

# AM

Automotive Management

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**MG MOTOR UK / P22**

We're in recruitment mode, says sales and marketing boss Daniel Gregorious

**CAR CARE / P43**

Maximise your returns on valeting, vehicle prep and protection products



AM BEST UK DEALERSHIPS TO WORK FOR / P29

## BRITAIN'S BEST BOSSSES



# StockMaster

Vehicle stock management from eDynamix

£750,000

Used vehicle  
profit increase

40%

Reduction in  
average days in stock

115%

Of OEM YTD  
target achieved

eDynamix StockMaster uses stock data from DMS systems to provide a consolidated group view of vehicles available for sale. It helps focus teams on the key metrics for used car sales including the days in stock trends, vehicle run rates, margins and stock mix.

All are crucial elements for a successful used car business which can easily be overlooked or ignored. From a Managing Director down to Sales Executives, StockMaster helps ensure that no stock goes unnoticed.

With tight integration with Auto Traders iControl software, the system alerts users to price movements, ad view shifts and desirability changes for vehicles in market, nationally and regionally on a daily basis.

This allows dealers to actively monitor and adjust their selling prices to ensure all stock is competitively priced.

Stock videos and photographs are also populated using the eDynamix VIDEO1st app, with all stock and media available within Sales Desk, eDynamix's new lead management platform.

StockMaster also includes tools to highlight vehicles missing images or video, vehicles not advertised or price differences during a price change exercise meaning exceptions can be managed on vehicles that are not performing well and provide insights into the reasons behind this.

Parkway Motor Group who represent Volkswagen across 4 retail car dealerships in Derby, Leicester, Kettering and Northampton, have seen a 20% year on year increase in used car sales to July since installing eDynamix StockMaster.

Used vehicle profits in this period also increased by almost £750,000, while average days in stock across the Group has decreased by nearly 40% to 42 days.

Parkway are also running at 115% of used car target as set by the OEM, stating this has been down to having such an interactive and visible stock system, crucial to all areas of the business, not least the profitability.

To find out more, call us on 0845 413 0000, visit [www.edynamix.com](http://www.edynamix.com) or email [enquiries@edynamix.com](mailto:enquiries@edynamix.com)



# EDITOR'S LETTER

wish a huge congratulations to the 2018 AM Best Dealerships To Work For, featured in this issue of *AM*. And a thank you to all *AM* and *AM*-online readers who came to Automotive Management Live on November 8, and saw the best dealerships collect their awards. They are incredible employers, with engaged, satisfied staff who feel able to overcome any of the challenges our industry brings them.

We will officially launch the 2019 programme next spring, although you can register your interest now (see Pages 29-41). It's completely free to enter. If you have a great workforce that strives to make a difference to your dealership, and that enjoys the rewards of a people-centric employer, let's recognise that. We often talk about public ignorance or misperception of the industry as a workplace. Let's take steps to change that.

What's the risk? None. If you don't make the list, no one knows. And you'll at least have some insight into how your workers feel about their workplace, so you can make improvements before they leave.

I want to see dozens more dealerships taking part in 2019, and bigger celebrations for the best dealerships. Don't pay lip service to your people.



## HAPPY CHRISTMAS FROM THE AM TEAM



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features editor



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Editor-in-chief



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MG Motor  
UK



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# STOCK SHORTAGES 'MAY FORCE DEALERS TO CLOSE'

A combination of collapsing new car registrations and WLTP's effects on fleets and leasing companies is hitting used car supply and driving record wholesale prices

**S**maller franchised and independent dealers may be "forced out of business" due to restrictions in new car supplies combined with reduced availability of part-exchanges and ex-fleet vehicles driving up demand and prices for used stock.

Philip Nothard, Cox Automotive's customer insight and strategy director, said the trend of ever increasing used car values "could not continue".

Speaking to *AM* at the Automotive Management Live expo at Birmingham's NEC, Nothard added: "For independent franchised retailers and smaller independents who are unable to react to the current state of the market, the strain could be enough to force them out of business."

Although used car sales in the first three quarters of 2018 were down 2.5% (to 6.18 million) compared with

the same period last year, according to the Society of Motor Manufacturers and Traders (SMMT), it said residual values for both petrol and diesel models – which accounted for more than 98% of all Q3 transactions – had risen, perhaps indicating that drivers were holding on to their cars for longer.

Meanwhile, Auto Trader reported that the average price of a used car offered for sale on a dealer forecourt reached a record high of £12,853 during September.

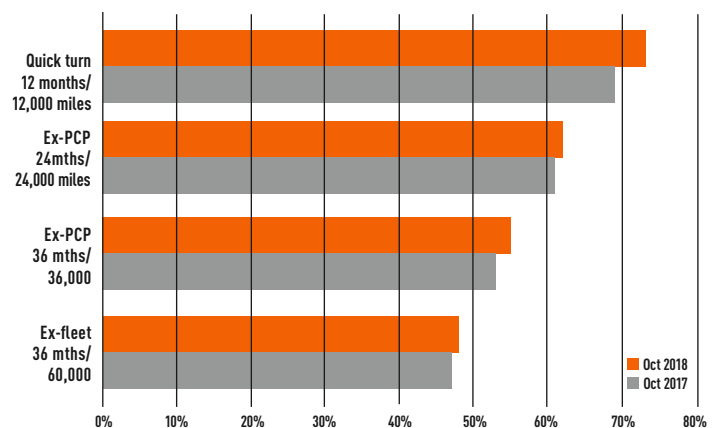
One independent used car retailer told *AM* that franchised dealers adopting a used car supermarket-style approach to vehicle turnaround in recent months had left margins "paper thin".

He said: "The rate of stock turn at a used car supermarket means that they can afford to make no margin on the car and simply drive profitability through F&I. That leaves a lot of dealers unable to compete."

His comments were echoed by

Full retail market performance as a percentage of original cost new (October 2018 vs October 2017)

(Source: Cazana)



Glenn Sturley, the chairman of the Vehicle Remarketing Association (VRA). At the start of October, Sturley said prices for good quality used cars had reached a level where it was "almost impossible" for many dealers to make a profit on the windscreen price and they were instead relying on returns from their F&I departments.

He said: "If you gather two or more motor trade people in one room at the moment, the talk is inevitably about the level of trade pricing."

"I've been in the industry since the 1960s and I can recall few moments like this when demand was driving prices so close to retail levels."

"Of course, this is good news if you are disposing of vehicles, but bad news if you are buying. It is prompting dealers to shift the emphasis when it comes to realising profits, with many putting a lot more effort into F&I, as well as a push on warranties, service plans and more."

## Walloped by WLTP

A year ago, James Dower, Cap HPI's former senior Black Book editor, said: "As new car registrations continue to deplete, the 2018 focus will be on used cars."

However, at that time, nobody was predicting the impact of the World-wide harmonised Light vehicle Test Procedure (WLTP) on the market.

The 20.5% year-on-year decline reported by the SMMT in new car registrations in September, followed by a 2.9% decline in October, have resulted in a significant reduction in pre-registrations and in part-exchange vehicles entering the used car market.

Reluctance on the part of leasing companies and fleet operators to step into new vehicles subject to the more stringent emissions tests – which increase benefit-in-kind tax for many corporate customers – has contributed to a shortfall of stock.

In its monthly report into the performance of its auction sites during Q3, Aston Barclay cited the introduction of WLTP as a key driver of rising values and increased demand at its auctions.

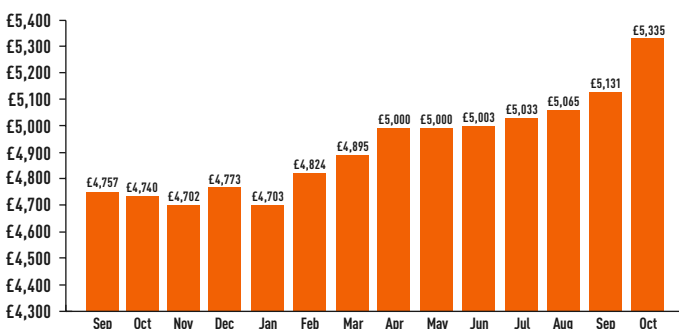
## Prices going, going up

According to Aston Barclay's Used Market Insights Report, the average price of 'late and low' stock (younger than 24 months) in Q3 2018 was £15,589, an increase of £1,132 over

**“THE STRAIN COULD BE ENOUGH TO FORCE [INDEPENDENT FRANCHISED RETAILERS AND SMALLER INDEPENDENTS] OUT OF BUSINESS**

**PHILIP NOTHARD, COX AUTOMOTIVE**

BCA – Dealer part-exchange average values





**“ I’VE BEEN IN THE INDUSTRY SINCE THE 1960S AND I CAN RECALL FEW MOMENTS LIKE THIS WHEN DEMAND WAS DRIVING PRICES SO CLOSE TO RETAIL LEVELS**

**GLENN STURLEY, VRA**

Q2 2018 (£14,457), as franchised dealers invested more in used stock to satisfy consumer demand.

At BCA, part-exchange and ex-fleet and lease vehicles reached record values in October, despite a 1% decline in overall average values attributed to a change in the mix of vehicles on offer.

At Cox Automotive, used car volumes passing through physical auction lanes across the Manheim network increased by 6.3% in October, and the volume transacted on its trade-to-trade Dealer Auction online platform rose 16%.

Martin Potter, group operations director at Aston Barclay, said. “The Q3 price rise in the ‘late and low’ sector can be attributed to franchised dealers acquiring young used stock to offer customers who, in light of WLTP, are unwilling to wait for a new car.

“We believe the high demand and rising prices in the ‘late and low’ and fleet sectors will continue until the WLTP new car supply challenges have been resolved, which could be Spring 2019.”

While many franchised dealers are trying to plug a gap in new car supply

by stepping up used car activity, it is clear that many are eager for a rapid return of new car supply.

Russell Borrie, a franchise director at Arnold Clark Automobiles, said: “There is still consumer demand and the market’s still quite buoyant. The result of WLTP is that there is a degree of pent-up demand for new cars, too.”

#### **Security in scale**

Independents will also be hoping that the return of supply to new car retailers will lead to a slackening of competition in the used car sector.

David Bilsborough, the owner of Cheshire Cars and a board member on the Independent Motor Dealers Association, said the market has been “extremely competitive” and his way of dealing with the current rush for stock was focusing on rare, premium-specification vehicles.

“Large retail groups have the buying power to go after large numbers of vehicles and really drive margins,” he said.

“From my point of view, on a far smaller scale, the focus has had to be on finding rare cars that people will be seeking out on the internet.”

Nothard agreed. He said: “Large franchised groups have all grown their used car volumes and profitability if you take a look at their results and that is because of their sheer buying power and processes. They can say to a remarketer ‘we’ll take 200 cars next month’.

“In truth, some franchised retailers can also afford to say to fleet and leasing companies ‘I’ll pay the market price for those cars.’”

Three years ago, Pendragon announced its plan to double its used car revenues by 2021, by adding 40 stores. The group also opened two refurbishment centres, capable of carrying out pre-delivery inspections (PDIs) on 80,000 used cars a year.

Penske-owned Sytner, meanwhile, completed its acquisitions of Car Shop and The Car People in early 2018 to create a car super-market division with almost £500m in annual turnover.

Andy Bruce, the chief executive of Lookers, told delegates at an AM round table at Automotive Management Live to “focus on the positives”. Lookers reported 10% increases in turnover and profit from used cars in the nine months to September 30.

Bruce said that, despite brands such as Audi suffering a registrations drop of about 40%, his business had mitigated losses by raising processes to improve margins in the new market. A statement issued by the group added: “With our increased focus on used cars, we were pleased to replace the reduction in new car gross profit in September with the improvement in used car gross profit in the month.”

Rupert Pontin, the valuations director of Cazana, suggested that the shortage of used cars and a requirement to increase new car margins, and therefore values, “bodes well for used car dealers nationwide”.

Cazana’s data showed improved retail price performance across all key sectors. The best performing profile in October was 12-month-old vehicles, which increased by four percentage points compared with the same month a year earlier.

Commenting on franchised retailers’ opportunity in used cars, Pontin said the shortage of new car stock had left dealers “able to achieve higher prices when selling to what were inevitably intended to be new car buyers”. **TOM SHARPE**



# WLTP HIT VEHICLE SUPPLIES HARDER THAN ANTICIPATED

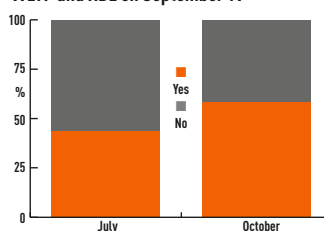
Nine out of 10 dealers say supply was restricted, with 67% classing shortfall as 'severe'

**C**ar manufacturers did not give retailers sufficient warning of supply shortages resulting from the September 1 introduction of the Worldwide harmonised Light vehicle Test Procedure (WLTP) and real driving emissions (RDE) legislation, AM's latest survey results show.

In response to AM's June/July survey seeking insight into impact of the new fuel economy and emissions test regimes, 55.6% of respondents said their manufacturer partner had communicated the possibility of stock shortages in the plate-change month.

Four months later, it appears that

**Did your manufacturer partners place any pressure on you to self-register vehicles as a direct result of the introduction of WLTP and RDE on September 1?**



vehicle supply shortages – a result of manufacturers' efforts to re-homologate their ranges under the new rules – were greater than many retailers were informed.

Just more than 90% of respondents to a follow-up survey – conducted between October 1 and November 12 – said their dealership suffered a shortfall in supply during September.

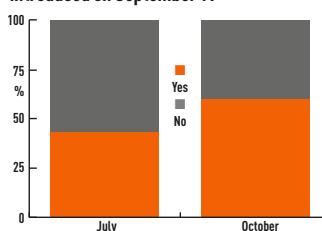
Of those, 67.6% said the impact on vehicle supply had been 'severe', 22.3% described it as 'moderate' and 10.1% found the effects were 'mild'.

New vehicle registrations data for September illustrated that supply issues have varied from franchise to franchise.

While Mitsubishi (up 35.4%) and Volvo (up 7.6%) – which confirmed its range's WLTP compliance in May – were among brands that appeared to have prepared well, Volkswagen Group brands accounted for almost half (49%) of the UK's total September registrations decline of 20.5% (87,336 vehicles).

Less than a third of respondents (30.5%) to AM's October survey said manufacturers had effectively

**Did your manufacturer partners introduce any customer incentives to drive registrations before WLTP/RDE were introduced on September 1?**



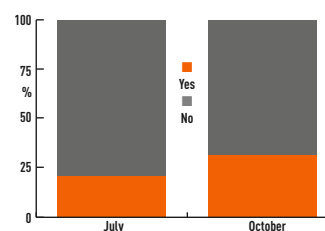
communicated the legislation changes to consumers – up 10.2pts on June/July.

This is reflected in the impact seen on retail sales.

In June/July, 29.1% said retail sales had decreased as a result of WLTP/RDE, with 61.9% seeing no impact.

Four months on, 67.3% said retail sales had declined, with 20.3% seeing no effect. The remainder, 12.4%, said the changes had resulted

**Do you feel your manufacturer partners have effectively communicated WLTP/RDE changes to your customers?**

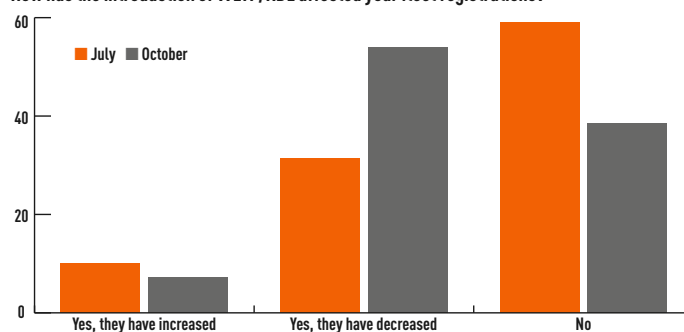


in increased retail sales.

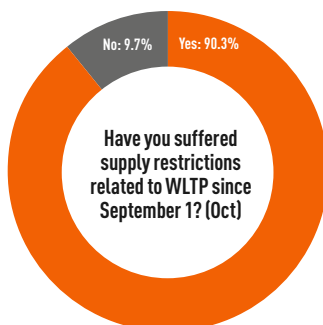
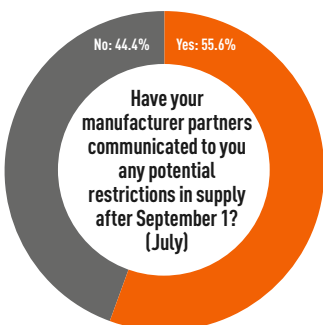
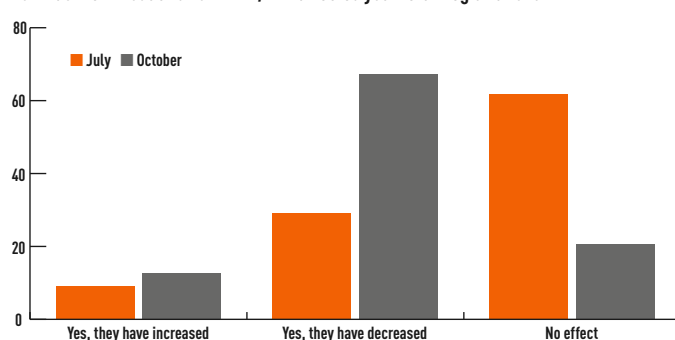
A similar effect was felt on fleet registrations, where 31.4% of respondents had said in June/July that sales had decreased as a result of WLTP/RDE, compared with 59% who had seen no effect.

October brought a shift to 54.3% claiming a fall in fleet sales, with 7.2% claiming to have seen an increase. 38.6% said they saw no effect on fleet sales. **TOM SHARPE**

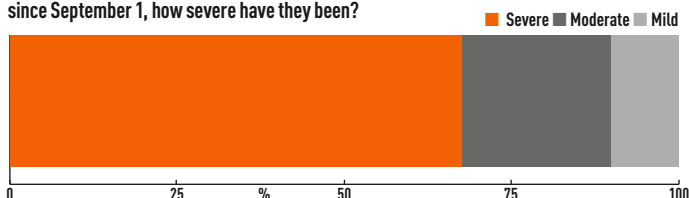
**How has the introduction of WLTP/RDE affected your fleet registrations?**



**How has the introduction of WLTP/RDE affected your retail registrations?**



**If you have suffered supply restrictions related to WLTP since September 1, how severe have they been?**



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## ADVERTISING FEATURE

# The payoff for staying in touch

By Alistair Horsburgh, CEO, CitNOW



In a world where busy consumers have plenty of choice on where to buy products and services, regular customer contact through a vehicle's life cycle has never been so critical.

Communications have to be compelling, engaging and timely – customers want relevant information. Sending a customer an offer on the model they purchased a few months ago, for example, is just annoying. But highlighting amber work identified in a VHC a few months previously is not only helpful for the customer, it is profitable for the retailer.

Amber work is often overlooked when identified – eVHC data from provider AutoVHC suggests only 15% of vehicles leave a retailer with amber items fixed. Following up at the right time, as amber turns to red, taps into a big opportunity to book in further workshop visits. The key is making the communication compelling. Many retailers have found that adding video to the mix, showing the original amber items and highlighting that intervention is now necessary, makes this step much more effective.

It's a classic win-win – an uplift in labour hours and revenue generated by the aftersales department and exceptional customer service that ensures the motorist's vehicle remains in the safest condition.

Robinsons Škoda, a franchised dealer based in Norwich, increased its amber work approved by an impressive 86% when it added video to its amber follow-up process. This CitNOW add-on automates video follow-up on amber work that is not sold when first identified. At the time the vehicle was originally in the workshop, a follow-up date is put into the CitNOW dashboard, which automatically generates an email incorporating the original video and the same service adviser's details when the time is right.

For Robinsons Škoda, it resulted in an 11% rise in workshop labour hours – easy and profitable proof that keeping in touch with customers with relevant information will also boost business.



# THIS MONTH'S NEWS HIGH

OCT

22nd



**VANTAGE RETURNS TO PROFIT**  
Vantage Motor Group returned to profitability following the sale of "unprofitable businesses", according to its annual results. The group recorded a £1.46m pre-tax profit and a 6.9% increase in turnover to £280.1 million in 2017. Managing director Mark Robinson, left, subsequently announced the acquisition of Charles Clark Motors' Toyota and Lexus in Wolverhampton.

26th

**PENDRAGON WARNS OF PROFIT FALL**  
Pendragon has predicted its underlying profit will fall 17.2%, to £50m, in its full-year financial results. The warning formed part of an interim management statement revealing a decline in Q3 turnover. Group revenues were down 7.2% like-for-like in the three-month period to September 30, while underlying profit before tax of £1.1m represented a £3m increase on Q3 2017.



29th

**CHANCELLOR FREEZES FUEL DUTY FOR NINTH YEAR**  
As part of his 2018 Budget, Phillip Hammond, the Chancellor of the Exchequer, announced an extra £420m for local highways authorities to repair roads and bridges; fuel duty remains frozen for a ninth consecutive year; and the 100% first year allowance for expenditure by businesses on electric charging points has been extended to 2023 for corporation tax and income tax.

31st



**MARSHALL PUTS LEICESTER VAUXHALL SITE ON THE MARKET**  
Marshall Motor Group put its former Vauxhall dealership in Leicester up for sale following its closure on October 29. Marshall now represents Vauxhall at Ipswich, Knebworth and Peterborough.

**GERMAN BMW DEALERS SIGN NEW CONTRACTS DESPITE PROFIT AND DATA-SHARING WORRIES**  
BMW dealers in Germany remained hopeful of securing better terms despite having signed new franchise contracts that they said could erode their profits. German dealers resisted signing the five-year contract due to concerns over data-sharing, online services and efforts to expand BMW's own sales channels.





**SYTNER REVENUES UP 15.4%**  
Sytner Group has reported a rise in sales revenue and pre-tax profit in the year to October 1. The AM100's biggest dealer group, led by managing director Darren Edwards (left), has generated £4.65bn of revenue this year – up 15.4%.

## BRAYLEYS SELLS MAJORITY STAKE TO DUBAI INVESTORS

Dubai-based conglomerate AW Rostamani has taken a majority stake in Brayleys Motor Group. Paul Brayley (pictured, front left), the founder and managing director of the £120m turnover, 10-dealership Honda, Kia, Mazda and Renault/Dacia group, believes the investment will help it to deliver organic growth in the future.



## SWANSWAY THANKS CREWS WHO FOUGHT STAFFORD FIRE

Swansway Group thanked firefighters who contained a fire at its Stafford Land Rover dealership. More than 30 firefighters attended after fire broke out in the workshop. Director David Smyth said: "We're extremely grateful."

## INCHCAPE OPENS FIRST USED CAR CENTRE

Inchcape UK's first Used Car Centre became fully operational in November at its permanent location on Moor Street, Burton-on-Trent. The centre opened on a temporary site in January.

## RICHMOND JOINS MG NETWORK WITH TWO NEW SITES

Richmond Motor Group has joined MG Motor UK's dealer network with sites in Portsmouth and Southampton. Michael Nobes, Richmond's managing director, said the brand reflected "both the passion and excitement of its history".

■ Read our interview with MG's Daniel Gregorious on page 22.

## CAR REPAIRER JAILED FOR ABUSING CUSTOMER DATA

An ex-employee of Nationwide Accident Repair Services was jailed for six months in the Information Commissioner's Office's (ICO) first prosecution under the Computer Misuse Act. Mustafa Kasim accessed thousands of customer records without permission, using a colleagues' log-in details to access Audatex, a software system that estimates the cost of vehicle repairs.

NOV

1st

2nd

7th

8th

12th

13th

## ADVERTISING FEATURE

# Improving your follow-up skills

Introducing an independent buyer can help you to sell more cars, says Simon Bowkett of Symco Training



What do you do with a customer who has been in for a demonstration, likes the car, but has gone away to think about it? You've followed them up and given them a bit more information, but you are still not really sure where they are up to. Here's a technique you may want to try.

## Word track

Let's say, for example, that you know their current car is a diesel with an automatic transmission.

"Hello, is that Mr. Customer? It's Simon calling from [name of manufacturer]. Listen, can I just ask you, your car – it was the automatic wasn't it? And with the diesel engine? Perfect. I was speaking to an independent buyer about your car, and he got really excited about it. Because he's actually got a customer he can sell it to.

"Now the downside is that he always wants to have a look at the car first, so can I ask you – when's a good time for you to drop your trade-in back into us, so I can make an appointment for the independent buyer to get together, just to see if we can get you some extra money for your car? What would be better for you, weekends or weekdays?"

## Key points

Notice I haven't definitively said we are going to give them any extra money. It's more the hope of extra money. I've also said it's an independent buyer who may be able to give them that extra money, rather than my dealership.

I'm also asking when is a good time to make an appointment, to make sure that both the customer and the buyer can be here. They might not feel so bad about letting you down – after all, you're just a lowly salesperson – but they might feel differently about letting someone else down.

Notice too that I haven't used this technique on my first follow-up call. I've held it back for the second or third call down the line. That's because I don't want to give any extra money away if I don't actually need to.

## Online video

Keep this in mind the next time you find yourself in this situation, and watch my new sales training video on the AM website this month ([www.am-online.com/symcotraining](http://www.am-online.com/symcotraining), or at [www.symcotraining.co.uk](http://www.symcotraining.co.uk)) for some great practical tips on following up customers.

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# WHEN IS A HYBRID NOT A HYBRID?

When it is never plugged in – but an end to the grant and a dent in PHEVs' reputation may come too late to save diesel

**I**t is not often that a government (least of all this one) can be called "prescient", but there must have been a few wry smiles at the Department for Transport recently. In October, the Government announced an end to all grants for plug-in hybrids, and in November a report from the Miles Consultancy confirmed what some in the industry had long suspected – many corporate buyers chose plug-in hybrids for their tax advantages and rarely plugged the vehicles in.

In fact, some cars were said to be traded in after two or three years with charging cables still in their sealed wrappers.

The report may even lead some to think about rehabilitating diesel, but there is no evidence of that in the October sales figures. Year-to-date, diesel registrations have fallen 30.7% and diesel's market share dropped 10 percentage points (31.8% YTD). Diesel superminis are now approaching extinction – segment share is down 47.4% YTD, and the once common Fiesta diesel now takes just 3% of total Fiesta sales. Even the compact executive segment, where the BMW 320d was once king, is now only 46% diesel.

At a segment level, the biggest fall was seen in a segment rarely considered (by us or by consumers) – large MPVs. Registrations have fallen by 37% YTD and market share is down to just 1.2%, its lowest since the Ford Galaxy and VW Sharan (then the same vehicle) first appeared in 1995. Today, only Ford and VW make unique car-based MPVs – the

other dozen-or-so models are converted vans, such as the VW Caravelle and Mercedes V-Class. With the future of the Galaxy and S-Max uncertain, the days of car-based MPVs may be coming to an end in all segments. B-segment MPVs are down 65.8% and C-segment MPVs are down 31.3%, so unique MPV bodystyles may no longer be viable.

The only segment that has avoided a sales fall is premium and large crossovers (large being defined as Hyundai Santa Fe-sized models), with a fractional volume increase of 0.2%.

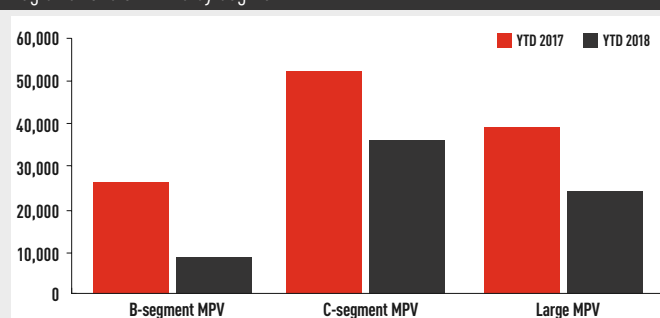
The best result came from luxury SUVs, which was up 19.6%. The Range Rover Velar is proving a big success and is vying with the Range Rover Sport for segment leadership – interestingly, sales of the Range Rover Sport are up by 9.7%, so there is no problem with the Velar pinching sales from its slightly bigger brother. But it is not all good news in the segment. Despite the introduction of the Bentayga, total Bentley sales are down 10% this year, at 1,500 YTD, and are barely higher overall than before the super-luxury SUV was launched. One has to assume production issues with new models are the cause, so it is hard to know what the underlying demand is for the Bentayga.

The segment which has fallen by the smallest amount is superminis (-1.94%). This is not purely because of the rise of small crossovers: although B-segment crossovers have grown by 18.9%, B-segment hatchbacks have only fallen by 5.78%, which is better than the overall market (-7.2%). However, that is not the case one class up. C-segment

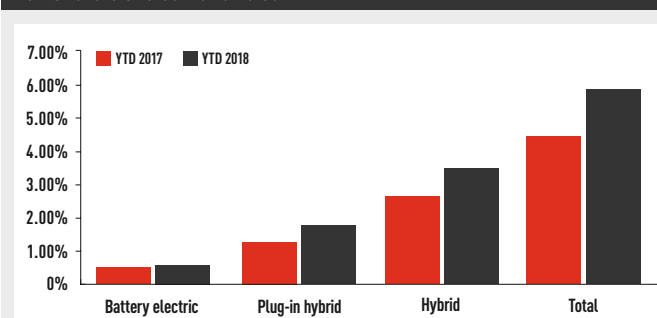
A report from the Miles Consultancy found that some plug-in hybrids were traded in with charging cables still in their wrappers

**“THE BIGGEST MAINSTREAM WINNER COMES FROM AN UNFAMILIAR SOURCE. SEAT, SO LONG THE PROBLEM CHILD OF THE VW EMPIRE, HAS FINALLY COME GOOD**

Registrations of MPVs by segment



Market share of electric vehicles



## SPONSOR'S COMMENT



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

As we reach the end of another remarkable year, I wanted to reflect on the

challenges our industry has faced and how we have responded and adapted.

2018 has indeed been an incredible year, but it has not been without its challenges. The natural flattening we experienced in 2017 has continued this year and we remain in an uncertain economic and political environment, which is certainly impacting customer confidence.

While the new car market has seen a decline overall, particularly during a disruptive September and with the impacts of WLTP noticeable into October, the used car market has remained robust, as we see many customers opting for nearly new rather than new vehicles.

There also continues to be a lot of customer confusion on fuel choice. That said, the Government's strategy is clear and robust, and the education and encouragement the industry is starting to provide to customers is already alleviating this problem. We have seen numbers of alternative fuel vehicles (AFVs) rising throughout the year.

Finally, the challenge remains to ensure customers understand what they are buying when it comes to point-of-sale finance, with many still not clear on pricing, residual values and other technicalities of their contracts. This is an area where dealers and finance providers can perhaps have the most impact, helping customers to understand their options and choose the right finance product for their needs.

I remain hugely impressed by the professionalism and high levels of customer service that dealers across the industry deliver. They demonstrate exceptional expertise and support customers to make the right car and finance choices. I spend a lot of time with our dealers throughout the country, understanding what makes their businesses tick and how they evolve to keep pace with the changing environment. It's fantastic to witness how they continue to provide such fantastic customer experiences.

Wishing you all a Merry Christmas and a prosperous 2019.



hatchbacks (e.g. Ford Focus) have dropped by 15.7%, as people move over to similarly sized crossovers, which are up by 13.4%.

At a manufacturer level, market-leading Ford had another difficult month, with sales down by 12.2%. This was mainly due to the changeover of the Focus, so Ford may be hoping for a recovery next year. However, the 2017 Fiesta did not lead to growth in market share, so a bounce-back is not guaranteed. The one bright spot for Ford is that the heavily revised Ecosport has increased sales by 35.9% and is now up to third place in the supermini crossover market.

The other big "British" brand, Vauxhall is down by a similar amount (-10.7%) and now has a market share of 7.4% – that is back to the level Vauxhall was at when it was making Victors in the 1970s. The biggest problem is the Astra, launched with such optimism just three years ago. Sales are down by 40.2% YTD, and it is only 6,000 units ahead of the Seat Leon, a car the Astra used to outsell many times over.

However, the biggest fall has come from Nissan, not a company that has often shown market share declines in recent years. Registrations have fallen by 32.4% YTD, with the Juke

declining by 35.9% and the Qashqai falling by 21.7%. The smaller-selling X-Trail has also fallen by 53.3%. These three models account for more than 80% of Nissan sales, and they are the three models whose new generations will be built in Sunderland. The new models cannot come soon enough, but the first one, the Juke, will not start production until mid-2019, with customer deliveries in the last quarter of the year.

The biggest mainstream winner YTD also comes from an unfamiliar source. Seat, so long the problem child of the VW empire, has finally come good. Some 10-20 years ago, its strategy was trying to sell lots of Cupra hot hatchbacks in the hope that turbo-nutter models would somehow help the image of mainstream models (rather like a Spanish Subaru). Today, Seat makes nicely styled, well-made mainstream hatchbacks and crossovers for people that would not know a hot hatch if it bumped into them. That may be a lesson to others in doing the basics right, but other companies don't have access to VW's vast parts bin, which makes life a lot easier. Still, all credit to Seat. Having the right tools for the job is only half the story – you still need to know how to use them properly. **DAVID FRANCIS**

**IS AROUND THE CORNER.**

[blackhorse.co.uk/abetterway](http://blackhorse.co.uk/abetterway)

## NEW CAR REGISTRATIONS

## Business units defy falls to rise 10%

The October market suffered a 2.9% decline, with 153,599 registrations overall, leaving the UK's new car market down 7.2% year-to-date.

New vehicle registrations dropped in both private and fleet markets, down 1% (682 units) and 5.2% (4,344 units) respectively, according to the SMMT data. The business market, the smallest segment, rose 10% (433 units).

Registrations of alternative fuelled vehicles rose 30.7% (2,491 units) year-on-year, and petrol increased 7.1% (6,221 units), but these could not rebalance diesel's drop of 21.3% (13,305 units).

### 1 TOYOTA

October sales were up 17% (1,046 units), and YTD it has 2.2% growth. Growth was strongest in fleet (up 28%) but retail sales also climbed 8%. Yaris and Rav-4 were the star performers, accounting for 527 incremental sales between them.

### 2 RENAULT

A 27% uplift (868 units) gave Renault a strong start to Q4. Retail sales climbed 33% (552 units) to 2,228, driven mostly by Clio and Captur, although the Zoe EV trebled sales to 165 units.



### 3 PORSCHE

Its registrations fell 65% (602 units) in October. AM understands that WLTP issues have left Porsche's network with a lull of new car stock until mid-2019. Macan sales slumped from 329 to 99 in October, and 911 dropped from 188 to 14.



Marque	October					Year-to-date				
	2018	% market share	2017	% market share	% change	2018	% market share	2017	% market share	% change
Ford	16,820	10.95	19,580	12.38	-14.10	222,923	10.80	253,760	11.41	-12.15
Volkswagen	13,666	8.9	13,756	8.70	-0.65	171,351	8.30	179,132	8.05	-4.34
Mercedes-Benz	11,716	7.63	12,136	7.67	-3.46	149,482	7.24	158,478	7.12	-5.68
BMW	11,315	7.37	11,056	6.99	2.34	147,627	7.15	148,849	6.69	-0.82
Vauxhall	9,437	6.14	9,740	6.16	-3.11	153,093	7.42	171,491	7.71	-10.73
1 Toyota	7,088	4.61	6,042	3.82	17.31	92,830	4.50	90,844	4.08	2.19
Land Rover	6,942	4.52	5,270	3.33	31.73	67,246	3.26	72,226	3.25	-6.9
Audi	6,487	4.22	13,699	8.66	52.65	130,588	6.33	152,234	6.84	-14.22
Nissan	6,433	4.19	8,183	5.17	-21.39	91,633	4.44	135,574	6.09	-32.41
Kia	6,312	4.11	6,900	4.36	-8.52	85,038	4.12	83,471	3.75	1.88
Peugeot	5,424	3.53	5,201	3.29	4.29	71,010	3.44	73,019	3.28	-2.75
Hyundai	5,297	3.45	6,553	4.14	-19.17	81,095	3.93	81,868	3.68	-0.94
Mini	5,116	3.33	3,144	1.99	62.72	54,541	2.64	54,945	2.47	-0.74
Škoda	5,094	3.32	4,941	3.12	3.10	63,199	3.06	68,208	3.07	-7.34
Volvo	4,538	2.95	3,302	2.09	37.43	42,044	2.04	39,876	1.79	5.44
Seat	4,216	2.74	4,098	2.59	2.88	54,706	2.65	48,335	2.17	13.18
2 Renault	4,072	2.65	3,204	2.03	27.09	53,849	2.61	61,850	2.78	-12.94
Jaguar	3,324	2.16	1,827	1.15	81.94	31,999	1.55	30,881	1.39	3.62
Citroën	3,281	2.14	3,016	1.91	8.79	44,736	2.17	46,426	2.09	-3.64
Honda	2,771	1.80	2,962	1.87	-6.45	46,947	2.27	47,746	2.15	-1.67
Mazda	2,366	1.54	1,655	1.05	42.96	35,062	1.70	35,432	1.59	-1.04
Fiat	1,963	1.28	2,463	1.56	-20.30	31,145	1.51	40,916	1.84	-23.88
Mitsubishi	1,933	1.26	968	0.61	99.69	17,591	0.85	13,742	0.62	28.01
Suzuki	1,896	1.23	1,803	1.14	5.16	34,246	1.66	35,488	1.60	-3.50
Dacia	1,778	1.16	1,625	1.03	9.42	20,042	0.97	22,700	1.02	-11.71
MG	783	0.51	194	0.12	303.61	7,478	0.36	3,515	0.16	112.75
Lexus	674	0.44	725	0.46	-7.03	11,322	0.55	11,123	0.50	1.79
Smart	533	0.35	580	0.37	-8.10	6,759	0.33	9,340	0.42	-27.63
Jeep	376	0.24	280	0.18	34.29	5,275	0.26	5,772	0.26	-8.61
3 Porsche	329	0.21	931	0.59	-64.66	10,962	0.53	11,864	0.53	-7.60
Abarth	324	0.21	303	0.19	6.93	4,842	0.23	3,803	0.17	27.32
Alfa Romeo	227	0.15	293	0.19	-22.53	3,654	0.18	4,302	0.19	-15.06
DS	173	0.11	444	0.28	-61.04	4,789	0.23	8,275	0.37	-42.13
SsangYong	166	0.11	210	0.13	-20.95	2,446	0.12	3,215	0.14	-23.92
Subaru	135	0.09	99	0.06	36.36	2,803	0.14	2,217	0.10	26.43
Aston Martin	124	0.08	87	0.05	42.53	1,292	0.06	1,318	0.06	-1.97
Maserati	99	0.06	146	0.09	-32.19	1,125	0.05	1,452	0.07	-22.52
Bentley	55	0.04	132	0.08	-58.33	1,346	0.07	1,495	0.07	-9.97
McLaren	32	0.02	45	0.03	-28.89	577	0.03	492	0.02	17.28
Lotus	26	0.02	26	0.02	0.00	226	0.01	254	0.01	-11.02
Infiniti	22	0.01	157	0.10	-85.99	687	0.03	3,252	0.15	-78.87
Chevrolet	2	0.00	5	0.00	-60	32	0.00	64	0.00	-50.00
Other British	54	0.04	48	0.03	12.5	631	0.03	602	0.03	4.82
Other Imports	177	0.12	363	0.23	-51.24	4,022	0.19	4,757	0.21	-15.45
Total	153,599		158,192		-2.9	2,064,419		2,224,603		-7.20



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**blackhorse** 

## FINANCE OFFERS

# Manufacturers push up offer prices for Q4

**M**anufacturer retail offers have become more expensive in Q4, with average monthly prices increasing by 5.5% to £325.70, according to AM's latest quarterly data.

Of the 260 representative examples collated by AM (which can be found online at [www.am-online.com/retail-new-car-finance-offers](http://www.am-online.com/retail-new-car-finance-offers)), 38% of models were priced above the Q4 average.

Average monthly payments have increased in price by 5.5% in Q4, compared with £309 in Q3, which may reflect supply constraints – why sell cheaply at present?

Average deposit levels also increased by 1.5% quarter-on-quarter, from £5,760.18 to £5,845.50. The theme of increasing prices for consumers continues, with the average monthly balloon payment increasing from £11,951.13 in Q3 to £12,142.29 in Q4. The average APR rate also increased from 4.07% to 4.35%.

Dealers have just one month until the year closes and are facing a slew of market complications including the Worldwide harmonised Light vehicle Test Procedure (WLTP), falling diesel market share and cuts to the plug-in car grant.

Manufacturers are facing even more pressure to pick up the slack with retail offers as a result, particularly in the hybrid market following the Government's announcement that it was ending grant support for all hybrids from November 9. Government support on all-electric cars has been cut from £4,500 to £3,500.

AM's representative example data for Q4 shows there are some competitive offers available on alternative fuel vehicles. Toyota and Lexus are showing strong support, with 0% offers in the top 10. The Yaris Hybrid carries the most affordable monthly payment, at £189.

Nearly all of the most affordable hybrid and pure EVs are available for under £325.70 a month, which is the average monthly payment figure for Q4 overall.

While overall affordability has reduced in Q4, there are still competitive offers available in certain areas of the market, particularly for those looking to pick up a city car, supermini or crossover SUV before Christmas.

Suzuki's Baleno takes the top honours for lowest monthly payment at just £59 and a low deposit of £1,882, making the car particularly accessible if a customer has something to part-exchange.

The Dacia Sandero and Ford Ka round out the top

## TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Top 10 0% offers at lowest monthly payment							
Ford Ka+ Zetec 1.2 Ti-VCT 85PS	PCP	£3,343	24	£99.00	£5,926	0%	31/12/2018
VW Move up! 1.0 60PS S/S 3dr	PCP	£3,108	36	£109.00	£3,767	0%	18/12/2018
Citroën C1 VTi 72 manual 3dr Flair	PCP	£2,879	48	£119.00	£3,488	0%	31/12/2018
Nissan Micra Acenta LIMITED EDITION IG 71	PCP	£3,590	36	£149.00	£5,716	0%	06/01/2019
Citroën C3 PureTech 68 manual Feel	PCP	£2,897	48	£149.00	£4,560	0%	
Toyota Aygo x-plore	PCP	£0	42	£155.12	£4,770	0%	20/12/2018
Fiat 500X Urban 1.6 E-torQ 110hp	PCP	£4,219	37	£159.00	£6,552	0%	31/12/2018
Ford Fiesta Zetec 1.0 EcoBoost 100PS 3dr	PCP	£4,529	36	£160.00	£6,021	0%	31/12/2018
Fiat 500 Collezione 1.2 70 PS E6D	PCP	£3,290	37	£169.00	£5,436	0%	31/12/2018
Toyota Yaris Icon Tech	PCP	£2,061	42	£169.00	£5,130	0%	20/12/2018
Top 10 models by lowest monthly payments							
Suzuki Baleno SZ3	PCP	£1,882	48	£59.00	£3,857	6.9%	31/12/2018
Dacia Sandero Access Sce 75	PCP	£1,373	36	£89.00	£2,774	4.9%	31/12/2018
Ford Ka+ Zetec 1.2 Ti-VCT 85PS	PCP	£3,343	24	£99.00	£5,926	0%	31/12/2018
Dacia Logan MCV Access Sce 75	PCP	£2,376	36	£99.00	£3,252	4.9%	31/12/2018
Suzuki Celerio SZ2 5dr	PCP	£1,788	48	£99.00	£2,694	6.9%	31/12/2018
Volkswagen Move up! 1.0 60PS S/S 3dr	PCP	£3,108	36	£109.00	£3,767	0%	18/12/2018
Dacia Sandero Stepway Ambiance TCe 90	PCP	£2,446	36	£109.00	£3,767	4.9%	31/12/2018
Mitsubishi Eclipse Cross 2 Petrol Manual 2WD	PCP	£7,016	36	£114.53	£10,734	5.9%	29/12/2018
Suzuki Ignis SZ3	PCP	£1,750	48	£115.00	£5,145	6.9%	31/12/2018
Citroën C1 VTi 72 manual 3dr Flair	PCP	£2,879	48	£119.00	£3,488	0%	31/12/2018
Top 10 models by lowest deposit							
Toyota Aygo x-plore	PCP	£0	42	£155.12	£4,770	0%	20/12/2018
Mitsubishi L200 4Life Single Cab Diesel Manual 4WD	PCP	£0	36	£412	£9,239	5.9%	02/01/2019
Mitsubishi Outlander Juro petrol Auto 4WD	PCP	£0	36	£474.17	£11,378	5.9%	30/12/2018
Mitsubishi Shogun SWB Diesel Auto 4WD	PCP	£0	36	£645	£11,973	5.9%	03/01/2019
Smart Fortwo coupé passion 72PS (52 kW), manual, optional metallic body panels	PCP	£159	48	£159.00	£3,560	2.00%	31/12/2018
Smart Forfour passion 72PS (52 kW), manual	PCP	£159	48	£159	£3,370	2%	31/12/2018
Fiat Panda Waze 1.2 70PS	PCP	£179	48	£179.00	£3,074	5.9%	31/12/2018
Smart Fortwo cabrio passion 72PS (52 kW), manual with optional metallic body panels	PCP	£189	48	£189.00	£4,860	2%	31/12/2018
Renault Captur Play TCe 90	PCP	£209	48	£209.00	£5,059	0%	31/12/2018
Mini Cooper 3dr Hatch	PCP	£269	48	£269.00	£6,100	2.9%	31/12/2018
Top 10 EV or hybrid models by lowest monthly payment							
Toyota Yaris Hybrid Icon Tech	PCP	£3,279	42	£189	£6,998	0%	20/12/2018
Renault Zoe Dynamique Nav R110	PCP	£3,499	36	£199	£4,850	4.9%	31/12/2018
Toyota Auris Hybrid Icon Tech	PCP	£5,236	42	£209	£7,965	0%	20/12/2018
Toyota C-HR Hybrid Design	PCP	£7,821	24	£219	£14,603	0%	20/12/2018
Toyota RAV4 Hybrid Design	PCP	£9,793	36	£229	£14,198	0%	20/12/2018
Kia Niro '3' 1.6 GDi 1.56kWh lithium-ion 141PS auto DCT 5dr	PCP	£5,850.00	36	£240	£11,565.00	5.9%	31/12/2018
Ford Mondeo Titanium Edition HYBRID Electric 2.0 Tivct 187PS	PCP	£6,632	36	£269	£10,340	1.2%	31/12/2018
Lexus IS 300h EXECUTIVE EDITION	PCP	£7,423	42	£299	£13,073	1.9%	20/12/2018
Audi A3 Sportback e-tron 1.4 TFSI 150 PS S tronic	PCP	£6,409	48	£329	£14,146	5.9%	02/01/2019
Lexus NX 300h Sport	PCP	£7,788	42	£339	£18,045	5.9%	20/12/2018

three, with the lowest monthly payments at £89 and £99 respectively.

UK volume brand leader Ford has both its Ka and Fiesta in the top 10 list, when looking at 0% offers combined with lowest monthly payments.

Mitsubishi has seen strong growth throughout the year, up 28% year-to-date to 17,591 units and

it's clear from the data that a strong retail campaign is helping to support dealers.

Mitsubishi's Eclipse Cross crossover SUV is one of the most affordable vehicles in the UK at £114.53 a month and the L200, Outlander and Shogun are all available with no deposit in Q4.

**TOM SEYMOUR**



### SEARCH FOR FINANCE OFFERS

For a searchable list of manufacturers' finance offers, go to [am-online.com/offers](http://am-online.com/offers)



## SADLY, MPs' EMISSIONS POLICY PROPOSALS ARE NO JOKE

**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



In Glasgow recently on business, I managed to get a ticket to see Kevin Bridges, the Scottish comedian, who had sold out 16 nights at the Glasgow Hydro, a venue that seats about 12,000 people.

This was not a light jokey show, but a running commentary on the vagaries of society including social media, poverty, religion and politicians.

One of his most telling insights was that politicians – in particular, Donald Trump – appear to say the first thing that comes into their head, without thinking through the consequences. Bridges said Glasgow pubs were full of old blokes who do just the same – they prop up the bar and, in a befuddled state, pontificate on the world. These people are recognised by the locals, who treat them in a benign way by putting their hand on their shoulder and saying: "You have a good night old chap". They are acknowledged, but ignored.

In that vein, I was left reflecting on the statement from the business, energy and industrial strategy (BEIS) committee, which demanded an outright ban of the sale of all new petrol and diesel vehicles by 2032 and then criticised the Government for not including mild hybrids as part of its policy.

This has all the qualities of the ramblings from the corner of

the pub – it does not appear to have been thought through.

Even if the infrastructure were in place, is pure plug-in EV the best option? In a decade, technology will have moved on and other options, such as hydrogen, could be available. There appears to be no recognition of emissions or energy concerns within the automotive supply chain itself, as long as nothing comes out of a car exhaust pipe.

It also fails to recognise that there are very few British-owned car manufacturers. If these global companies find other governments are taking a different policy approach, why would they wish to comply with the requirements of a British government that sits on its own outside the EU.

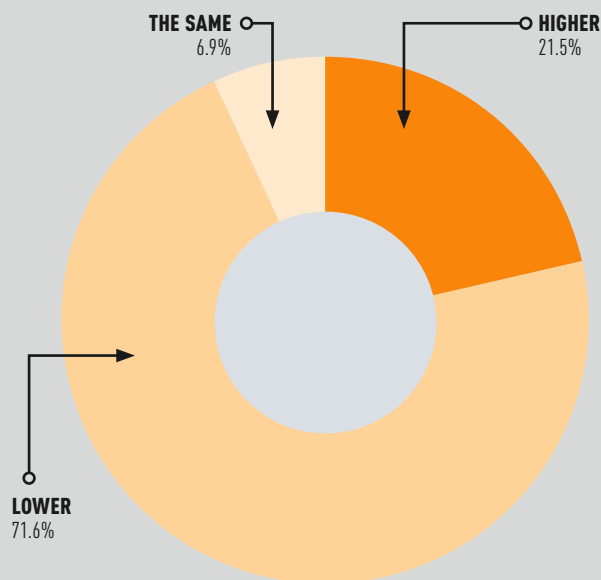
It would also be fascinating to speculate what would happen to the price of used petrol and diesel vehicles if the 2032 deadline were enforced. If there are new car supply problems, either through capacity or decisions to supply other countries, the used market could easily rise, as opposed to drop off a cliff, which some are predicting.

The random arrival at 2032 as a deadline and statements such as 'zero means zero' are highly problematic. Unfortunately, unlike the bloke in the Glasgow pub, politicians have to be acknowledged, but cannot be ignored.

**"EVEN IF THE INFRASTRUCTURE WERE IN PLACE, IS PURE PLUG-IN EV THE BEST OPTION?"**

# AMPOLL

## DO YOU EXPECT YOUR DEALERSHIP'S 2018 FULL-YEAR PROFITS TO BE HIGHER OR LOWER THAN YOU ACHIEVED IN 2017?



Profitability remains an issue for UK franchised networks, according to our latest poll, in which almost three out of four dealers expect earnings to fall year-on-year.

Although some predict a rise in year-end profit figures, thanks to "a consistent year" and "very achievable targets" from their Asian brand partners, they are in the minority.

Those with profits in decline cited a slowdown in consumer demand for new cars, which some voters blamed on Brexit causing a lack of confidence. However, manufacturers' own strategies were the most commonly stated trigger.

One voter said: "Profits will be significantly lower. This has been caused by poor manufacturer planning in advance of WLTP, which affected availability significantly and impacted on the September peak. This has moved forward, and in order to satisfy March 2019 orders we will need to be dealing with customers in December."

Some dealers claimed they had customers keen to buy, but were left unable to supply them, due to WLTP changes.

"It's largely to blame on particular manufacturers being slow to migrate products to WLTP. Lack of stock supply has meant meeting sales targets has become impossible to achieve," said one.

Others blamed manufacturers' changes to their margin structure. "Our existing franchisor does not seem to grasp, in fact seems to resent, that it is necessary for us, the dealer, their 'partner', to make a profit," said one voter.

**NEXT MONTH: SHOULD CONSUMERS RECEIVE MORE INCENTIVES TO ENCOURAGE THEM TO BUY ELECTRIC OR HYBRID CARS RATHER THAN PETROL AND DIESEL VEHICLES?**

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# MG MOTOR UK

MG wants new dealers to go with its registrations explosion, sales and marketing director Daniel Gregorious tells **Craig Thomas**



**“WE’RE  
LOOKING TO  
GET TO 120  
DEALERS IN  
THE NEXT 18 MONTHS  
OR SO, FROM 76... A  
LOT OF RECRUITMENT  
– AND EVOLUTION –  
HAS TO HAPPEN**

DANIEL GREGORIOUS, MG

**O**pening a new office and brand store in central London – with the capital’s property prices and associated costs – is a serious declaration of intent for an automotive retailer to make.

MG Motor UK has made that statement on Marylebone Road and we met Daniel Gregorious, appointed sales and marketing director for the brand earlier this year, to discuss its plans.

Gregorious is enthusiastic and engaging, and is looking forward to helping to expand a brand with a rich heritage in the UK and, since 2007, the might of Chinese corporation SAIC Motor behind it.

The launch of two all-new SUV models in the past three years helped MG registrations to finish 2017 almost 6% higher than the year before, in a market that was down 5.6% overall. For the 10 months to the end of October 2018, the brand was a blistering 112.75% ahead of the same period in 2017.

That leap has been aided by the launch of the B-segment ZS SUV crossover late last year, a car that is expected to help double MG’s sales this year – the target is 8,882, rising to 10,000 in 2019, with 15,000 the aim for 2020.

MG’s new impetus – as evidenced by its moving of the sales and marketing departments to the new London offices – will require more dealers, acknowledged Gregorious. However, the expansion of the network promised by his predecessor, Matthew Cheyne, who said the network would be at 90 sites by the end of 2016, failed to materialise – the network has remained at 76 since the middle of that year.

Gregorious said: “Our network is in evolution. When we first came into the market with TF, we had a particular type of dealer – sports car specialists and former MG Rover dealers came on board. As the range expanded with MG6 and then MG3, we acquired a different sort of dealer, a lot of dealers who were perhaps used

## KEY PRODUCTS



### MG 3

Priced from just £8,695, the MG3 is a budget rival to the likes of the Ford Fiesta or Seat Ibiza for half the price. YTD to the end of October MG had sold 2,233, 17% down on last year’s 2,612.



car dealers or dealers who were looking for a franchise to bolt on to something else.

"Now we're evolving again with the full range of three cars. We're now looking at perhaps the next level, [the] next tier of dealers, who have a lot of experience in selling new cars, a lot of franchised dealership experience, some who want a bolt-on. There are also some who look at MG as a standalone business."

Gregorious said the number is stable, but the type of dealership has changed.

#### Looking for new dealers

"We're still in recruitment mode. We're looking to get to 120 dealers in the next 18 months or so, from 76, so obviously a lot of recruitment – and also a lot of evolution – has to happen. That's our big challenge."

The challenge will also be to find the right dealers – dealers that further expand the current mix across the country.

"We're looking for dealers with industry-standard processes, with a bit of innovation, people who are keen to try and explore new ways of going to market – because clearly, as a challenger brand, we've got a chance to do things a little bit differently.

"We're looking for dealers with experience, so some of the people who have approached us and we've approached are regional groups, which are really exciting. Some of those are excellent at representing other brands and maybe have numerous sites with other brands."

Gregorious said owner drivers still have a very important place in the industry and in MG's network.

"We've got some really good owner driver businesses, family-run businesses,

smaller markets, rural areas, where customers are really loyal to the local brand of that dealership and we see that as being an important part of our network, too."

To augment the rural areas that are currently something of a heartland to MG, Gregorious has set his sights on some of the nation's biggest cities.

"Longbridge is still a very important place for MG and we've got a dealer in Dudley, but apart from that, Birmingham is pretty open, so we're speaking to some really good regional groups in and around the city. [In] Manchester, an area that we need to franchise better than we do at the moment. Liverpool, Leeds – there are plenty of big open points for us and we're keen to speak to people in those areas."

Despite MG having a presence in London's Piccadilly – which gets good footfall, thanks to its location at the heart of the West End – the brand covets a full showroom in the capital itself. The new offices are an indication of how important London is to MG.

"What it says to people is that SAIC and MG Motor are really serious about the UK market. We want to be in the heart of the UK market in London.

"We also need to find some more dealerships within the M25. We have one at the moment and they're doing a good job for us in Epsom, but we're looking particularly to recruit in the M25."

Gregorious said dealers who do take on an MG franchise won't regret their decision, as there's money to be made selling the company's models.

"Profits are good at the moment. We don't have a composite, because we are, in a lot of cases, bolted on. Composites can be quite difficult to get the right level of cost going into the brand. Because it's a franchise, sometimes dealers put very little cost and the profit looks fantastic. Others will put too much cost and the profit will look low.

"But what we are seeing now is a much higher throughput of cars, so with the volume doubling this year from a network that's the same size, the typical dealer will be doing twice as many cars this year as last year and that's going be



Richmond Motor Group signed up to two MG franchises in November, in Portsmouth, above, and Southampton



#### ◀ ZS

The MG ZS was introduced to the MG line-up in mid-2017 and brought a new SUV to plug a sales gap left by the departure of the MG 6 large hatchback. It had added 4,452 registrations by the end of October.



#### ◀ GS

The Renault Kadjar and Seat Ateca rival undercuts them on price by about £5,000 and £4,000, respectively, with a £14,995 entry level. Sales are slow, however, with just 793 registered YTD.

# Constantly Evolving

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◀ somewhere around 110/120 cars per site. For some of those dealers, it is hundreds, for some it's less than a hundred, but the average would be about 120.

"That starts to become a serious proposal for people, particularly with ZS, which is 56% of our sales, and the profit margin, which seems to be very good. Dealers are able to sell that car, because the demand is so high it's outstripping supply. Dealers are able to retain good profitability in ZS."

Gregorious said MG sees Motability as an important channel for expansion: "You have a customer who is buying a car. They're going to hold it for three years, so from an RV point of view, there's no negative impact for us. For the dealer, that's three years of servicing, so it's really good business for them. A typical dealer can make substantial money over the lifetime of the car with Motability and then at the end of the scheme they get a chance to buy the car as a used car – a car they know and the people who've been driving it for three years, and dealers like that part of the scheme, too. We like Motability. We're going to stick with Motability and make sure that we're always competitive in the market."

#### Moving towards PCP

MG is also happy with its finance penetration – almost 80% of the brand's registrations to the end of October were in retail, and more than 75% of those are on finance. Gregorious said its five-year, 0% interest package is popular with buyers, so there are no plans to change it. However, as the network evolves, he expects more demand for PCP offers from dealers who are used to selling cars that way – a demand he said MG will seek to meet.

"One of the challenges of 0%, of course, is that there's no bonus in there for the network, so that's another reason why the margin in the car is so important. Dealers do a great job of retaining that and that's where PCP can come in, in terms of rewarding the dealers for achieving the penetration of getting the sales to where they need to be."

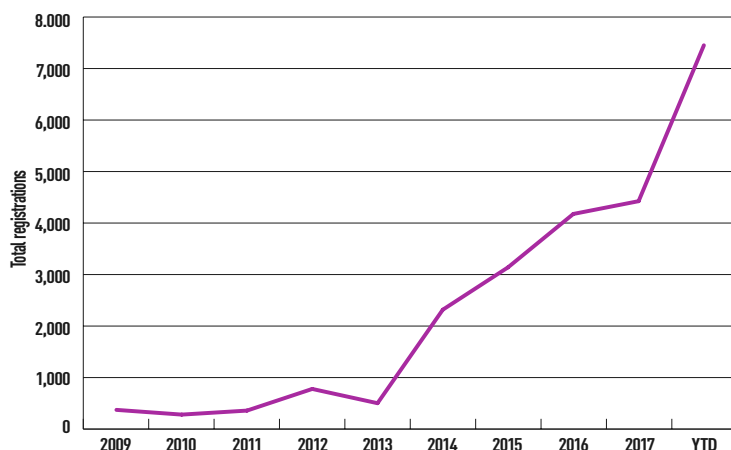


**WE DON'T INTEND TO BE SMALL FOREVER, WE INTEND TO GROW, DOUBLING VOLUME THIS YEAR, MOVING UP TO SOMEWHERE AROUND 10,000 NEXT YEAR**



DANIEL GREGORIOUS, MG

#### MG MOTOR UK TOTAL REGISTRATIONS 2009-2018



It is rare in 2018 that a car brand operating in mainstream segments can show year-to-date growth ahead of its previous year's total. With the XS SUV enjoying its first full year of sales, that is exactly what MG achieved mid-way through the year.

Gregorious believes MG's heritage gives it a tangible amount of brand goodwill among British consumers, which could give dealers a secret weapon in their interactions with the public.

"It's really amazing. People see the cars at a shopping centre and they say things like 'Where have you been?' and 'I didn't know you were still making cars,'" he said.

"We were at the MG Live event [in the summer]. The enthusiasm people have for the brand is amazing, I can't think of another brand like it. The MG Car Club, which runs the event, is the biggest single-marque car club in the world. We've got another one as well, the Owner's Club, which does similar things.

"We really are lucky to have that kind of support behind us and those people are very enthusiastic and very supportive of what we're doing.

"People who see the new cars start asking where the cars are built and we're very clear about that. The cars are designed and engineered in Longbridge and Shanghai, and they're built in China. And people say: 'Oh OK. Built in China. I get that' – particularly when we start talking about our seven-year warranty. That's a reassurance of quality and build robustness that people get from us. The seven-year warranty is really important."

MG is not the only Chinese-backed carmaker enjoying something of a resurgence. If Geely-owned Volvo's current run of form is an indication of what Chinese investment can do for western car brands, Gregorious is confident that the same help in developing new models and new technology will help MG's expansion plans.

"We have a huge organisation behind us that gives us plenty of resource for research and development, and for developing technology. When it comes to things like autonomous, electric and connected cars, we're right up there with the biggest manufacturers in the world.

"But in the UK we're small, so we have the benefit of that big organisation behind us and in the UK we can be very nimble. That's our challenge – to combine that nimble, quick, small organisation in the UK with the great, big organisation we have behind us and that's how a small manufacturer like us comes alive.

"We don't intend to be small forever in the UK, we intend to grow, doubling volume this year, moving up to somewhere around 10,000 next year and beyond that 15, 20, 25, 30,000 and, from there, we're into a place where we're not small anymore and we're able to start getting that proper base for our business."

#### 'The Chinese are here'

MG is also starting to make inroads with some of the larger AM100 dealer groups. Arnold Clark, Hendy, Hartwell and Toomeys have all taken on franchises.

"The challenge that my predecessor took on board was that those groups want to be part of the next big thing. Many of those groups have had brands in the past that have gone from being very small to being very big. Kia for example, was part of the Arnold Clark network when it was small and Arnold Clark, being massive already, saw the opportunity and they grew their Kia sites as the brand grew.

"Those dealer groups see the opportunity with MG, to start with somebody that's very small and to grow their local customer base in their local market where they have the brand and to build from there. They want to be part of the next big thing.

"For probably 10 years, people have been saying 'The Chinese are coming, the Chinese are coming', into the UK and European markets. Now the Chinese manufacturers are here with MG and people want to be part of that. They've seen what the Korean manufacturers have been able to do and they want to be a part of the next big, growing franchise."





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# MINUTES WITH...

Duncan McClure Fisher,  
CEO, Motoreasy



## How would you describe Motoreasy?

We are not a warranty company – we like to see ourselves as a motoring association. We sell warranties, car servicing, MOTs, GAP, breakdown insurance. We offer an account area, so people can find out when their tax and MOT is due. We offer valuations and user guides to add value. We make sure the workshop knows what they should be doing, that they are not doing what they shouldn't be doing and that everything they are doing is at the right price. We are managing the whole process and people really like having that support.

## How extensive is your dealer network?

Our database is about 10,000 workshops. We have three tiers and try to get most cars into the first tier, so we can drop down if they are busy. Independents are a large chunk [of the network], we also have relationships with two of the biggest fast-fit chains. Franchised dealers are the fastest-growing area in terms of trade relationships. It's less than 10% of our network, but that's growing.

## How does the pricing work?

We try to give the customer 50% of our margin generated out of the fleet discounts based on offering a certain amount of volume. We should be able to compete with any price available. Most workshops we work with are utilising 80-90% of their ramp time – we are saying 'let's sell that spare 10-15% for you and all we want is a sensible discount'. We don't want to be the cheapest car in the workshop, that would be no good for the long term.

FRANCHISED  
DEALERS ARE  
THE FASTEST-  
GROWING AREA [OF  
OUR NETWORK]

DUNCAN MCCLURE FISHER,  
MOTOREASY

## How many consumers have joined up?

We have got the customers and we are adding more by promoting our MOT and servicing products. It's just finding good workshops who like the automated processes and understand how it works.

One of the downsides of working with some of those websites [aftersales aggregators] is that you are attracting very price-driven customers. If the car comes in with problems, it is tying up the ramp time, it can be quite unprofitable work. Our customers are looking for a quality garage with the right level of service.

Currently there are about 20,000 warranty, 20,000 GAP and 10,000 service and MOT customers [some duplicated].

## What's your profile of customer?

We do have some cars still covered by the manufacturer's warranty, who use us for service and repairs and we want to grow that. Ideally, our profile of customer is owners of vehicles aged three to seven years old.

## How does technology play a part?

Machine learning is vital in a number of areas, so we can work out where to send customers for certain jobs through customer and engineer scoring. Our

software knows the cost of a service for most repairs, we have a generic price and every time we do a service or repair, it all builds into the machine learning so we get the prices better every time.

## What are your future plans?

We plan to develop Motoreasy into an all-encompassing motoring association. We already offer car leasing. We have a range of four or five products coming between now and Christmas, such as SMART repairs, alloy wheel and tyre insurance.

We see it developing more into a marketplace. We want to develop the account area, where everyone can promote their products and services. The more of a marketplace it is, the better it is for everyone, it builds into a stronger proposition.

We are also launching a trade pilot programme aimed at independent garages in rural areas, supplying them with parts. In some cases, we can get the parts cheaper. We are striking a really good balance in striking a 'win-win' for the customer and the workshop.

## How will changing consumer behaviour and attitudes affect the business?

I don't think people want to do car-sharing. In general, people like to own their car, they want to keep their phone charger in it. I don't think that's going to change, but at the same time attitudes are changing, people just don't want the hassle of looking after their car and that's where we are helping. We have been going for two years in October and it's flying. Customers like it and I think we have a lot more to bring. We offer real value to consumers and great service and support to workshops.

DEBBIE KIRLEW

## FACT FILE

**COMPANY:**  
MOTOREASY

**HEADQUARTERS:**  
READING

**TURNOVER:**  
2017: £2 MILLION  
2018: £6M (EST.)

**STAFF:**  
50



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# BEST UK DEALERSHIPS AM 2018 TO WORK FOR

**W**elcome to AM Best UK Dealerships to Work For 2018, a chance for us to honour and celebrate the best employers in the UK motor retail sector.

Eleven dealerships made the grade in our second year, out of the 45 who registered this year, four fewer than 2017.

We would urge more dealers to take part next year, and hope that the scheme both expands and attracts a range of businesses from the regional groups to local owner-drivers. Pre-registration for

2019 is now open at [www.bestukdealerships.com](http://www.bestukdealerships.com) (click on '2019 Programme Information').

Employee engagement is an essential ingredient for a successful business. No company, large or small, can win over the long run without a workforce that is motivated and well led, and which understands and believes in the company's mission.

The next eight pages are a celebration of elite employers in the motor retail industry, who have proven that they know what it takes to create an environment where people love to come to work.

The goal of the programme is to raise the bar among industry employers, creating excellence and

employee engagement in the workplace that will attract talented people for years to come.

Andrew O'Kelly, European partnership development director for Best Companies Group, said: "It is not an easy task to make this list, so those being honoured here should be extremely proud of their organisations and, most importantly, their staff."

"Being named one of the best places to work in this industry just gave these companies' employer brands a huge boost. What they had to do to get there is not easy and their accomplishment is most certainly significant."





# WHAT MAKES THIS YEAR'S WINNERS THE BEST?

Where the AM Best UK Dealerships to Work For excelled and where they may need to do more

**P**ride, rewards, enjoyment and development opportunities are key elements of the 2018 AM Best UK Dealerships To Work For.

Of the staff at our 11 best dealerships this year, 94% said they were proud to work at their dealership, compared with 84% at the dealerships that applied but did not make the listing. And 91% said they look forward to going to work most days, 14pts higher than at the unlisted dealerships.

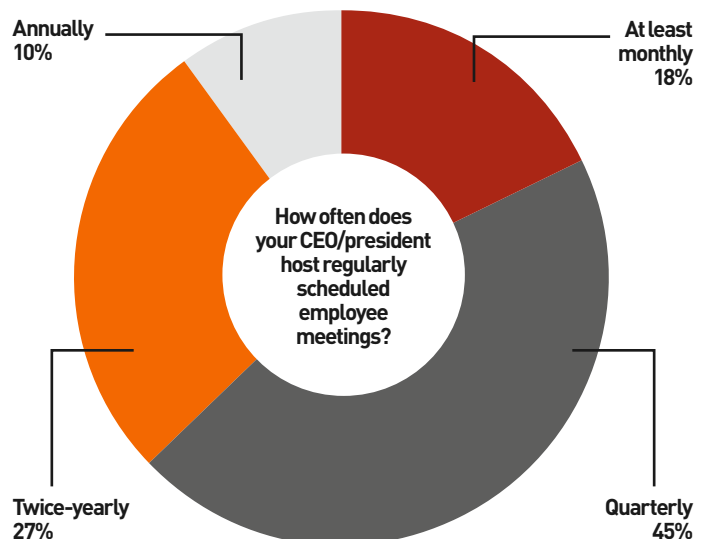
The pay and benefits their employers provide are satisfactory to most staff, although one in four (25%) believes they should be better. In best dealerships' favour, however, that proportion rises to almost one in two (45%) among the workers at unlisted dealerships. Particular areas of opportunity for employers include eyecare and dental care benefits, which were considered satisfactory by less than 50% of staff at unlisted dealerships and almost 60% at best dealerships. Providing staff with death-in-service cover is another benefit rated as important

## ABOUT AM BEST UK DEALERSHIPS TO WORK FOR

■ The survey is open to all UK dealerships with more than 15 full-time employees and a new car sales franchise. Dealers enter as single dealerships, not groups. It is completely free to all participants. Follow-up reports, offered at a fee by Best Companies Group (BCG), are not mandatory.

■ Its two-part assessment process, managed by BCG, includes an employer survey, constituting 25% of the overall score, plus an anonymous employee engagement survey, accounting for the other 75%.

■ BCG's analysis of the results determines those dealerships that qualify as an AM Best UK Dealership to Work For, and their plaques are presented at Automotive Management Live each November.



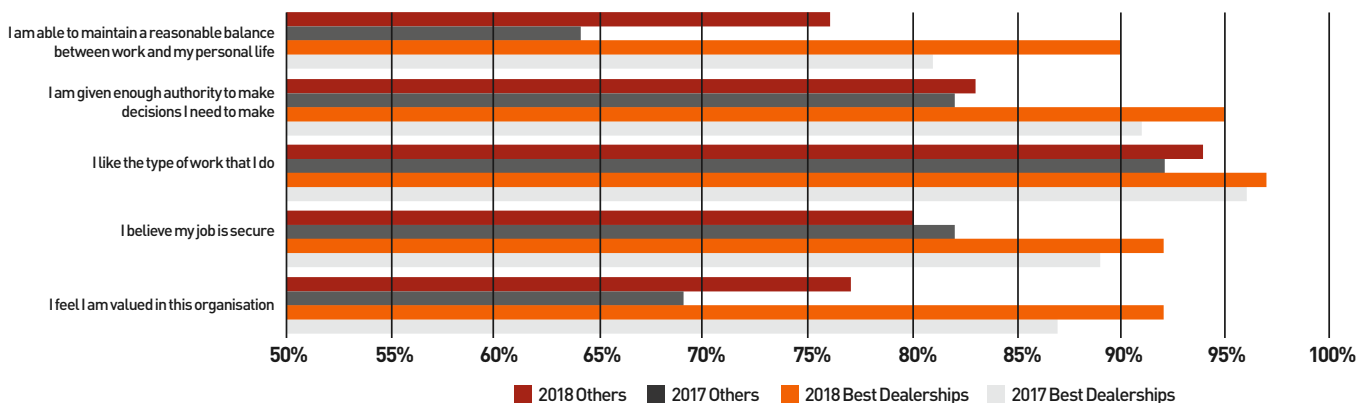
by employees, yet only two thirds of all the dealerships involved in our programme had it as part of their standard employee benefits.

Employees at the best dealerships feel supported, respected, recognised for good work, and have strong connections with their supervisors, who are open to hearing their opinions or feedback. 'Relationship with

supervisor' was the highest-scoring survey segment among best dealerships, at 95%. Dealerships that did not make the list scored 84%.

The importance of cooperation between teams and departments comes through in this year's results. In best dealerships, at least nine out of 10 employees said they like the people they work with, and believe there is a

## ROLE SATISFACTION – BEST DEALERSHIPS VS OTHERS



Employees at the UK's best dealerships feel considerably more secure in their jobs, more so than last year, unlike those at other dealerships where confidence has declined slightly.

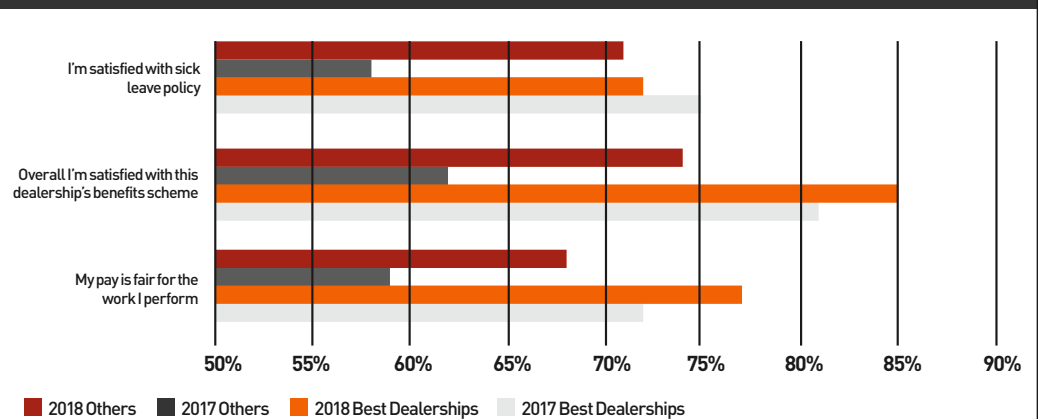
spirit of cooperation in the organisation and that staff are allowed to have fun at work. At unlisted dealerships, only seven out of 10 felt the same way.

Employees feel resourcing, at department and individual levels, could improve slightly, particularly at unlisted dealerships. There, three in 10 believe staffing levels are inadequate to provide the quality service that customers should expect. Even in best dealerships, one in 10 feels the same way, highlighting particularly that their workspace lacks adequate privacy to do their job. Privacy and distractions are a bigger issue for unlisted dealerships, where one in four employees struggles to focus due to inadequate noise control, compared with one in 10 at best dealerships.

The results showed an engaged workforce can help a dealership as it expands too, as 92% of employees at the best dealerships to work for would recommend working there to a friend, 12pts more than at other dealerships. At the best dealerships, 97% of the workforce said they are willing to give extra effort to help the business succeed, 3pts more than unlisted dealerships.

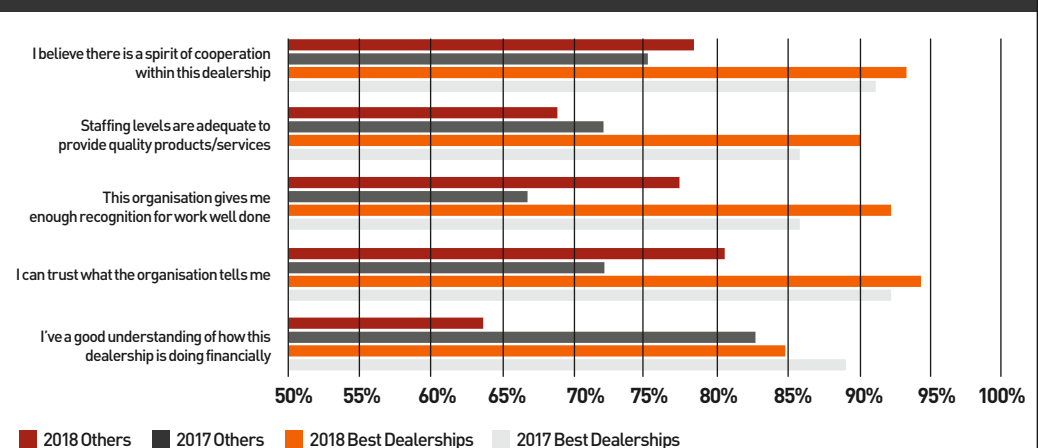
Leadership and planning are strengths of the UK's best dealerships, too. Some 94% of employees said they understood the long-term strategy of the dealership, and the same proportion have confidence in its leadership, 17pts higher than at the other dealerships. At best dealerships, 93% of workers believe their senior leaders care about employees' well being and 93% felt the leaders lived the core values of the business, compared with 77% and 84% respectively of staff at unranked dealerships.

### ✓ PAY AND BENEFITS – BEST DEALERSHIPS VS OTHER



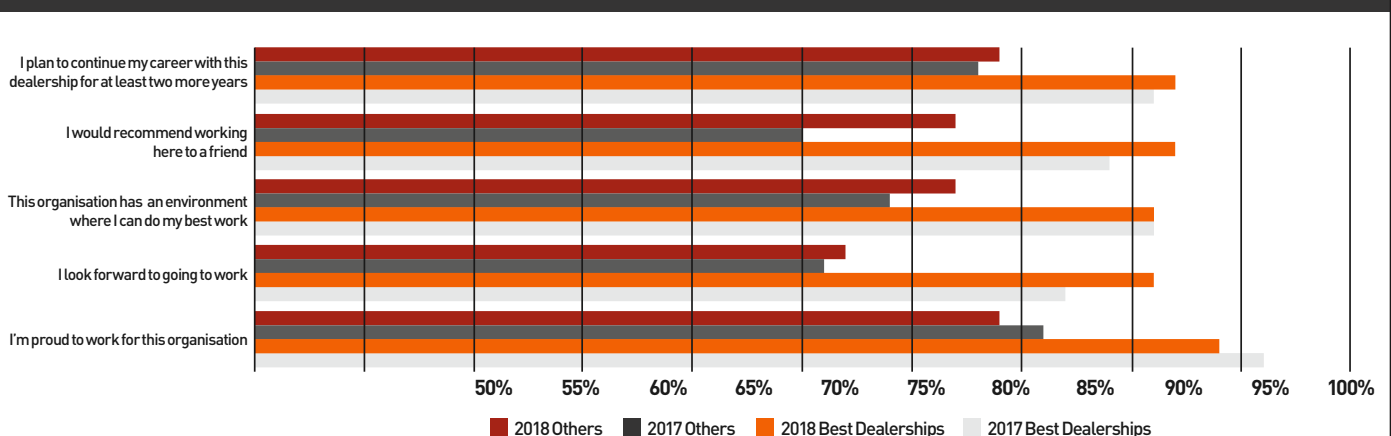
**Except for satisfaction with sick leave policy, employees' ratings of their pay and benefits have improved.**

### ✓ CORPORATE CULTURE AND COMMUNICATIONS – BEST DEALERSHIPS VS OTHERS



**Employees at best dealerships feel well recognised, cooperative and supportive. But fewer staff across the survey believe they are kept well informed of their workplace's profitability, perhaps a symptom of the reduced profitability generally within franchised networks in the UK.**

### ✓ EMPLOYEE ENGAGEMENT – BEST DEALERSHIP VS UNRANKED DEALERSHIPS



**The results show employees at the UK's best dealerships to work for remain very engaged. However, coinciding with the tougher motor industry conditions, their desire to go to work and to recommend their workplace to a friend have both slipped slightly year-on-year.**

## SPONSORS' COMMENTS



**Andrew Landell,**  
managing director,  
LTK Consultants



# CONGRATULATIONS

LTK Consultants is pleased to once again be a sponsor of the AM Best UK Dealerships to Work For programme, which was announced at Birmingham's NEC at this year's Automotive Management Live expo.

As an automotive business consultancy and an Institute of Leadership & Management-approved training provider, we understand that staff often reflect the ethos of their employer.

To have dealer staff extol the virtues of the dealership that they work for is testament to the great work that the winners have done with their staff engagement and employee satisfaction.

We would like to congratulate all of this year's winners: Chorley Nissan Burnley; Chorley Nissan Chorley; Chorley Nissan Preston; Whetstone Audi; Premier Ford; Hepworth Honda; Drayton Motors; Livery Dole Mitsubishi; Roadside (Garages); Luscombe Motors; and Tracks of Exeter Suzuki; on being recognised by their people as one of the "best dealerships to work for", and we encourage them to continue striving for greater heights.



**Ian Simpson,** sales  
and marketing director,  
Premia Solutions



# CONGRATULATIONS

I'd like to take this opportunity to congratulate all of those recognised at the Best UK Dealerships to Work For ceremony at Automotive Management Live on November 8.

As the results were based on rigorous surveying of both the employer and employees, it was a pleasure presenting awards to a range of dealerships who had obviously put in work during the past year to ensure they were providing their teams with the best tools and opportunities to improve not only their professional development, but also their overall well-being.

This has a measurable positive effect on the performance of their sites, by ensuring customers receive the best service from employees who are motivated, engaged and believe in what they do.

Special recognition must be given to Chorley Nissan, which managed to scoop three awards on the day and came out with the overall top score from all 11 dealers who managed to qualify.

Here at Premia Solutions, we also recognise that employees make all the difference to the performance and strength of a business, especially within the automotive industry. Because of this, we believe these awards are a very worthwhile practice, and one we look forward to being involved with in the future.

Once again, well done to all those who were eligible, and the winners! Thanks also to everyone who visited our stand on the day, it was a great event and a pleasure speaking to you all.



# TOP RANKED OVERALL: CHORLEY NISSAN IN BURNLEY

The results are in - Chorley Nissan in Burnley is the AM Best UK Dealership To Work For in 2018, with the highest score of all the dealerships that participated in this year's survey

≡ TWO OTHER CHORLEY GROUP DEALERSHIPS ALSO QUALIFIED AS AM BEST UK DEALERSHIPS TO WORK FOR:

- Chorley Nissan in Chorley
- Chorley Nissan in Preston

**F**irst and foremost, we are a family, treating all those around us with respect and enjoying what we do," said Andrew Turner, the chairman of Chorley Group.

From its humble beginnings, the Lancashire-based business has become recognised as one of the foremost employers in the country for the motor industry, and it is a high achiever in sales and customer service, securing entry to the 200 and 300 Clubs for outstanding sales performance and the Chairman's Award for overall performance.

To promote a healthy work/life balance, Chorley Nissan keeps overtime to a minimum and mandates that meetings or staff-only events take place during work hours only. It offers productivity or time management workshops, and offers an employee assistance programme that can provide counselling for marital, parental or financial problems and support for health conditions.

Outside working hours, it holds company football tournaments, where employees' families are also invited to join in fun activities, and its Christmas parties include an invitation for partners or guests.

All employees have performance reviews at least twice annually. To encourage career progression within the group, it encourages mentoring and job shadowing, and it operates a future leaders



Chorley Group HR adviser Gillian Howells (second from right) receives the awards for its Burnley, Chorley and Preston Nissan dealerships from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

programme, to train people in leadership and ensure the business has talented managers ready to succeed any departing staff.

"Chorley Group has always recognised that our people create

our success, and to continue to grow and develop as a business, we must focus on our teams. We run an in-house programme to advance talent within each area of the company, nurturing the specific skills required to manage either people or process, to grow our leaders for the future. We utilise manufacturer training academies, and support advanced qualifications for those who choose to do them, as well as continuing to train and support apprentices across the whole group," said Turner.

Its incentive schemes include sales executive commission, a monthly bonus scheme for technicians, and quarterly bonuses, while there are also incentives for staff to recommend new hires when the company is recruiting.

Benefits available for employees at Chorley Nissan include childcare vouchers, bicycle loans, discounts at other retailers and cover for death in service, and they can also opt into a private medical insurance scheme and critical illness insurance.

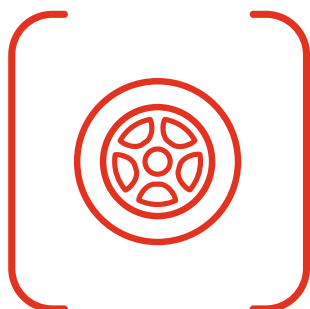
**“OUR PEOPLE CREATE OUR  
SUCCESS, AND TO CONTINUE TO  
GROW AND DEVELOP AS A BUSINESS,  
WE MUST FOCUS ON OUR TEAMS**

# Best UK Dealerships To Work For 2018

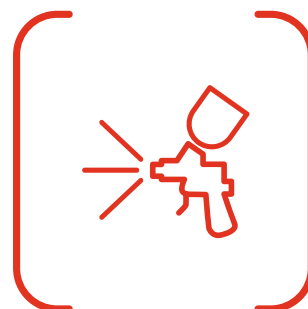
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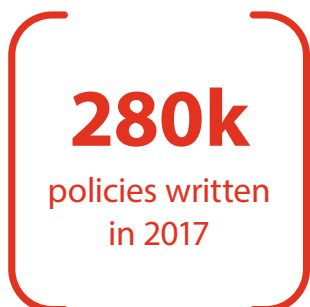
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# DRAYTON MOTORS KIA, BOSTON

This dealership has maintained its family feel despite rapidly expanding the business

**S**taff at this Lincolnshire dealership all appreciate there are differing targets, processes and constraints within each department, but they are all working together for the good of the business and looking to find solutions to any issues that arise.

General manager Darren Bradford said it genuinely feels like one big family as opposed to separate employees or individuals.

"Although we have grown in size quite rapidly over the past five years, we have somehow managed to retain the feeling that we are still one team with one overall goal," he said. The workforce is proud to have won the AM Award for Best Used Car Performance in 2018 and a Kia customer experience award in 2017.

Bradford believes in giving recognition for workers' effort. He hands out chocolate eggs and turkeys at Easter and Christmas, employees get a half-day off on their birthday, and throughout the year staff have access to the online benefits platform Perkbox, funded by the dealership, which gives them retail discounts at high street and online brands, a free MOT, £1 car wash and vacuum, a new car for cost price plus £1, and friends and family discounts for used cars. Members of the team also regularly socialise outside of work, and get involved in charity fund-raising.

Employee benefits include a childcare voucher scheme, bicycle loans, optional private medical insurance, health screening and retail discounts, plus access to financial and legal advice.



Drayton Motors general manager Darren Bradford (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

# HEPWORTH HONDA

Giving employees 'time to thrive' pays off in staff loyalty and customer service

**T**his Huddersfield-based, family-owned business operates under the long-held ethos of being "the small firm that tries harder".

Hepworth has retained its Honda franchise and its loyal staff for decades – one technician has worked for Hepworth since 1969, and there are employees with 20 or more years' service across all its departments.

"I believe that our company treats its employees as individuals and is sensitive to their personal issues where possible. We're not a hire-and-fire company, we give employees the time to thrive," said managing director Stephen Brighton.

"If you treat your staff well, they in turn treat your customers well and they'll look after the company."

The business finishes early on Fridays, and Brighton rewards his workers with occasional nights out, tickets to football or rugby matches. Employee performance is reviewed more than twice annually.

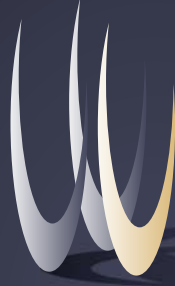
Staff can opt in to a selection of benefits, including income protection cover, critical illness cover, loans for cycles, season tickets and a car scheme, however as standard they receive medical insurance, dental and eye cover, and are insured for death in service.

Brighton has monthly meetings with all employees and conducts employee performance reviews at least every six months. The business encourages staff to develop their skills, through training workshops and seminars.



Hepworth Honda sales director Mark Brook (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick





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# LTK Congratulates all of the winners of this year's AM "Best Dealership to work for" Awards

LTK Consultants Ltd is once again proud to be sponsoring this year's "Best Dealership to work for" awards at the AMLive Event which took place at the NEC on 8th November.

LTK Consultants, as an outsourced solutions provider for Management Development & Leadership programmes; plus Customer Retention specialists, understands that staff morale has a direct impact on staff performance.

As such, for this year's winners to have their employees score them so highly, is a testament to the value that they place on their staff, and are fully deserving of winning their awards for the "UK's Best Dealership to work for".

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# LIVERY DOLE MITSUBISHI

Recognition schemes and 'positive strokes' keep employees happy, says Exeter dealership

**R**egular awards to employees who receive positive feedback or who are seen providing excellent service are a feature of this dealership in Exeter. It also recognises an 'employee of the month', with a small reward and their photo added to its 'excellence wall', and its 'employee of the year' scheme recognises a worker who makes a substantial contribution to the company, and rewards them with a trip away, with all travel and accommodation costs covered by the business.

Staff satisfaction is surveyed annually, and employees are briefed on overall business performance by the business leaders in quarterly meetings.

Chairman Nigel Clegg and managing director Hayden Williams believe in giving "positive strokes, support and recognition" to all managers daily, and chat to all employees in the business. They actively encourage staff to take regular breaks, to take a short walk away from the business during the working day, and bonus plans are designed to avoid any penalisation from taking holidays. Livery Dole said it has "a flexible approach to staff pay, helping when our staff find themselves short".

The business funds regular staff social events, such as a summer barbecue, bowling nights and the Christmas party.

"A key part of happy employees is getting the work/life balance correct, an area we work very hard to support," said Clegg.



Livery Dole Mitsubishi managing director Hayden Williams (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

# LUSCOMBE MOTORS

Empowered employees enjoy mentoring schemes, reward nights and community work

**F**ounder and managing director Robin Luscombe usually leads this Leeds-based Mitsubishi and Suzuki retailer from the front, with a strong team behind him. A back injury has forced him to step back this year, but his dealership has forged on, thanks to employees who are always empowered to make decisions and who remain well informed about the business's progress and any problems as they arise.

Performance reviews are done 'as needed' rather than relying on a set annual review, and the business invests in employees' career development, with mentoring, IMI training for sales executives, participation in manufacturers' apprentice schemes and the progression to master technician level within its Suzuki and Mitsubishi franchises.

Management and staff are able to celebrate its successes, attending events held by their manufacturer partners for great performance. Last year, the company brought all staff and their partners to an evening event to celebrate a record-breaking year of trading.

All staff receive financial rewards linked to the business's performance. Standard benefits for staff include childcare vouchers, private medical insurance, loans for bicycles, retail discounts, and matched pension contributions. Optional benefits include a car allowance.

Employees' birthdays are celebrated with cake for everyone, and social events are arranged on an ad hoc basis. Staff are encouraged to help their local communities – the dealership was heralded as 'dementia-friendly' following its support of one local charity, and during March's heavy snow, it loaned a 4x4 vehicle to a local doctors' surgery to use for home visits.



Luscombe Motors finance director David Taylor (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

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**AM**  
**AWARDS: 2019**

**blackhorse** 



## Welcome to this year's AM Awards sponsors

Preparations for the 2019 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 7, 2019.

There are 24 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:

**Black Horse is sponsoring the Dealer Group of the Year Award**

**Aston Barclay is sponsoring the Post Event VR Zone**

We are delighted to receive the support of both companies for these two key award categories at what promises to be an industry highlight of 2019.

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



# PREMIER FORD

Bonuses, awards for those going 'above and beyond' and anniversary gifts all boost loyalty

**P**remier Ford believes in sharing the spoils of success, and 95% of staff can earn monthly bonuses based on customer satisfaction scores and/or department profitability.

Supervisors and above are subject to a 360-degree performance review, and all staff have annual appraisals, reviewing and arranging their training needs, and taking action on them.

Feedback from the workforce is encouraged – an annual survey of all staff informs management about morale and satisfaction, and workers are encouraged to share their ideas for improving the business, which trades at Newport on the Isle of Wight. Managing director David Rye meets all staff twice a year to update them on progress in the business.

Premier Ford wants employees to feel content, and recognised for their efforts. The company pays for a Christmas dinner and dance for employees and their partners. During the event, Rye highlights individuals who "have gone above and beyond the call of duty" to benefit customers, other staff, or the company as a whole. He also presents vouchers for high street stores to staff marking decades with the business, rising to reflect their 10th, 20th, 30th, 40th or 50th anniversary with the business.

Employees can take up to seven days of their holiday allowance as 'duvet days', with no prior notice. Staff perks include, as standard, health screening, retail discounts, special offers on new and used cars and service, plus death in service benefit. Optional benefits include private medical and dental insurance, car allowance and discounted gym membership.



Premier Ford managing director David Rye (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

# ROADSIDE (GARAGES)

How better to make staff feel special than a birthday cake from your on-site chef?

**T**his family-owned Kia dealership already has strong engagement with its workforce, but it is determined to go further. Its latest initiative involved getting its on-site cafe, which has a trained chef, to bake a birthday cake for employees' celebrations.

The same cafe serves subsidised freshly cooked food for staff, including daily specials and desserts on Fridays. Other enticements that employees rate highly include subsidised gym membership, an employee car scheme, loans for bicycles and options for medical insurance and health screening.

Nights out, showroom events and fundraising activities for local causes help to foster the team and community spirit. Staff are being given Roadside-branded footballs to hand over to the local primary schools their children attend, to help out when school budgets are being stretched.

Director David Boyd holds scheduled meetings with staff at least once a month at the dealership in Coleraine, Northern Ireland. He believes in recognising achievements and long service and outstanding efforts mean gifts or a meal. Roadside's yard manager received a three-day trip to the Isle of Man TT race this year as a reward for exceptional work.

Boyd supports staff development, encouraging mentoring and formal training courses as requested, such as a leadership development programme for sales manager Ian Lamont. He also respects employees' need for family time, and keeps the dealership closed on Sundays.

"We like to make our staff feel loved as individuals and part of the Roadside family," said Boyd.



Roadside (Garages) director David Boyd (second from right) receives the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick



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# TRACKS OF EXETER

Whether at an on-site barbecue or lunch with the boss, staff are encouraged to have fun

**T**he experience and service this Suzuki dealership offers customers is reflective of the great atmosphere and happy work environment within the dealership, said founder and managing director Stephen Ody.

Staff are driven to be customer-focused and are empowered to take important decisions, but Ody has an open-door policy and leads from the front.

Departments cooperate effectively and help each other through challenges, but just as importantly have fun together. In summer months, staff can use the on-site barbecue to cook lunch, at other times there is a well equipped kitchen and television for breaks.

Ody often buys staff lunch on Fridays, and he presents prizes each quarter to the top-performing sales executive and to the executive or service adviser with the best CSI score and reviews.

Perks for all employees include birthdays as paid holiday, discounts on cars and servicing, use of company vehicles if required, use of the tax efficient Car Benefit Solutions scheme, and interest-free loans from Ody. Staff turnover is low, with five members of staff who have been with the business for more than 10 years each. However, the dealership does recruit enthusiastic but often inexperienced individuals to give them the opportunity to develop their careers through dealership and manufacturer training schemes.



Tracks of Exeter managing director Stephen Ody (second from right) and marketing manager Harry Ody (centre) receive the award from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick

# WHETSTONE AUDI

Stress-busting perks and a family ethos help this city site to punch above its weight

**R**etailing in the capital brings plenty of challenges, but the workforce at this dealership, part of Group 1 Automotive UK, clearly enjoys coming to work.

"The team at Whetstone operates as a family, no member of the family is ever left behind," the north London dealership's entry stated.

"Never has a centre worked under such constraints and achieved more than some places up to twice the size. This is all credit to the ethos of every member of the family and the way that they all pull together to be there for one another."

Managers believe in giving praise for work well done, and for the past two years the dealership has won Audi's Q Power award, which it celebrated by holding team events for all employees so everyone knew they played a part in its success.

Other stress-relieving activities include the centre cheeseburger challenge, decorating all the desks for Christmas and after-work parties that allow team members to get to know each other better outside the job. Individual employees' success is recognised with vouchers and team treats.

Employee benefits include death in service cover, childcare vouchers, loans for bicycles, retail discounts, gym memberships and a car allowance.

The dealership encourages staff to keep fit and well, and provides an option to work flexibly or compressed hours.



Andrew O'Kelly of Best Companies Group (second from right) collects the award on behalf of Whetstone Audi from sponsors Premia Solutions' sales and marketing director Ian Simpson (second from left), and LTK Consultants' managing director Andrew Landell and operations director Vanessa Kendrick



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#### MAKE VALETING MORE EFFICIENT

WE ASK DEALERS AND VALETING  
COMPANIES HOW TO CUT COSTS  
AND GROW MARGINS

PAGES 44-47

#### SPEED UP YOUR VEHICLE PREP

AS STOCK PRESSURES FORCE RETAILERS  
TO WIDEN THEIR NET, FASTER PDIs AND  
STOCK TURN ARE VITAL

PAGES 49-50

#### EVOLVING THE UPSELL

ONLINE TRACKING AND VIDEO BOLSTER  
TRADITIONAL VEHICLE PROTECTION  
POINT-OF-SALE METHODS

PAGES 53-54

# How to make your valeting more efficient

We ask dealers and valeting companies how to cut costs and grow margins

**C**ustomers expect a clean and valeted car, whether they have just bought it or just had it serviced – an expectation that has built a multimillion-pound industry.

But like any business activity, valeting has to deliver value for money and operate as efficiently as possible. So what are the lessons for valeting companies and dealers as they attempt to maximise efficiency?

The central question is whether dealers should contract out their valeting or have an in-house resource.

David Warren, the commercial director at Motorclean, one of the biggest valeting companies, makes the case for contracting out: "In general, subcontractors are paid on a per unit basis, so you pay them for what gets cleaned. From an employee perspective, you're paying staff, irrespective of how many cars get cleaned and then you tend to

lose productivity, because they're on a set rate for the day."

Stuart Hodson, the operations director for the Glyn Hopkins Group, which has 50 sites across the south-east, employs a valeting company, but following some dissatisfaction with the quality of the work, the company considered 'in-sourcing' the function. However, this proved not to be an efficient alternative.


"We looked at taking it in-house, based on the churn of contracted staff doing it. We looked at what we would need to put in place, in terms of a resource to manage it, but we didn't think it would be efficient to do that, when you can use a big company that's obviously got a pool of people they can pull from."

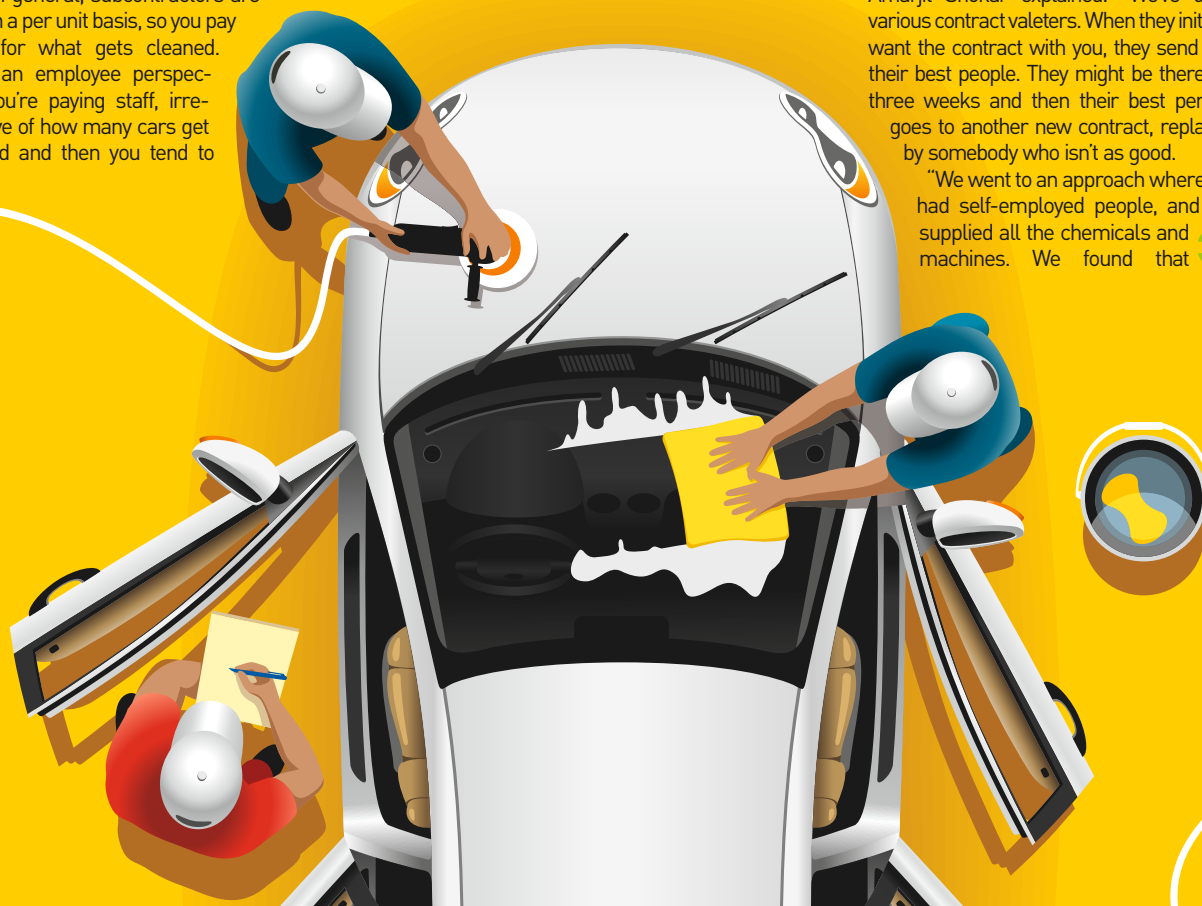
## THE OUTSOURCING ADVANTAGE

The pool of valeters that the specialist companies can access gives clients a flexibility that can prove useful and efficient.

Hodson said: "If we know we've got a fleet order going into one of the sites, and we can tell our valeting company 24 hours in advance, they can have two or three extra people there to get those cars done. If we were trying to recruit people ourselves, we wouldn't have that luxury, because we'd only have what we needed on a regular basis."

However, when Romford Mazda's dissatisfaction with the inconsistency of valeting company staff became an issue, it took another approach, as dealer principal Amarjit Shokar explained: "We've used various contract valeters. When they initially want the contract with you, they send you their best people. They might be there for three weeks and then their best person goes to another new contract, replaced by somebody who isn't as good."

"We went to an approach where we had self-employed people, and we supplied all the chemicals and machines. We found that 





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## Effective cost-control is vital to maintain dealer margins

With new car registrations dropping, dealership running costs must be reduced to preserve margins. Here at Autoclenz we recognise this and have invested in unique technology to allow you to track your valeting and vehicle preparation costs down to the minutest detail.

Our Paperless Vehicle Management System (PVMS) delivers this. You can control duplicate valets and configure sign-off by managers for “exceptional” valets. Then you can view weekly exceptions reports before any invoice is raised. Early signs suggest this can save up to 3% of annual spend.

*That should bring some Christmas cheer.*

Find out about the award-winning difference at Autoclenz and why we are the preferred supplier to 8 of the AM Top 10 Dealer Groups.



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With the customer experience and customer journey now an integral part of car retail, Autoclenz offers a fully outsourced solution to all preparation needs, offering services ranging from meet and greet, delivery and collection, imaging and cosmetic repair to premises cleaning.

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Autoclenz's PVMS system may save up to 3% of annual valet spend

which offers a complete cosmetic repair solution on-site, and you have a full end-to-end service.

## Save up to 3% a year with cost control using management information

Effective cost control is vital to maintain dealer margins in these challenging times. The Autoclenz PVMS (paperless vehicle management system) is the ultimate tool in controlling the movement of your stock through the valet, preparation and imaging process, while controlling the spend. PVMS is live, showing jobs awaiting, progressing and completed through the valet bay.

Our PVMS allows you to control duplicate valets and configure sign-off by managers for "exceptional" valets. Early signs suggest this can save up to 3% of annual valet spend.

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## Join our blue-chip client list

Autoclenz is the regular winner of industry awards and is the preferred supplier for eight of the top 10 dealer groups in the AM100. Isn't it time to review your vehicle preparation needs? Find out how the difference is clear and have a chat with Autoclenz.





worked better. We've found a company that teaches people how to valet cars and how to use the chemicals properly, how to machine mop, etc. We're hoping that will lift the standards."

### FROM VALETING TO MI

Valeting companies have been cleaning cars for a long time, however, and say their processes are already tried and tested.

Warren said: "There are only so many ways you can clean a car, and over 30 years, we've pretty much honed the right way to clean a car. So bringing efficiencies when actually cleaning a vehicle is very difficult."

"What does bring efficiency is the management systems."

When valeting companies were starting out, Warren said a docket was written out in triplicate for every car that was cleaned, generating a huge amount of paperwork.

"We started to take away those workflow tickets with an electronic system 15 years ago and it's grown to provide full management information. There are loads of different reports that can be generated, but generally there are four or five key indicators from a cost control perspective."

Automation offers advantages to the dealer, too, said Hodson: "Each of the valet bays has got a screen. It puts the work into an order for them, so the valeters know which car to clean next."

"When they just had a stack of paper tickets, they would just go and clean whatever car they found next. This system puts the work in the right priority, so the output is more efficient. They're not cleaning cars any quicker, or any more cars, but you're getting the cars cleaned at the right time."

Warren said the economies of scale that valeting companies offer to dealer groups are an important source of efficiencies – along with the additional associated services that they offer.

"Years ago, you would win dealerships' business one by one. But with consolidation in the market base, and the growth of valeting companies, we started to do more group deals. We then looked at the supply chain and looked at how can we show value and efficiency."

"So we're now an integrated service provider – we do facilities management in dealerships, cleaning the dealership and doing remedial work around the site. We'll valet the cars, for service and sales, and

then we take the imagery of the vehicle just after it has been cleaned."

Autoclenz offers a fully insured collection and delivery service to minimise inconvenience to dealers' customers. It now also offers alloy wheel refurbishment, and small enhancements to the standard wash and vacuum, such as dressing tyres or stripping carpets.

"These are all either self-funding or low-cost to improve aftersales customer experience," said sales director Martin Peters.

### SEEKING FURTHER EFFICIENCY

So what further efficiencies could be possible for the valeting industry?

Warren said: "We work with automated car washes, but inevitably the car is never finished when it comes out the other side. If you want a quality finish, it doesn't really speed up the process that much."

"You can also have a big central vacuum where all the leads drop down from the ceiling and that's efficient. But you would only use that at big sites where you clean 3,000 cars a week. At conventional dealerships you're still working with vacuum cleaners, pressure washers and pretty much the same sort of chemical."

Hodson thinks having space is the key: "If valeters were to have better and more modern facilities, and a bit more space, I think they could be a lot more efficient. Old petrol stations, for example – there's plenty of space to move the cars around and it's almost like a production line."

"We've looked at doing it off-site, but once the car's been moved, you're almost back to square one and you've got to do it again when it arrives." **CRAIG THOMAS**



**THERE ARE ONLY SO MANY WAYS YOU CAN CLEAN A CAR... WHAT DOES BRING EFFICIENCY IS THE MANAGEMENT SYSTEMS**

**DAVID WARREN, MOTORCLEAN**



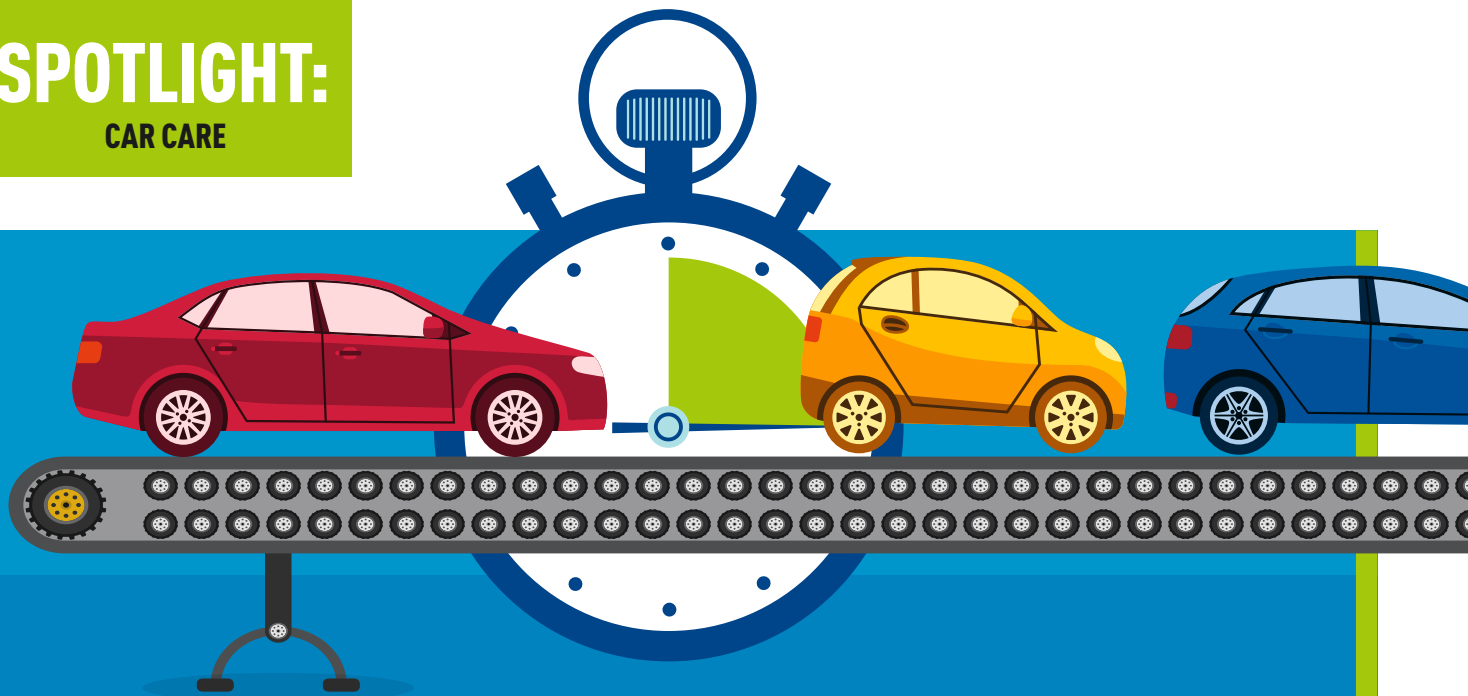
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# The need for speed in vehicle preparation

As stock pressures force retailers to widen their net, faster PDIs and stock turn are vital

**T**ime is very much of the essence in the used car sector as record wholesale stock prices and the heightened competition of online retail applies plenty of unwelcome pressure on dealer margins.

The chairman of the Vehicle Remarketing Association (VRA), Glenn Sturley, recently said the price of stock had risen to such an extent that many retailers were now wholly reliant on F&I sales to achieve a profit margin.

The situation has also sparked a race to buy vehicles of lesser condition that might not previously have been considered, he said, stating: "The compromise they are making is to buy vehicles in poorer condition and then invest in making them suitable for their forecourts."

Pressures on stocking are placing additional pressures on vehicle preparation

and, with ever increasing efficiency proving the main driver for improved margins through faster stock turn, not a moment can be spared.

Simon Allan, group used car manager at Cambria Automobiles, said: "At Cambria, we say there really isn't any profit in a used car after 28 days. The pressure is on from the moment stock is bought and an efficient pre-delivery inspection (PDI) process is vital."

Allan said Cambria targets a 72-hour turnaround for cars, from purchase to being ready for sale or test drive.

As activities such as vehicle imagery, video and writing accurate descriptions became increasingly important in the preparation process, Cambria took the decision to employ web specialists at each dealership to help drive the pace of that process and the PDI operation.

Allan said: "They give a dealership

manager a report, which details any cars that have been in stock for three days but have yet to be checked or prepared, to help drive the pace of that turnaround."

In the case of remarketed Jaguar Land Rover vehicles, Allan said the swift provision of high-quality images and vehicle data comes directly from the manufacturer's official dealer auctions.

The need for speed is central to TrustFord's 'Now' initiative, which promises customers will be able to drive a new or used vehicle home on the same day, and within one hour of purchase.

Stuart Foulds, the chairman and chief executive of TrustFord, said: "We are trying to get our preparation process down to 24 hours, because it really is all about immediacy."

Foulds said four images of a used car are taken within four hours of its purchase to allow the vehicle to be marketed online, with 20 images and a 360-degree video taken once preparation is complete.

Just 10% of TrustFord's used cars are prepared at the group's Long Marston PDI centre.

Foulds said it is important that used vehicles are prepared at the dealership: "I just don't buy the suggestion that it's more efficient to have a centralised PDI factory. Every movement of a vehicle costs time and money, so it's better to get them to the retail location as quickly as possible."

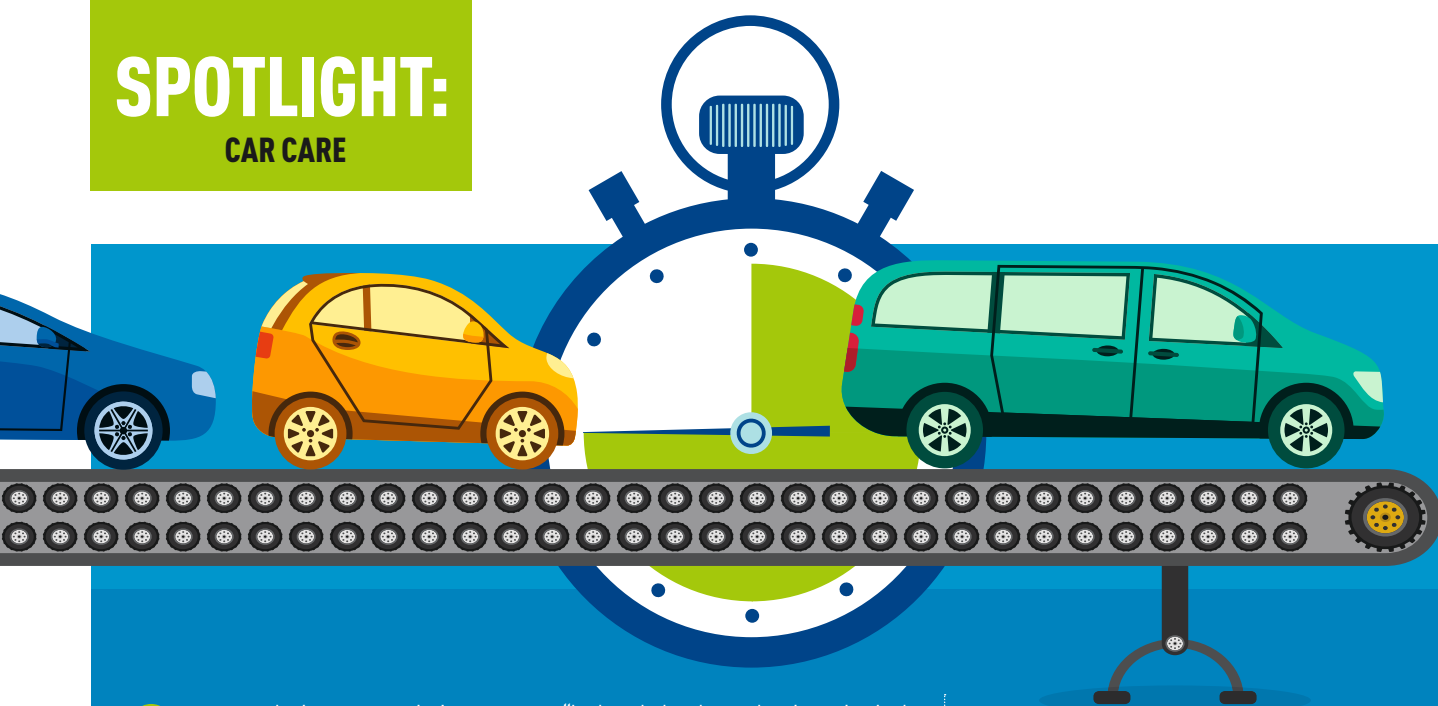
Allan agreed, but said that a reliance



**"I DON'T BUY THE SUGGESTION THAT IT'S MORE EFFICIENT TO HAVE A CENTRALISED PDI FACTORY... IT'S BETTER TO GET THEM TO THE RETAIL LOCATION AS QUICKLY AS POSSIBLE"** STUART FOULDS, TRUSTFORD

# SPOTLIGHT:

## CAR CARE



On remarketing companies' over-stretched logistics operations could also cause issues. He said such issues recently left Cambria with cars stranded at an auction site. "In the end, we just cancelled the order," he added.

Foulds said TrustFord outsources some of its vehicle preparation functions at certain dealerships, adding that recruiting staff for SMART repair, wheel refurbishment, paint and valeting roles remains a challenge.

He added: "At the moment we are even going into schools and colleges to see if we can help tailor the apprenticeships to feed into these positions."

Cambria established its own SMART repair business, Peterborough-based Ramp, in August 2017, and this is now helping to meet some of its vehicle preparation demands.

### INDEPENDENT PRESSURES

Despite some people laying the responsibility for higher stock prices and the need to turn stock over faster at the feet of independent used car supermarkets, they are not exempt from having to keep up.

Matt Kay, the managing director of Cartime, said he has invested heavily to speed up and improve the quality of his vehicle preparation.

Cartime has invested about £20,000 in the purchase of one 'smart pod' – complete with a paint oven – for Cartime's off-site vehicle preparation area as Kay looks to tap in to lower-grade stock and build in margin with in-house SMART repair, wheel and paint facilities.

He said he would bring two further pods to the site in January, increasing capacity to 80 or 90 vehicles a week.

Kay, who has also appointed a full-time "detailer" to inspect cars, said: "For a part-exchange, professional preparation on-site can mean a difference in margin of £1,000."

Philip Nothard, Cox Automotive's customer insight and strategy director, said cosmetic factors are the key to getting a vehicle 'retail-ready'.

"In the wholesale market, investing in the refurbishment needed to move a vehicle up by one grade improves the margin by an average £470, according to data from Manheim Auctions," said Nothard.

"Similarly, taking a vehicle from a Grade 3 to a Grade 1 reduces days to sell by an average of six."

"In a retail environment, assessing the need for wheel refurbishment and SMART repairs, and arranging these promptly can make a big difference when it comes to days in stock."

Cartime is expanding in Bury, transforming the former Farnell Land Rover site nearby into a specialist 4x4 centre. It is also preparing to open a second premium used car site in Rochdale.

Kay said the biggest issue with expansion was preparation capacity.

"You can easily end up with over-age issues with cars that haven't even been prepped in the first 30 days," he said.

Cartime is working to reduce its average vehicle prep time to two days, having already cut it from seven to 4.4 days in 12 months.

Highlighting the need for immediacy in used car preparation and sales, Kay said even the short walk to collect a car from its remote PDI facility was enough to put some customers off a purchase, adding that the immediate retailing of a vehicle online meant customers expected immediate availability.

He added: "Speed of delivery is central to stock turn."

Kay disagreed with Foulds' suggestion

**TAKING A VEHICLE FROM A GRADE 3 TO A GRADE 1 REDUCES DAYS TO SELL BY AN AVERAGE OF SIX**



**PHILIP NOTHARD,**  
COX AUTOMOTIVE

that Cap vehicle data could be wholly relied upon when uploading a vehicle's information to the internet.

He employs two specialists to check specifications directly with manufacturers.

"Missing off a key detail in a vehicle description could be the difference between turning a vehicle in one or 90 days. Online car buyers research with a very specific shopping list," he said.

With his added capacity, Kay is also working harder to prepare even part-exchange vehicles for remarketing, to maximise margins by increasing their valuation and sale value at auction.

### THE THIRD-PARTY RESPONSE

As retailers work to tackle staffing and capacity issues in their vehicle preparation operations, third parties are upping their game to meet their needs.

Fix Auto's network of bodyshop repairers is supporting more franchised retailers than ever and Autoclenz has followed its shift out of its core valeting business of valeting into mobile alloy wheel refurbishment with the opening of a specialist facility in Crewe.

The diversification is building on Autoclenz's existing SMART repair operation, which Martin Peters, its sales director, described as "mainly the implant of a body shop mobile facility that stays in a dealership and can take care of their SMART repairs".

Peters said: "The dealer can turn around a stock vehicle available for sale quicker and can make revenue to offset their cost. And we take all the stress out of it."

Whether retailers drive recruitment and a broader set of skills in their workshops in pursuit of their own preparation operation or employ outside contractors, there appears to be no letting up in the demand for used car stock and, in turn, preparation services, for franchised car retailers and car supermarkets alike. **TOM SHARPE**



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**ANNIVERSARY**  
*EST 1988*

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# Evolving the vehicle protection sales process

Online tracking and video demonstrations bolster more traditional point-of-sale methods

**A**

s much of the car-buying process has moved online, it has reduced the amount of face-to-face time dealers have with customers.

It means that when customers do come into the showroom there's more pressure to get everything sorted at once. This means time for introducing products such as paint and fabric protection can fall farther down the list of things to get through when buying a car.

As a result, dealers and their protection product suppliers have had to evolve with how the car-buying process has changed.

Victor Coutin, the managing director of GardX, said: "Over the last three years we've seen more and more of the sales process is moving online. We had to ask ourselves about how protected we were in terms of those opportunities to speak to

customers about the product."

GardX offers SpinCar as a digital service that allows dealers to highlight clickable hotspot areas of models on vehicle stock profiles, not just to focus on protection products, but to also highlight other features, such as alloy wheels or a panoramic sunroof. This also allows dealers to embed video content on paint protection that customers can interact with.

Coutin said: "We can track what a customer is interacting with through those hotspots, so we can easily identify which customers are engaging with things like paint protection."

"It can really help give an indication of how interested that customer might be in a protection product."

GardX has also launched a merchandising proposition, which uses video to resolicit lost sales. It forms part of a new

video platform that it will position to compete with companies such as CitNow.

Dealers can send customers a video featuring the sales executive who sold the vehicle, where they can explain the options for higher levels of vehicle preparation before handover.

The video can be dealer-branded and also features a call-to-action button to accept the offer of an upgraded preparation to indicate to the sales executive that the customer would like to go ahead.

Coutin said: "Some customers may have their guard up when they're buying the car and the process they have to go through to buy a car can be overwhelming."

"We've created this merchandising feature so dealers can contact customers through a video message at a later stage before their vehicle is being delivered and before it goes through the prep-





Claration process. At this point, dealers can get in touch with customers again to inform them about their options with GardX before their car is delivered or they pick it up."

GardX has seen penetration rates increase by 3-6% on those customers that didn't originally buy at the point of sale.

### THE PHYSICAL POINT OF SALE

With more of the customer journey moving online, does that mean physical point-of-sale materials have had their day?

Alan Graham, Supagard's head of sales, said it has an app and a redesigned website to support digital marketing. "There's still very much a place for 'hard' copy in the showroom – leaflets and so on – but it needs to be strongly complemented by digital collateral."

Coutin said: "There has to be a mixture and you have to recognise that more of the car-buying process is moving online so we have to reflect that. At the same time, it's still important for us to support the dealers in the showroom with face-to-face interactions and point-of-sale materials, so those are still there too."

Chris McDonald, Gtechniq's lead consultant, said the company has used video to demonstrate its product since its launch more than 10 years ago.

McDonald said the company looked at demonstrating its product with bottles and paint tiles, but he felt it wasn't the right fit, particularly as Gtechniq is aimed at the premium and performance car market.

Physical point-of-sale materials and demonstrations were also restrictive as a result of premium vehicle brands having very strict corporate identity standards.



**MORE OF THE CAR-BUYING PROCESS IS MOVING ONLINE... AT THE SAME TIME, IT'S STILL IMPORTANT FOR US TO SUPPORT THE DEALERS IN THE SHOWROOM**

**VICTOR COUTIN, GARDX**

He said: "You can't have stands and posters up in a Porsche showroom, they want all their showrooms to look the same and they've spent millions on getting that brand environment right. We're sensitive to that."

"This is why video works for us."

Each salesperson has a tablet computer with the video pre-loaded.

Video demonstrations of Gtechniq can also be emailed and McDonald said this was particularly important as more sales are done remotely.

"It means dealers aren't having to keep loads of promotional material around the showroom and we're not breaching any corporate identity standards," he said.

Gtechniq is producing about a dozen brand-specific videos, so if the demonstration is for a Porsche customer, it features a Porsche model.

McDonald said this is important as the types of customers they see are usually more brand-loyal and would rather see a demonstration on a McLaren if that's the brand they are buying, rather than seeing product demonstrated on a Ferrari.

"We asked for a lot of feedback from our dealer network to figure out what we

needed to include in the video and we've got it down to 1 minute 40 seconds to explain all the main details about the product, through to handover and after-care. Any longer than that and you're going to lose people's interest," said McDonald.

The video content is reviewed every 12-18 months to look at featuring new product details or if a car franchise brings out an interesting new model that would be interesting enough to prompt a reshoot.

Macdonald believes the videos are a key element in keeping the average conversion rate at about 60%. Top performing dealers achieve 100% penetration after showing the video, he said.

Stephen Emery, senior marketing executive at Premia Solutions, is another advocate of video. Premia Solutions offers insurance products for things such as paint, fabric and SMART repair.

He said: "This can be particularly useful if you've bought on a PCP or PCH and the car needs to go back in a certain condition."

"We've found that offering videos with real-world examples of how our products can be useful can really help explain the benefits in an informative and simple way."

### ONLINE TRAINING

Lance Boseley, Jewelultra marketing director, said the company developed an online training portal for dealers using video content this year to help them close sales of Diamondbrite paint and fabric protection.

He said that in order to protect the profit potential of paint and fabric protection products for dealers, it was imperative that it worked to create a platform that can be used at the point of sale and something that can be sent out to customers to view in their own time. It also has a web app for dealers, which can be branded to suit the manufacturer.

"The customer-facing app lets dealers show customers the results of paint and fabric protection while they are in the showroom," said Boseley.

"The interactive information in the app can also be emailed to the customer. These digital tools play a vital role in promoting our products in a modern and interactive way." **TOM SEYMOUR**



# Here's to the next 30 years of car protection products

Supagard's innovation, quality, and service will maximise profits for dealers

**S**upagard was founded in 1988 and this year marks our 30th anniversary as the UK's market leader in professionally applied automotive paint and interior protection products. As automotive engineering has evolved over the past 30 years, so too has our market-leading technology. What better way to celebrate our three decades of innovation than to once again participate in Automotive Management Live.

Supagard's reputation for quality is second to none – many manufacturers, dozens of dealer groups and hundreds of retailers think so too, and we recognise the importance of supporting them to grow profitability and to meet the demands of new challenges in the constantly evolving marketplace.

Our programme of continuous research and development has led to the launch of various innovative new products, including a polysilazane paint sealant, a unique leather preserver with guaranteed protection against spills and stains and a quick-drying fabric protector, which saves valeting time. Rigorous independent testing ensures our products are among the most technologically advanced treatments available and maintains Supagard's technical superiority over other products.

Retailers have another strong advantage thanks to our competitive price structure and no-quibble guarantees. Supagard's team of dedicated area managers work in conjunction with each retailer to provide training, develop sales and grow profitability. A wide range of Supagard aftercare packs also offers the opportunity to generate additional revenue from repeat sales of the product range.

Supagard International has launched in recent years, with the Supagard product range now used in markets all over the world. The consumer proposition translates fantastically well to international markets and the values and morals of the company resonate across the globe with localisation of the offer proving a key feature in the success of the division.



The Supagard team at Automotive Management Live

*"The 30th anniversary of the business is a real milestone in the company's history... the business is excited about the future"*

The 30th anniversary of the business is a real milestone in the company's history and 2018 is proving no different to recent years as a massively successful year. In a declining new car market, the business has shown outstanding growth in the UK during the year with further growth predicted in 2019. Future plans continue to develop with further internationalisation and digitalisation as key features.

Our recent launch with the renowned independent Trustpilot system proved Supagard's transparent consumer five-star rating. We have also recently gathered market research that provided evidence of Supagard being UK consumers' preferred paint sealant provider. With further development and investment continuing

over the coming years, the business is excited about the future and very well placed to handle the somewhat uncertain outlook within the industry as well as from Brexit.

Supagard values the support of all our dealer customers, manufacturer customers and end-user consumers and is looking forward to continuing successful relationships for many more years to come.

Thirty years on from our foundation, the Supagard philosophy is still the same – give our trade customers the best quality, value and service around and make it easy for them to sell our products and maximise their profits at the same time.







# MEET BRITAIN'S BEST PERFORMING CAR MANUFACTURER



**SsangYong is Britain's best performing car manufacturer according to the Honest John Satisfaction Index 2018.**

Models featured are Musso Rhino, and SIV2 concept model. Fuel consumption figures in mpg. Musso: Urban 25.9-29.1, Extra Urban 39.2-40.9, Combined 32.8-35.8. CO2 emissions in g/km 226-211.  
\*Warranty covers 7 years or 150,000 miles.



# Take a look at SsangYong – the easy to operate franchise with no upfront costs

On the back of the hugely successful launch of its new Musso pick-up, SsangYong is gearing-up for a major push to attract new dealers.

"We want to make it easy for dealers to acquire and operate the franchise," says David Rose, franchising manager, "and have removed the barriers to ensure representing our brand is highly appealing".

We have changed the traditional way people view a new vehicle franchise, and SsangYong will be known for the quality of its products, its industry beating warranties, the ease of operating a dealership, and it now comes with no upfront costs! Our new approach means there are no costs for signage, special tools and computer diagnostics when joining the SsangYong family.

"Not only that, but SsangYong gives you industry leading margin retention on new vehicles, so all in all, highly compelling!" Adds Nick Laird, managing director of SsangYong Motor UK, "The brand is committed to long term investment in new product, and we will be seeing at least one new model launch a year through to 2022. We offer a very clear product portfolio of SUV, 4x4 and pick-up models - all sectors of the market in growth, and we are committed to ongoing investment to build great relationships with our dealers and customers."

First of these new introductions will be an all new C-segment SUV to replace the Korando. Arriving in showrooms towards the end of next year, it will give the brand a significant new player within its six model range. In the meantime, South Korea's third largest vehicle manufacturer has a number of other changes lined up that include Euro6D engines, smaller petrol engines, and a longer wheelbase/long load deck Musso pick-up. EVs haven't been forgotten either, and expect to hear news about electric and other new models in the coming months.

"We are looking to recruit a further 10 dealerships by the end of the year," says David Rose, "with key open points including Bristol, Birmingham North, Inverness, Liverpool, Oxford, Portsmouth, Southampton, Swansea, Teesside and Telford, as well as several other strategic locations."

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1

## Figure out where messaging fits in your business

Dealers need to consider how live chat and messaging fits into overall business strategy and how it should be managed.

Ian Godbold, marketing & CRM director at Cambria Automobiles, which uses Contact at Once, said: "Live chat is directed to the sales associates, they know the car, the location, and are in the right place to answer any questions.

"For aftersales, we have a call centre for outbound calls and we push the live chat through there. It has been in place for 18 months and it's where we are seeing the increase online. You can confirm using the text facility and that's where we are seeing the increase alongside the growth in mobile traffic."

Contact At Once's platform manages dealer chat and messaging from multiple sources, including Facebook Messenger and WhatsApp, while also connecting to other channels such as Auto Trader. Thom Coupar-Evans, the UK sales director of Contact At Once, said: "Live chat and messaging should be part of every business plan. We know 60% of traffic comes through mobile, and mobile devices are only used for calls for 20% of the time – the other 80% is for browsing online and messaging.

"Consumers need help at various different points, we know if you give the people the opportunity to engage at the top of the funnel, they will. We call it conversational commerce. We want our dealerships to build that relationship from the first moment they can establish a connection and take it all the way through the buying cycle and continue through to aftersales."

Vee24's automotive clients include Sytner Group, Halliwell Jones, Audi, Lexus, Toyota, Renault and Vauxhall with most using chat for sales, customer service, follow-up and aftersales.

Priya Iyer, Vee24's chief executive, said: "Businesses need to plan for this by setting aside specific roles in the call centres and inside dealerships. Call centres are also able to offer extended hours. For Sytner, 44% of all online sales enquiries come between 6pm and 10pm."

Jo McKeown, channel manager, automotive, at Moneypenny, said: "From the very start, we work closely with our automotive clients to discover exactly what their live chat needs are and how we can help their dealerships tap into even more quality sales leads. Our data found that over a third (37%) of chats occur outside of core office hours, with 16% taking place at weekends.

"These figures outline why live chat should no longer be a 'nice to have', but an essential part of any dealerships' customer service offering and marketing tool belt."

**“PEOPLE WHO CAN COMBINE TECHNOLOGY-POWERED PERSONALISATION WITH HUMAN INTELLIGENCE WILL BE THE MOST SUCCESSFUL**

**PRIYA IYER, VEE24**

Live chat and messaging are well established communication channels. But keeping track of several mediums and ensuring conversations continue uninterrupted even if undertaken over several days means dealers are turning to technology and outside expertise

# SIX WAYS TO GET THE MOST OUT OF YOUR CHAT & MESSAGING

2

## The rise of the machines: Chatbots and artificial intelligence

Chatbots are beginning to handle some of the more straightforward conversations, such as requests for opening times or what is known as structured content, but seamless integration with humans is crucial.

Contact at Once is currently trialling the use of bots. Coupar-Evans said: "If the consumer is asking a question the bot can't answer, it would seamlessly hand over to a human and the consumer would never have to leave the conversation window they are in or feel like there has been a disruption. Best practice is that you will know upfront whether you are talking to a bot."

Vee24 also sees bots undertaking tasks such as FAQs as well as being designed to grow smarter from each interaction. Priya said: "We believe that people who can combine technology-powered personalisation with human intelligence will be the most successful."

Moneypenny is also testing chatbots with Microsoft to manage simple questions, leaving people to focus on more complex enquiries. McKeown said: "It's this 'gold standard' blend of real people and technology that offers retailers an opportunity to enhance their clients' journey."





# E MOST FROM MESSAGING



3

## Outsource or in-house?

Cambria opts for a hybrid approach, Godbold said: "We want our local associate to talk to our local guests. At busy times, particularly Saturdays, they may be unable to answer and they will flip over to the call centre. The centre means we are 24/7, so consumers can engage with us any time. We have learned so much from the US about how to handle chats."

Coupar-Evans agreed: "There isn't anyone better placed to answer a question about a vehicle than a dealer; however, there are times when the dealer will be busy, so we should be their safety net in-hours but out-of-hours as well."

Vee24 has seen the highest levels of success among clients with dedicated call centres and equipping staff with a live engagement platform. Call centre staff can forward enquiries with additional information to the salesperson to continue, such as showing the car live on camera. ➔

Commercial partner

**ContactAtOnce!**  
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## COMMERCIAL PARTNER COMMENT

**By Thom Coupar-Evans, UK sales director,  
Contact At Once!, a LivePerson company**



The automobile industry is full of fragmented technologies built for only one part of your company. Your messaging solution shouldn't be siloed, though. After all, consumers want to message with brands and dealerships as they shop for, buy and get cars serviced.

Contact At Once!, LivePerson's automotive division, helps manage such conversational commerce across the entire dealership, answering shoppers' questions and scheduling service in the messaging channels consumers already use.

One important facet of our whole-dealership approach is the ability to 'network' all your advertising/digital marketing. Wherever shoppers find you, you can instantly connect with them using our platform – your website, classified/car search sites, Facebook Marketplace, Google My Business, Apple Business Chat, traditional advertising and so on. You can grow leads up to 20% by adding messaging across those digital channels, like classified ad listings.

Our messaging creates continuous connections that are ideal for aftersales needs, too. Customers can schedule appointments and opt in (which 99% do) to get automated reminders, talk with their service adviser, see videos/images of the additional work recommended, approve that work, and pay – all in a messaging conversation. In fact, we have found that messaging in the service department drives a 41% increase in additional work order approvals.

With Contact At Once! (LivePerson's automotive solution), you get one messaging platform to manage conversational commerce across the dealership and in all the places consumers shop. We help you connect, with the integrations needed to get things done right.

■ **To learn more and start building your own conversational commerce plan, just reach out:**  
**Text 020 3095 7289 / [marketing@contactatonce.com](mailto:marketing@contactatonce.com) / [contactatonce.co.uk](http://contactatonce.co.uk)**

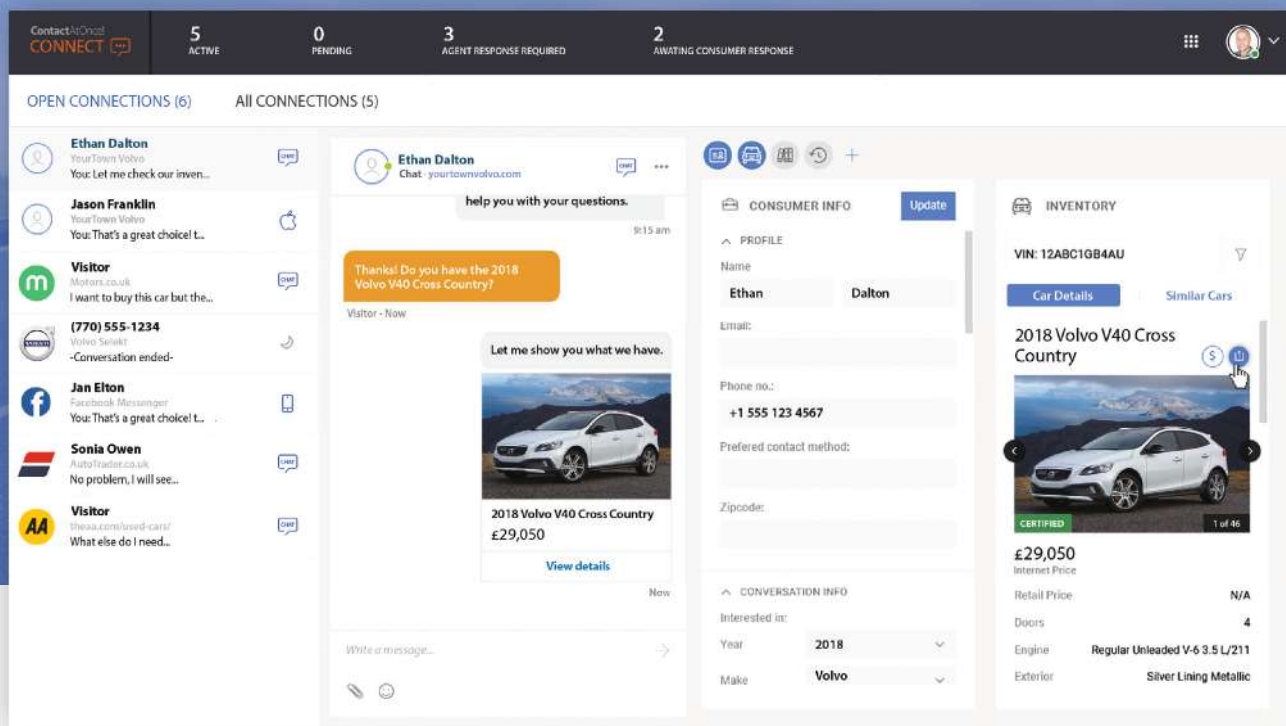
**ContactAtOnce!**  
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ContactAtOnce! is a commercial partner of our Dealer Masterclass programme, and shared more inspiration earlier this month at Automotive Management Live.

**Dealer masterclass will resume in February's AM**





# One Thing for Everything

from first search to service and repeat sales

Use one messaging platform to manage conversational commerce across the entire dealership and all the places where consumers shop. LivePerson's automotive division, Contact At Once! connects you in all these places with the integrations you need to get things done right.

One messaging platform, sales to service.  
One technology partner. One thing for everything.



4

## How live chat affects conversions

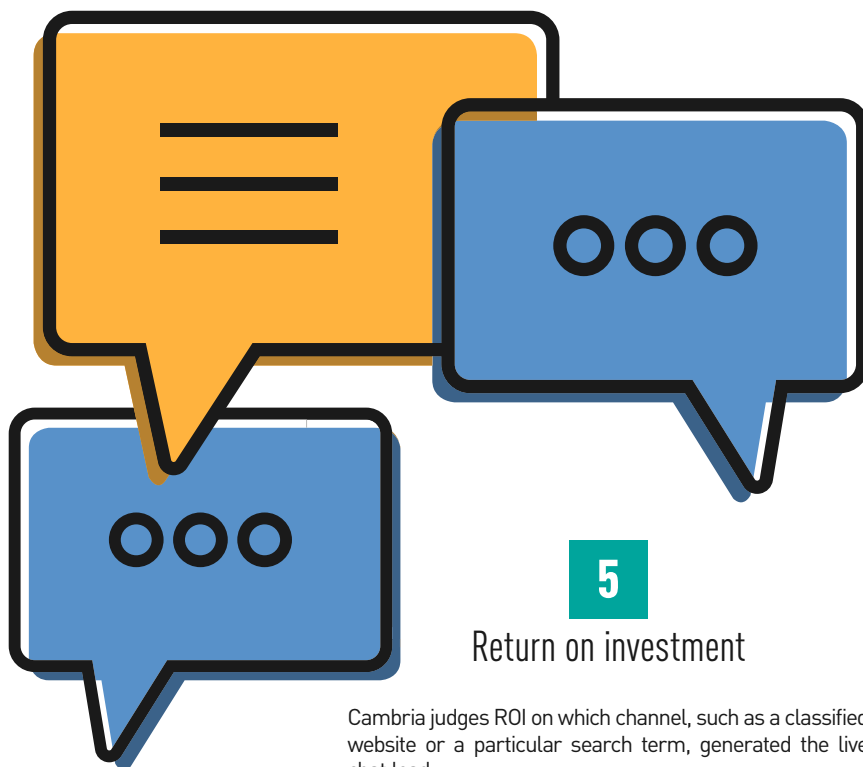
Cambria measures conversion by a consumer indicating a next step, such as providing an email address or phone number.

Godbold refers to this as a 'hand-raiser'. In the months since launching live chat in 2008, conversion was 22%. Ten years on, it's 70%. The slight gain on 2017's 68% conversion rate is due to new technology providing valuable information while the chat is under way, such as the consumer's location, the car they are looking at and minimum and maximum budget. The next step is to build a measurement model to enable tracking from live chat through to sale.

Godbold said: "We know the car they want while they are asking us questions. That's a massive help because it really empowers the [sales] associate."

Coupar-Evans claimed one of Contact at Once's dealer clients had raised its answer rate from about 65% to 95-97% by switching to the company's managed services. Contact at Once said it can generate a 20-30% increase in chat answered and subsequent lead volumes, with 70-75% of interactive conversations becoming leads. It claims that one in three interactive conversations in the US results in a sale within 60 days (corresponding research in the UK has yet to be undertaken).

According to Vee24, its clients Sytner and Halliwell Jones see at least 35% of all video chat engagement convert to test drives. Service customers rate at least 85 NPS (Net Promoter Score) while 94% of customer satisfaction scores are 4+/5.



5

## Return on investment

Cambria judges ROI on which channel, such as a classified website or a particular search term, generated the live chat lead.

Contact at Once said its analysis of bigger groups and manufacturers in the UK showed it delivers a cost per lead of £8-£12. Moving from live chat into a messaging solution typically results in a further 5-10% increase in conversations while additional layers such as Facebook Messenger and Apple Business Chat sees a 20% uplift in conversation volume.

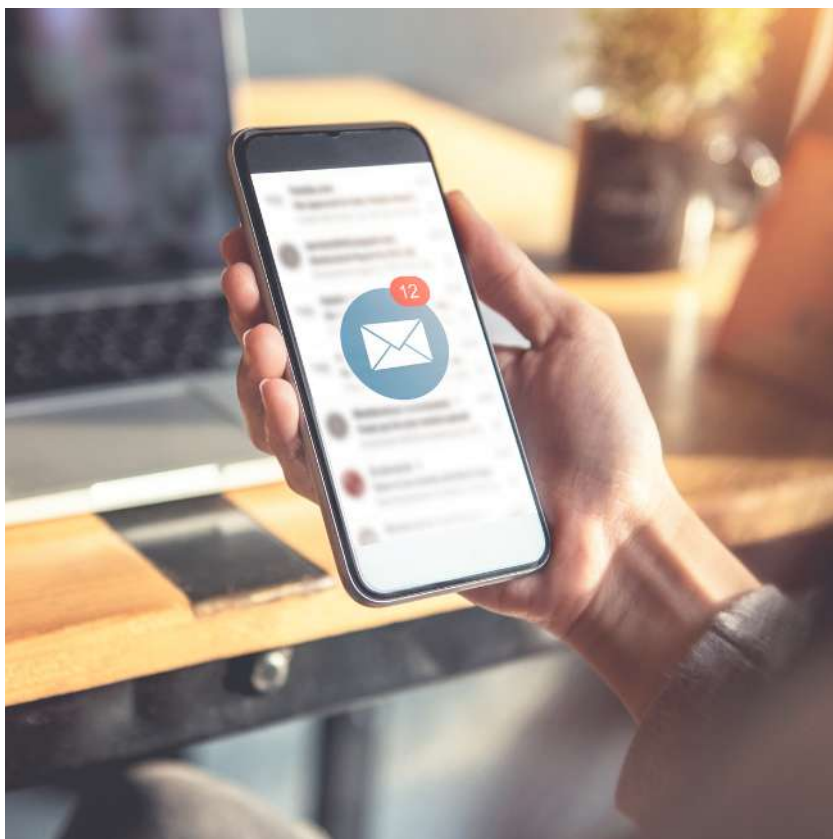
Declining to reveal its lead-to-sale conversion rates, Vee24 said many dealers experience double-digit growth.

McKeown said: "[Moneypenny's] latest data shows almost half (45%) of all the chats our receptionists handle for dealerships result in a new enquiry. That's a significant amount, especially when research indicates that customers who engage in chats are 43% more likely to convert into a paying client."

6

## GDPR

Dealers must ensure that any third-party provider's contract requires them to be GDPR-compliant, and that they make it clear to consumers how and why any data they provide will be shared with the dealer doing the processing.



**“ALMOST HALF (45%) OF ALL THE CHATS OUR RECEPTIONISTS HANDLE FOR DEALERSHIPS RESULT IN A NEW ENQUIRY**

**JO MCKEOWN, MONEYPENNY**

# AM dealers recommend their top-rated suppliers

## AUCTIONS & REMARKETING



**By Craig Purvey,**  
**BCA chief commercial officer**

BCA operates auction centres across the UK, from Scotland to the south-west, selling more than a million vehicles annually. As the UK and Europe's largest vehicle marketplace, BCA helps dealers with a complete range of vehicle buying and selling services. No one offers a greater selection and diversity of vehicles or more ways to source and buy, which is why BCA is the first choice for franchise dealers, independent dealers and car supermarkets when looking for stock.

BCA Dealer Pro allows dealers to appraise, value and remarket part-exchange vehicles and maintain inventory at the touch of a screen. BCA Partner Finance offers franchised and independent dealers funding, both for vehicles purchased at BCA and for part-exchange vehicles, helping dealers to trade profitably.

From technical and logistics services for new vehicles, refurbishment, storage and logistics for the 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.



## FINANCE



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

We are delighted to have once again been awarded *Automotive Management* magazine's Dealer Recommended Award for the eighth year running.

This award is particularly important to all of us at Black Horse, especially as it is voted for by you, the dealers. We truly value the significance of this recognition within the industry.

2018 has been an incredible year, but it has, of course, seen some challenges also. The flattening we experienced in 2017 has continued and we are still in an uncertain economic and political environment. At Black Horse, we remain committed to investing in tools, services and training to ensure you can offer customers a seamless financial experience now and in the future.

2019 will bring further change and challenge, and we look forward to supporting our dealer partners, whatever is around the corner.



## GAP INSURANCE



**By Mike Macaulay,**  
**head of corporate sales, AutoProtect**

When it comes to selecting a business partner for GAP and RTI insurance, AutoProtect is proud to say it comes as 'dealer recommended.' Our thanks to the dealers who have again given us this accolade.

GAP and RTI is a profit centre and an opportunity to delight a customer. Our training, showroom support and compliance ethos provides the reassurance necessary to appropriately maximise sales. However, the acid test in any insurance is when a claim arises. This is where AutoProtect excels.

AutoProtect's industry-leading smartphone apps make the process quick and easy. Today, more claims are paid out more quickly. This ease and transparency is reflected in an approach that ensures that in RTI claims, contributions, such as FDAs, have no bearing on decisions – payments are based upon the invoiced price of the car.

It's why we are proud to say: "A better approach to GAP and RTI = better results."





**T**he greatest form of marketing is word of mouth. A business may have excellent products, but, ultimately, recommendations are a measure of outstanding service.

The results of AM's annual Dealer Recommended programme, which researches subscribing dealers about the companies they believe offer the best service, are in. Here, we present the recipients.



## PAINT PROTECTION



**By Alan Graham,  
head of global sales, Supagard**

Supagard are delighted to win the Dealer Recommended award for 2019.

The company was founded in 1988 and the 30th anniversary of the business is a real milestone in the company's history. 2018 has proven no different to recent years as a massively successful year. In a declining new car market, the business has shown outstanding growth in the UK during the year, with further growth predicted in 2019. Future plans continue to develop with further internationalisation and digitalisation key features moving forward.

Recent consumer research provided demonstrable evidence of Supagard being the preferred paint sealant product of UK consumers and with further development and investment continuing over the coming years, the business is excited about the future.

Thirty years on from our foundation, the Supagard philosophy is still the same – give our trade customers the best quality, value and service around and make it easy for them to sell our products and maximise their profits at the same time.

The Supagard logo, featuring the word 'Supagard' in a stylized, cursive red font.

## SERVICE PLANS



**By John O'Donnell,  
managing director, EMaC**

EMaC works in close partnership with vehicle manufacturers and dealerships to strengthen their aftersales relationships with their customers, creating positive

experiences that lead to increased loyalty and greater revenues. We call this 'Ownercare'.

The core of our business is service plans: with a live book of 1.6 million customers, we are the acknowledged UK leader, trusted by 15 of the world's foremost vehicle manufacturers.

We use reliable, highly evolved platforms to integrate our systems with those of our clients. We offer customer service that is second-to-none and we take responsibility, so that our clients can focus on their strengths, knowing that their customers are in great hands.

In 2017, we estimate that we created more than a quarter of a billion pounds worth of potential revenue for our dealer partners.

The EMaC logo, featuring the letters 'EMaC' in a bold, black, sans-serif font.

## WARRANTY



**By Paul Newton, CEO, Car Care Plan**

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. Our aim is to provide fresh and exciting bespoke products and services to our clients to help open new revenue streams, open up new routes to market, improve overall customer experience and increase clients' retention rates. Car Care Plan is able to bring a full-service, end-to-end warranty and ancillary products solution

to your business all 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.

The Car Care Plan logo, featuring a stylized blue 'A' icon above the text 'Car Care Plan' and 'An AmTrust Financial Company' below it.

## VOLKSWAGEN E-GOLF

REPORT  
PROGRESS



## SIX-MONTH TEST CLARIFIES EVs' PERKS AND PITFALLS

**A**ddressing the LowCVP annual conference earlier this year, AA president Edmund King said that "ultimately, outstanding, affordable, stylish EVs with a decent range will sell themselves".

For now, though, anxieties about range persist and most customers will only consider an EV as half of a two-car household. *AM*'s temporary 'ownership' of the e-Golf has suggested that this is unlikely to be a 'second' car though, as it becomes the default way to travel.

The e-Golf delivers a low-cost real-world range of about 135 miles, more than most need Monday to Friday. Home charging – in my case with a Chargemaster wall unit (although Volkswagen's approved provider is Pod Point) – is habit-forming and effortless.

However, business trips and family days out will expose owners to the quirks and complexities of the UK's charging networks, which demand a variety of smartphone apps and a preparedness to deal with faults, queues and the time spent charging itself.

During its time with *AM*, the e-Golf provided quiet and comfortable driving and its servicing requirements – inspection after two years/20,000 miles and then annually – will delight potential customers and confound retailers.

Volkswagen's current flagship EV is not a car for everyman, but the group's plan to launch more than 80 new electrified models by 2025, including 50 EVs, suggests the car that is may not be far away.

TOM SHARPE



£37,040 (EXCL.  
£4,500 GRANT)



100KW/136PS



0-62MPH 9.6 SECS,  
TOP SPEED 93MPH



124 MILES  
(186 MILES  
NEDC TEST)



FAMILIAR GOLF STRENGTHS,  
STRAIGHTFORWARD USABILITY



CHARGE POINT INFRASTRUCTURE,  
EV EXTREMISTS

CURRENT  
MILEAGE

0 6 4 1 0

START  
MILEAGE

0 0 1 0 0

## SEAT ATECA

REPORT  
PROGRESS



## A GOOD TEST DRIVE AND A BOLD COLOUR WILL SEAL THE DEAL

**A**fter several months, the Seat Ateca continues to surprise. It leads the SUV class for handling, well ahead of direct rivals such as the Nissan Qashqai and even the closely related Škoda Karoq.

The suspension is firm enough to ensure owners won't experience too much body lean when cornering, helping to make the Ateca feel agile, even when four people are on board. The steering is precise and offers decent feedback, making it easy to place the nose of the car where you want it. Anyone coming to the Ateca after years of driving nimble family hatchbacks will not feel they have aged and gotten boring, so the emphasis must be on Seat dealers to make sure prospects get a proper test drive, not a 10-minute cruise around a retail park.

My family has been impressed by this Ateca's elegant, sharp styling and high levels of comfort and convenience, such as heated front seats, arm rests, and reading and footwell lights for rear passengers. They also love that its infotainment system is compatible with Apple CarPlay and AndroidAuto, so they can force me to turn off Planet Rock and listen to their playlists instead.

However, friends have described our Ateca as "anonymous" when parked next to its rivals. I think the Reflex Silver colour of our car doesn't do it justice – Atecas in Samoa Orange, Velvet Red or Lava Blue look stunning. There is no additional cost for metallic finish – private buyers should be encouraged to be brave and stand out from the silver or white of company car users.

TIM ROSE



PRICED FROM:  
£20,825  
(THIS MODEL  
£30,000)



SEGMENT SHARE  
2.53%  
(SOURCE: SMMT)



55.4MPG



2.0-TDI 150PS



LOTS OF INTERIOR COMFORTS,  
SHARP HANDLING



NEEDS TO STAND OUT FROM  
THE CROWD

CURRENT  
MILEAGE

0 2 8 2 2

START  
MILEAGE

0 0 0 9 4

## ≡ GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Steve Smith, head of business at Mon Motors' Audi Bristol dealership, correctly identified the Daewoo Nexia in our last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto:am@bauermedia.co.uk) with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, December 7.



## ADVERTISING FEATURE

# EXECUTIVE PANEL

# Industry professionals share their best advice on motor retail issues

### VALETING

## How will minimum wage rises affect you?

By Martin Peters, sales director, Autoclenz Group



At the end of October, Chancellor Philip Hammond announced in his Budget that the minimum wage will increase from £7.83 to £8.21 (4.9%) an hour in April 2019.

Minimum wage increases typically affect the cost base of the valet bay, mainly due to the labour involved in this process sitting at the lower end of the earnings ladder.

There are two things we can discern from this – firstly, if you have your own in-house operation, it is guaranteed that the cost of your valeting operation is going to continue to increase to an unknown level outside of your control subject to the government of the day.

Secondly, there is a definite need to move away from hourly or fixed day rate costs and move to a more flexible pay-as-you-go unit rate of work.

If your valeting department operates on unit-driven rates it creates two positives, a flexible invoice based on the work completed and an increase in productivity due to the nature of the reward of piecework.

Whether for the sales department, service department or even site and showroom maintenance, a per car rate is the way to go. Link this to other minimum wage hourly rate activities such as office/showroom cleaning and the case strengthens.

This creates a compelling case to consider outsourcing, not only your valeting but any area of your business where minimum wage compliance may come into play.

■ **For more information on the difference Autoclenz can make to your business, please call Lucy on 01283 554 682, or visit [www.autoclenz.co.uk](http://www.autoclenz.co.uk).**



### AUCTIONS

## Buy now for a profitable New Year

By Stuart Pearson, COO, BCA UK Remarketing



As we approach the end of 2018, dealers will look to build stock levels ahead of the typically busy first quarter. Putting the work in during November and December will help ensure a positive first quarter and a great selection of attractive used stock to tempt retail customers.

The next two months offer a great purchasing opportunity as businesses chase year-end targets and look to clear the decks for the New Year. BCA is anticipating healthy volumes from leasing and contract hire, major dealer groups and [webuyanycar.com](http://webuyanycar.com) during this period as these companies need to keep churning stock all year round.

BCA's physical auction programme runs until close of business on Christmas Eve and opens again on Monday, December 31, to deliver buying opportunities to our customers. Over the Christmas period, buyers will also be able to bid and buy from a selection of vehicles available via our Bid Now Buy Now digital platform.

At this busy time, BCA Partner Finance can help and is supporting its dealers by extending the availability of funding to help them build inventory levels for the busy new year period. Funding is available for the whole auction purchase, including fees such as transport and delivery costs and VAT where applicable. As well as all stock bought at BCA auctions, Partner Finance customers can secure funding for their part-exchange cars, making it even easier to acquire the best stock.

So not only does BCA offer the best choice of stock for professional buyers, we help all dealers compete on a level playing field when it comes to acquiring attractive stock for the forecourt.

■ **Visit [bca.co.uk](http://bca.co.uk) for more information and make sure no profit opportunities pass you by.**





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CAPITAL

\*100% of hammer price plus auction and delivery fees (auction purchases), or lower of CAP clean/invoice price (trade vehicles). \* VAT funded on LCVs and qualifying vehicles up to the value of £45,000.  
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A COX AUTOMOTIVE BRAND

## AM AWARDS: 2019



## Welcome to this year's AM Awards sponsors

Preparations for the 2019 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 7, 2019.

There are 24 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:

**LTK Consultants is sponsoring the Dealer Principal/General Manager of the Year Award**

**BNP Paribas is sponsoring the Most Improved Dealership Award**

We are delighted to receive the support of both companies for these two key award categories at what promises to be an industry highlight of 2019.

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

# AVERAGE DEALER EMPLOYEE EARNED £41,000 IN 2018

Aftersales wages show biggest rises, but overall workers' pay up 2.5%, says BDO

**T**he average car retail employee's annual remuneration package increased to £41,000 in 2018, from £40,000, a year earlier, according to BDO's eighth Motor Salary Survey.

The annual survey found the biggest overall wage increases in dealerships' aftersales departments, where productivity and profitability have remained constant during a year in which margins were squeezed in both new and used car sales.

BDO partner Steve Le Bas said the overall 2.5% year-on-year increase – up on the 2% rise seen in 2017 – had come as a result of retailers' efforts to retain the best staff in an era of high employment.

Le Bas said: "Our expectations for the coming year are for further increases. However, in light of current industry trading and the general economic uncertainty, this might be at lower levels than in 2017/2018."

"It will also be interesting to see further developments in the shift towards higher basic pay and lower commission structures as groups put greater focus on 'selling' online, potentially meaning less need for commission-based salespeople to 'make the sale'."

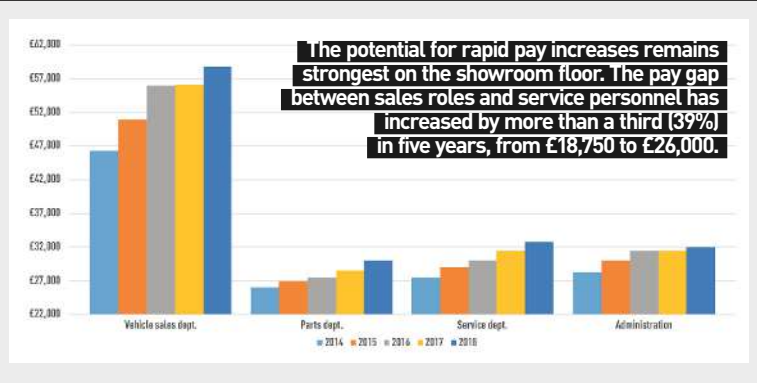
BDO reported that the average base salary for all 27 dealership positions surveyed, across a total of 365 retail sites, was £36,889 (2017: £34,623), with a further £17,256 receivable in commis-

**“OUR EXPECTATIONS FOR THE COMING YEAR ARE FOR FURTHER INCREASES... THIS MIGHT BE AT LOWER LEVELS THAN IN 2017/2018”**

STEVE LE BAS, BDO

## ➤ AVERAGE SALARY BY DEPARTMENT

(Source: BDO)



sions and benefits – meaning about 30% of earnings continue to be commission-driven.

The average remuneration received by a managing director or chief executive rose to £247,000, up 18.8% on 2017's £207,000, which followed a decline from 2016's £208,000 total.

Finance directors continued to see their remuneration levels rise, from an average of £140,000 in 2016 to £144,000 last year and £151,000 in 2018, according to BDO's research.

Dealer principals, meanwhile, made an average of £111,000 in 2018, up 6.7% on last year's average, which came after a dip from £116,000 in 2016.

While the dealership's parts department continues to employ some of the lower earners, wages were increased by 10.1% to an average of £30,000 this year (2017: £27,250), with service staff realising a 7.4% increase to £32,750 (£30,500).

BDO's survey also analyses staff turnover and the average hours worked across job roles. The report noted: "With

regards to staff turnover, the average length of service at a dealership has increased to eight years, with key executives continuing to be at dealerships for in excess of 10 years on average.

"The average number of hours worked by an employee per week was consistent, being approximately 41 hours (2017: 41 hours).

"In addition, employees receive an average holiday entitlement of 24 days (2017: 26 days), 40% of employees receive car benefits (2017: 42%) with 73% of employees receiving other benefits (2017: 74%)."

Le Bas said: "While the survey primarily takes into consideration remuneration in the form of financial rewards, we recognise the value of a number of other innovative strategies available to reward staff and increase morale.

"These strategies often involve little financial expense and have positive long-term benefits in terms of engagement and staff retention."

TOM SHARPE

## RESOURCES

### BDO MOTOR SALARY SURVEY

Summary data from the past five years is available for free below. The full report is available from BDO for participating dealers.  
[www.am-online.com/data/bdo-motor-salary-survey](http://www.am-online.com/data/bdo-motor-salary-survey)

### EMPLOYEE EARNINGS IN THE UK

The Office for National Statistics gathers data annually on UK workers' earnings, broken down by industry sector, age and occupation.  
[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2018](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2018)

### GENDER PAY GAP REPORTING



[gender-pay-gap.service.gov.uk/](http://gender-pay-gap.service.gov.uk/)

Users can search for specific companies' data on average pay by gender.

ADVERTISING FEATURE

# Online finance will drive dealer profits in 2019

By James Tew, CEO, iVendi



Getting online motor finance offerings right will be crucial to the profitability of many used car dealers in 2019. With trade prices so high that making a worthwhile margin is increasingly difficult, dealers will rely more and more on motor finance.

What we are likely to see next year is the convergence of two trends. One is that more customers are completing some or all of their used car purchase online, including motor finance. The other is that motor finance is becoming more and more important to dealers who are faced with a market where trade and retail prices have moved ever closer.

What this means is that dealers increasingly need to look to online motor finance and make sure they are offering something appropriate to their customer base – but this remains an area where the quality of what dealers offer varies widely.

It is an obvious statement, but the dealers who put the most effort into online motor finance are the ones who will get the best results. What we find time and again is that there is a large group of used car buyers – about four out of five, according to our research – who are confident about the prospect of using online motor finance. However, the majority of those consumers believe that motor retail lags behind other industries when it comes to operating online.

In 2019, we may be reaching a point where that just has to change and dealers will no longer be able to afford to ignore the opportunities that online motor finance offers if they want to continue to make a decent level of profit.

■ **iVendi is the international market leader in online motor retailing solutions, working with everyone from dealers and manufacturers to car portals and motor finance providers. Visit [www.ivendi.com](http://www.ivendi.com), email [enquiries@ivendi.com](mailto:enquiries@ivendi.com) or call 0345 226 0503**



# TALENT ON THE MOVE



PAUL WILLIS,  
MANAGING DIRECTOR  
VOLKSWAGEN GROUP UK

Paul Willis, the managing director of Volkswagen Group UK, has confirmed he is leaving the brand.

Willis said he was sad to be leaving, but had been offered a new opportunity outside the UK, which he was “unable to turn down”.

He led the Volkswagen Passenger Cars brand between February 2000 and 2008 and worked as the managing director of Volkswagen Group Ireland, before replacing Paul Willcox as the group’s UK managing director – responsible for all VW Group brands in the UK.

While Willis would not reveal his new employer, he said: “It is a large conglomerate outside the UK with automotive interests.” He added: “My new role is with a firm that is

much more entrepreneurial than being an importer. That’s something I’ve always found interesting and I’ll be both a board member and responsible for the entire value chain.”

A spokesman for VW Group UK said no timescale had yet been set for his departure, but Willis said although the end of the year would be a natural time for him to leave, he would be willing to stay on to facilitate the transition to his replacement.

Willis led the VW Group response to the dieselgate scandal of September 2015 and gave evidence to the transport select committee on at least four occasions.

MARK WILLIS,  
FINANCE  
DIRECTOR  
AT  
PENDRAGON

Mark Willis will replace Tim Holden as Pendragon’s finance director when he leaves the business after 10 years in March.

Willis will join from Ten Entertainment Group, where he has been chief financial officer since taking it through its IPO in April 2017. Before that, he worked at Home Retail Group, including roles as Argos finance director, director of group finance and investor relations director.



RICHARD BLUMBERGER,  
CFO, MARSHALL  
MOTOR HOLDINGS

Richard Blumberger will join Marshall Motor Holdings as chief financial officer, replacing Mark Raban who will step down from the role in January 2019.

Blumberger is the director of group finance at facilities management company Mitie and was previously chief financial officer at Engie (formerly GDF Suez) and finance director at Balfour Beatty.

Raban joined MMH in 2014 and played an integral role in both the group’s IPO and its subsequent growth.



LISA BRANKIN,  
SALES DIRECTOR AT  
FORD OF BRITAIN

Lisa Brankin will replace Kevin Griffin as Ford of Britain’s sales director at the beginning of 2019.

Brankin, currently marketing director at Ford, will be responsible for all sales distribution channels, including the Ford dealer network and online sales, in the UK.

As dealer operations director, she was responsible for all sales support and dealer representation activities in the UK, including the implementation of Transit Specialist Dealer Centres and rolling out the FordStore initiative.



SPENCER CLAYTON-JONES,  
NETWORK DEVELOPMENT  
DIRECTOR, NISSAN GB

Nissan Motor GB has named Spencer Clayton-Jones as dealer network development and customer quality director.

He returned to Nissan – where he started his automotive industry career – 10 months ago as network strategy manager, and started his new role on November 1.

Alex Smith, Nissan Motor GB managing director, said his role will “focus on every customer touchpoint in order to continue to drive quality throughout our dealer network”.



# Bowker Motor Group

THE JOY IN THE JOURNEY



Bowker  
Ribble Valley

## Head of Business

Bowker Motor Group is an established and award-winning Lancashire family-owned business, representing prestige brands of BMW, MINI, Motorrad, Harley-Davidson and Porsche in Preston and Blackburn.

We have a rare and exciting opportunity for a Head of Business of the BMW and MINI Centres on Preston Docklands. The role will be to effectively manage the resources within the BMW and MINI Centres to achieve the required business objectives including sales volumes, profitability, employee satisfaction, customer satisfaction and loyalty levels. This is a great opportunity for a Head of Business to bring synergy, leadership and drive the performance of the two Centres to even greater success.

### Key Responsibilities:

- To ensure maximum profitability and efficiency of the Centres in all areas
- To continually monitor the financial situation, examining all accounts, daily and weekly operating controls
- Regular liaison with Manufacturers to discuss franchise performance and objectives
- Take actions to sustain and enhance levels of customer satisfaction, service and retention through processes, facility enhancements and training/development of staff
- To ensure the business delights all of its customers
- Maintain effective control of expenses in line with budget objectives
- Lead and motivate the management team, taking steps to create a professional and customer focussed environment
- Completing evaluation performance reviews and developing short and long term goals with each department manager

### Essential Requirements:

- People management particularly in terms of achievement through teams. Leadership style should be highly visible and hands on
- Motor industry experience, along with experience in a senior position with established track record in profit delivery, cost control, stock and people management
- Enthusiasm to deliver the BMW and MINI brand experiences and continuously improve product knowledge of self and others
- Desire to achieve the highest standard of personalised customer care commensurate with the brands
- Flexible approach to work and adaptable to thrive in a changing environment

This opportunity offers a competitive salary plus many other benefits.

If you can demonstrate the skills and experience we are looking for and have a passion for the BMW and MINI brands, please apply by emailing [recruitment@bowkermotorgroup.com](mailto:recruitment@bowkermotorgroup.com)

**Closing date for applications is 10 December 2018.**

[www.BowkerMotorGroup.com](http://www.BowkerMotorGroup.com)

## EIGHT QUESTIONS TO...

# AN AFTERSALES DIRECTOR

Kia Motors UK's Chris Lear explains the benefits of simplicity and why he rallies to relax



### What are the main responsibilities of your role?

**LEAR:** My role encompasses all operational and commercial elements of aftersales. I am responsible for the parts and accessories business, customer services, warranty, technical support, quality and the commercial development of the service and repair business, along with aftersales support of our dealer network via a team of field managers.

### What are the most significant challenges ahead in your field of work?

**LEAR:** I consider my overall challenge is to ensure an environment in which the aftersales business for Kia and its dealer partners can continue to flourish. Within this overriding objective, there are of course many challenges. Improving customer retention is a key challenge, as it guarantees future success in what is a highly competitive market. However, a significantly growing vehicle parc (as Kia is experiencing) combined with improving customer retention can then create capacity challenges, not only at dealers, but also at the manufacturer side. The challenge is to continue to grow, cope with that continual growth and always delight customers such that the business cycle is sustained, while making a profit, of course.

### How might these challenges be overcome?

**LEAR:** We must ensure that both Kia and our dealer partners continue to work together effectively. For the Kia side of the equation, we must ensure dealers are fully supported, such that the efficiency of their operations is in no way compromised. Areas such as warranty, technical support and parts supply are key to this. We also must strive to develop commercial propositions to support further increases in both customer retention and operational efficiencies.

On the dealer side, we must ensure the capacity is there, both physical and human, so customers do not shop around because lead times are too long. Equally, our customers must get the experience we have promised, through well trained and motivated staff.

### What attracted you to this area of expertise?

**LEAR:** In many respects I fell into the aftersales arena due to my interest in cars. Upon graduating from

university in geography, a subject I studied solely because I enjoyed it, I knew I wanted to combine a career with my interest, not my academic qualification. I therefore applied to car manufacturers for their graduate management schemes. I was fortunate enough to secure a position that allowed me to experience many facets of business, including logistics and sales and marketing – this was aftersales. Being a details person, I quickly realised that I was well suited to the world of aftersales and the technical elements satisfied my interest in cars themselves. The wide business spectrum of aftersales also challenged me.

### What's the most important thing you've learned in your career, and how have you made use of it?

**LEAR:** Simplify. Aftersales is a detailed and multi-faceted business. As a result it can become overcomplicated if you allow it. By gaining a thorough understanding of all the detail, it is then necessary to simplify – "go back to basics" is a phrase I regularly use. Having worked in the field for a large part of my career, I appreciate how easy it is for manufacturers to create programmes that can be overcomplicated, forgetting that our dealer partners have much more to do than simply a manufacturer programme to operate.

MATT DE PREZ

## QUICK-FIRE QUESTIONS

### What drives you?

Achieving a complete and commercially successful outcome to any task, problem or project.

### What's your favourite app?

Facebook – I use it primarily to keep in contact with my motorsport club members and activities, more than family and friends.

### How do you relax?

I enjoy spending time with my family and walking. I also enjoy rallying, whether as a competitor, an official or simply working on my own car.

AM

AM, Media House, Lynch Wood, Peterborough PE2 6EA  
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### THIS MONTH'S QUESTION TO THE AM TEAM:

What's the best lesson you've learned from a work of fiction?

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► Marvellous medicine is really hard to replicate (*George's Marvellous Medicine*)

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► Pirates don't make good neighbours. Or do they? (*The Pirates Next Door*)

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► Personal is not the same as important. People just think it is (*Lords and Ladies*)

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