sales transaction, no complaint can be upheld, but that evidence has to have been recorded in the first place.”

FCA MAY ADOPT PARTS OF CONSUMER CREDIT ACT

The Financial Conduct Authority (FCA) is considering including elements of the Consumer Credit Act (CCA) in its CONC handbook by 2019 and has called for industry input on its plans.

The FCA’s aim is to ensure that the consumer knows the terms of their agreement and has an adequate explanation, said Russell Kelsall, partner at law firm TLT’s financial services regulation team.

Among the elements of CCA not currently in the FCA handbook, he outlined pre-contractual information, the form and content of regulated credit hire agreements, points around ‘deemed agency’ – which could raise questions of whether the dealer is acting as the customer’s agent or the lender’s agent – and the consumer’s S75 CCA right to claim against their credit card provider if they have used it to pay in part or in full.

The FCA may also look at voluntary terminations, which are on the increase, and the consumer’s right to withdraw from the credit.

If such aspects are pulled into the handbook, there are implications. “By moving these across from CCA to CONC, it will give consumers lots more opportunities to make lots more complaints about what you do or don’t do,” said Kelsall.

Dealers need to ensure what their staff tell their customers is correct, clear and fair, because a breach of CONC will make the credit agreement unenforceable. Commission should also be disclosed.

In comparison, currently CCA aspects do not have a sanction, unless there are specific provisions in the act.

In the 2014 case of Figurasin, where a couple arranged a debt consolidation loan by telephone with Central Capital, the court ruled that the influence of the telephone conversation could not be underestimated and the Figurasins’ failure to read all the subsequent documents sent to them was not sufficient to remedy the defects in the telephone conversation.

“The FCA is looking very carefully at the motor industry. In 2014, they classified the motor industry as low-risk. Now they think there is significant risks,” he said. “You ain’t seen nothing yet, there’s plenty more to come.”

Sponsored by



TRAIN STAFF PROPERLY TO AVOID OVER-RELIANCE ON F&I SOFTWARE

Sales executives need to increase their skills to shrug-off a "computer says no" mindset brought on by an over-reliance on FCA-compliant F&I sales systems, according to financial training experts.

Specialists from Alpha Financial Services made the case for training staff properly and empowering them to sell products in a more tailored and compliant fashion.

Richard Penny, product training manager, and Nick Hunt, head of product training, explained the need for sales executives to allow customers to visualise, hear and feel their way around F&I products before they make an informed choice on the best package for them.

Penny said sales executives without the proper training can rely too heavily on dealer

F&I sales tools rather than employing their knowledge and a more personal approach to sales.

"The difficulty is that sales executives are using these systems as a bit of a crutch and a selling tool," he said.

"The end result is that they are losing the art of selling F&I effectively. It can build the 'computer says no' environment."

AVOID THE RISKS OF 'UNFAIR PRACTICES'

The Financial Conduct Authority (FCA) has focused on risk management within consumer credit this year. That means it is interested in affordability, arrears and incentives.

"If you get it wrong, the level of financial penalties is catastrophic," said Jonathan Rogers, partner in Taylor Wessing's Financial Services Regulatory Group.

Some payday lenders have already been told they cannot collect on their loans. In September, CFO Lending was ordered to pay back £34 million to 91,000 customers for "unfair practices" – it had not verified affordability before signing borrowers up to continuous monthly repayments, and it issued

threatening letters, according to the FCA.

That case could be a signal for dealers and finance houses to consider their processes for checking affordability, for contacting customers, for enabling customers to decide to voluntarily surrender and give the car back.

Rogers said things can come back to haunt companies – payday lender Wonga was fined for unfair practices in 2012, two years before the FCA took responsibility for consumer credit.

Dangers for dealers include fines and brand damage, and the FCA can make it difficult to sell a business if it has compliance issues. Directors can also be fined personally.

REVIEW YOUR GAP PRODUCTS

Alan Lewis, national dealer development at Car Care Plan said car buyers make 10,000 Google searches a month for GAP insurance, a clear indication of interest. However, he said GAP products differ, and dealers should consider what they offer and how.

He urged dealers to consider how they treat customers fairly, and whether this should include how their GAP supplier reviews its products regularly. He questioned how the FCA would view restrictions to market value or Glass's Guide and the deadlines for making a claim.

"The market is full of these deferred conflicts," he said. "Online providers are creating more competition for GAP, and dealers ought to ensure they have the best, competitive products."

"If you explain properly, engage properly and provide the regulatory advice properly, you will get sales," said Lewis.

Prime decline? Try startline

We're a more flexible kind of lender that views you and your customers as people, working harder to find a motor finance solution that fit their needs and yours.

✉ enquiries@startlinemotorfinance.com

So far in 2016, more than 20 dealer groups have added Startline to their lending panel...

Why don't you do the same?

startline
MOTOR FINANCE
www.startlinemotorfinance.com

AM PORTFOLIO

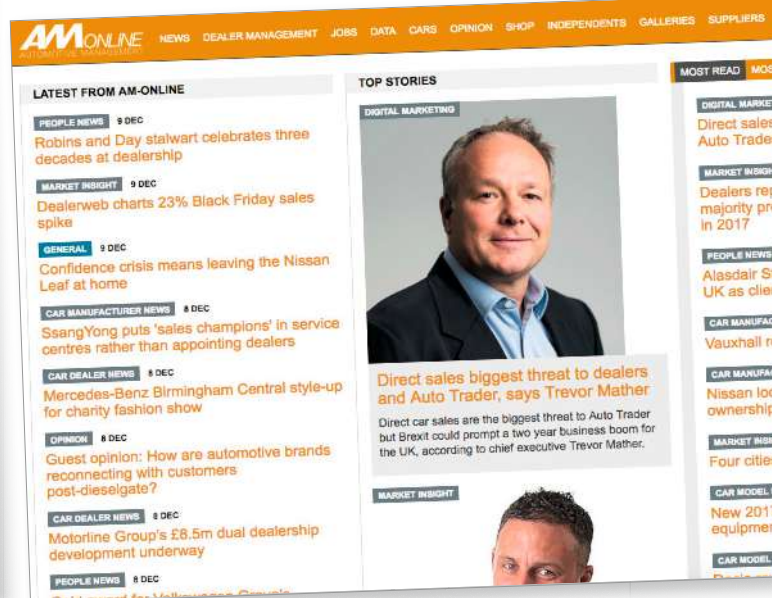
WHAT WE DO IN YOUR INDUSTRY

AM magazine

Your monthly publication, in print and digital form, brings the latest news insights, market intelligence and in-depth interviews with franchised dealers and the heads of manufacturer national sales companies. Every issue also tackles a specific topic of dealer operations and gathers inspiration for readers from sector experts.

Independent Dealer magazine

Essential reading for anyone managing an independent used car retailer, Independent Dealer is published every spring and autumn. The spring edition brings you the ID50 rankings and analysis of the largest used car retailers in the UK. The autumn edition shares best practice to help readers understand where the growth opportunities lie.





AM Awards

More than 1,000 people gather each year at the ICC in Birmingham to see the UK's best in motor retail rewarded with a prestigious AM Award. More than 20 trophies are presented during the gala dinner, in categories for dealers and carmakers. Every winner is celebrated, culminating in the headline awards of Retailer of the Year, Business Leader of the Year, Manufacturer of the Year and Hall of Fame.

AM EXECUTIVE BREAKFAST Club

This free-to-attend networking and business improvement club is exclusively for directors of franchised dealer groups. Its meetings are quarterly, confidential, and always bring inspiration from a non-automotive guest speaker. Past presenters have included a director of customer service at John Lewis, a head of HR at the BBC, a co-founder of budget airline BMI Baby and a head of event services at the London 2012 Olympics.



Profitability, growth and acquisitions are regular subjects of conversation at the annual AM100 gala dinner in London. It is here that AM presents the latest AM100 rankings of the UK's largest franchised dealer groups, and previews its AM100 supplement, complete with analysis of the trends.

AM conferences

Inspiring case studies, sector specialists' advice, peer networking and interactive problem-solving workshops all feature in AM's conferences designed to support motor retailers in their thirst for knowledge. Our recent conferences have tackled critical areas such as people and skills, digital marketing and technology, customer service and regulation of F&I.

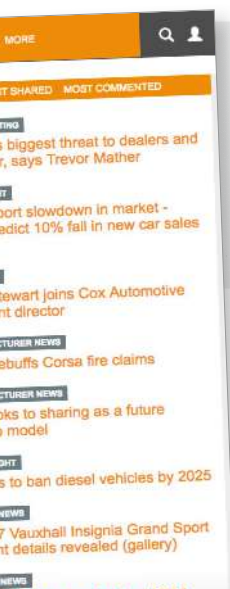
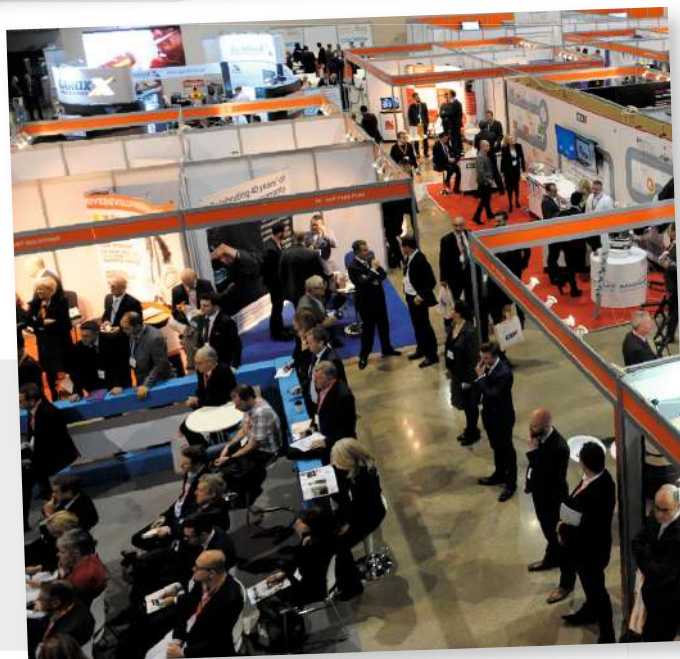


AM-online

A daily source of UK motor retail news, insight and opinions for franchised and independent dealers. Register to receive our daily newsletter direct to your email inbox, and on Saturday a digest email brings you the most important news of the week.

Automotive Management Live

The success of our newest event, combining an exhibition hall packed with more than 60 exhibitors with best practice workshops spanning important aspects of dealer operations, has prompted a decision to move it to the National Exhibition Centre at Birmingham in 2017. As ever, it will remain free for all franchised and independent dealers to attend.



STEVE HOOD AND LUCY CURTIS
TRUSTFORD

Interview by Tom Sharpe

GOING THE
DISTANCE

Long-distance relationships are notoriously difficult, but the directors of the TrustFord network are confident they can make it work – despite a near 6,000-mile separation.

Steve Hood, TrustFord's chairman and chief executive, will continue in his post with the group, which is owned by Ford,

despite being promoted by Ford Motor Company to the role of **vice-president of sales for the Asia Pacific region**.

Hood is now based in Shanghai, but insisted things would remain "business as usual" at TrustFord.

Although Hood refused to comment further on the logistics of his new role, he told *AM*: "The business has matured a lot over the last couple of years. We've improved performance significantly, introduced good, simple management processes and have a strong and capable management team in place. This frees up my time to get involved in other projects and roles for Ford while still staying involved in the TrustFord businesses."

TrustFord appears to be in a buoyant position – it posted a record £1.63 billion in turnover for the year to December 31, 2015 (up 13.2% from £1.44bn the year before), and an operating profit of £14.3 million (up 51.3% year-on-year from £9.5m). In fact, its operating profit figures were bettered only by the 2009 (£17.6m) and 2010 (£14.7m) scrappage years that followed the 2008 banking crisis. It was the *AM100*'s eighth largest dealer group this year (up from ninth in 2015).

The group has built six Ford Stores since the start of 2015 – Bristol, Castleford, Epsom, London, Warrington and Lisburn, Northern Ireland – taking its total number of sites to 53.

Hood said the group would sell more than 100,000 vehicles in 2016, about 40,000 of which will be fleet. New and used business will be evenly split, he said.

TrustFord is targeting growth in all directions, but particularly its used car and fleet capacity.

The group is expanding its Long Marston fleet distribution site to create a national fleet hub of 22.5 acres (up from seven) to streamline the delivery of business and commercial vehicles and, potentially, reduce the cost of used cars coming off fleet onto its recently expanded used car forecourts.

It has created an aftersales app that aims to improve retention and post-sale services by allowing customers to access the technical specification of their car, view their service schedule and book services from their mobile phone.

Customers will also be able to gain directions to the nearest car park and access the latest offers available within the group.

Why Ford dealers need to keep an open mind on mobility

Speaking to *AM* in the latest addition to the TrustFord network – the £4m flagship Epsom FordStore – Hood described the app as "a real taste of things to come" as the group's parent company targets alternative ownership solutions and connected motoring innovations.

The group has so far received few enquiries about electric vehicles (EVs) and was "pragmatic" about their eventually widespread use, but Hood said: "Customers' needs and expectations are starting to change."

"The new app is just a part of that. Sooner or later, things are going to change significantly. It's reassuring that Ford are working with a number of partners to ensure that we will be at the cutting edge of any advances."

"From my point of view, as a dealer, I'm getting excited about some of the things that Ford are talking about by way of the mobility solutions, because they are exploring the possibilities rather than betting, say, on this car line or derivative – i.e. EV, hybrid or fuel cell – and saying this is the one. That is going to be quite hard to predict."

Ford is currently working on evasive steering technology that can swerve a car around hazards and plans to test autonomous cars on European roads in 2017. It is moving towards the launch of a fully autonomous

Steve Hood, TrustFord chairman and chief executive (as well as vice-president of sales for Asia Pacific)





FACT FILE

Turnover £1.63 billion
Franchises Ford,
Ford Commercial
**Number of
sales outlets** 53
Number of staff 3,108
New car sales 100,000
Used car sales 50,000
Retail/fleet split 60:40



car, supported by ride-sharing and car-hailing programs, by 2021.

The US carmaker has also signed a deal with the former smartphone manufacturer, BlackBerry, to develop its next generation of connected cars and another partnership, with online retailer Amazon, will allow cars to communicate with customers' household devices.

Hood, who spent three years working as the director of sales operations in Ford of Europe, following an initial spell at TrustFord – where he has been responsible for dealer network strategies and developing the retail experience for Ford customers – said Ford dealers need to be open to how these technologies may change the business.

"In Germany, there's quite a lot of that ZipCar stuff and the message from Ford is that that is part of their strategy.

"London is a market that will have to deliver that, of course, so it's something that you have to think about as a dealer in London.

"I think we're all going to have to be very open-minded towards sharing and pay-to-use and that's the thought that we have to have. That one day we will have to provide for a customer that wants to pay as they use."

The Ford Store effect

TrustFord has been at the forefront of the Ford Store concept.

Showrooms have a single reception area, new interactive displays and Wi-Fi-equipped lounge areas. They are divided into sections defined by lighting, colour palate and furniture



TrustFord's Epsom Ford Store: 'It's important for the staff to have a workplace like this'



'WE NEED MORE WOMEN IN THE INDUSTRY'

TrustFord's first female general manager says women can progress in the automotive retail sector despite the long hours, suggesting "that's just retail now".

Lucy Curtis has progressed from trainee sales executive at the group's Dagenham retail site to general manager of six sites across the group's network, including the new £4 million Epsom FordStore.

Curtis said: "It is a lot of hours. If you are a young female and you have to work five-and-a-half days a week, then it can be very difficult, but that is the retail environment now, no matter what area you are working in.

"There is no doubt that we need more women in the industry, but I suppose women just do not associate with cars as they perhaps do with other areas of retail."

Curtis said TrustFord supported her from day one, identifying her ambition and encouraging her to progress through the business. A 'buddy system' provided her with support along the way.

She said: "I joined Dagenham Motors as a trainee sales executive back in 2004 and was promoted to the role of business manager 18 months later.

"After four years, I became a sales manager and 18 months ago I became



general manager.

"I think I pushed myself, but the company identified that I was ambitious and helped me to progress."

In June, Curtis orchestrated the bringing together of TrustFord's former Epsom dealerships at Kiln Lane and East Street in a single 18-vehicle showroom facility incorporating a 17-bay workshop and a

specialist Transit Centre.

She did not want to close the business during the transition and helped her 50-strong team make the move overnight.

Hood said TrustFord was very proactive in terms of promoting from within and wanted to create a level playing field for female members of staff, but would not prioritise them for promotion: "We'll make as much effort as we can to ensure everyone gets a fair chance."

Cultural changes were starting to bear fruit, he added: "Female service managers in the business are some of our great performers. We have female technicians and we bought equipment that ensures they don't have the same stresses, such as wheel trolleys that facilitate half-height lifting. We want to make sure we're a diverse employer.

"I think it will take more time to filter through. It's a job not finished."



'Probably about 40% of our volume is fleet and CVs,' says Steve Hood

to segment performance cars, such as the Mustang and Focus RS, core products such as the Fiesta and Focus and the Vignale premium offering, which now includes Mondeo, S-Max, Kuga and Edge models.

Hood believes the new format will not only benefit customers, but will help boost staff retention and attract a more diverse workforce.

TrustFord's first female **general manager, Lucy Curtis**, runs the new **Epsom FordStore**, along with five other facilities in the business's Surrey and Henley market area.

Hood said Curtis's drive and talent were what took her to the top job, but he acknowledged a need to bring more women and young people into the industry and said showroom facilities have an important part to play.

He said: "I think it's important for the staff to have a workplace like this. The workshop is bright and clean, a very professional space.

"I think we have an environment where people are proud to come and work. I think when you do those things, being vigilant on your culture and creating an attractive place to work, you cannot fail to bring through the diverse workforce you need."

Ford sold a total of 297,575 vehicles in the first 11 months of 2016 – down 4.63% on the same period in 2015. It also dropped almost a percentage point in market share over the same period, from 12.72% to 11.83%.

Looking at individual model lines over the same timeframe, the Fiesta's 124,457 registrations were down 9.6% year-on-year, with the Focus down 16.8% on 65,554.

A new Ford Fiesta – including a premium Vignale model – was unveiled to the press at an event in Cologne during November and will reach Ford dealerships in June.

TrustFord is clearly broadening its interest in used cars and fleet ahead of next year's anticipated fall in new car sales, but Hood believes Ford's SUV line-up can take advantage of many customers' move away from the traditional hatchback models to help bolster the brand's fortunes.

He said: "We've always been strong in Fiesta and Focus and Mondeo and what we are starting to see now is that the bigger product range is enabling us to take advantage of the market much better and the SUV range is growing.

"SUV is the one that will work hardest for us this year."

Hood said TrustFord's retail share has risen in London during 2016 on the back of its stronger premium offering.

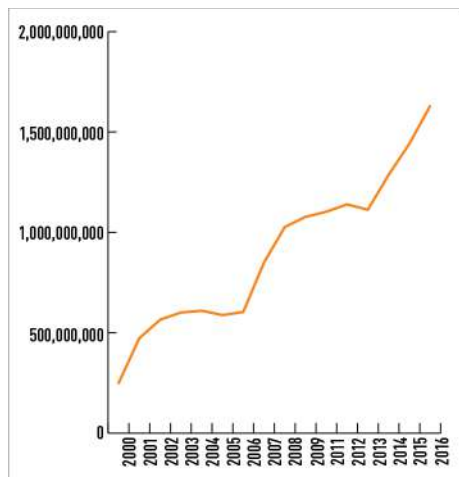
"We've started to see the range better cater for customers that are quite affluent. I think RS, Vignale and Mustang are all giving us access to that premium market."

Curtis, meanwhile, said the Epsom store has its own weapon in the fight for performance car sales – Mustang specialist James Rowe.

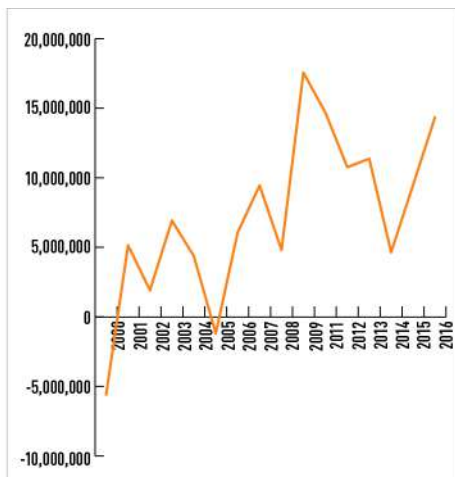
Even before the Epsom FordStore's opening in June, Rowe's Mustang sales were into three figures and his activity on Twitter and Ford owners' forums was boosting the dealership's reputation as the place to go to invest in the blue oval's coupé.

Curtis said: "James has been hugely successful with the Mustang. To him, TrustFord is more than just a job, he loves it."

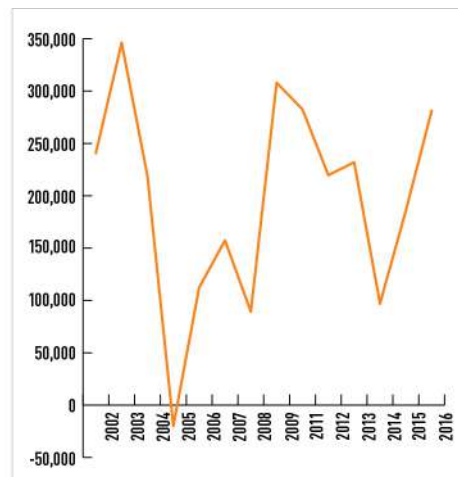
TURNOVER (£)



OPERATING PROFIT (£)



PROFIT PER SITE (£)



Putting the focus on fleet

TrustFord's investment was no better demonstrated than its ongoing development of its Long Marston fleet hub from seven to 22.5 acres, with on-site logistics specialists, bodyshop and refurb centre.

Due to be fully operational by Q1 2017, the new facility will have an annual throughput of about 40,000 vehicles, according to Hood – roughly TrustFord's fleet and commercial vehicle volume. It will also serve the group's five regional business centres and 16 Transit Centres.

Hood said: "We have invested very heavily in fleet and commercial vehicles. It's a huge part of our strategy. We've got the dedicated Transit Centres, we've got a dedicated fleet team and we have the solutions within that, whether it's contact hire and leasing.

"Probably about 40% of our volume is fleet and CVs."

Hood suggested that the new fleet hub could also prove a vital source for used cars. Increased used car capacity was a big part of recent refurbishment work in its Dagenham, Birmingham, and Castleford sites, as part of a drive towards "professionalising" TrustFord's used operation.

Used car capacity has grown by about 15% across the network and 100% at the new Epsom site.

On sites with less space, dealers have been working towards becoming more internet-savvy, and use supporting compounds to boost their ability to turn stock.

Commenting on the fleet centre's potential role in the supply of used vehicles, Hood said: "We will be able to do the first stage of the vehicle remarketing process.

"We have a refurbishment facility with the compounds there where we can put them through prep and put them into the used market whether they are coming back, whether they are our own vehicles or whatever."

TrustFord 'exploring' ways to sell online

Developments away from the bricks and mortar of new dealerships and expanded forecourts are increasingly central to TrustFord's drive to appeal to a new generation of internet-savvy customers.

Half a million pounds has been spent on upgrading the group's Wi-Fi networks to better serve the wireless devices used by sales executives and meet the expectations of smart-phone-using customers.

Hood said the group was also "exploring" an online car-buying model that would allow customers to transact as they wished within the next year or so.

"Usually, customers want a conversation around the car, but I remember selling our first car online when I first joined



"We have invested very heavily in fleet and commercial vehicles. It's a huge part of our strategy"

Steve Hood, Trustford

TrustFord five years ago, which was wonderful," he said.

"If you look at the finance providers, they are progressing fast. When we first did that five years ago, you would sign the documents on-site. The finance providers now have remote solutions."

TrustFord operates two call centres – in Birmingham and East London – which are the first point of contact for customers using TrustFord Online. Call handlers determine a customer's needs before directing them to a relevant site to progress their enquiry, said Hood.

The East London centre is wholly committed to the servicing side of the business and was instrumental in booking more than a million workshop hours in 2015.

The call centre employs a mixture of full-time and part-time staff with specialist knowledge of sales or servicing areas of the business.

People processes 'cut attrition rate by 10% in one year'

Hood would not be drawn further on a move away from "heavily commission-led" packages for sales executives, but he did emphasise a growing need to recruit the right people and deliver training and progression.

"We've put a lot of investment into staff recruitment and induction in order to ensure that employees get proper training. They only speak to customers when they are properly trained," he said.

"All staff have a support network when they are new and that makes them happier. We want happy employees because we think it benefits customer satisfaction."

TrustFord has centralised its recruitment processes away from its dealerships.

Recruitment sessions follow an online application and an assessment centre where applicants must meet a minimum standard.

Successful candidates go through to an induction process and an induction academy, which takes sales staff two weeks to complete. Once people have joined a site, they are supported by a buddy system.

The process has paid dividends. Hood said: "Our attrition rate came down quite dramatically last year – by over 10%.

"It's one of the things we are most proud of. We were listed in the Top 25 Best Companies to Work For by *The Sunday Times* as a result and I think that really shows a commitment from our HR team to embrace that cultural imperative to become a great place to work."

As Hood leaves behind a great place to work, he will be left to tackle a new cultural imperative: making his roles in the UK and Asia work well in unison.

'Stop treating your employees like children'

AM EXECUTIVE
BREAKFAST
Club

Trusting staff to use their own best judgement at work helps them to be more innovative and productive, says former head of human resources at BBC

NEED TO KNOW

- Avoid a parent-child relationship with staff
- Develop insights into employees as well as consumers
- Tailor training and rewards to the individual

By Tim Rose

Employers need to treat staff like adults and give them the freedom to innovate and find their own path, a former director of human resources at the BBC told members of the AM Executive Breakfast Club

Lucy Adams was in charge of HR at the corporation at a time when it was challenged by emerging online channels such as Netflix, the Jimmy Savile child abuse scandal, and a need to reduce annual costs by a fifth.

Leaders had to view what the BBC did in a different way, she said. One change was a drive to get the BBC's different divisions, which had been stubbornly tribal and even saw each other as competition, working collaboratively.

"Driving collaboration is a cost issue, but also a customer experience issue. Customers just want a better experience," she said.

Cost-cutting also meant the end of the BBC's final salary pension scheme and 'inflation-plus' pay deals.

"People at the BBC didn't expect to be earning as much as people at Sky or ITV, but they expected to be looked after. It became more problematic, and it led to strikes and real anger."

Now running her own business, Adams believes companies need to change their relationships with their workers, or they will not be agile enough to compete.

She outlined the 'EACH' model – Employees as Adults, Consumers and Human beings.

Employees as adults

Employment law is based on a parent-child approach, she said, citing examples of reminders in the toilets about washing hands, or emails advising them to leave early if it snows heavily. Companies generally have a list of employment policies. However, she said this only gets read by 1% of the staff.

Many businesses create an environment based on compliance and discipline or not trusting staff to use their judgement, and that creates a workforce that waits for orders, doesn't feel trusted and works in a child-like way, said Adams.

Some companies do treat employees as adults. Netflix's staff expenses policy simply states: "Do the right thing by Netflix". Adobe expects workers to chat to their manager about issues, not wait for an annual appraisal. Adams said it is about having a starting point of where you trust your people.



"Research tells us that if people feel trusted at work, they're more likely to be engaged, to stay, to be innovative, productive"

Lucy Adams

"Research tells us that if people feel trusted at work, they're more likely to be engaged, to stay, to be innovative, productive, because you're creating a different mindset.

"It's not policies, but approaches. Tell your staff what you think matters, and allow them to find their own ways to achieving that.

Employees as consumers

Companies constantly gather digital data to improve what they offer consumers. However, employers typically do one annual engagement survey and have little insight into their employees.

Virgin Trains tasked its marketing team with working out how it could find out more about its own workforce. Windscreen maker Belron texts its employees each week asking simply 'how was work for you this week?'. Such approaches allow businesses to react in timely and targeted ways.

Adams said she detests the expression 'employees are our greatest asset'. "Assets are not human beings, they're cars and buildings and computer equipment, things that tend to behave very similarly to the asset identical to it. Human beings are messy, mercurial, frustrating, wonderful and individual. Yet everything we do in terms of how we approach people at work is an asset-based approach.

"We record data on them like an asset register – where they are, how many we have, what they cost, what their shelf-life is. What we don't know is how they feel, think, behave – we don't have a level of consumer insight."

Employees as humans

The HR profession has developed processes for human beings that show no understanding of how human beings actually think, feel, behave or communicate, said Adams. She cited learning as an example – 80% of what people learn on a training programme will be forgotten in 30 days. People learn 70% on the job, 20% through social interaction and 10% through formal learning, but employers focus on formal learning.

Different rewards drive different people, but this too is often ignored. For some, a thank you note is memorable, surprising and thoughtful. For others, extra time off is a reward. Yet companies often put more emphasis on bonuses.

"By and large, money does not drive productivity or performance. What does is autonomy, mastery and a sense of purpose, being part of something bigger."

Companies also give workers who become managers the sense that they need to be more formal, she said. Management is not about figures and Powerpoints, but giving your team stories and getting them excited and optimistic.

"Your primary role as a leader is not to be the big shot who knows or does more, it is to enable the people who work for you to do the best work of their lives."

Car buyers trust family and friends more than Facebook



By Professor Jim Saker

In God we Trust' became the motto of the United States in 1956 and, for many, God remains the only entity in which they are prepared to put their trust. Looking back over 2016, one of the casualties of both the US election and Brexit was any sense of 'truth' or belief in what was being said through the media. Statements that were blatantly incorrect were bandied about by both sides in a rhetoric that appeared to be a race to the bottom when it came to integrity. It brought out the baser instincts in people and has, in my opinion, lowered the standing of many in what was previously called 'high office'. So what has this somewhat pious ranting got to do with our industry?

Obviously, there have been a number of 'unfortunate' incidents where manufacturers have published incorrect information or have, in the case of 'dieselgate', manipulated the data produced that went on to falsify the message being given out to both governments and consumers. So we are not entirely clean in this particular area ourselves.

The problem is that it leaves people struggling to know who or what to trust. What information do you use to base your decisions on, whether they be political or simply what should be purchased at the supermarket?

For many, the internet had become a source of authenticity with the supposed free movement of information and opinion. Third-party, user-generated comment had started to become a major reference point in the consumer buyer behaviour process.

After the events of 2016, however, people have started to doubt much of the content on the internet. Trying to unravel bias and hidden agendas has become more difficult and people have started to look at alternative sources.

The two biggest influencers? Family and friends

South-east Asia has some of the highest levels of internet usage and coverage in the world. In Singapore, I was interested to see Wi-Fi was widespread on their underground system – in parts of London, it is difficult to get a signal above ground let alone on the Tube.

While I think people spend a lot of their time looking at their phones in the UK, in south-east Asia it is obsessive. A well known global glasses brand has started to advertise with the slogan 'be brave', with two people looking at each other while everyone else in the picture wears their mobile phone like a pair of glasses. Their commitment to the internet is absolute, but something strange is emerging from some research that we are involved with in this area.

The research started by looking at the role social and digital media have in the car-buying process in south-east Asia. It was expected that internet-based interaction was going to be a major driver for the purchase activity. Previous studies had suggested that web-based communication had become the major form of influence on

thinking, in a similar way to Europe. As a result, many car companies invested time and money in developing slick digital communications that would feed this information space.

One of the questions in the research concerned who or what was the major influence on a customer choosing what car to buy. The overwhelming result was 'family', closely followed by 'friends'. Everything else had little or no significance. This internet-savvy, digitally based society was more likely to be influenced by their parents than some expensively developed, explosive digital experience.

'There was no serious communication'

Although it could be argued that this is something to do with the culture within these societies, it is still an interesting insight. This was coupled with the fact that when asked how they used social media, such as Facebook, it was seen as a medium for purely social interaction.

As in the UK, people posted things such as their dinner, strange drinks and groups of people pulling odd faces as part of the general backdrop of everyday life. There was no serious communication. They did not want to express their views or preferences, they simply wanted to interact at a superficial level. If people do turn away from mass media, whether social or digital, where will they turn for advice?

In south-east Asia, the new influencers come from the older generations, who move from simply being seen as potential 'Motability' customers to brand advocates. When looking at the car markets in these areas, it is interesting that the established brands continue to hold sway, while some newer entrants are struggling to get a foothold. The research flagged up that the car companies were not taking seriously the role that the 'ageing advocate' was playing. Their focus was on the digital, when the biggest influence was human.

It is too early to suggest that we in Europe will all end up buying the same brand of car as our parents, but there could be a move to put trust in those not only closer to home, but actually in it. Keeping our more 'senior' customers happy may have a bigger impact than we fully realise.

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.

"There have been a number of 'unfortunate' incidents where manufacturers have published incorrect information or manipulated data"



ENQUIRY MANAGEMENT
AND RESPONSE



TEST
DRIVE



FINANCING
THE SALE

MEMORABLE
HANDOVER



SQUARE YOUR SALES

The four critical elements every
dealer needs to seal the deal

Is poor enquiry management losing you sales?

Training staff to engage customers efficiently on every communication channel will pay off

NEED TO KNOW

- Staff should move from face-to-face contact skills
- Dealers 'need a presence' on each channel
- Growth in enquiries is online only

By Chris Phillips

Manufacturers and dealers spend millions on marketing campaigns to sell new and used cars, but how effective are they in converting customer enquiries into sales?

CRM agency **Marketing Delivery** examined a sample of 63,000 enquiries and found that, on average, 64% are identified as 'lost' – typically because it has not been possible for the salesperson to make contact or because a vehicle is not immediately available in stock.

Categorising the lead as 'lost' normally means the dealership's contact with the potential customer is terminated.

However, when the agency contacted those prospects by email, an average of 40% said they were still ready and able to buy a car from the same dealership.

"It's clear that dealerships are losing significant volumes of business as a result of deficiencies in the performance of sales staff or shortfalls in sales processes, or both," said **managing director Jeremy Evans**.

Nick Reisinger, managing director of Call It Automotive, shares that view. "Our focus is always on supporting dealers, because that is where the problem lies," he said. Manufacturers have resources, funding, the time to do things well, but dealer resources can be stretched to the point where the customer experience might suffer."

From experience, Reisinger said, web visitors still seek reassurance about whether a car is still available, its key features, and what finance they could get. A challenge for dealers trying to do everything themselves is that their showroom staff may be otherwise occupied, whereas dedicated outsourced staff will respond quickly.

Training provider **Symco** believes the typical response from initial enquiry through email is six hours on average, contrasting with the 60 minutes that a prospect is prepared to wait before going to another website.

"It's not just a case of responding quickly, but also what is



ENQUIRY MANAGEMENT
AND RESPONSE



said to engage the customer," said the company's founder and **managing director, Simon Bowkett**.

He thinks part of the problem lies with recruitment and its traditional emphasis on face-to-face skills in the days when "showroom walk-ins" were the norm for initial customer contact.

"Now, of course, it's how you deal with that contact by phone, email, live chat, and a key part of our training programmes is to set targets not just for results, but also activities."

For this, Symco provides a video featuring the sales "funnel" process, where a nominal price is attached to the components of a deal – e.g. business lead £15, qualifying £30, demo £60.

"Salespeople should sign agreed goals, not just on units sold, but activities to get there, including email and telephone enquiries. As well as unit conversion, there should be bolt-on sales like paint and fabric protection," said Bowkett.

Part of Marketing Delivery's work through its eCRM services is to help dealers track leads and evaluate performance by sales staff.

"With increasing movement of customers between communication channels – phone, email, text, social media – dealers need a presence on each with relevant and up-to-date data."

In an "ideal world", there would be one-to-one contact between customer and salesperson from the initial enquiry, but in reality the salesperson could be dealing with five to seven new enquiries, "a time-consuming process that quickly builds into a backlog of 60 to 70 outstanding enquiries", said Evans.

Automated acknowledgement emails sent in response to



enquiries were of limited use and depended on a prompt follow-up – out of working hours, if necessary, preferably with a salesperson's name.

"The whole exercise should be designed to stop a customer falling off the (enquiry) list," said Evans.

Email lists also needed periodic updating, especially with impending EU regulations requiring "permission to reply" as part of data protection.

"Some dealers already have this as standard procedure, but with others it can be as low as 20%," said Evans.

Further evidence of how technology is driving customer expectations comes from **Dealerweb**, whose clients include Jardine, Ford Retail, Volvo and Infiniti. Earlier this year, results of its survey of 1,000 motorists showed:

- 49% expect a response to an online enquiry from a dealer within one hour
- 25% expect a response in under 30 minutes
- 34% would take their enquiry elsewhere if the dealer didn't respond in less than four hours
- 56% of men and 44% of women would be more likely to commit to a purchase if responded to in less than one hour.

Although a sample of 200 dealers reported a 21% year-on-year rise in enquiries in quarter three of this year, when the increase is broken down it perfectly illustrates the decline in walk-in enquiries – while web-generated leads increased by 62%, the increase from walk-ins was a mere 0.6%.

Sales operations director James Hill said the majority of initial online enquiries tend to come through manufacturer or motor classified websites, with social media used more for comment. Like Evans, he said an automatic reply "only fulfils part of the response expectation and there's nothing worse than a customer thinking 'what's happening?'."

Much depended on sales management leadership, and response standards ranged from poor to very good "with the majority somewhere in between".

The IT and digital marketing group, **CDK Global**, believes qualification plays a critical part in the enquiry chain, with contact centres providing the first link.

"These act as a screening process, identifying calls that

49%

of customers expect a response to an online enquiry within one hour

34%

would take their inquiry elsewhere if the response takes more than four hours
(source: Dealerweb survey)

"Dealerships are losing significant volumes of business as a result of deficiencies in the performance of sales staff or shortfalls in sales processes, or both"

Jeremy Evans, Marketing Delivery

are unlikely to result in a sales conversion," said **Wallis Lavery, senior product manager – marketing and product management**. "It could be an individual, or an organisation, browsing for research purposes or just out of general interest. The screening frees up the salesperson to focus on genuine leads."

Part of the company's DMS function is to provide key performance indicators for marketing campaigns, with monitoring from showroom enquiry to test drive and sale.

Lavery points to the cost of generating leads and said that if subsequent sales are not up to par, manufacturers and dealers may be better off focusing on conversions rather than spending more money on another marketing campaign.

Sytner is using technology from video chat provider Vee24 to provide online prospects with a similar customer experience to that they would receive in the dealership.

Visitors to the dealer group's website are routed to Vee24's Live Help customer service centre, with options that include 'live text chat', 'live video chat', or email. It's available seven days a week between 8am and 10pm, with Sytner reporting that 44% of all enquiries come between 6pm and 10pm.

With live video chat, the service centre agent appears in a window on the website, with co-browsing facilities to enable the agent or the customer to produce information pages in answer to queries. The agent then passes the qualified information to a local dealership within 15 minutes and the dealership is expected to respond within 45 minutes.

Rob Lewis, managing director of Contact Advantage, said it is not that long since manufacturers were "more than happy" if enquiry responses took up to two days and contrasted that with today's "golden hour", with contact centres operating seven days a week from 8am to 10pm.

'Lost' leads could be attributed to a variety of reasons, but in Contact Advantage's case it was not unreasonable to reactivate about 30% of them, he said.

However, Lewis sided with the view of those manufacturers who believed efforts were better spent on "refining the customer experience process and learning more about expectations and interactivity".

For more information, call 01296 440 003, email enquiries@callitautomotive.com or visit callitautomotive.com

CALL-IT
AUTOMOTIVE

Make it multi-channel

Marketing across email, SMS, phone and mail offers the best returns

Multi-channel marketing has become the most cost-effective way to keep in touch with consumers and prospective buyers. However, it is not without its risks and may damage your reputation or relationship if not handled with care.

Too often, consumers and prospective buyers complain of "over-communication". This drives them to register under mail and telephone opt-out listings MPS and TPS, or simply to request not to be contacted. Over time, your contact database will shrink and your ability to market your products and services will diminish.

Before you embark on the multi-channel marketing journey, you must establish a clear communication strategy, where you will be able to assess accurately the impact of your activity through a measurement of the performance by channel.

Success relies on five key pillars:

- The attractiveness of your offer/message
- The timing of your marketing activity
- The accuracy of your data
- The appropriate communication channel
- The strength and discipline of your deployment process.

The last three steps are where most of our clients meet challenges. Some key statistics:

- It will take an average of five call attempts to reach 75% of consumers
- Emails return up to 15% positive responses within 10 days
- SMS could return up to 20%



positive responses within 10 days

- Mailing often offers the lowest return, with a maximum of 3% positive responses.

At Call It Automotive (CIA), we offer a managed multi-channel marketing solution, covering email, SMS, mailing and call campaigns. We also specialise in live chat fulfilment solutions on behalf of dealers and manufacturers.

For each client, the journey starts with a good understanding of the data available from their software – DMS, showroom systems, marketing database, web enquiry management portals, etc.

By combining the data sources, we understand where the consumer is during their relationship with the car. This is where the communication strategy will establish the most relevant and efficient way of engaging with the consumers.

Once the strategy has been defined, we recommend using each communication channel according to the degree of urgency and the associated cost. We may also prioritise channels that enable us to

handle objections or gather valuable marketing intelligence.

A typical contact cycle would be:

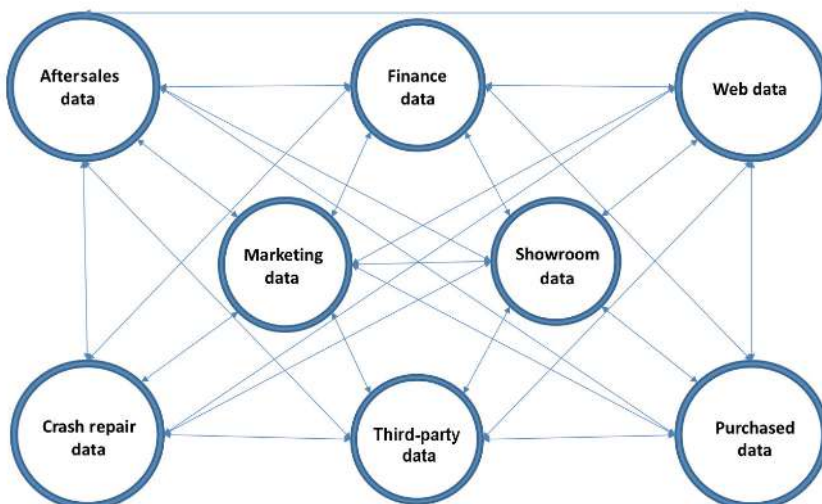
- **45 days – interactive email delivery**
This is free and the urgency is low.
- **35 days – interactive SMS**
This is low-cost and the urgency is medium.
- **25 days – outbound calls**
This is high-cost and the urgency is high. You can handle objections and gather consumer information.
- **10 days – mail**
This is high-cost and often the last attempt to reach the consumer, but is not interactive.

By integrating your communication channels with your data management, you can ensure that consumers/prospective buyers who have responded are excluded from further contact activity. This minimises the risk of duplicated communication and reduces the overall cost of your marketing activity.

Our core database technology and interactive communication platform allows our automotive clients to deliver truly intelligent marketing campaigns.

The automotive expertise of our agents, combined with best-in-class technology and robust data management processes, guarantee the delivery of a strong and measurable return on investment.

This is where Call It Automotive offers a real alternative to the traditional contact centre model.



To find out more about what Call It Automotive can do for your business, call 01296 440 003, email enquiries@callitautomotive.com or visit callitautomotive.com



finance email lost sales sms warranty live chat service plan ma

Unleash Your Potential

Call it Automotive is your alternative solution for managing complex contact cycles and multichannel communication across the spectrum of automotive activity :
Sales, Finance, Aftersales.

- ▶ We are solely automotive
- ▶ We are a solution provider
- ▶ We manage automotive big data
- ▶ An integrated multichannel communication platform
- ▶ We employ automotive specialists who understand the dealership environment
- ▶ We constantly innovate, invest in new technology and search for best practice
- ▶ We are well established with a proven track record of success
- ▶ Our solutions are ROI driven
- ▶ We operate a 24/7 services

Services List

- ▶ Integrated Customer Life Cycle Management
- ▶ Lead Management and Qualification – Retail and Fleet
- ▶ Lost Sales Re-activation
- ▶ Finance Contact Cycle Management
- ▶ Aftersales Reminders and Re-activation
- ▶ Vehicle Purchase Support
- ▶ Live Chat Management
- ▶ Test Drive Campaigns
- ▶ Warranty Recall Support
- ▶ Service & MOT Booking
- ▶ Data Enhancement & Cleansing

Automotive Contact Centre Solutions

Putting buyers' bums on seats still sells cars

The internet gives dealers far fewer chances to woo a customer, but in-depth knowledge and flexible service can help the test drive to redress the balance

NEED TO KNOW

- Dealers should relax qualification processes
- Promotional incentives can boost test drive rates
- Customers looking for flexibility and convenience

By Tom Seymour

Modern car buyers do so much of their research online that dealers are left with fewer opportunities to build rapport, answer questions and cement buying decisions.

Kevin Howard, dealer principal at Bolton Kia, a subsidiary of Kia UK, said this makes the test drive more important than ever: "Previously you would build up to the test drive over multiple visits, but so much research is done online now that customers are at the final stages of the buying process and more often than not are ready to get behind the wheel when they visit."

He said dealers with rigid qualification processes that let only 'serious buyers' take a test drive were making a mistake.

"We don't stand in the way if a customer wants a test drive before anything else."

"I'd rather be in a position where the customer is looking to buy from us, rather than us having to push for that sale."

Stephen Dorman, Kia UK general manager, customer quality, said the brand aims to get half of showroom visitors behind the wheel.

He said dealers should be flexible enough to tailor the test drive to a customer's needs.

"We advise our sales executives and 'Kia geniuses' to get several different potential test routes together and then show them on a map for the customer to choose from."

Kia introduced 'geniuses' in August 2015. Howard said Bolton Kia's 'genius' team was crucial to the test drive experience.

Kia's 'geniuses' first give a 10-minute demonstration to talk about the car and its features before accompanying potential buyers on a 20-minute test drive.

Customers can then book in a longer, unaccompanied test drive of between two and 12 hours.

If a customer decides to buy, the 'genius' introduces them to a salesperson and sits with them through the process.

Howard said: "We're pretty flexible really and you've got to try and accommodate what that customer wants."

Bolton Kia's figures support this approach. Howard said 70%-80% of test drives convert to a sale. Bolton Kia incentivises its genius team through customer satisfaction scores, rather than sales leads, to make sure there is no pressure selling.



"We don't stand in the way if a customer wants a test drive. I'd rather be in a position where the customer is looking to buy from us, rather than us having to push for that sale"

Kevin Howard, Bolton Kia

Hendy Group also involves product 'geniuses' with test drives. It is the first dealer in the Honda network to use them.

Paul Murrells, new car sales director, said the key to converting a test drive into a sale is providing the right customer experience.

"Often, when customers arrive in our showrooms, they are seeking the reassurance of someone with a real passion for the product that can align the product's core features with their lifestyle needs" he said.

"The product genius programme recognises that the dealership model of the past no longer correlates with the needs and expectations of the modern consumer."

Hendy employs product geniuses at its 25 locations across its 12 franchises.

Murrells said: "Having the product genius handle the test drive helps to increase the productivity of the sales staff and the feedback from customers has been tremendous."

Martin Sewell, HR Owen Bentley brand director, said the group – which also represents prestige franchises such as Bugatti, Aston Martin and Ferrari – doesn't have a specific test drive conversion target.

"More often than not, potential customers who sample cars go on to buy," he said.

"Every customer is different, and while the group wants every test drive to result in a sale, the time between test drive and signing an order form is vastly different for every customer."

"The customer experience and making them feel comfortable with the purchase is more important than chasing a metric or lead to drive ratio."

Promoting the test drive

Kia has run a promotion in Q3 and Q4 this year, offering customers £1,000 off its vehicles if they take a test drive.

Howard said the dealership tends to piggyback on manufacturer campaigns such as this with its own email marketing.

Bolton Kia's most recent campaign with the £1,000 cash-back offer had a 90% open rate, a 40% click-through rate and 25% of those booked a test drive.

Early in 2016, Seat offered a £500 discount to those who took a test drive. Vauxhall offered the same discount on its Corsa and Adam models to boost sales during August and the September plate-change.

Howard also uses data, such as renewal dates for PCP deals, to boost test drives.

"We'll contact customers on a three-year PCP deal around 20 months in for a test drive," he said.

"For the 2016 Sportage campaign we decided to incen-




tivise existing Sportage customers with three years' free servicing if they test drove the newer model.

"We've only had the opt-outs move by around 3% over the last 12 months so I'm pretty happy with that. Our customers want to hear from us."

Dorman said online campaigns are a great way to bring in customers, but they need to be combined with outbound calls and specific appointments.

Alternative test drive options

Most test drives still take place at dealerships, but with customers increasingly seeking convenience, should dealers offer test drives on demand, at a time and place to suit them?

So far, Howard said his business is not seeing demand from customers for test drives at home or at work.

"I can count on one hand the amount of times this year that it has been requested," he said.

However, TestDrives2U, a company that links car buyers with dealers with a test drive at home or work, used research from Capgemini's Cars Online 2014 report, which surveyed 1,041 UK car buyers about test drives, to help inform its decision to launch the business in spring 2016.

The Capgemini research showed 84% of customers would consider a test drive at a location other than the dealership, 40% want dealers to bring the car to them, compared with 24% wanting the test drive at the dealer.

A further 33% did not want the dealer involved at all, preferring to pick the car up at a convenient location. The remaining 15% and 16% wanted to test a car through

renting it short-term or by using a car-sharing service.

Matt Stone, TestDrives2U chief executive, said its figures showed test drives at home or at the workplace could hit conversion rates as high as 70%, depending on the franchise. For the dealers it works with, this is higher than the conversion rate for showroom test drives.

Stone believes investing time going to the customer, rather than asking them to come to the dealership, is rewarded with a higher conversion rate.

"A home test drive means customers can drive on familiar roads, involve all the family and spend less time on the whole process. I think they are more relaxed and therefore more inclined to buy," he said.

Because the location of many of HR Owen's dealerships in central London make it more difficult to demonstrate a supercar's ability, it invites in-market customers to test a variety of the latest models at group test-drive events at Millbrook proving ground, Oulton Park and Goodwood.

Sewell said: "Having a range of vehicles to test on track can often result in customers leaving with a different model to the one they came to test or often they can end up buying both."

"The events give customers the opportunity to drive the cars in a controlled and supervised environment with back-to-back testing to get a true picture of the performance and handling on offer from multiple models."

HR Owen also takes cars to a customer's house or workplace at a time to suit them.

Sewell said: "This method tends to work well, as they are committed and at ease near familiar roads."

He doesn't put a limit on the amount of time spent with customers with home visits, as it is left to them to decide how much time they want with the car.

Sewell said: "The very nature of the products HR Owen sells means that it is never merely about transportation – these cars are statements and performance machines."

"Every dealership has a theoretical 'test drive route', but realistically no two are the same. Some will take minutes, some will be delivered at specific driving events and some will be extended loans to the client over days and nights."

For more information, call 01308 802 033, email graeme.williams@mfg-group.co.uk, or visit www.mfg-group.co.uk



The telephone is your most powerful sales tool

Getting bums on seats can certainly help sell cars, but a targeted, personal and professional approach to prospecting will ensure that more of those bums turn into profit on the bottom line

High test-drive conversion rates do not happen by chance. To enjoy the best results, dealerships need to ensure the best prospects receive the best test-drive experience in the car that is best suited to their needs.

So how do you get the hottest prospects into your showroom (and your vehicles) in the first place? At MFG, we follow a proven process to help dealerships generate increased footfall from people who are ready to test – and then buy – new and used cars.

Get the data right

Whether you are using bought-in data or your own database, the first step is to identify those people who are most likely to buy. Anyone who has made a recent purchase (say within the past 18 months) is unlikely to commit to another vehicle so soon. However, looking beyond that, you will find people who are approaching the end of finance agreements or who may be on the lookout for something different.

Turn up the heat

Once you have identified your potential leads, it is time to warm them up with some marketing communications. Email marketing, for example, is highly cost-effective, gives you the option to introduce some personalisation, and is trackable – so you can quickly see those prospects who are reacting positively to what you have to say.

But you cannot stop there.

Time to talk

While this outbound marketing will raise awareness and spark interest, it will not drive people to your showroom on its own. You need to back it up with professional



telephone calls that engage, inspire and focus the minds of prospects.

This is often the part that sales teams struggle with. In our experience, while many sales executives are comfortable dealing with people face-to-face in the showroom, they often feel daunted by the thought of getting on the phone and calling customers at home or work.

However, with some expert training around how to open the conversation, how to build intrigue and then how to close the call, a sales team will soon be able to convert initial customer interest into face-to-face appointments – especially when the prospects have been identified correctly in the first place.

Once they have secured one appointment, and then another, it is amazing how the momentum and

motivation builds among the sales team.

The perfect result

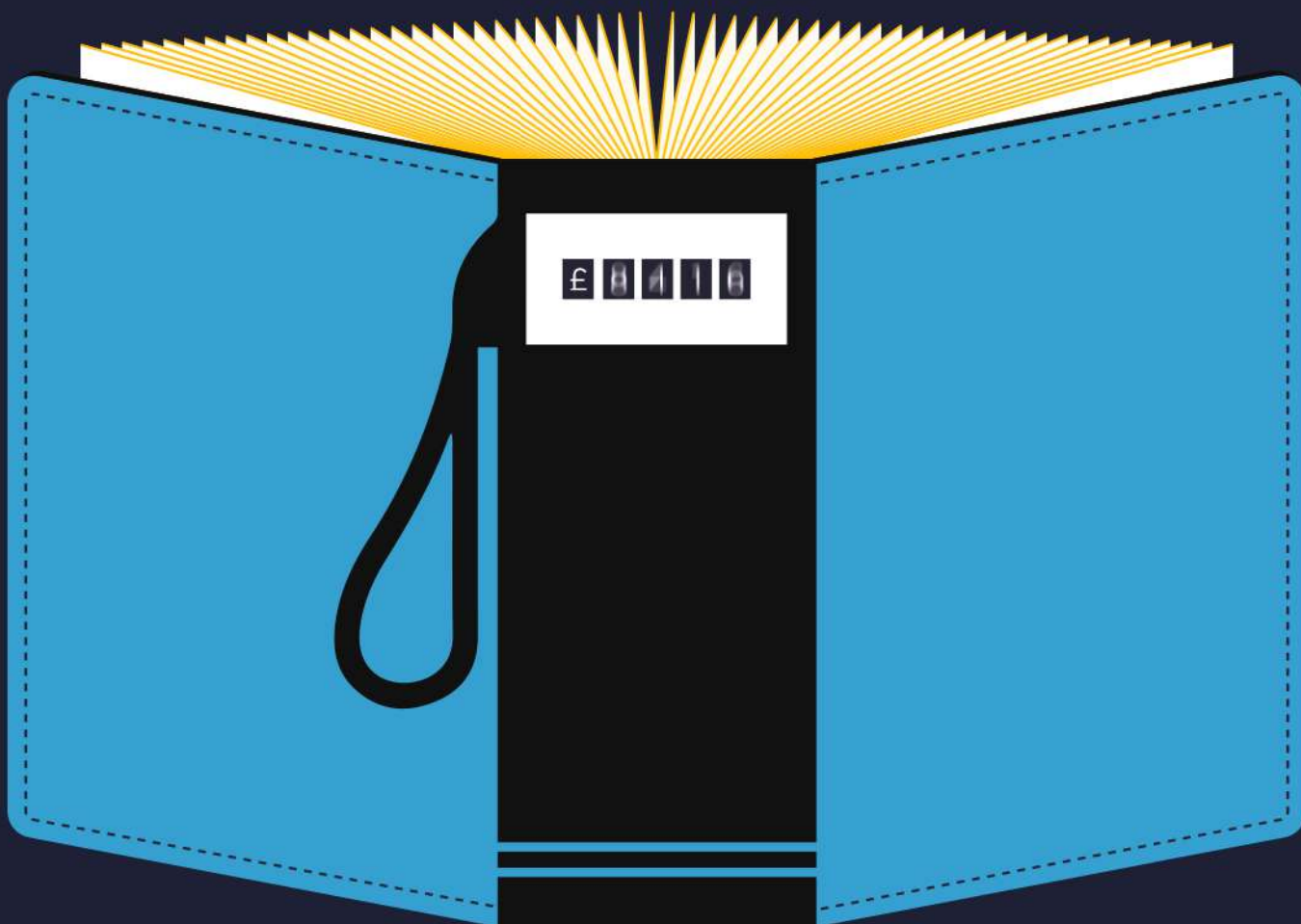
When all of these elements work in unison, you end up with people in the showroom who understand what is available, are keen for a test drive and are ready to buy. Your sales people will be on the front foot and you will have everything in place to support a higher test-drive conversion rate.

What's more, you will have achieved all of this without compromising on the price per unit or undermining the value of your brand.



mfg

To find out how our prospecting events can drive profitable footfall to your dealership, please call 01308 802 033, email graeme.williams@mfg-group.co.uk, or visit www.mfg-group.co.uk



Fill up your order books.

Hit the ground running in 2017 - and start racking up those all-important sales - with one of our unique prospecting events.

Within 24 hours of our arrival you'll have a growing customer appointment list and - thanks to a high 'show-up' rate with an average of 1 sale for every 2 appointments - you're guaranteed to be one step closer to smashing that Quarter 1 target.

It's why dealers and manufacturers across the country continue to trust us to help them sell thousands of cars every year.

Event Booking Hotline: 01308 802033
MFG-GROUP.CO.UK



Accelerate

Your Lead Generation



Responsive Website Design

SEO / Online PR

PPC Advertising

Display / Video Advertising

Conversion Rate Optimisation

Call the experts

Tel: **01757 801926**

Email: marketing@autoweb.co.uk
Web: autowebdesign.co.uk



**AUTOWEB
DESIGN**
Automotive Digital Solutions

Investing for your success

We'd never tell you what's best for your business.

But we know you need an alternative.

By continually investing money back into our business, we are securing a successful future for our customers.

That's why we're one of the top 3 auction and remarketing suppliers.



ASTON BARCLAY

Vehicle Remarketing



www.astonbarclay.net

Why F&I power is moving into buyers' hands

Whether dealers like it or not, compliant F&I is a must, and many see self-service as the key



NEED TO KNOW

- FCA may look at dealer F&I commissions
- Self-service tools growing in popularity
- Newer PCP deals focusing on customer convenience

By Tom Sharpe

Life after the FCA regulations has proved uncertain and onerous for some car dealers, but F&I service providers will tell you that while some have floundered, others have flourished.

Opinions and experiences of the move towards a system that places "interpretation of the guidelines" at the heart of the sale of finance and add-on products may be mixed, but the importance of doing the deal remains.

Get it right and the rewards are great. So great, in fact, that the FCA may yet look into the commission car dealers make from finance sales.

At the recent DealTrak F&I Conference, **Barclays Partner Finance managing director Mike Britton** said FCA scrutiny of car dealers' commission on F&I products will happen "quicker than we think".

Meanwhile, **Matt Dyer, chief executive at ITC Compliance**, said he felt dealers making £3,000 to £4,000 on finance deals "make too much" from the F&I side of the industry.

Whatever the FCA's future stance, the current focus has to be on compliance with its guidelines and the recording and documentation of each transaction to ensure dealers can be audited at a later date.

DealTrak has partnered with ITC Compliance to offer its dealer clients assistance with FCA compliance, but they still have to do the right thing by the guidelines.

Efforts to ensure customers are treated fairly are increasingly leading to the adoption of online tools that can aggregate a customer's finance options before their eyes – putting power back into their hands.

Finance options and potential PCP monthly payments now appear front and centre on dealer homepages and discussions often start far earlier in the sales process in an effort to gain a good understanding of a customer's needs.

Mike White, commercial development manager at Mapfre, suggested this could be taken a step further with the introduction of video. He said: "We know that many dealers are restricted in what leaflets and other material they can have around the showroom by their manufacturer partner, so why not use video?"

"Imagine a video guiding you through your finance options as you grab a cup of coffee while your test drive car is prepared."

"You don't have to wait until you are sitting face-to-face, ready to do the deal, to speak to them about their financing options."

White highlighted that many top AM100 retailers and manufacturers now have finance calculators on their websites and can gather customer data to ensure that those predetermined criteria are accessible at the dealership.

Equally, he highlighted the need to contact customers after their visit – by email, social media or SMS – to provide additional information on relevant finance, GAP insurance or extended warranty products.

He said: "What we need to understand is that the customer can do all their research at home now, or even on the move. The power now lies with them."

"The dealer has to ensure customers receive good service and get the information they need about the products on offer."

Although PCP is the clear market leader – many dealers claim 80% penetration on new vehicle sales – the product is evolving, with a focus on customer convenience.

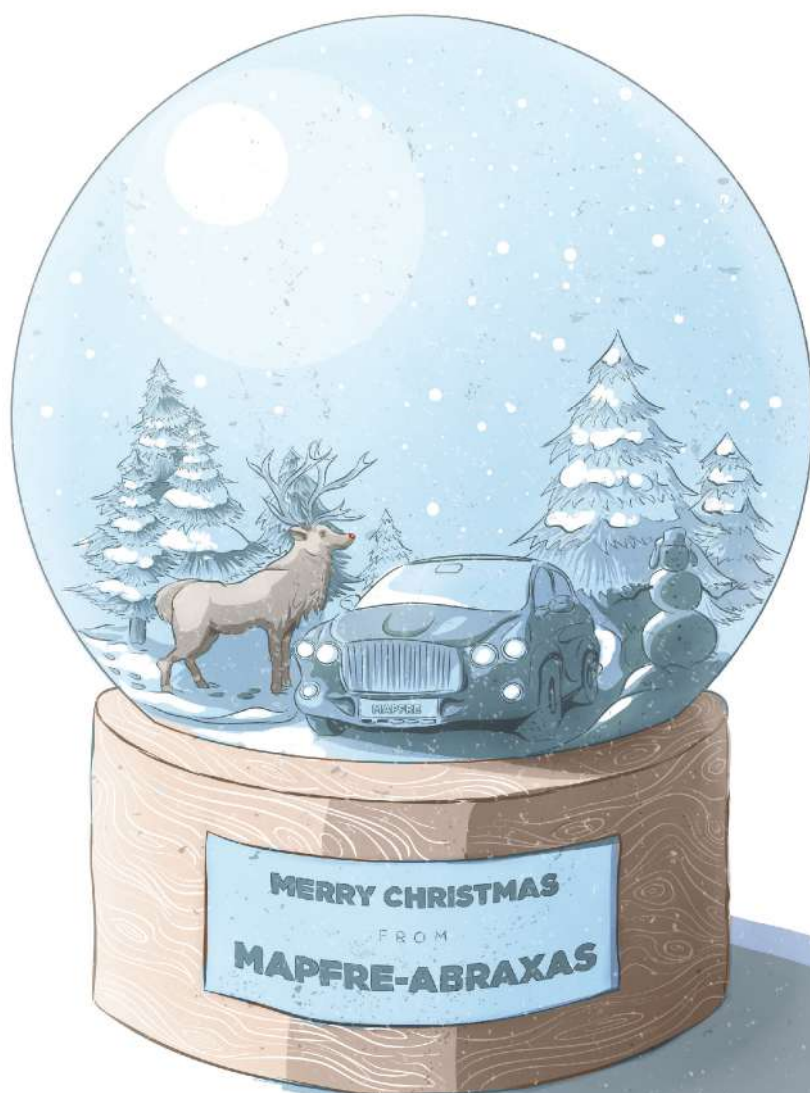
Hitachi Capital Motor Finance recently partnered with Vertu Motors to launch a Buy Now Pay Later 0% deal with a six-month deferred period.

Toyota, meanwhile, has moved to make its finance offering more transparent for PCP and PCH customers, launching a new My Finance application that allows them to view their finance agreement, obtain a settlement figure, make payments, change their personal and bank details and request changes to their payment date online.

Doug Gillies, Toyota Financial Services managing director, said the changing market meant "people demand easy access to their financial affairs at any time".



**FINANCING
THE SALE**



Thank you to all our partners for going the extra mile with us.

Let's toast to 2017, another successful year ahead of us.

Merry Christmas and Happy New Year.



0845 6838 795

contactme@mapfre.co.uk

www.mapfreabraxas.co.uk



MAPFRE | **ABRAXAS**

Your life. Our world

Make the vehicle handover as memorable as you can

As more of the customer purchase journey moves online, the physical handover of the vehicle may be your sales staff's best chance to make a lasting impression

NEED TO KNOW

- Handover gifts 'growing in popularity'
- Let customers steer the process
- Don't forget the basics - is the car fuelled?

By Debbie Kirlew

Gifts for customers on collection of their new vehicle were once de rigueur, particularly in the premium sector. Now in an age where much of the purchase journey is online, the process itself is carried out by email and excellent customer reviews are increasingly important, handover gifts are making a comeback.

In fact, there's a psychological basis to make much of the parting moment, known as the 'peak-end rule'.

The peak-end rule suggests people judge an experience based on its highest point and what occurs at the end rather than viewing it as a whole. While psychologists argue our view of an experience or event could be distorted, retailers could benefit from making the vehicle handover as special and memorable as possible to maximise the chances of leaving the customer with a highly favourable impression.

Richard Beevers, managing director of Customer Plus, the company behind the TrustFord 'Moments of Truth' campaign, said: "How the experience ends matters and it matters disproportionately. The most important thing to remember is the 'peak-end rule' – the strongest impact is often at the end of the experience."

Colin Devine, marketing director at Mussay Personalised Handover Gifts, said he has seen an increase in the uptake of handover gifts, such as personalised coasters with an image of the customer and their new car or a framed photo taken on the day of collection and printed in the dealership before the vehicle is driven away.

He said: "It's about making the handover special. Sometimes it is as simple as the spare key or a key ring presented in a box, perhaps with a mug or photo. It makes something which dealers do already, such as handing over the spare key or the key itself with the dealership's key ring, more memorable and very personal."

"It's not the gift itself, but the experience that people remember. Dealers who tailor the handover to the individual ensure customers leave on a high note. For example, if a customer has talked about their pet Labrador and you

"How the experience ends matters and it matters disproportionately. The strongest impact is often at the end of the experience"

**Richard Beevers,
Customer Plus**

include a coaster with a picture of a cute lab along with the spare key and key ring, it has an even greater impact because it is so personal."

Inchcape's group stock manager, Hamish White, who covers nine Volkswagen dealerships in the south of England, agreed: "We have a diverse customer base spread across a wide geographical area, with people purchasing different types of cars. If there's one thing I have learnt over the years, one gift does not fit all."

The variety of gifts given by the dealerships he covers include car accessories, teddy bears, flowers and T-shirts, even personal car prints where a sketch of the customer's car is framed. Two approaches stand out – a cabinet displaying a choice of gifts, from which customers make their own selection, and sales executives who choose a gift according to the individual customer.

"In a couple of our dealerships there's a display cabinet with items up to around £20 together with a price list," he explained. "Customers are asked to choose an item and while some select the most expensive, most choose something that best suits them, which shows it's not about the price."

"Other dealers leave it to the sales executive who best knows the customer. The gift ought to be personal, although most people like a bottle of champagne. Certainly, for a volume brand a handover gift is possibly something unexpected."

Among a poll of more than 50 dealers questioned by Mussay, the majority favoured handover gifts. More than 70% of respondents considered the handover gift as either 'very' or 'quite' important in the delivery of a 'first-class' handover experience. Almost three quarters (73%) believe that when their customers received gifts it enhanced their view of the dealership considerably, while 72% thought the handover gift had a role to play in boosting customer retention.

Neil Addley, managing director of Trusted Dealers, thinks something as simple as a bunch of flowers has a positive effect.

He said: "When people buy from a franchised dealer there is an expectation that they will be wowed by the experience, so handing over a bunch of flowers to the customer or their partner can be a nice finishing touch. A bit of word-of-mouth PR is likely to follow as friends and family inevitably comment on the lovely flowers in the living room. It will also probably prove to be a strong way of securing a positive review for the business."

Are you missing a trick?

Colin Devine, marketing director at vehicle handover specialist Mussay, explains why handover products drive retention, loyalty and referral

For some customers, collecting a new car is a mere formality. If that's what all your customers are like, stop reading now. Sort the paperwork, find their keys fast and let the customer get on with their day – any more talking could be considered a frustration.

For others, a new car represents a milestone, possibly a 'once-in-a-lifetime' treat! Your sales teams need to recognise the difference, and tailor the handover accordingly. Whatever your customer's expectation is, the handover is the peak of the sales process. Get this right and customers will forgive you for some mishaps on the journey, and you'll set the foundation stone for a solid customer relationship.

The handover occasion needs recording and, now with social media, it needs to be shared. So let's help customers to celebrate the arrival of their new pride and joy. Take a simple photograph of your customer with their new car, make it all part of a personalised package, and wow, you've got a customer primed to tell the world all about their red-carpet treatment. A little surprise is all it takes to have exceeded their expectations.

With your direction, Mussay has simplified the process of printing the picture from your smartphone. To encapsulate the handover experience, we have included elements to drive loyalty, and encourage referrals – a place designed to keep the spare key safe and your business card handy. You've been loading USBs with the correct accessories brochure for each vehicle and delivering 'money-can't-buy' experiences. It's been a huge project, and Mussay has the answer. The benefits reaped by this outstanding product can be yours today – visit www.mussay.co.uk and book an appointment to see for yourself.

Dealers have been using a range of different handover packs and picked up



"The handover is the peak of the sales process. Get this right and you'll set the foundation stone for a solid customer relationship"

lots of valuable experience. They have discovered that referrals and recommendations are powerful. They have found out more about every customer, sold more accessories, kept service and repair work that would otherwise be lost.

Can you afford not to take responsibility for your customers' handover? If you don't, someone else will, and they will reap the benefit of memories that last a lifetime, with loyal customers coming back.

Customer service is everything... In 2017 and beyond, doing what you've always done will not bring in the same results. You have got to change to experience relationships like never before. Improving relationships and looking after the

customer will mean you never need to advertise again.

Speaking of advertising... You spend £10,000 a month on advertising and promoting special offers to attract 200 customers who buy new cars, that's £50 per customer. The trick is this... Improve relationships between your customers and your dealership with a special handover and a £20 gift (that looks like it's worth £100) and that will drive customers (and their friends) to come back. Just from moving the budget to after-sale.

Just try it, but before you lose them.

To discuss your handover process and avoid customers falling between sales and service, call 020 3011 0211 or drop us an email at business@boxcouk.co.uk – we look forward to talking to you.

www.mussay.co.uk 020 3011 0211 business@boxcouk.com





However, Beevers warns that a handover gift can just as easily leave a sour taste in the customer's mouth and even the seemingly innocuous bunch of flowers could backfire.

He said: "Gifts should be tailored to the individual. If the standard gift is a bouquet of flowers and the person doesn't want them, it's just a waste of money.

"If you get the handover gift wrong, the customer could be left wondering why you gave the gift or asking 'who is paying for this?' So you need to think through any gifts, for example would the customer prefer something useful like petrol?"

However, both White and Beevers believe the handover process is more about the entire experience, with the parting gift just the icing on the cake.

White said: "We have become accustomed to online tailored shopping experiences and this is certainly something we should be adopting in automotive, particularly at handover. The handover can be very lengthy, but some people just want 15 minutes and others may want an hour-and-a-half. We should be asking them for their preference. However, what we do as they leave can make a lasting impression. Handing over a gift or walking them over to a gift cabinet just as they leave means they walk out of the door with a good feeling, especially if the gift was unexpected."

Beevers added: "Do your research, ask people questions and get to know them throughout the sales process and then you can understand what kind of gift would be relevant. Combine that with how they want the handover managed. If they are a techy person, they may want to know the features inside out, but others may want to drive the car themselves first. Give people a choice."

Their views are backed up by the independent review service website **JudgeService**. Sales director **Dale Woodley** said: "The comments we see appearing regularly regarding the handover includes not leaving enough petrol in the car or not being told there was no spare tyre – it's apparent not

MEMORABLE HANDOVER



15%

The average proportion of car buyers who bought their previous car from the same dealer, according to JudgeService

27-28%

The proportion of repeat customers at the best-performing dealerships

all customers realise this so they need to be made aware. Doing the nice things like handing over a gift is always good, but only if the basics have been done right. It's also important to undertake the follow-up to ensure expectations have been met.

"The handover gift is a really nice touch if everything else is right. Anecdotally, the handover gift seems to be making a comeback, as dealers are doing everything they can to stand out. Some dealers are really making the handover process special with a 'reveal' of the car by pulling off the wraps.

"Our statistics show that 15% of car buyers are loyal customers, having purchased their previous car from the business and 15% have purchased from the dealership in the past although they had bought their last car elsewhere, but this rises to 27-28% for the best performing dealers. If you do get everything right you can more or less double your number of loyal customers.

"As manufacturers raise standards and dealers seek to gain whatever edge they can and to create 'fans', not just customers, more and more are making the handover special."

For more information call 020 3011 0211, email business@boxcoul.com, or visit www.mussay.co.uk



MAC Directive drives the need for R-1234yf refrigerant

From January 1, all new vehicles sold in Europe must use a refrigerant gas with a GWP (global warming potential) value below 150, according to the European MAC Directive

Since 2011, car manufacturers have been required to meet the European MAC (mobile air conditioning) Directive prohibiting the use of refrigerants with a global warming potential (or GWP) of 150 or more, in new vehicle model types.

From January 1 this year, it rolls out across all new vehicles.

GWP explained

Refrigerant gases are each allocated a GWP value – the higher the number, the more negative the potential impact if it is released to atmosphere. The aim of the MAC Directive is to limit emissions of certain greenhouse gases from car air conditioning and reduce their impact on climatic change.

R-134a refrigerant

R-134a has been the standard refrigerant used in car air conditioning for many years and has a GWP of 1430*. Car air conditioning systems already using this gas can continue to do so, and R-134a will continue to have a place in the market for some years to come. However, from 2017 all

“The aim of the MAC Directive is to limit emissions of certain greenhouse gases”

new vehicles must use a refrigerant with a GWP below 150.

R-1234yf – the new refrigerant for car air conditioning

R-1234yf is the new refrigerant for car air conditioning. More than one million vehicles in the UK aftermarket already use it, and its use will grow over coming years.

R-1234yf has a GWP of less than 1**, meaning it has virtually no impact on the environment, breaking down and disappearing from the atmosphere in just 11 days, compared with R-134a's 13-year lifespan.

Vehicles using R-1234yf are expected to use less fuel and produce 20-30% less CO₂, resulting in a significant decrease in carbon footprint. R-1234yf has undergone rigorous testing by third parties and car manufacturers and has been verified as

being safe to use. R-1234yf is at least as efficient as R-134a and has the same cooling capacity. All components of an AC system using R-1234yf are identical or similar to those using R-134a.

Climalife – your first-choice supplier for R-1234yf

As we see the shift from R-134a to R-1234yf, it's important to ensure you have both products in stock.

A key player in the distribution of refrigerants and other climate control products for more than 140 years, Climalife is a long-term supplier of R-134a to the motor industry and has been supplying R-1234yf for those cars already using it.

Climalife has R-134a and R-1234yf in stock with a nationwide distribution network, together with the knowledge and experience to support you.

*IPCC 4th Assessment. **IPCC 5th Assessment

climalife[®]
www.climalife.co.uk

Call the friendly Climalife sales team today on 0117 980 2520

R-1234yf

The new refrigerant for car air conditioning



Refrigerant Solutions for Car Air Conditioning

- From 1 January 2017, all new cars will need to use a refrigerant with a GWP below 150, in line with EU MAC Directive.
- Since 2011, many new cars have been using low GWP refrigerant R-1234yf.
- R-1234yf has a GWP of less than 1.
- Climalife is already a recognised and long term supplier of R-134a to the automotive industry.
- R-1234yf - in stock and available for immediate supply through our nationwide distribution network.



climalife®

☎ 0117 980 2520

Email: climalife.uk@climalife.dehon.com

 www.climalife.co.uk / www.climalife.dehon.com



*GWP = Global Warming Potential.



IAN GODBOLD



PHILIP J DEACON



DAVE TINDALL

'TREAT SOCIAL MEDIA LIKE YOU ARE RUNNING NETFLIX – PUT ON A SHOW'

Thomas Power, chief digital officer, Electric Dog

What do car dealers need to know to use social media effectively and efficiently? We ask eight experts for their best practice advice

By Debbie Kirlaw

Social media plays an ever increasing role in dealers' online relationships with customers. While customers actually buying cars via Twitter or Facebook has yet to come anywhere near the mainstream, areas such as marketing activity, targeting buyers, customer engagement and reputation management are all affected. *AM* asked an eight-strong panel of experts how dealers could best take advantage of the various social media channels.

DEDICATED ROLE OR TEAM?

Ian Godbold: We are supported by a web specialist in each of our dealerships who are responsible for liaising with Marketing Delivery [Cambria's partner agency] to provide information and content.

Philip J Deacon: We don't have a dedicated social media role, it's part of everyone's remit. We have a team of marketers working across our divisions and they find the content.

Dave Tindall: It is essential to have an expert to maximise the opportunity and ensure consistent and quality use to deliver high engagement.

Jeremy Evans: You need a dedicated person or team to ensure there's a consistent level of content published across all channels and, just as importantly, there's someone listening to comment on social channels.

THE EXPERTS

Ian Godbold, marketing director, Cambria Automobiles; **Philip J Deacon,** head of marketing, Marshall Group; **Dave Tindall,** marketing manager at Volvo Cars Poole; **Jeremy Evans,** managing director, Marketing Delivery; **James Whatley,** planning partner for innovation at Ogilvy & Mather; **Dave Cottrell,** digital experience manager, Volvo Car UK; **Philip Calvert,** social media consultant; **Thomas Power,** chief digital officer, Electric Dog.

James Whatley: It depends on where the company is on its social media journey.

Dave Cottrell: Social media isn't about one team or even an agency. It's integrated into all of our communication plans for marketing and PR.

Philip Calvert: There needs to be somebody or a department that owns social media, but most of all it needs a strategy.

Thomas Power: If a social media specialist doesn't have a Klout Score [social media measure of influence] of 70, they shouldn't be doing the job. A Klout Score of 70 is the equivalent of having a first-class degree.

PLANNING CONTENT

IG: Our web specialists are tasked with providing Marketing Delivery two Facebook and Twitter posts a day although some provide much more. Once you start pooling your resources, you will be surprised at the amount of content you generate.

PJD: We have a rolling two-week content plan. Around 50% of our content is planned. You can plan, but social is so relevant that you don't want content to seem contrived.

DT: This is a 50/50 – while it is important to plan activity to ensure a consistent presence, it is also important to give social media channels a spontaneous feel.

JE: Social media should run alongside everything else in the marketing mix and everything should be integrated.



JEREMY EVANS



JAMES WHATLEY

JW: Listening is the number one piece of advice we give. Listening leads to insight, you may discover customer care issues, so it would make sense to invest in some advisers rather than jumping straight into a social media strategy.

DC: Content calendars are good, but reacting to current affairs, industry and competitors is just as important and needs to be flexible and agile in its delivery.

PC: A strategy or plan needs to allow for fluidity. Businesses need to be looking for the opportunity to have a conversation and you can't plan a conversation.

TP: Build a big following and treat your social media marketing like you are running Netflix and not selling cars. The most important point is to put on a show.

NON-MARKETING CONTENT AND ENGAGEMENT

IG: In the early days, the view was very much that you don't put out offers on social media, but that's changing now and consumers are open to knowing about a good offer.

PJD: I try to create a champion in each site. The local champions and, indeed, anyone in the dealership, send suggestions of content through to the marketing team, who wheedle out anything too sales-led and aim to post within the hour. We use heritage auto adverts, customer handovers and quirky pieces of information such as 'on this day...' and we have things like 'Friday Fun' and 'Thursday Throwback'.

DT: We very rarely post offers, preferring to focus on quality imagery, video, competitions and other engaging content.

JE: Local stories and local people should be featured on social media channels. Lots of community-based content will drive higher levels of engagement.

JW: Customer insight should determine content, but there should be a variety of different types of content so people don't think you are constantly broadcasting sales messages.

DC: All content has to be interesting and relevant to your audience. Conversation is just as important as, if not more important than, content.

PC: Once you have the reputation of adding value on social media, there's no reason why you should not get involved with selling.

TP: It's now not about content is king, but putting on a show. You have got to entertain your audience.

PAID-FOR TARGETING

IG: This is the game-changer. We have found Facebook targeting to be among the lowest cost per lead, but it has to be targeted and done properly.

PJD: We look very strongly at the customer demographics for each model and use our own customer information to find people like them. Digital makes up 75%

ADVERTISING FEATURE

SPONSOR'S COMMENT

By Jeremy Evans, managing director,
Marketing Delivery



The range of data that can be extracted from and inputted to Facebook means it is easier than ever for a car dealer to communicate with its customers and its target audience through the platform. In fact, it is now possible for a prospect to both begin and end their customer journey on Facebook.

For this reason, dealers must think seriously about a Facebook marketing strategy, to ensure they are not missing out. Our most recent research suggests that nine out of 10 car dealers in the UK are missing out on as much as 40% of their appropriate Facebook audience, by neglecting to use targeted advertising.

How a customer first sees a dealership on Facebook may be down to advertising, or it may be because of personal recommendations, with the person's friends or family members discussing their experience with the company. In researching your dealership, Facebook users can also look into your ratings and reviews on the platform. That rating now shows up on a Google results page, so it's vitally important. If the user visits your website, a 'Facebook pixel' tracking code can monitor their engagement with different pages, and can inform relevant Facebook adverts to re-engage where needed.

Our clients' Facebook marketing lists integrate with sales data from our eCRM system, to cross-check against vehicle purchases. The social CRM system – which we are calling 'Social Relationship Management' – can then target those users still looking for a car.

Even after a car is sold or a service booking is completed, Facebook continues to play a crucial role, as the quality of your customer service has a huge impact on your social reputation.

Marketing Delivery

DATA DRIVEN MARKETING

Marketing Delivery

DATA DRIVEN MARKETING



Do you know about Social Relationship Management?

- Micro Audiences
- Customer Journey Targeting
- Service Cycle Reminders
- CRM Integration

Get in touch to learn how we can improve your business!

T: 01892 599 913

W: marketingdelivery.co.uk

E: get.in.touch@marketingdelivery.co.uk



Scan Me
on Messenger!

“Listening is the number one piece of advice we give. Listening leads to insight”

James Whatley, Ogilvy & Mather

of our marketing budget and of that about 25% is spent on Facebook advertising.

DT: Do it. Depending on content and targeting, this is a way to get your message in front of people who may not otherwise have exposure to the brand or dealer.

JE: You need to pay to boost both sales messages and non-sales content. Dealers should be allocating a budget to social media advertising in the same way they do for Google.

JW: Organic reach is practically zero. All our clients have a paid strategy. Without paid-for, you would struggle to reach your audience.

DC: Nearly all social media platforms have a monetised business model. Brands need to embrace this and understand the power of extending the reach of your story.

PC: With Facebook, you can be highly targeted yet it is absurdly cheap. We will start seeing it get more expensive over the next two years, it's inevitable.

TP: You can't survive without investment. Pay to play.

FREQUENCY AND TIMINGS

IG: We see our biggest return from the micro-targeted audience of in-market buyers, where we flag up the vehicle they have shown an interest in when they browse other web pages.

PJD: We do look at timings, particularly with recruitment, we would post on LinkedIn at 6.30am – as soon as people look at their phone. As for regular content, we share what we have today because tomorrow it's old news.

DT: We support national events or occasions more so than specific times.

JE: Frequency and consistency is important, rather than getting hung up on the time of day to best send.

JW: Context and content can be really powerful.

DC: With the luxury of dark posts [Facebook ads that are not published in the company newsfeed] and paid platforms, you can test and learn many different scenarios to see what works best for your audience, at what times, and on what devices.

PC: If you're paying for posts, time of day needs to be taken into consideration along with the type of audience you want to reach.

ADJACENT CONTENT

IG: We do some left-of-field content when areas are highlighted by our SEO agency.

PJD: Our objective is to showcase the company and the people – ultimately that drives sales.

DT: We made the strategic decision to focus on food and dining within our area, as we felt the local events had a synergy with our potential customer base.

JW: It should be more about utility, that's addressing the concerns browsers have and serving up the content that answers questions.

PC: Brands invest a lot of money when deciding what they should be associated with, so it's common sense for dealers to also use such content, but dealers also need to know their own customers in detail so they can post content that is of interest at a local level.

TP: You need to build a community, a club or a group that people want to join. Once you have created your community,



DAVE
COTTRELL



PHILIP
CALVERT



THOMAS
POWER

its members may well consider your products and services through engagement.

REPUTATION MANAGEMENT

IG: The post is acknowledged and the conversation is taken offline. You know that if you make a complaint on Twitter and it takes more than 10 minutes to get a response, the company has a problem.

PJD: We respond quickly seven days a week, between 8am and 11pm. We do have people who highlight concerns and we respond quickly and deal with it. Social media is going the way of live chat, where it is practically 24-7 so we have to be more agile and adaptable.

DT: Have a robust process and don't be frightened by complaints, they are an opportunity to show how you take care of customers when something has gone wrong.

JE: When customers leave a comment, compliment or complaint, it needs to be picked up quickly and responded to within 20 minutes.

JW: Your approach online to any complaints or criticisms should be exactly the same as it is offline.

DC: It's crucial to treat a customer query in the same way they would be dealt with via email, phone or letter. It's also important to show prospective customers how existing customers are dealt with to gain their trust.

PC: Google indexes a lot of tweets and there are millions of customer service complaints which then show up in the search results, so whether comments are good or bad, you need to respond.

TP: You have got to be fast with any response, less than 60 minutes or the relationship will start deteriorating. Same-day response is now no longer enough.

RETURN ON INVESTMENT (ROI)

IG: I'm not interested in reach, likes and clicks, but how engaged is that customer once they visit our website. You can generate high volumes of traffic to the website, but if they don't convert to a lead, that's not real ROI.

PJD: So far, the group has run 200 campaigns in 2016, about 20 a month, with a reach of 11.8 million and 300,000 click-throughs to the website, at an average click-through rate of 18p.

DT: Many social media metrics don't provide definitive ROI, however some of the more advanced tools when combined with goal conversion in website analytics tools allow us to get a clear understanding of ROI. It is also important to take social media as just part of the marketing mix and to recognise that if done consistently and well it will provide ROI.

JE: The main metric of social media is the amount of traffic directed to your website. In October, Facebook advertising drove 60% of new car page views on dealer websites for our clients at an average cost of 25p per click.

JW: You need to think about your objective, so if the goal is to increase test drives, your ROI will be measured by how many bookings you achieve. Measuring likes and shares is worthless, it adds no value.

DC: Never get hung up on chasing 'likes' and community sizes. I'd rather have 10 people that love Volvo than 100 that like us.

“Don't be frightened by complaints, they are an opportunity to show how you take care of customers”

Dave Tindall, Volvo Cars Poole



Focusing on your customers is key to winning sales

Successful retailers are increasingly placing customers at the heart of their business. That means not just stocking cars they want and pricing them keenly, but also delivering transparency to reassure consumers a dealership is trustworthy and they can feel confident in doing business with them.

It has been a robust year for car sales in 2016. The SMMT has reported record sales for new cars with November new registrations were up 2.9% compared to November 2015, plus new car sales exceeded 2.5 million for the first time in November.

It's not just new car sales that are flying, it's the same story for used. For Q3 used car sales were up 7.9% year-on-year with a record 2,148,050 pre-owned cars sold. It's good news for retailers, but who is making the most of these sales opportunities? And what are the secrets of those franchises which engage consumers to secure sales, but also run highly effective businesses to maximise profit.

Having a high number of sales is clearly positive but if a retailer has high stocking costs then profit will come under pressure. Franchised dealers will have a lot of experience to call upon to identify cars that consumers will want to buy, but given the rapid changes in the marketplace, pressure from rivals and the sheer number of different make, model and derivatives up for sale, choosing the right stock requires more than top notch experience.

Stock what your customers want to buy

Collecting the right data and extracting the key insights helps retailers nail which stock is in demand in their area. Using that data also helps a retailer to know where to price the vehicle to the market, understand what profit margin is likely and therefore what price to pay for the stock in the first place.

Grasping how desirable a car is in a region helps the retailer price it for a quick sale. Switched-on retailers know a low number of days to sale reduces stocking costs and increases profit. Do this across the whole stock with quick sales, and the dealership will sell more cars in a year. That's why enterprising retailers focus on stock turn to drive profit.

We observe dealerships that use our data management solution, i-Control, enjoy a superior number of days to sale compared to the market's average days to sale. In November, dealerships using i-Control had an average of 29 days to sale compared to a market average of 66, and i-Control consistently outperforms the market average.

Efficient stock management that focuses on improving stock turn including having a proactive overage strategy such as selling to trade, is not the only advantage that leading retailers grasp. Building trust with consumers is key too and industry-leading dealerships know that delivering transparency is the way to achieve it.

Building trust with consumers

Consumers spend on average 11 hours online researching their next car purchase, which is twice the time spent on the forecourt buying a car. That means trust has to be built online and first class retailers utilise transparency to show consumers they are trustworthy.

They employ a myriad of ways that really chimes with consumers starting with getting the basics right. This includes lots of clear, well taken pictures, easy to find and understandable product information, as well as information about the dealership and the people who work there.

Retailers looking to differentiate themselves from their rivals know that having transparent and comparative pricing, clearly displaying reviews showing past customer experiences of the dealership, and displaying well taken, informative video adverts of their cars for sale, boost engagement with consumers. Potential customers perceive these retailers as trustworthy and they vote with their feet, visiting the forecourt with a view to buy.

While car sales are booming, it's the retailers that are looking to exercise every competitive advantage to not only capture the most sales, but also to make the most profit from each one. These are the retailers that know winning means putting the consumer at the heart of their business, by not only stocking the cars they want but also by being truly transparent in all their dealings with them.

To find out more about trust and transparency visit trade.autotrader.co.uk/articles/auto-trader-video

The retailers' opinion

'I use desirability to establish the retail price'



"I use desirability to establish the retail price and the margin I may expect. If I know I am about to buy a desirable car, I will ask more margin. If the car is not very desirable, I know I will need to be more aggressive and set a lower retail price to get gone quickly. I had the opportunity to buy a Skoda Octavia in part exchange. It was beige with beige interior, not the most desirable car. I appraised it on i-Control, setting the retail price to obtain a good response rate and I managed to buy it cheaper than the price recommended by CAP. I sold it quickly and made a good margin – if I hadn't used i-Control, I would have paid the CAP price and made very little margin on that car."

Matthew Bavin,
Used Cars Manager Pentagon Lincoln

'I think that it's important to build customer confidence'



"I think that it is important today to build customer confidence, particularly when they are travelling long distances to buy a car, or even buying it unseen. We are fortunate to have received some excellent reviews and I have noticed that many customers who have read those reviews appear to feel more comfortable from the outset. Unfortunately, the motor trade doesn't have the best of reputations and we need to dispel that myth now. A number of people have said that they do feel comfortable dealing with Manor because they have read what other customers have said about their positive experience with us."

Bob Merrell,
Manor Garages

Hear the customer, see the sale



Auto Trader
Franchised Brand Director,
Chris Penny

There's no silver bullet when it comes to winning sales and maximising profit, but understanding what your customers want is the best place to start if you are going to successfully compete in today's automotive marketplace.

The digital world is constantly changing and facilitating new ways for consumers to engage with retailers. If you are going to deliver what consumers want, then it pays to hear what they value and want to see when shopping for their next car.

We know why footfall to showrooms is declining – consumers have moved so much of the car buying process online. The time spent researching online is double that spent at the dealership so less visits to the showroom is no surprise.

That is why class-leading franchises are actively looking at ways to build trust with consumers online, as they know it will give them a competitive edge. They build and cultivate an online presence that really engages consumers with an open and honest approach - they adopt transparent practices that they know are key to securing a sale.

Digital companies such as Amazon and TripAdvisor have changed the retail experience, creating transparency across the board. They have created a culture where we feel the need to validate our purchases with strangers!

Reading reviews gives us reassurance we are buying the right thing from the right business or person. It's no different when it comes to buying a car. Consumers want and value transparency – transparency on prices for instance. Our latest Market Report revealed that 76% of them claimed this was the single most important factor in the car buying process.

The prosperous dealerships actively work to deliver transparency in a plethora of ways. Video adverts are a great way to engage consumers. Our research has shown that sessions on adverts containing video on Auto Trader last 13% more than those without, and retailers saw that on average the sale rates of those vehicles with a video advert was 10% higher than those without.

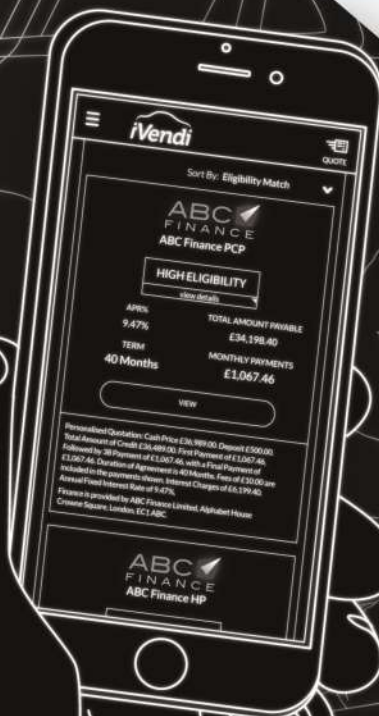
That's why transparency is not some marketing gimmick, it's what customers want and value, because it makes them trust you. The smart retailers have listened to this and combined with effective stock management and delivering a truly memorable customer experience, are reaping the benefits where it counts – winning sales.

MANAGE YOUR CONSUMER JOURNEY

digital

to

physical



engage



convert



transact

Contact us to discuss how we can help you **manage** your **consumer's journey**

☎ 0845 226 0503
✉ info@ivendi.com
🌐 www.ivendi.com/AM



iVendi
become empowered.

Smoothing the customer's warranty experience

Even with a warranty, customers can often be upset that their car needs repairing, but a prepared dealer can make the experience positive and painless for everyone

NEED TO KNOW

- Deal with customers' claims as soon as possible
- Courtesy cars or drop-off and collection are essential
- Claims can build long-term relationships with customers

By Craig Thomas

Consumers are rarely happy when their warrantied vehicle develops a fault. The degree of their annoyance will vary, but the dealer responsible for fixing the car will – by the very nature of the interaction with their customer – be in a reactive mode.

What happens next will not only affect the owner's attitude to the dealer in that instant, but also in the longer term. A relationship can be sealed or damaged irreparably in a matter of days, even hours.

Dealers must therefore put in place a series of robust processes that will make the customer's experience of the warranty claim as painless as possible.

Dealing with the fault speedily is the first priority.

Chris Sturgess, chairman of Leicester-based **Sturgess Motor Group**, said: "If it's a forward booking, you have a degree of notice to schedule a car into a workshop and it gives you the ability to make sure parts are available.

"As far as a drop-in warranty issue is concerned, like a recovery, you always need a degree of contingency in place, whether it's booking time for the workshop or availability of a diagnostic technician to jump on to the car as soon as it lands, to give some form of diagnosis and get parts on order."

Simon Bottomley, chairman and managing director of Thurlow Nunn, explained how they take a different approach, but one that is still customer-centred.

"The attitude is, we'll make it work. You can't really plan slack into your workshop loading – the business doesn't have the margin to do that. But what we do have are staff who absolutely understand that the primary role is to look after the customers. And if that means that someone will work late to look after a customer, then they'll do it."

All the dealers *AM* spoke to said they did their utmost to ensure customers were not inconvenienced and all offered a courtesy car or a range of options.

Bottomley said: "We try to keep them mobile, so that might be a courtesy car, free lifts, or collection from work."

Sturgess not only uses a courtesy car to keep

"The important thing is the customer and not the piece of paper with the details of the warranty on it"

Simon Bottomley,
Thurlow Nunn

the customer mobile, but also has one eye on the next potential sale: "If there is the opportunity to put a customer into a higher-spec loan car or a new model loan car, then that's great."

Other means of enhancing the customer experience tend to be exceptions, rather than the rule, though.

Robin Luscombe, managing director of Luscombe Motors, said: "If it's a vehicle fault where we haven't done anything wrong, we just put it right as fast as we can and get it back to them. Occasionally it might be human error, then we might offer them as a goodwill gesture. But in most cases, if you just deal with it quickly and efficiently then everybody's happy."

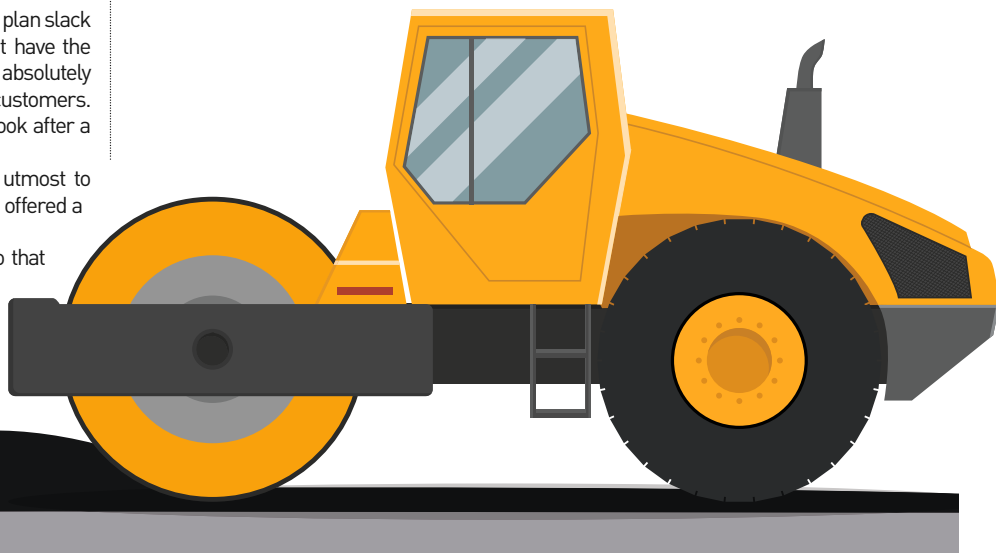
Sturgess agreed: "Your chief concern is all about a quick and accurate turnaround, a 'right-first-time' fix. Most people are more interested in getting them mobile, back on their way, their car fixed accurately and in a timely way."

Bottomley's philosophy is to go above and beyond the warranty agreement: "The important thing is the customer and not the piece of paper with the details of the warranty on it. If the right thing to do is to go a little bit beyond what the warranty says, to make the experience right, then our guys are empowered to just add a little bit more."

Building a long-term relationship with the customer is a key objective for all our dealers.

Luscombe said: "We have manufacturers' CSI, we encourage customers to leave reviews on websites and we contact them after the work's done to make sure everything's OK. We're about long-term customer retention and good service."

Sturgess, on the other hand, is careful to maintain a balance, when keeping in contact: "We do a tele-



phone follow-up soon after the event, just to make sure everything's OK, but one has to be cautious of not bombarding people with surveys. It's about making sure that a follow-up is timely and relevant, with the emphasis on relevant."

Thurlow Nunn takes a more localised approach: "We don't do our own satisfaction surveys. We found that it just confused the customers, so we leave that to the manufacturer."

"But we do have a robust CRM process, where we pre-book the customers for their annual service or MOT. They will get reminders and, if they want to change that date, because it's a year in advance, we do a follow-up call beforehand."

With the customer happy, all that's left is for the dealer to get paid by the warranty provider.

For Sturgess, trust is key: "You've got to work to the warranty company's procedures, but there's got to be an element of trust as well. So if you get a good relationship going with that warranty provider, and they rely on you for accurate diagnosis, and a timely and cost-effective repair, you're more likely to get authorisation. If you achieve that level of trust, you end up with a quicker turnaround and a higher degree of customer satisfaction."

Similarly, Bottomley sees working with warranty providers as a partnership: "We only deal with compa-

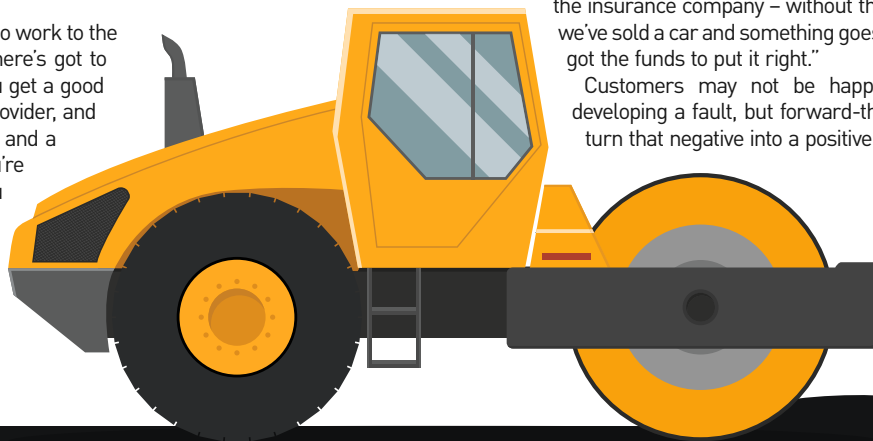
nies that we think share similar values to us. The people we deal with genuinely understand, in our view, that we have to look after the customer."

However, Luscombe has dispensed with warranty providers completely, with his dealerships offering their own solution.

"A used car warranty is technically a used car mechanical breakdown insurance policy. So when you sell a used car and it develops a fault, it's easy for that fault to slip between what is and isn't covered on a warranty – and the dealership has to cover the cost out of goodwill to the customer. A lot of things fall through the gaps and it is those things that lead to poor customer satisfaction."

"So we're basically collecting the money that would go to the insurance company – without their profit margin. If we've sold a car and something goes wrong, then we've got the funds to put it right."

Customers may not be happy about their car developing a fault, but forward-thinking dealers can turn that negative into a positive for everyone.



AM AWARDS: 2017

rhinoevents
The UK's Leading Automotive Event Specialist



Welcome to this year's AM Awards sponsors

Preparations for the 2017 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 9, 2017.

There are 21 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career.

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

This year:

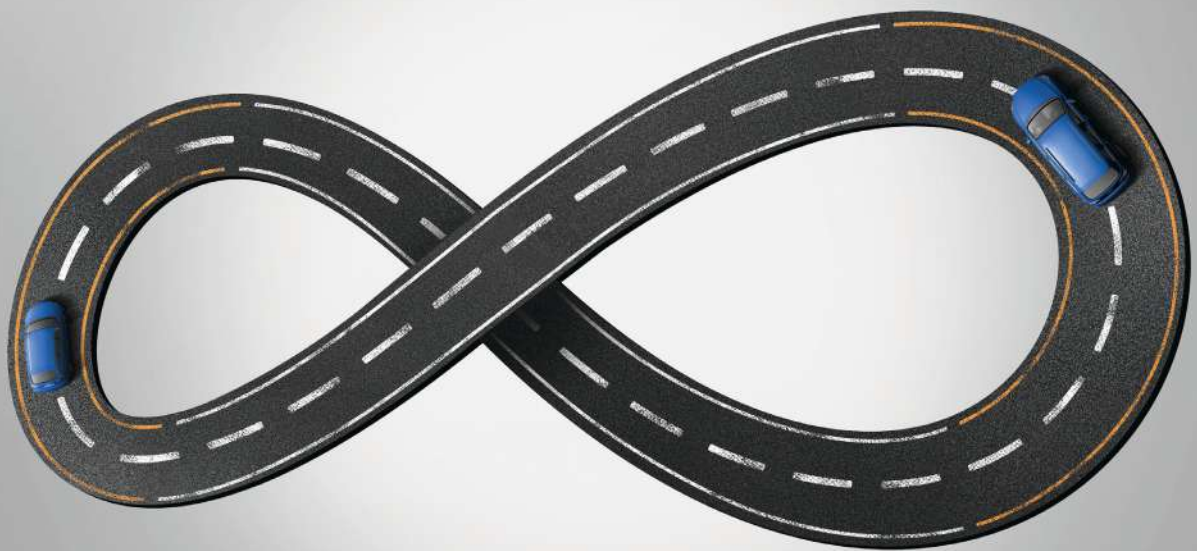
Rhino Design is sponsoring the Best Dealership Award

DSG Finance is sponsoring the Best F&I Performance Award

We are delighted to receive the support of both Rhino Design and DSG Finance for these two key award categories at what promises to be an industry highlight of 2017.

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

WORKING TOGETHER IN PERFECT HARMONY



AS A LEADING PROVIDER OF WARRANTY, ASSET PROTECTION AND ADD-ON PRODUCTS IN THE AUTOMOTIVE MARKET, WE'VE BEEN DRIVING BUSINESS GROWTH FOR DEALERSHIPS AND MANUFACTURERS SINCE 1976. TO FIND OUT HOW A PARTNERSHIP WITH CAR CARE PLAN COULD DRIVE YOUR BUSINESS TO NEW HEIGHTS, VISIT US AT CARCAREPLAN.COM

www.carcareplan.com

The UK's leading supplier of award winning Warranty and Asset Protection programmes.
Car Care Plan Limited is authorised and regulated by the Financial Conduct Authority.



Car Care Plan
An AmTrust Financial Company

SELLING TYRES FROM THE VHC

Are you happy with your tyre sales, asks Simon Bowkett of Symco Training



This month, I want to talk about tyres – and, in particular, those situations where we've told the customer we're going to do a health check on their car, and now we are phoning them back because their two front tyres have only got 2mm of tread left.

Many dealers have learned that if you tell them there's only 2mm left, customers will often ask what the legal minimum is. If you tell them it's 1.6mm, you will rarely get the sale. Why? Because they will simply think "there's still a bit of mileage left, I don't need to change just yet".

Instead, they tell the customer that their tyres are 94% worn (on the basis that a new tyre typically has 8mm of tread on it). That works well with 2mm tyres, but less so on tyres with, say, 3mm left. So here's an alternative approach you can use to upsell tyres that will need replacing soon.

Word track

"Hello Mr Customer, it's Simon calling about the free health check we said we'd do on your car. When Dave was servicing your car, he inspected the two front tyres. He found that the tread has worn right the way down and you've actually only got 1.4mm until they're illegal. To put that in perspective, it is the same thickness as a credit card."

"So I've taken the liberty of getting a quote from [fast-fit brand]. For the same tyre that [car manufacturer] recommends, they can do it for £180 a tyre, fitted, balanced and disposing of your old tyre. We are £2 a tyre dearer, but the good news is that Dave can do it as part of the service today and it's not going to affect your delivery time of 4.30 this afternoon."

"Do you understand the importance of getting the tyres changed now?"

Try it in your dealership

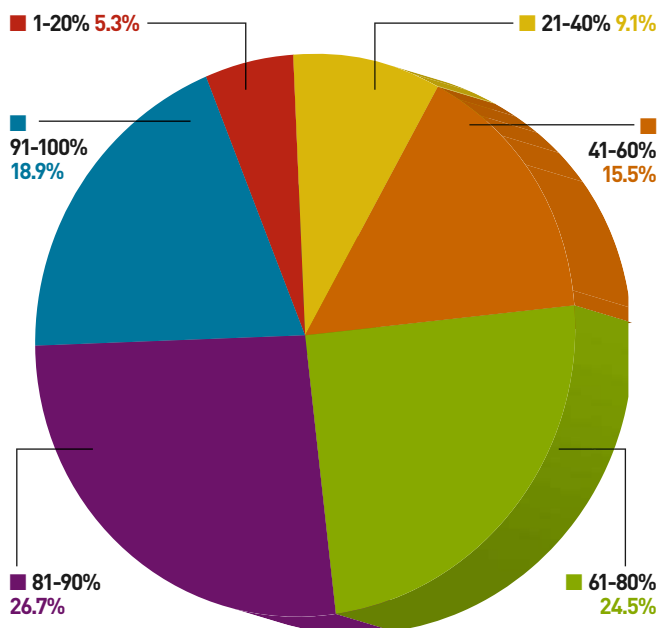
Try it in your dealership and see how it works for you. And watch my new sales training video on the AM website (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) for more practical tips on how to sell replacement tyres.

Visit our website for a free training trial

To find out how our low-cost, IMI-approved online training programme can help train your team, visit www.symcotraining.co.uk/freetrial and get your FREE trial started today.

AM POLL

What proportion of your customers take a test drive before buying?



Our latest poll shows that two in three dealers (70.1%) say at least six in 10 customers take a test drive before buying their next car. Nearly one in five finds that almost all customers test drive – a factor the top-performing dealers and most manufacturers consider a crucial step to building the necessary emotional engagement with a car that leads to purchase.

The responses suggest that despite consumers doing more and more online, dealers are still successfully bringing them to the dealership for a dynamic experience.

Yet it may be alarming that almost 15% of respondents report a test drive conversion rate below 40%. Of course, some buyers simply aren't bothered – there will always be the loyal owner simply swapping into a new version, or a buyer who has driven it elsewhere. However, as one commented: "Feel the wheel to seal the deal."

Next month: Are your staff and customers aware of the major VED cost changes affecting all new cars from April?

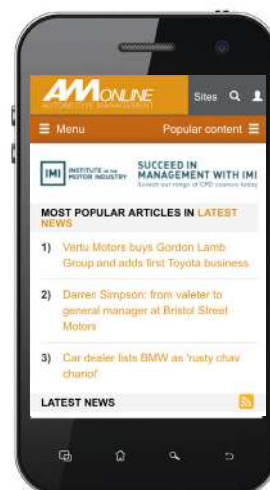
AM ONLINE
AUTOMOTIVE MANAGEMENT

Visit www.am-online.com

Sign up to AM's free newsletters at:
www.am-online.com/newsletter

You can now read the latest motor retail news, features and insights even more easily on your phone, tablet, laptop or desktop PC.

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





AM readers recommend their top suppliers

The greatest form of marketing is through word-of-mouth referrals, and recommendations are priceless.

A business may have excellent products, but referrals and recommendations are ultimately given as a result of outstanding customer service.

AM's annual 'Dealer Recommended' programme allows our thousands of readers to have their say

about the companies they believe offer the best service.

We have gathered opinions via a research programme conducted among AM's audience.

The automotive business sectors highlighted for 2016 are auctions and remarketing, warranty, service plans, finance, GAP insurance and paint protection.

AM DEALER RECOMMENDED >>>>>

Serving the needs of buyers and sellers

BCA's technology-led products deliver choice for buyers and speed, efficiency

BCA – the complete service

From the dock to defleet and beyond, BCA touches over 3.5m vehicles a year, working with OEMs, fleet operators and dealers to provide the backbone of the UK's automotive supply chain.

As the UK and Europe's largest vehicle marketplace, BCA offers dealers a complete range of vehicle buying and selling services. No-one offers a greater selection and diversity of stock or more ways to source and buy, which is why BCA is the first choice for franchise dealers, independent dealers, light commercial vehicle dealers, car super-markets and used-vehicle traders.

The company's comprehensive remarketing programme offers nationwide coverage in the very best facilities – as well as full digital access via BCA Live Online and e-Auctions. The programme is supported with a range of complementary services including collection and delivery, valeting, SMART Repair, Bodyshop, BCA Video Appraisals and Autograde, while BCA Assured powered by the AA helps build buyer confidence.

BCA sets the pace for online sales offering a choice of routes to market with BCA Live Online, Bid Now, Buy Now, and e-Auction giving customers the opportunity to buy and sell 24/7, 365 days a year. BCA Auction View, a sophisticated search engine, brings sellers and buyers together in the digital space.

Our specialist dealer products include the cloud-based BCA Dealer Pro to manage, appraise and remarket part-exchanges and BCA Partner Finance, which is helping independent dealers to compete thanks to a flexible and customer-focused funding service for auction purchases.

From technical and logistics services for new vehicles, refurbishment, storage and logistics for the growing used sector and the core remarketing and auction operation, BCA offers the economies of scale and diversity of services to meet the needs of an impressive portfolio of customers.

BCA Partner Finance

The innovative BCA Partner Finance Service helps independent car and van dealers secure incremental funding to allow them to expand their retail operations. BCA Partner Finance was the first finance product to launch that is specifically designed for the UK remarketing sector

BCA Partner Finance funds the whole auction purchase, including fees and VAT where applicable and interest is charged at a competitive flat rate with both cars and vans funded using the scheme.

Notably the service is generating incremental value and volume into the remarketing sector as buyers joining the scheme typically increase their average purchase value by around 20% and purchase up to 40% more vehicles. BCA works closely with customers to ensure they are maximising the benefits of the scheme.

The key feedback from customers has been that BCA Partner Finance is both good value and easy to use with minimal administrative headaches, allowing dealers to get on with the profitable business of sourcing and retailing used vehicles.

Customers value the simplicity of the service, which is helping them to purchase additional stock from the huge choice available at BCA. Dealers can use BCA Partner Finance to fund any auction purchase, whether they are making a speculative buy, sourcing a vehicle to order or expanding the range and scope of their stock profile.

Importantly BCA Partner Finance is not linked to the retail sale, allowing smaller independent dealers to free up funds to grow their business how they see fit. BCA Partner Finance customers have used the financial freedom it delivers to expand their retail sites, uplift their stock profile or invest in IT development, for example.

BCA Partner Finance helps independent dealers buy from the UK's largest pool of used vehicles – any vehicle, any age, any mileage, any condition with 100% of the purchase funded plus any fees.





and market-leading returns for sellers



BCA enhances nationwide network

Opened in October 2016, BCA Birmingham - Perry Barr is a state-of-the-art remarketing and defleet centre that sets new standards in design and service.

The newly opened purpose-built site at Perry Barr enables BCA to extend its physical and digital remarketing offering, delivering a range of de-fleet, inspection, preparation, refurbishment, appraisal post-valet and logistics services.

As always, BCA sets the standard for remarketing centre facilities and Perry Barr is no exception. The 20-acre centre is located between Junctions 6 and 7 of the M6, a superb centralised location offering exceptional access from all points.

Remarketing facilities include:

- Three auction lanes
- State-of-the-art digital auction suite - unique within BCA's UK network
- Undercover viewing for 450 vehicles
- Customer parking for over 400 vehicles
- Restaurant and Barista kiosk
- Business suite
- Full range of buyer services available from the customer concourse

Digital displays throughout the centre keep buyers informed of sales activity and the specialist digital suite stages online and e-Auctions.

BCA Birmingham - Perry Barr offers a full range of BCA's services, including de-fleet and storage, valeting and preparation bays, inspection and BCA Assured, appraisal post-valet and imaging suite, with full logistics capability, and is the 24th centre in BCA's UK network.

BCA Dealer-Pro Profit from Part-Exchanges

BCA has developed a unique set of tools to help dealers maximise the benefits from the part-exchange process. BCA Dealer Pro is a cloud-based and iPad solution designed by BCA to help retailers control and manage vehicle appraisals, provide accurate valuations and manage part-exchange inventory and vehicle disposals – and as a result, sell more vehicles. Dealer Pro integrates with dealer systems to improve overall dealer efficiency, and enable all data captured to be used in any sales channel.

To maximise the profit from part-exchange vehicles it is critical to appraise them consistently and accurately, ensuring the selling customer feels confident both in the process and the valuation.

BCA Dealer Pro allows retailers to be transparent with customers as they capture the condition of the incoming part-exchange car via an iPad, with auto grading to NAMA standard and real-time BCA Market Price valuation data. It also integrates with other dealer systems, such as lead management and provenance systems, to improve overall dealer efficiency, and enables all data captured to be used in any sales channel.

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

BCA Dealer Pro brings clarity and transparency to the part-exchange process, through an elegant and sophisticated technology-based solution. It is a unique package of tools for dealers within the remarketing sector, marrying best-in-class business practices with easy-to-use-technology that is integrated within their existing systems, supported by robust data.



Increasing dealer revenue for 40 years

Car Care Plan has led the UK warranty industry for four decades and continues to invest in both its products and its people

Car Care Plan is the UK's leading provider of warranty, asset protection, cosmetic repair insurance, alloy wheel repair insurance, tyre insurance, roadside assistance and MOT test programmes.

Backed by 40 years of industry experience, the company holds relationships with more than 20 major manufacturers, along with more than 3,000 independent and group car retailers. Through these relationships, Car Care Plan offers an array of award-winning products, which result in more than 1,000,000 policies being administered by the company every year.

With a team of more than 400 employees, Car Care Plan is active across 26 territories via offices based in



To see how Car Care Plan could benefit your bus

the UK, Russia, Turkey and further afield in China and Brazil.

For the sixth consecutive year, it has been voted 'Dealer Recommended' for Warranty, which is a testament to the quality of the products and services they offer. So, what are the reasons behind Car Care Plan's continued success?

The history

Car Care Plan was one of the original pioneers of UK vehicle warranty when it was founded in 1976. Now in its 40th year of business, the company has garnered a tremendous amount of knowledge and experience, which forms the foundation upon which its success is built. Car Care Plan has enjoyed fantastic growth over the 40 years, adapting efficiently and effectively to a changing regulatory environment and also enduring the recession of the late 2000s.

The people

Complementing the company's vast experience in the marketplace is the hub of all its knowledge; a team of more than 400 employees based across 26 countries and operating from five offices worldwide.

There is a vast array of in-house knowledge, with each team member being a specialist in their own discipline. Car Care Plan adopts a straightforward and hassle-free philosophy towards business, which is reflected in each one of its employees.

Business development

Boasting around 75 fully employed specialists – the majority of whom have come from either a dealer or manufacturer background – Car Care Plan's business development team is strategically located throughout the UK to maximise coverage. Their total immersion in their clients' individual businesses allows the team to develop an in-depth understanding of each client's unique requirements and challenges.

Underwriting

The in-house underwriting division allows Car Care Plan to develop efficient and long-lasting relationships, which are fundamentally built on an understanding of the changing needs of customers. This provides an open, transparent and successful approach to business, made evident through client relationships going back more than two decades.

Marketing

With more than 20 years of experience across the team, Car Care Plan's in-house marketing department offers a range of branded platforms and services to all their clients. Individually branded direct marketing campaigns allow clients to speak to the customer across a range of distribution channels, with the end goal of establishing long-lasting relationships, boosting retention rates and creating additional sales opportunities.

Compliance

Car Care Plan's compliance team has more than 30 years' experience within financial services, covering the insurance, consumer credit and banking sectors. Supported by a considerable sales background, the team blends a practical understanding of commercial realities with a keen understanding of regulatory requirements to create comprehensible, functioning solutions to suit an ever-changing regulatory landscape.

Customer service & claims handling

Car Care Plan's operational department is an in-house team of about 130 people. The unique factor that sets this team apart is the in-depth knowledge they hold about the industry, products and dealership operations.

Tremendously low staff turnover means a vast amount of this knowledge is retained within the business; the average length of service is considerably more than 10 years. Most members of the team have been customers of Car Care Plan themselves at some point, having spent time working in dealerships and workshops. This allows them to understand the pressures that retailers can face from both customers and management.

The various skills and disciplines within the Car Care Plan team allow the company to offer its clients a complete



end-to-end solution towards vehicle warranty and asset protection.

The products & services

Underpinning the business development team's vast knowledge and experience is a range of award-winning products and support services. A product range including warranty, asset protection, cosmetic repair insurance, tyre insurance, alloy wheel repair insurance, roadside assistance and MOT cover allows Car Care Plan to boost its clients' revenue streams and increase customer retention.

Car Care Plan's extensive product range is complemented by its tried and tested dealer development programmes. Tapping into the BDM team's industry expertise and understanding of their individual clients allows Car Care Plan to deliver a bespoke development programme that is completely tailored to the client's specific requirements.

What could Car Care Plan do for you?

All of the above means Car Care Plan is able to bring a full-service, end-to-end warranty and ancillary products solution to your business from under one roof. The company has the scalability, structure and capability to work with dealers and manufacturers of all shapes and sizes.

Car Care Plan can provide you with a strategic development plan that goes hand-in-hand with the long-term vision of your business – increasing revenue streams, boosting customer retention and developing an all-round excellent customer experience.

"Car Care Plan is able to bring a full-service, end-to-end warranty and ancillary products solution to your business from under one roof"



Car Care Plan

An AmTrust Financial Company

business, visit www.carcareplan.co.uk or call 0344 573 8000 to speak to a member of the team

Just offering service plans

A predicted fall in new car registrations in 2017 means dealers should embrace technology now to boost sales and productivity

Thank you to the many dealers who have once again voted for EMaC as the AM Dealer Recommended Service Plan provider for 2017. We appreciate your support. To gain this recognition for the past six years means a lot to our team and to their efforts to help every dealer and the customers entrusted to our care – thank you.

Ready for the challenge ahead?

The word 'unprecedented' has been used a good deal in the media and probably across the entire automotive supply network over the past six months. Brexit, and its impact on exchange rates, the stock market and consumer confidence, has indeed been unprecedented. Subsequently, other global developments have contributed further to the level of uncertainty.

In the UK car sales market, the SMMT is forecasting a fall of 5% in new car registrations – the challenge is certainly

evident, but we are ready and willing to help.

'Control the controllable'

Few people, whether as business people or consumers, like uncertainty. In the last recession and the credit crunch that preceded it, we saw how service plans could help address uncertainty.

Dealers with a solid service plan base maintained and often grew their aftersales activity and their customers embraced the inflation-proof price certainty that is inherent to an EMaC service plan.

In an uncertain market, service plans can help dealers because it is the dealer who is in control; of the pricing, promotion and promotion. Increase service plan penetration and you will enhance control of one key part of your business. Naturally, our 'top tip' is to encourage every dealer to redouble their focus on service plan penetration, which is the best metric for assessing

service plan success for both new and used car and LCV sales. Best to start that now, because the SMMT is forecasting a further fall in registrations in 2018.

Benchmark your performance

60% on new car sales and 35% on used car sales represents a good performance from the top quartile of dealers we work with today. New excludes fleet, but don't forget that a service plan could prove very useful to SME businesses; after all, they still need their vehicles serviced somewhere.

New EMaC tools to drive up service plan sales in 2017

At EMaC, our product and service development programme has gained a whole new level of momentum and our next innovation, AutoQuote, is in final beta-testing before being released in Q1 2017. After that, a series of developments will be announced to add new levels of flexibility to the EMaC offer.

EMaC's 'baker's dozen' tips to excel in customer service with service plans

Service plans are arguably one of the most natural point-of-sale products available, intrinsically linked to a customer's vehicle and, for dealer-led plans, to their dealer.

1 An inflation-proof, interest-free route to routine servicing makes correct servicing more affordable. The Bank of England expects inflation to hit 2.7% next year, up from the current rate of 1%.

2 Offering a service plan to every new and used car and LCV buyer should form a natural part of every customer's buying experience.

3 The vehicle handover is commonly the best time to introduce service plans as part of a long-term customer relationship approach.

4 Offering a service plan should not be seen as a sales pitch. It is

about providing an easy way for the customer's essential maintenance to be budgeted.

5 Always explain what is included in the service plan, its features and benefits. Training is essential.

6 Avoid 'over-stacking' a plan with too many extra services – this can risk early cancellations.

7 Service plans from EMaC can be transferred to another car if the customer chooses to change vehicle.

8 A service plan's value is not earned until a service is taken, so always ensure there is expert help available on the phone/digitally to minimise cancellations and manage questions. This is part of the EMaC total support package.

9 Dealers can tailor the plans with EMaC to offer additional benefits to make a buying decision

even easier, such as additional discounts.

10 Correct servicing supports safety, reliability, economy and resale values – these have a value.

11 Today, we see an increasing move to usage, not ownership courtesy of PCP finance; a service plan is perfectly positioned to support this convenience-led approach.

12 Do not overlook the SME opportunity – their vehicles need servicing as well and a service plan can help their cash flow.

13 When a customer books their service, or at the service desk, always ask if they have a service plan. If they don't, offer one there and then to support their future servicing needs. Better still, call us about our new AutoQuote technology.

s is not enough



Boost sales and productivity with AutoQuote from EMaC

This is the all-new smart solution to ensure that customers who do not already have a service plan in place can get a quote ahead of their next service. We know that service advisers are often too busy to do this, so at EMaC we have automated the process.

AutoQuote is the all-new technology that lives up to its name by providing a fully automated service plan quote direct to a customer's inbox ahead of their visit. The customer can 'self-serve' and buy their plan online. Alternatively, the quotations are forwarded straight to the dealer service desk, enabling the adviser to hand the customer a tailored quotation on their arrival – a rather timely 'welcome pack'.

All the technology happens quietly

“Service plans are all about enhancing the customer's lifetime journey experience. Making ownership easier and more affordable is a clear route to long-term retention”

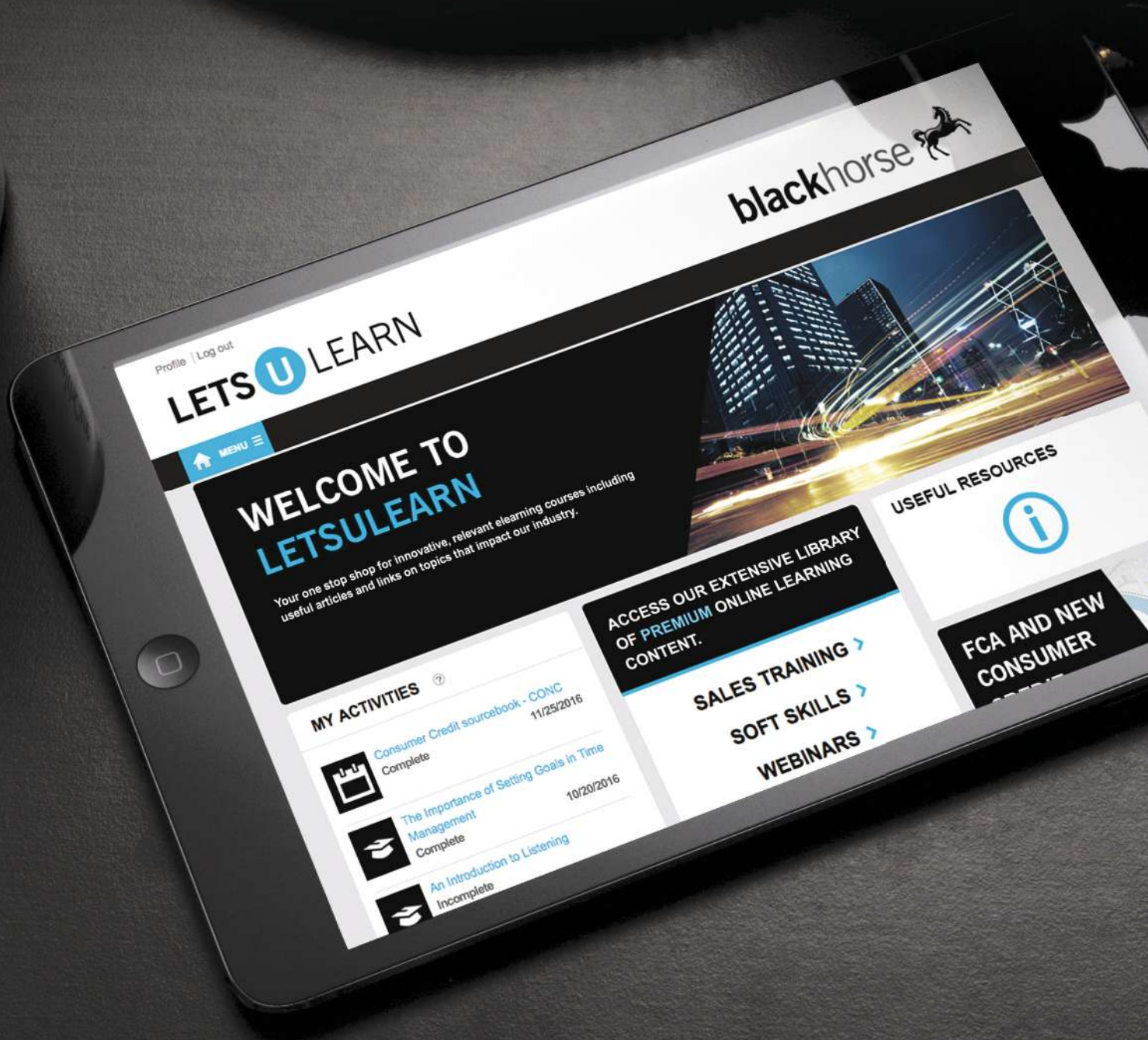
Neil Hodson, EMaC

and efficiently behind the scenes, with EMaC smart technology generating the quotations based upon agreed parameters set by each dealer or group.



Call the dealer support team on 01270 507 566, email support@emac.ltd.uk or visit emac.ltd.uk

SHOWROOM CLASSROOM



blackhorse



Trying to find time to train your employees? With new LetsULearn Premium all courses are run online. From financial promotions to product suitability, we can help deliver more skills for your staff, with less time away from your business.

DISCOVER MORE AT blackhorse.co.uk/dealerportal

**A BETTER WAY
OF DOING BUSINESS**

MAPFRE ABRAXAS reward

MAPFRE ABRAXAS's hard work on technology and processes to sell GAP compliantly are paying off with increased business for dealers

MAPFRE ABRAXAS is thrilled to be voted 'AM Dealer Recommended 2017' for GAP insurance. Jair Marrugo, managing director of MAPFRE ABRAXAS, said: "We are delighted to once again be voted for this prestigious award by the readers of AM. 2016 has been a challenging year, but we always strive to offer innovative products, services and support to our partners. It's pleasing that our efforts have been well rewarded with this award.

"All departments in the business have played their part in our success, working hand-in-hand with our partners and allowing us to win the award for 2017."

The FCA's new GAP rules – 14 months on

Overall, dealers have adapted their sales processes and successfully embedded the new GAP rules into their business models over the past 14 months.

We invested heavily in Point-of-Sale Plus, our clear and simple system solution to support the sale of GAP insurance in line with the new rules. The focus was to ensure dealers could issue the required information; only completing GAP sales after the deferred period and to provide a robust compliance lead audit trail. Ultimately, we provided dealers with a 'best practice' tool, allowing them to keep selling GAP in a compliant way.

Matt Hooper, IT development manager, said: "Our hard work and consultations with partners have led us to develop and deliver a unique system solution. It was certainly a demanding project, but we were driven by a strong desire to support our partners during this challenging time within the industry.

"We were one of the few (maybe only) GAP providers to provide our clients with an integrated solution to ensure compliance, profitability and to drive performance. Our Point-of-Sale Plus solution has now ensured that once the prescribed information is supplied, the 'clock starts ticking' and the system automatically time- and date-stamps each part of the process."

Since September 2015, Point-of-Sale Plus has been implemented by more



The MAPFRE ABRAXAS team (L-R): Stuart Cranley, head of client support; Alvaro Guitart, deputy regional director UK & Ireland; Jair Marrugo, regional director UK & Ireland; Nick Franklin, head of partnership & distribution; Richard Saunders, head of corporate partnerships

than 20 clients and is used in 928 sites across the UK. A year down the line, our statistics have shown that dealers who have implemented our new system within their sales process are performing well and demonstrating an increase in GAP sales.

This is complemented by our consultancy-based dealer performance improvement programmes, which are built on six dealership success factors: training, management commitment, systems, reward, people and compliance.

David Teatum, group business manager for Stoneacre Motor Group, said: "MAPFRE has addressed all

our concerns and supplied system solutions to us regarding the FCA GAP regulation.

"From training our staff, to speed of response, working with us in adapting our system and internal processes, and holding regular reviews to monitor our processes, they have truly demonstrated an A to Z solution in response to our business needs. We have worked hand-in-hand across all our departments to ensure we could keep delivering GAP sales in a compliant way."

He continued: "Implementing MAPFRE's systems has given us the opportunity to offer GAP to 100% of our eligible customers and to be confident

ed twice in a row



everyone has had the chance to consider the product while avoiding the possibility of a non-compliant sale."

How a multi-channel approach improved customer retention

We believe face-to-face interactions between dealers and customers remain key. Not only to identify customers' insurance needs, but also to raise awareness of the options available.

On the other hand, dealers need to keep up with changing consumer habits and adapt their business models accordingly. Our new mobile responsive sales platform, Click & Buy, is an additional channel to

"The online channel is a route to market which has not yet been fully exploited by all"

Nick Franklin, MAPFRE ABRAXAS

complement point-of-sale opportunities.

Commenting on Click & Buy, Nick Franklin, head of new business, partnership and distribution, said: "The online channel is a route to market which has not yet been fully exploited by all.

"This type of platform should not replace the point-of-sale revenue – it is an additional tool to increase the touch points with the end customer and reach 100% of your customer database. Online has become the natural place for consumers to make purchases."

Leon Vincent, chief information officer, added: "The expertise we have internally has allowed us to develop a unique solution in the market. We have put a lot of work into developing a back-end solution allowing dealers

to access intelligent management information (MI), reporting to analyse competitor data, and customer profiles. Customers' habits are changing, so it was essential to also make the portal fully mobile-responsive."

There is still an over-reliance on point-of-sale to introduce insurance products to the customer. Click & Buy is a real differentiator, mirroring changing customer buying habits and allowing dealers to target 100% of their customer database. Looking at the bigger picture, Click & Buy ensures that the focus is not on short-term gains, but on realising the full benefits of insurance as a way to build trust and improve customer retention.

Richard Saunders, head of corporate partnerships, said: "We always put innovation at the heart of our business and Click & Buy is a good example of the multi-channel approach we are trying to deliver for our partners. Cutting-edge platforms and systems, such as Point-of-Sale Plus and Click & Buy, allow us to offer integrated and multi-channel solutions, remaining one step ahead of our competitors."



Recommended 2017 for GAP, please call 0845 6838 795 or email contactme@mapfre.co.uk

Supagard has a strong history of success

But the market leader in paint protection is always looking forward

In recent years, dealer margins have been squeezed by a range of factors that all contribute to reducing your bottom line, again and again.

Although the rise of the internet has given manufacturers and dealers the opportunity to advertise to a much wider audience, it is a double-edged sword, as it has also allowed consumers to make a much more informed decision about the purchase of their next car and how much they can expect to pay for it. Therefore, it is vitally important to find an effective and long-lasting additional profit stream. Supagard paint and interior protection could be the solution for your business.

Founded in 1988 by Brian Quinn and John Orrick, Supagard has grown from humble origins to become the UK market leader in automotive paint and interior protection products. Now based in a state-of-the-art premises in Glasgow, its reputation has been built, in part, through continuous focus on ensuring its products are the best in an ever changing market.

A major factor in Supagard's DNA is the strong family heritage and the pride that the staff take in working for the company. David Paterson, marketing director, said: "We are immensely proud of where we have come from and looking back over the years from our foundation to where we are now, we owe our success to the fact that we never stand still or rest on our laurels.

"All of Supagard's products are developed over a considerable period of time before we will release them to the market, because we want to be sure that they are not just the equal of our competitors' products, but are the best available for their purpose. This has been a major contributing factor to our popularity in the trade, particularly among vehicle manufacturers, who have applied their own stringent quality assurance measures before endorsing Supagard as their products of choice."

The recent release of Supagard XTRA is a case in point. This polysilazane paint sealant (also known as glass or



"All of Supagard's products are not just the equal of our competitors' products, but are the best available for their purpose"

David Paterson, Supagard

ceramic coating) has been several years in development to ensure that it will withstand the most severe conditions and has been greeted with the same enthusiasm customers have for Supagard's tried and tested polymer sealant. Paterson said: "With penetration rates in excess of 40% not unusual among Supagard customers, we are confident that the ease of application and superb finish of our paint sealant ranges will continue to ensure there is no better alternative on the market."

Supagard's research and development team are led by technical and purchasing director James Smyth, who said: "We invest a great deal of time and money in our formulas and are continually making tweaks and revisions to ensure that the company stays at the cutting edge of chemical technology and

continues to develop new and innovative products which can offer major savings in time and ease of application.

"Prime examples are our Quick Drying Fabric Protector and our Leather Preserver. Both products are unique to Supagard, market-leading and give advantages that no other supplier can offer."

Supagard Quick Drying Fabric Protector saves a massive amount of time and cost when preparing a vehicle for sale, as it is touch-dry in 90 seconds and the vehicle can be driven away in five minutes. Unlike conventional products, which can take an hour or two to dry off, this fast-drying fluorocarbon formula allows valet bays to be freed up much sooner and customer handovers to be quicker.

Supagard Leather Preserver is a breakthrough leather protection system, which offers three years of guaranteed protection for new and used cars with leather upholstery – a UK first. It is the first product on the market that will protect a vehicle's leather upholstery from staining caused by dye from jeans and clothing, food oils and everyday liquids, while still allowing the leather to breathe and keep its natural finish and flexibility. The leather is guaranteed against staining for three years and the customer has no responsibility for ongoing maintenance.

One grateful customer was recently saved from an expensive repair or replacement bill when he had his child in the car. The young lad had amused himself by drawing a smiling face on the back of the headrest with a permanent marker, but thanks to Supagard Leather Preserver, the artwork was able to be removed and the headrest looks as good as new.

The last year has also seen the launch of a new range of Supagard customer aftercare products in unique 300ml and 500ml trigger-spray packs, all containing new formulas that give outstanding results. These are readily available as single items or multiple product kits and offer dealers and manufacturers another



The Supagard stand at the Automotive Management Live exhibition



Before and after
– the benefits
of Supagard
Leather
Preserver

opportunity to generate additional revenue through over-the-counter or online sales.

In addition to their innovative products, Supagard also provides a range of comprehensive training programmes tailored to individual businesses. These not only cover product information and benefits, but also a proven sales process to ensure success. Valeters and paintwork specialists

are also given specialist training to professionally apply the products and are awarded a Certificate of Competence that can be displayed in your showroom.

However, there is more to Supagard than a forward-looking company with a strong heritage and a great

pedigree. In a celebration of history and technical innovation, they sponsor the Historic Grand Prix Cars Association, supplying products and advice to keep these amazing pieces of motor sport history from the 1920s to the 1960s in prime condition, so both their drivers and fans can keep on enjoying them for many years to come – something your own customers will be able to do when their car has been treated with Supagard.

The times may have changed, but 29 years after its first venture into the marketplace, Supagard is still the most respected UK company in automotive paint and interior protection.

Isn't it time your business benefited from Supagard's expertise?

Supagard[®]
PAINT AND FABRIC
PROTECTION

Supagard Limited, 19-29 Gavinton Street, Muirend, Glasgow, G44 3EF

INDUSTRY PROFESSIONALS SHARE THE BEST ADVICE ON MOTOR RETAIL ISSUES

Consumers demand seamless experiences

By Adam Price, managing director, AutosOnShow.tv



High street retailers have adapted to an omni-channel approach that provides the shopper with a seamless experience between digital and the physical shop. This 'bricks and clicks' approach delivers increased engagement with buyers and offers genuine opportunities in the automotive sector.

Dealers understand the power video has to reach and engage a potential buyer. Increasingly, great content fuels social media, digital advertising and email campaigns. However, the digital experience is not typically replicated in the showroom.

The technology exists to personalise service across digital platforms and the dealership. Using digital images creates additional opportunities to engage, inform and entertain customers. It can range from digital inventory to staff introductions and customer testimonials. This can be highly effective in cross-selling vehicles in the service environment.

Advancing technology makes running 'in-dealership video' effortless and scalable across multiple sites at the touch of a button. A dealership audit is a good starting point, to understand the opportunities for digital signage, video walls and digital greeting boards that allow for personalised content.

As part of BCA, Autos On Show understands the automotive industry and has developed a holistic system that allows dealers to take advantage of the opportunities presented by mobile video. Its technology makes engaging customers easier and more convenient by allowing retailers to engage with the consumer across any device, across any channel and in any location.

High street retailers have proven the model and point-of-sale video is a key element in the marketing mix.

AutosOnShow.tv®
VIDEO IMAGERY PRODUCTS

Why outsourcing will bring you a happy 2017

By Martin Peters, sales director, Autoclenz Group



A happy 2017 to you from all of us at Autoclenz. 2016 was a record year at Autoclenz in terms of new business gains and customer retention, and now we are aiming to do it all again.

Autoclenz partners the best across all sectors of the motor industry, including BCA, GEFCO, Motorpoint, Avis, Europcar, Mercedes-Benz Retail, Porsche Retail and Pendragon to name a few.

The reasons clients choose Autoclenz is in the main due to our four pillars: compliance, account management, robust service delivery and innovation. However, it's not enough to deliver what you always have. We understand the challenges that face our clients and are constantly recommending solutions, adding value and, ultimately, delivering.

From our vast experience across the industry, we know what best practice looks like and how to implement this into your business. Outsourcing to specialists is the way forward, so you can focus on your core activities and have the best of both worlds.

So the question is what are you going to do to improve and enhance your customers' journey? An easy solution is talk to Autoclenz and let us benchmark your current arrangements on valeting, cosmetic repairs, imaging and collection delivery.

Outsource and share the responsibility in the challenges you have in 2017.

■ To find out more about the difference at Autoclenz, please call Rebecca on 01283 554 682.

autoclenz™

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.

Price data shows no dilemma for diesel

By Simon Henstock, BCA chief operating officer, UK remarketing



In a year that has seen renewed interest in clean transport and a surge in popularity for EV and PHEV technology, diesel car drivers may feel somewhat left in the cold. The popular media seemed full of environmental and emissions concerns and

negative publicity about diesel power in 2016. But how has that translated into the real world, where diesel cars represent a sizeable proportion of the used marketplace?

Perhaps unsurprisingly, BCA data shows no easing of demand for diesel cars, despite the negative headlines. Average price performance for diesel cars sold at BCA improved by 8.7% between January and October 2016.

Diesel car values typically outperform petrol cars by a big margin, despite significantly higher mileages when sold. Performance against guide values is typically higher, as is retained value against cost new. These trends are well established and have not changed over a number of years.

The reasons that make a diesel attractive to corporate users apply equally to the motorist. Many people like the driving characteristics of a diesel and the overall reliability and longevity also appeals to the cost-conscious motorist.

All of which means diesels remain an attractive and desirable proposition for professional buyers for onward retail. Fleet and lease sources provide a steady supply of well-specified models in attractive colours, with a good selection of executive models and premium brands.

UK motorists will always want economical motoring and BCA has seen no push-back from diesel on environmental issues.



What's the best thing about working in the motor trade?

By Nigel Banister, director, GMD People



As a sponsor of the recent *AM* Live event in Milton Keynes, we asked visitors to take part in a poll. One of the questions was: For someone thinking about joining the industry, what would you say is the best thing about working here?

The responses were varied, but clear themes emerged:

- the broad variety of roles the industry provides
- the opportunity to realise ideas and take the initiative
- working with some great people (and products!).

A key challenge we have is attracting new people, so we need to emphasise the opportunities and highlight how our industry has so much to offer – for youngsters and experienced people alike.

For those considering a career in automotive, here are three key areas that are worth showcasing when recruiting:

Opportunities: Automotive is a vital part of the UK economy, accounting for more than £70 billion turnover and employing more than 800,000 people. It offers job stability and opportunities for growth.

Diversity: The array of different roles is vast – from technical and engineering to sales, marketing and logistics.

Technology: Cars are among most hi-tech consumer products, combining not only the obvious engineering, but also new media digital applications, including web and mobile phone connectivity and other smart technologies.

What do you say to potential new recruits who are thinking about a career in the motor industry?

■ Visit our website, www.gmdpeople.com, for our previous *AM* articles, or contact us on 01327 831 371.



82

Nissan Leaf

We at last overcome our anxiety about the range of the EV.

83

Mitsubishi Outlander

Mitsubishi is not yet a 'must-have' brand with consumers.

FIRST DRIVE: CITROËN C3

Bumping up B-segment volumes

Citroën has high hopes that its new-look C3 will be a top 10 performer in its segment

By Tom Sharpe

Citroën's mainstream C3 has undergone a C4 Cactus-style makeover, which may have handed franchisees the tools to compete with its show-stealing PSA Group stablemate, the DS 3.

As Citroën UK's brand director, Bek Hassan, admitted that only about half of the Citroën network was destined to hold on to the DS Automobiles franchise that yielded so many DS 3 hatchback sales in recent years (see page 6), the new five-door C3 has arrived to offer some cause for optimism among those about to lose out.

Built around Citroën's 'Advanced Comfort Programme', the C3 looks to differentiate itself by majoring on day-to-day usability, rather than sporty dynamics, as well as quirky personalisation options that will be familiar to C4 Cactus fans.

Airbumps – polyurethane, air-filled pods fitted to each flank to prevent minor scuffs and bumps – make another appearance on range-topping Flair specification C3s, while contrasting roof and door mirror colours combine with Cactus-like high-mounted running daylighters and bold fog lights to give a distinctive look that is mirrored inside the cabin.

Quirky and tactile, the cabin may be enough to lure customers into the new C3 before they have even turned a wheel, with fabric portions of dash, door-pulls and a novel ConnectedCAM system. ConnectedCAM offers C3 owners the chance to record their journeys on a full HD wide-angle camera positioned behind the rear-view mirror and share them instantly over the internet via a Bluetooth link to their smartphone.

The camera is also part of an autonomous emergency braking system and will record 30 seconds of footage before and after an impact, to assist in insurance claims.

It is part of a collection of new technology to feature on the C3, including Mirror Screen and Apple CarPlay smartphone connectivity, a reversing camera and blind-spot monitoring.

Speaking to *AM* at the launch of the C3 in Barcelona, Hassan expressed high hopes that the new C3 will be one of B-segment's 10 biggest sellers from January and described the current model's sales performance as "very poor".



The cabin's more prominent areas are trimmed in heavily textured fabrics

"There is a risk of some migration [from DS 3 to C3], but we are clearly targeting conquest customers"

Bek Hassan, Citroën

Hailing the newcomer as a vehicle that customers can "aspire to own", he said: "We're currently 18th-placed in the UK's biggest market segment and that is very poor – no two ways about it. In the rest of Europe, the C3 accounts for around 20% of Citroën sales, but here in the UK it's just 10% and that tells you all you need to know about the current model. It's just not performing."

"With the new model, we're aiming for the top 10 and that will account for a large part of our volume next year."

Citroën will be sending cars on a tour of dealerships prior to its official on-sale date to help generate interest.

The C3 will be available in three trims (Touch, Feel and Flair) with a choice of 68PS, 82PS or 110PS turbocharged PureTech 1.2-litre petrol engines or 75PS or 100 PS 1.6-litre BlueHDi turbodiesel units.

A six-speed automatic gearbox option will be available with the 110 PureTech unit from March.

At launch, prices start at £10,940 for the Touch PureTech 68 and top out with the £17,040 Flair BlueHDi S&S.

Citroën's Elect 4 PCP plan offers a Feel PureTech 82 (£13,745) for £189 a month over 36 months with a £2,581.30 customer deposit and 6,000-mile annual allowance.



Personalisation options on the C3 include contrasting roof and door mirror colours



The C4 Cactus-style Airbumps do not come as standard, however

I got to drive 82PS and 110PS 1.2-litre petrol-engined versions of the car in Barcelona, just weeks after seeing it make its public debut at the Paris Motor Show.

The quickest C3 in the range is the 110PS Puretech, but taking 9.6 seconds to go from 0-62mph means it may not appeal to the boy racers among the young audience the C3 is aimed at. However, claimed fuel efficiency of 64.2mpg and 104g/km CO₂ emissions are worthy of greater consideration.

The 75PS BlueHDi claims 80.7mpg and 92g/km of CO₂ and 0-62mph in 11.3 seconds.

Among the standard equipment on all C3s is DAB radio, Bluetooth phone connectivity, cruise control, lane-departure warning and speed limit recognition, but, sadly, no air con or trademark AirBumps. Manual air conditioning is a £600 option on Touch, with Airbumps available on Feel cars for £290 as part of a 'Style Pack', which also includes fog lights with a cornering function.

Many of the highlights debut in the Feel trim, with exterior features including LED daytime-running lights, that contrasting roof, gloss black door mirrors and body-coloured door handles accompanied by a seven-inch colour touch-

screen infotainment system with Mirror Screen and Apple CarPlay smartphone connectivity on the inside.

All Flair models get Airbumps and roof-coloured door mirrors along with the ConnectedCAM.

Top of the range is the £17,195 Flair 110 Puretech fitted with the most powerful engine's optional six-speed automatic gearbox. Some of the best news is that the new C3 gets the PSA Group's latest automatic gearbox.

During my stressful morning in Barcelona, I was relieved to find the new addition sheds the tardy gear changes of its predecessor to deliver swift shifts. While it can be a little indecisive in stop-start traffic, it is a vast improvement.

Escaping the Barcelona rush hour and finding some of the surrounding countryside's mountainous open roads, the gearbox even displayed a determination to hold revs to deliver reliable acceleration with the lever pushed left into its 'Sport' setting.

The new C3 subscribes to a French love of soft springs and jaunty lean angles through corners, though, and is a laid-back proposition which, rather refreshingly, prioritises comfort.

Drive too quickly, though, and you will be missing out on the new C3's key strength. This is a car for people who simply want to drink in the ambience of a truly unique cabin, those tired of the endless stream of gloomy plastic interiors.

Spec the C3 right – there are optional 'Urban' Red Ambience and 'Hype' Colorado Ambience interiors, priced at £150 and £380, respectively – and it boasts a cabin with more visual and tactile appeal than any current rival.

There are cheap plastics, but they are tucked away, with more prominent areas trimmed in heavily textured fabrics.

One practical reservation remains. Despite an ample 300-litre boot, the C3's rear quarters are cramped, a low ceiling making the rear space restrictive for adult passengers.

Hassan is excited about the C3 and it is clear that it boasts impressive showroom appeal: "C3 is the huge area of opportunity for us, in that larger, mainstream B-segment."

"I see the C3 and DS 3 as two cars targeting different areas of the market. C3 is the mainstream B-segment and DS 3 is the premium B-segment. There is a risk of some migration, but we are clearly targeting conquest customers."

SPECIFICATION

Price £10,940-£17,040

Engine 1.2-litre PureTech petrol, 68PS, 82PS or 110PS; 1.6-litre BlueHDi diesel, 75PS, 100PS

Performance 0-62mph 9.3-13.8 seconds, 104-117mph

Transmission 5sp manual, 6sp automatic (March)

Efficiency 60.1-80.7mpg, 92-109g/km

RV 3yr/30k 35%

Rivals Ford Fiesta, Vauxhall Corsa, Volkswagen Polo, Nissan Micra, Kia Rio, Hyundai i20

WHAT YOUR CUSTOMERS WILL READ ABOUT THE CITROËN C3

PARKERS

With shrunk C4 Cactus-style looks and plenty of new technology on board, Citroën has made the new C3 much more distant from the DS 3, and we think it's all the better for it.

THE TELEGRAPH

Great looking new Citroën with a terrific, if cramped, interior, but only marginally improved in the ride and handling department. Doesn't really have what it takes to rival the best in this competitive segment.

HONEST JOHN

The new C3 works on a lot of levels. It's interesting and different to look at. It can be personalised. It's very comfortable. It's reasonably spacious. The interior is sensibly thought out.

LONG-TERM TEST: NISSAN LEAF

The Leaf goes long-range at last

A 124-mile round trip did not defeat Leaf



SPECIFICATION

Price £27,955

Engines AC synchronous electric motor: 109PS

Performance 0-62mph 11.5secs, top speed 90mph

Transmission CVT auto

Efficiency 155 miles per charge, 0g/km CO₂

Start mileage 3,784

Current mileage 4,900

RV 3yr/30k 28.6%

Rivals BMW i3, Hyundai Ioniq, VW e-Golf

WHAT'S BEING SAID ABOUT THE NISSAN LEAF

CARBUYER

The Nissan Leaf is quiet, comfortable, easy to drive and incredibly cheap to run. It marks a milestone in the development of electric cars.

LONDON EVENING STANDARD

In reality the claimed range of 155 miles will be more like 120 miles. That's pretty good, and constantly getting better, so that makes it more of a realistic proposition to commute into the city day in day out.

By Tim Rose

Our Nissan Leaf has finally ventured further afield than our native Peterborough, as our confidence in the electric car's abilities increases. The destination was AM's new flagship event, Automotive Management Live, at Arena MK in Milton Keynes.

Milton Keynes is one of four cities to receive government funding to boost electric vehicle infrastructure through the Go Ultra Low Cities initiative. It already has numerous charging points dotted around the city, and it plans to let low-emission vehicles use its bus lanes and park for free.

The 124-mile round trip looked a very feasible challenge, despite 118 miles being the highest range we have ever seen displayed on our Leaf.

Indeed it was feasible. There was almost a hitch, as the charger at the Arena MK seemed constantly occupied,

"It seems some EV owners relish the challenge of longer journeys"

necessitating a short trip down the road to Ikea. There I plugged the Leaf into an Ecotricity rapid charger and made a short call to Ecotricity's customer services centre (there's no charging app available for my Windows OS company smartphone). A £6 payment by credit card and 30 minutes spent browsing some kitchen equipment was all it cost to get the battery boosted up to 91%. In effect, the 124-mile trip cost about the same as a gallon of diesel – and what diesel car does 124mpg?

EV owners are a patient and committed bunch, and it seems some relish the challenge of longer journeys. A browse on the forum website LeafTalk shows many adapt their driving to eke out the range, shunning faster-running motorways or running relays between charging points.

One owner, who has stuck with the original 24kWh model, wrote: "Shortly, my Leaf will be five years old and that equates to five years of trouble-free, smooth, quiet motoring, I simply could not ask more of a car."

Yet the conversations also show that quite a few owners of the original 24kWh Leaf are looking forward to longer range by swapping to the 30kWh model, particularly since Ecotricity ended its free charging at motorway service areas this year.

One owner, who changed to a new 30kwh Leaf recently, wrote: "Although I loved my 2013 Acenta, this feels like care-free motoring should."

Guess the car competition



Gillian Robson, sales administrator at Tees Valley Mitsubishi in Darlington, correctly identified the Volkswagen Scirocco in last issue.

Have a go at identifying this month's mystery model to be in with a chance of winning 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, January 13, 2017.



MITSUBISHI OUTLANDER 2.2 DI-D GX4

The Mitsubishi brand is not a 'must-have' yet



Dealers are concerned about their ability to compete with rivals

By Jeremy Bennett

In last month's review, my colleague Tim talked about Mitsubishi's desire to see more drivers buying the Outlander before the curtain comes down on 2016, with the wintry weather perfect for putting 4x4s on their choice lists.

With any long-termers, *AM* seeks to garner the views of a brand's dealers to find out, from a number of angles, the experience of selling the car – and how likely Mitsubishi is to fulfil its ambitions. The following is a summary of conversations with several dealers (all of them asked to be anonymous) on the car – and Mitsubishi from their points of view and how it is perceived by consumers.

There was consensus that desirability for the Outlander diesel comes from its seven seats [the PHEV loses two to make way for the electric motor], 4x4 capability, reasonable fuel consumption

and good towing reviews in the "appropriate magazines".

But of significant concern is the ability to compete with rival brands and win converts to Mitsubishi.

"The competition for the Outlander diesel varies according to who has the stronger finance offer," one dealer said.

"Mitsubishi is not yet a 'must-have' brand with consumers – except for the customers who grew up with the brand, but they are dying out. Instead, Jeep is mentioned often by customers as they have 0% on PCP on offer currently. But generally the competition is the Nissan Qashqai and X-Trail, the Volvo XC60, BMW X3 and Land Rover Discovery Sport."

Interestingly, another dealer said, the 'finance offer-only' type of customers are happy to consider the brand, but are "pretty agnostic" about its desirability.

As far as support for sales is concerned, dealers said they are working with "dramatically reduced margins", with the margin saved being used to fund offers.

"Our new 0% finance, zero-deposit offer on HP has not had the hoped-for sales boost yet. It's a pity because it's the best offer we have ever been able to promote. Mitsubishi should've waited for Q1 to launch as Q4 is the graveyard quarter for most brands."

On the plus side, Mitsubishi is trying to raise its profile; it should be on most people's shopping lists, "but we have to be patient", one dealer said.

ADVERTISING FEATURE

BECOME A CUSTOMER FOR THE DAY

By James Tew, director, iVendi



Have you examined your website lately and really looked closely at how well it works? Here's a simple and largely unstructured but interesting exercise to try – become a customer for the day.

Imagine you are in the market for a car and trying to progress the sale as far as possible with the online tools you offer, becoming your own mystery shopper.

There are obvious things to try – find a vehicle, get a quote, make an enquiry. Perhaps ask friends and members of your household, young and old, to try the same. What are their comments? What do they like and dislike? At which points do they feel pleased or frustrated?

You should also look at accessing the site through a range of different devices, from the old laptop you keep as a back-up in the cupboard under the stairs to the iPhone you maybe had delivered last week. The latter is especially important. Our research shows that something like two thirds of all dealer website visits take place on mobile devices. If you are using a phone or tablet, does the site work as well as it does on a PC?

Having done all of this for your own website, do the same for your competitors'. Do everything you can not to lead the responses of those visiting the websites, but record their honest reactions.

At the end of this whole process, check with your own Google Analytics to see where drop-outs occur, which pages do not get accessed, etc – and see how these statistics tie in with your more impressionistic findings.

Where dealers carry out this exercise, we often see interesting findings of the kind that a more formal approach may not reveal. When it comes to websites, small changes can make big differences, and becoming a customer may help you identify those improvements.



About iVendi

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

SPECIFICATION

Price £33,134

Engine 2.2-litre: 147PS

Transmission 6sp auto

Performance 0-62mph 11.6secs, top speed 118mph

Efficiency 48.7mpg, 153g/km CO₂

RV 3yr/30k 43%

Start mileage 3,644

Current mileage 6,524

Rivals Nissan Qashqai and X-Trail, Volvo XC60, BMW X3 and Land Rover Discovery Sport



The talent's out there
The trick is finding it!

ACCOUNTANCY

12022	Accounts Office Manager	Cambridgeshire	£35k pa + Bon
12021	Dealership Accountant	Devon	£35k
12005	Dealership Accountant	London	£45kpa ++
12091	Dealership Accountant	Kent	£35kpa ++
11994	Auditor	Cambridgeshire	£38kpa +++
11988	Dealership Accountant	Surrey	£35kpa neg ++
11986	Dealership Accountant	Staffordshire	£40kpa ++
11984	Assistant Accountant	Lancashire	£26kpa ++
11983	Regional Accountant	Hampshire	£50kpa ++
11981	Assistant Accountant	West Midlands	£30kpa ++
11978	Dealership Accountant	Essex	£38kpa ++
11977	Cashier	Surrey	£20K
11976	Dealership Accountant	Gtr Manchester	£45kpa

OPERATIONAL

12020	Field Operations Manager	Warwickshire	£33K ++
12019	Field Operations Manager	Lanarkshire	£33K ++
12018	Field Operations Manager	Berkshire	£33K ++
12017	Service Advisor	Surrey	To £35k
12016	Service/Aftersales Manager	Essex	£35k + OTE
12014	Group Used Car Manager	Middlesex	OTE £70K-80K
12013	General Sales Manager	Bucks	OTE £70 ++
12011	Account Manager	W Midlands	£43,000 + OTE
12009	General Manager	Oxfordshire	OTE £100K
12007	Transaction Manager	Camb	OTE £45,000
12005	General Manager	Cheshire	£Exc
12000	Brand Manager	Suffolk	£55k OTE
12015	Service Advisor	Hampshire	£20k + OTE

Chris Eastwood Automotive Ltd
Suite 10, The Chestnuts, 4 Stortford Road, Dunmow, Essex CM6 1DA
Tel: 01371 874516 Fax: 01371 871572
Email: admin@ceauto.co.uk visit our website on www.ceauto.co.uk



Steele-Dixon Est 1961

UK

Bodyshop Manager - East Sussex - £40K
Customer Care Manager - Kent - £32K
Field Operations Manager - Scotland & N Ireland - £33K
Group Used Car Manager - London - £80K
GSM Prestige - London - £100K
Sales Manager - Hertfordshire - £60K
Sales Exec prestige - Channel Islands - £70K
Sales Manager - Dundee - £65K

Overseas

Technician - Caribbean - £35K
Heavy Equipment Aftersales Manager - North Africa - £45K

For all other vacancies please visit www.steele-dixon.co.uk
or call the team on 01235 536 440

Regional Director IMPERIAL Commercials



DAF is the UK's market leading truck brand and IMPERIAL Commercials is the largest independent commercial vehicle dealer group. Together we are a winning team.

Based in Stoke-on-Trent, this is an exciting opportunity for a Regional Director to lead a multi-site business of 3 locations at Stoke, Wrexham and Deeside representing DAF Truck Sales & Aftersales, Fiat Professional Sales & Aftersales & Renault Truck Aftersales franchises

Key aspects of the role:

- Visionary leadership to implement a strategy for growth and continuous improvement
- Responsibility for achieving KPI's and targets
- Leadership and direction of regional Management Team
- Full responsibility for P&L, Return On Invested Capital, Compliance
- Achievement of customer service levels and brand aspirations
- Develop people to properly resource the business to meet strategic objectives
- Build strategic, long-term alliances with customers, suppliers and business partners
- Develop and implement a marketing strategy for growth
- With business partners, develop existing and new Sales opportunities

Key Result Areas:

- Delivery of annual sales revenue, profit and ROIC plan
- Delivery of Manufacturer volume targets and performance KPI's
- Growth of new business opportunities
- Minimise labour turnover, maximise employee stability
- Control of business costs to targets

Package: Standard Imperial management package including

- £'s Industry Competitive, Annual Management Bonus Scheme
- Matched DC Pension Plan with Scottish Widows, Life Insurance
- Private health cover, Other benefits

For more information follow link <http://www.imperialcommercials.co.uk/pages/careers>

To apply send application with CV by email to: David Lewis, Divisional Executive Director, IMPERIAL Commercials, Days Road, St Philips, Bristol BS2 0QP

David.lewis@imperialcommercials.co.uk closing date for applications 30th December 2016.

Visit our websites: - www.imperialcommercials.co.uk www.imperial.co.za

AVAILABLE NOW: THE 2017 UK FRANCHISED DEALER REPORT

£995

AM's fifth edition of our annual UK Franchised Dealer Report drills down into the detail of the risks and opportunities presented in 2016 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, 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.



AN **AM** Report
AUTOMOTIVE MANAGEMENT

Content includes:

The profitability of the AM200; dealer transaction activity; carmakers' prospects for the future; risks to dealer profitability; taxation and employment law; HR policy; and aftersales best practice



To purchase your copy, call Sara Donald on 01733 366474 or visit am-online/shop

NEW-LOOK **AM**!

Crammed with even more content, the new-look **AM** will bring more insight into market movements and industry issues



Vauxhall

Managing director Rory Harvey talks about how its dealer network is backing its fight for market share.



Launch report: Toyota CH-R

The Japanese brand's newest crossover aims to boost dealer volumes by taking on the Nissan Juke.



Trevor Mather

Auto Trader's chief executive wants it to have a role in facilitating manufacturers' direct sales.

ADVERTISERS' INDEX

Aston Barclay	46
Auto Trader	18-19, 58-59
Autoclenz	78
Autos On Show.tv	79
Autoweb Design	46
Boxcoul	20, 50
BCA	66-67, 78

Call It Automotive	40-41
Car Care Plan	63, 68-69
Chris Eastwood Automotive	84
Emac	70-71
Exchange Enterprises	9
GMD People	79
Climalife	52-53
Imperial Commercials	84
Ivendi	60, 83
Lloyds Banking Group	12, 72-73

Mapfre Abraxas	48, 74-75
Marketing Delivery	55, 56
MFG	44-45
Startline Motor Finance	27
Steele-Dixon & Associates	84
Supagard	76-77
Symco Training	64
Zype TV	11

CONTACT US

AM, Media House, Lynch Wood, Peterborough PE2 6EA
Email: AM@bauermedia.co.uk

Editor-in-chief
Stephen Briers 01733 468024
Editor
Tim Rose 01733 468266
News and features editor
Tom Sharpe 01733 468343
Head of digital/associate editor
Jeremy Bennett 01733 468261

AM production
Head of publishing
Luke Neal 01733 468262
Production editor
Finbarr O'Reilly 01733 468267
Designer
Erika Small 01733 468312

Contributors
Matt de Prez, Debbie Kirtlew, Chris Lowndes, Chris Phillips, Prof Jim Saker, Tom Seymour, Craig Thomas

AM advertising
Commercial director
Carlota Hudgell 01733 366466 (maternity cover)
Group advertisement manager
Sheryl Graham 01733 366467
Head of project management
Leanne Patterson 01733 468332
Project managers
Kerry Unwin 01733 468578
Lucy Peacock 01733 468327
Katie Lightfoot 01733 468338
Account managers
Sara Donald 01733 366474
Kelly Crown 01733 366364
Ryan Pummell 01733 366473
Recruitment enquiries
01733 366364

AM events
Event director Chris Lester
Event manager
Luke Clements 01733 468325
Event planner
Nicola Baxter 01733 468289

AM publishing
Managing director Tim Lucas
Office manager
Jane Hill 01733 468319
Group managing director
Rob Munro-Hall
Chief executive officer
Paul Keenan

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. No part of the magazine may be reproduced in any form in whole or in part, without prior permission of the publisher. All material published remains the copyright of Bauer Consumer Media Ltd. We reserve the right to edit letters, copy or images submitted to the magazine without further consent. The submission of material to Bauer Media whether unsolicited or requested, is taken as permission to publish in the magazine, including any licensed editions throughout the world. Any fees paid in the UK include remuneration for any use in any other licensed editions. We cannot accept any responsibility for unsolicited manuscripts, images or materials lost or damaged in the post. Whilst every reasonable care is taken to ensure accuracy, the publisher is not responsible for any errors or omissions nor do we accept any liability for any loss or damage, howsoever caused, resulting from the use of the magazine.

Printing: Headley Brothers Ltd, Kent

Complaints: Bauer Consumer Media Limited is a member of the Independent Press Standards Organisation (www.ipso.co.uk) and endeavours to respond to and resolve your concerns quickly. Our Editorial Complaints Policy (including full details of how to contact us about editorial complaints and IPSO's contact details) can be found at www.bauermediacomplaints.co.uk. Our email address for editorial complaints covered by the Editorial Complaints Policy is complaints@bauermedia.co.uk.





NETWORK
IMPROVE
SHARE
INTERACT
LEARN



Be a part of the sharing community

For details on all our events, visit:
www.am-online.com/events

SHOULD YOU BE IN THE AM EXECUTIVE BREAKFAST CLUB?

Open exclusively to senior franchised dealer group executives, this free-to-join club meets quarterly for networking and business inspiration from a guest speaker.

PROVISIONAL DATES FOR 2017:

Friday, February 3, - The Lowry, Manchester

Friday, May 12 – Simpsons In The Strand, London

Friday, September 8 – The Belfry, West Midlands

Friday November 24 – Simpsons In The Strand, London

PREVIOUS SPEAKERS



John Lewis customer service director **Andrew McMillan**



Former BBC HR director **Lucy Adams**



EasyJet co-founder **James Rothnie**



Vodafone marketing director **Darryl Fielding**



M&S head of customer service **Jo Moran**



The Spectator business editor **Martin Vander Weyer**



Sports Revolution director of creative and integration **Josh Robinson**



RAF pilot and Gulf War POW **John Peters**



M&S head of learning and recruitment **Nigel Jeremy**



England cricket captain **Graham Gooch**



Virgin Airlines director of customer service **Linda Moir**



BMI Baby managing director **David Byron**

AM EXECUTIVE
BREAKFAST
Club

To apply for a place, email Nicola.Baxter@bauermedia.co.uk or call 01733 468289