

AM

AUTOMOTIVE MANAGEMENT

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BEST UK DEALERSHIPS TO WORK FOR / P12

We begin the hunt for UK's top motor retail employers

LUSCOMBE MOTORS / P24

Robin Luscombe prefers 'old school' customer service

VOLVO UK / P36

'We will hit 2020 targets on market share, safety and CI'



AM AWARDS 2018 / P40

THE BEST IN THE BUSINESS

VIDEO 1st Online

Harness the power of YouTube through VIDEO 1st Online to increase vehicle sales

VIDEO 1st Online provides a platform for dealers to take a sales video on the forecourt and then seamlessly upload it directly to YouTube and Auto Trader. Using a VRM lookup, full vehicle details are populated onto the video-sharing website as the media is uploaded together with a direct link to the Auto Trader advert for the vehicle.



Uploaded media

Description from DVLA

Price from Stock Master

Dealer contact information

Link to ad on

AutoTrader

Price

Vehicle Description

Media from **YouTube**

Dealer contact information

If eDynamix Stock Master is being used to manage and monitor stock profiling from the DMS then the current retail price is attached to the vehicle description on YouTube. If the price is adjusted within Stock Master, this is immediately reflected on the YouTube video.

55%

Of the videos watched on a Dealers' YouTube channel, 55% are found from YouTube's own search and browse features with a further 36% viewed after being suggested while watching a video on the site.

36%

£99

per month including

- YouTube
- Auto Trader
- Personalised Videos

31%

When found from external sources, 31% are viewed after a user search on Google and 30% are from other channels.

30%



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EDITOR'S LETTER

The general public still vastly underestimates the skills and knowledge that underpin every franchised dealership. Some dealers even suggest that plenty of the staff from carmakers' national sales companies are equally guilty.

It's when the market suffers a downturn that this skill and knowledge must shine through and be developed further. The pressure is on. Undesirable costs must be addressed in the short-term, and our industry has become more complex than ever, but it is the people in your businesses who will see it through.

It has often been said that motor retail suffers from too much short-termism. Manufacturers set the dealer a monthly or quarterly target, and make it unaffordable to miss, so, unsurprisingly, the focus is on doing the numbers. But the industry cannot ignore the fact that it faces a transition in the longer term. Vehicle technology and consumer habits are changing and people will need to change too. The skills and knowledge we have today will need to adapt to meet new challenges.

There are great employers in our sector who are already examining how they might change, who are investing in their workforce, giving workers new skills and opportunities and trialling different approaches. *AM* wants to acknowledge these business leaders, so we're now launching our *AM* Best UK Dealerships To Work For initiative for 2018.

You can find out more about our free programme – and how to register your business for it – on Page 12. The dealerships which qualified last year received a real boost to their business profiles and demonstrated to the rest of the industry they know their people cannot stand still as the world turns. Don't you want to do the same?



MEET THE TEAM



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features editor



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Head of digital/
associate editor

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IS THE APPRENTICESHIP LEVY WORKING FOR DEALERS?

Almost a year on, motor retailers are struggling to reap the full benefits of their own funds

Despite dealers in the AM100 paying a total of £196 million into the Government's Apprenticeship Levy Fund in its first full year, some motor retailers are still struggling to adapt to the scheme and the number of starting apprentices has fallen.

Some dealers have complained that the sheer size of their workforce makes reclaiming their entire fund impractical, while others have complained about inflated fees and others have faced red tape or found that manufacturer schemes are not covered by the fund.

Under the scheme, any business

with an annual payroll of more than £3m is required to pay 0.5% of its total wage bill – minus a £15,000 allowance – into a fund it can then draw on to fund approved training schemes.

Despite repeated calls from the motor retail industry for the scheme to be delayed, the Government introduced the levy in April 2017 in an attempt to meet a commitment to three million apprenticeships starting in England between 2015 and 2020.

Every one of the AM100 qualifies to pay the Levy by virtue of payrolls of above £3 million and a combined spend on staff of about £3.9 billion.

Nor do the difficulties seem to be

restricted to motor retail, with Department for Education figures showing a 26.5% fall in the number of new apprentices. In the first quarter of the 2016/17 academic year, the DfE figures showed 155,600 apprenticeship new starters. This fell to 114,000 in the same period in 2017/18, which the DfE said was "likely to be associated with the introduction of the apprenticeship levy in April 2017".

'A fresh approach is needed'

Neil Carberry, the managing director of the Confederation of Business Industry (CBI), said the figures were "alarming" and proved that "the Apprenticeship Levy isn't yet working for businesses, apprentices and the economy".

He added: "A fresh approach is needed to make skills reforms work. The CBI will continue in its calls to government to evolve the Apprenticeship Levy into a flexible skills levy, so firms can fund training for their people whatever the form of high-quality course they do.

"Policy-makers must collaborate more closely with businesses and learning providers to design a stable

national framework for skills."

The Institute for the Motor Industry (IMI) said the slump could be attributed to "a combination of confusion amongst employers about the new processes, reluctance by smaller employers to take on what they see as an increased administrative burden and simple inertia in the transition from the old apprentice frameworks to the new standards".

Figures show an overall drop of 26.5% in apprenticeship starts across all sectors since the introduction of the levy, but Steve Nash, the chief executive of the IMI, said automotive apprenticeship starts had declined 15% during the period.

Nash said: "Perhaps this reflects the fact that apprenticeships are a long-established entry into automotive, with many excellent employers offering first-class schemes."

However, even a 15% decline will be unwelcome at a time when the automotive sector is already trying to address a skills shortage.

Gavin White, the managing director of technician recruitment company Autotech Recruit, said failing to resolve problems with the Apprenticeship Levy would exacerbate a



“OUR ADVICE HAS BEEN THAT WE CANNOT RECOVER THE LEVY AS THEY [OUR MANUFACTURER-APPROVED TRAINING SCHEME] ARE NOT AN APPROVED SUPPLIER

PAUL GOODWIN, ARBURY GROUP



problem already worsened by the EU referendum result.

"With Brexit likely to impact the stream of migrant workers the industry has relied upon in previous years, motor industry bosses should be doing more to safeguard their current workforce and offer training provisions to retain their current workforce," he said.

"Getting the education framework right is essential to attract a younger generation and guarantee the UK automotive economy thrives."

'Very little support for employers'

Stoneacre Motor Group runs its own training academy and is classed as an apprenticeships "employer provider", recruiting and training between 100 and 150 apprentices a year.

Shaun Foweather, the group's managing director, said the academy had allowed Stoneacre to bring "a high proportion" of its levy payments back into the business to fund apprentice training, but the scale of its wage bill and its investment in training that goes beyond the approved frameworks make it impossible to reclaim the full amount it has paid in.

However, he was adamant that the levy had not affected Stoneacre's commitment to apprentices: "The return on investment for us as a business is extremely good."

But Foweather did acknowledge that smaller dealer groups may struggle to gain such benefit from the scheme.

"There is very little support out there for employers. Stoneacre's group academy manager, Claire Rooms, makes sure that any external training that is provided for us is costed appropriately for the provision that we get, but few groups are so well equipped.

"The team behind the Stoneacre Academy keep me up to date on the status of our Apprenticeship Levy funding pot and we have the staff to ensure that we can reclaim back what we can.

"For smaller businesses, I can appreciate that will place quite an admin burden on them."

Increasing costs to business

While Stoneacre will not be able to draw down all its funds, other groups are having the opposite problem.

Sarah Johanson, group HR adviser at Jennings Group, said the levy had profoundly affected the number of apprentices the business can employ and said the cost of training had increased dramatically under the new scheme.

She said: "We have had a decrease in the number of apprentices since the introduction of the levy, the biggest reason being the cost of our technical apprenticeships.

"Prior to the levy, as a group we were introducing more apprenticeships across the non-traditional roles, into accounts, administration, customer service, etc. However, due to the substantial increase we have incurred in training apprentices in the motor vehicle technician roles and bodyshop roles, which are essential to our business, we have had to reduce numbers elsewhere."

Johanson said Jennings Group's levy fund will be fully drawn down on technical roles alone, which leaves no additional funding to expand into other areas.

"The Government's argument is that once the pot is exceeded you then become co-funded and the training is available at a far reduced rate," she said.

"However, they are not appreciating that the cost to the business

WE HAVE THE STAFF TO ENSURE WE CAN RECLAIM BACK WHAT WE CAN. FOR SMALLER BUSINESSES, THAT WILL PLACE QUITE AN ADMIN BURDEN ON THEM
SHAUN FOWEATHER, STONEACRE



has already dramatically increased and then we still have the wage costs on top of that, which does not encourage businesses in the current climate to create more apprentice-ships posts."

Training providers 'slow to adapt'

Bureaucratic delays are also slowing dealers' uptake of new trainees.

Pendragon reported that its recruitment of new customer service apprentices had been hampered by delays in the introduction of new skills frameworks, which qualify for funding for training from the Apprenticeship Levy pot.

A spokeswoman for the group, which employs more than 9,700 staff, said the result had been that certain training providers were charging commercial fees on top of the apprentice funding bands to supplement the cost of training not covered in the framework cost.

She added: "Training providers have been slow to develop the programmes against the new standards, which has in turn made it difficult to utilise the levy in the initial few months.

"In addition to the slow pace, many providers we have spoken to have not developed the material to reflect

the development needs of a fast-paced, digital environment and still depend on 'old school' theoretical-based training.

"There needs to be a significant shift in the quality of the training available under the apprenticeship scheme."

Pendragon said it has now has a plan in place to ensure it maximises "the potential of the levy" in line with its business strategy and skill requirements throughout 2018.

Bromsgrove-based Arbury Group appears to have another apprentice-ship headache.

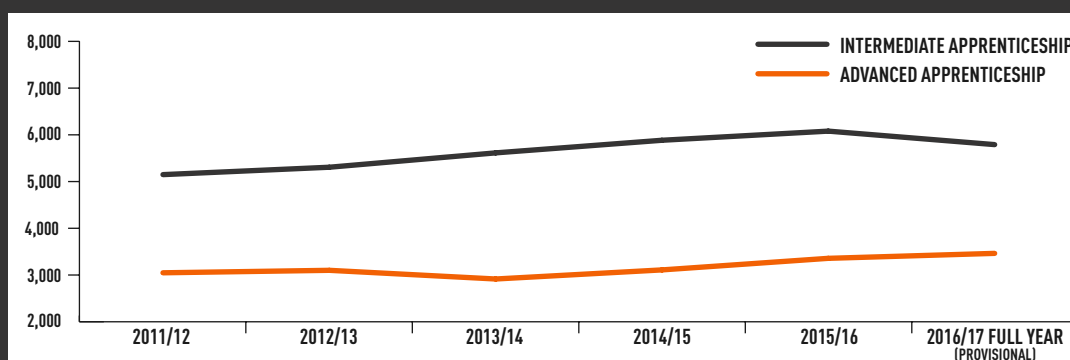
Its smaller scale - eight sites across the West Midlands, Worcestershire, Warwickshire and Staffordshire - meant it recruited apprentices directly with its manufacturer partners, using the approved training programme relevant to each brand.

Managing director Paul Goodwin, who started as an apprentice himself, said: "Our advice has been that we cannot recover the levy as they are not an approved supplier."

He described the levy as "a cost burden", adding that while it was well intentioned, recovering the group's payments had proved "challenging with the route we have chosen".

TOM SHARPE

APPRENTICE STARTS - VEHICLE MAINTENANCE AND REPAIR



Official figures show that interest in advanced apprenticeships is rising, possibly due to desire to avoid university tuition fees. However the number of people starting an apprenticeship in vehicle maintenance and repair has declined, despite most franchised dealer groups being required to pay the Apprenticeship Levy.

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ASA RULING ON EX-FLEET USED CARS MAY COST £6BN

Salespeople's failure to fully disclose a pre-owned vehicle's previous use as a fleet or rental car could lead to a flood of refund demands

Dealers should examine how salespeople communicate details of used cars' past owners, according to legal experts, or risk a flood of litigation that could cost the industry as much as £6 billion.

The warning follows a ruling by the Advertising Standards Authority (ASA) that retailers must disclose full details of a vehicle's previous use to avoid former fleet and rental cars from being marketed as having had "one careful owner".

The ruling came after a case involving Glyn Hopkin and Fiat Chrysler Automobiles UK (FCA) last October. The ASA ruled against a pair of adverts for Alfa Romeo Giulietta hatchbacks, which failed to acknowledge their use as part of a fleet.

Glyn Hopkin said it had "correctly stated the standard manufacturer's description for the models" in the ads, which had been automatically generated via the FCA Group's classified advertising template, adding that any customer would be informed of the vehicles' former business use by the FCA Group in order to reach an informed purchase decision.

But the ASA determined that the omission of information regarding the cars' previous use "for business purposes whilst part of a fleet" made them "misleading".

Central to legal arguments against retailers could be the presence of latent defects or a possible impact upon residual values associated with the non-disclosure of multiple use.

Law firm Marcus Sinclair has taken more than 5,000 registrations of interest to a group action based on the ruling, while Peugeot Citroen Retail Group was fined after a 'single owner vehicle' it sold was traced back to car hire firm Europcar.

A legal seminar by Geldards law firm – entitled 'Selling business-use cars: a litigation tsunami heading your way' – warned the ASA ruling could result in a flood of refund demands, with claims against 25% to 100% of a vehicle's value potentially applicable to cars of up to eight years of age.



Dean Bowkett, managing director at Bowkett Auto Consulting, described the situation as "a real-life nightmare", adding: "This could cost the industry over £600 million per annum."

He said the ASA ruling could also have a profound effect on residual values, wiping £1,200 to £1,500 off the price of former business-use cars.

Retailers are being advised to scrutinise how sales executives communicate details of past ownership with customers, offer reassurances of the high standard of used cars with warranties and condition checks, while providing a user history and sight of the V5 document.

Jonathan Kirk QC acknowledged the industry will increasingly struggle to capture data about a vehicle's previous use.

Bowkett said consumers must be made aware that ex-business-use vehicles may be better maintained than private cars.

Graham Jones, director of legal services at motor trade law firm Lawdata, reassured dealers: "In our view the suggestion that buyers could receive 25% to 100% of the value of the car in damages is ill founded and misconceived."

The Consumer Protection Regulations provide a right to damages for a "reasonably foreseeable" loss and not for the difference between the market price of a product and the amount payable under contract.

He added: "We'd be interested to see a coherent argument to support a claim that an ex-fleet car had no value whatsoever." **TOM SHARPE**

DEALERS 'SHOULD PUSH BACK AGAINST THE ASA ON BUSINESS-USE RULING'

Retailers should challenge the guidance given by the ASA, said Jonathan Kirk QC, who insisted that the claims could be contested.

Kirk said a fear of bad publicity and a lack of preparedness for a large number of claims could cause significant damage.

"I can see this dragging on for a number of years before it is nipped in the bud, before people really start to push back against it," he said.



Kirk urged motor retailers to push back now, under the umbrella of trade organisations such as the Society of Motor

Manufacturers & Traders (SMMT) and National Franchised Dealers Association (NFDA).

"The more outrageous some of these claims become, the less the impact of adverse PR becomes an issue," he added.

Kirk said the ASA had made the move from "agency to authority" with the ruling, which may result in law firms attempting to cite Regulation 6 of the Consumer Protection from Unfair Trading

Regulations 2008 in an attempt to demand refunds.

He said enforcement of the ASA's ruling by a court would amount to "a radical change of contract law so big that it would change the legal retail landscape", adding: "They do not understand what they have unleashed with this."

"At the heart of it is a misunderstanding of the scope of this law and an overstatement of the scope of this law."

ADVERTISING FEATURE

Video gathers pace in volume and quality

By Andrew Howells, founder, CitNOW



It is remarkable how well established video has become as a customer communication tool. A decade after CitNOW began, video has become a standard means of communicating with customers across the automotive industry. In the wider consumer context, video is now arguably the most influential medium for consumers when making a purchase decision.

Not only has the volume of video increased, so has the quality of presentations, which is further reflected in the annual CitNOW Video Awards. With just a few months to go until entries close, we are already seeing the calibre and number of submissions improve significantly. Find out more at citnowawards.com.

A quick glance at our 2017 stats is further evidence of video's role in automotive retail:

- 7,774,416 videos uploaded
- 190,862 hours of video made
- Over 26,000 UK video views per day
- Average video length is 88 seconds

If we look at what's going on in the wider world, it's apparent video is very much at the heart of consumer purchase decisions.

According to Google, more than 40% of buyers who watched a video of cars or trucks visited a dealership as a result

Video is the content that people are most likely to pay attention to – Hubspot's research found 55% of people surveyed consume it thoroughly.

When we first set out on this journey 10 years ago, we knew video was going to be big, yet we didn't envisage quite the massive impact it was to have on our buying behaviour. Here we are in 2018 with video absolutely being the crucial element in a consumer's decision to purchase.

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THIS MONTH'S NEWS HIGH

JAN

22nd

VOSPERS PLANS £10M MULTI-BRAND SITE IN EXETER

Vospers Motor House revealed plans to build a £10 million multi-franchise car dealership in Exeter, delivering a FordStore and Mazda, Jeep, Fiat, Alfa Romeo and a prestige car showroom on a single site. The facility will be the largest development at Matford Green Business Park.



23rd

JLR CUTS PRODUCTION AT HALEWOOD

Jaguar Land Rover is preparing to scale back production of its Discovery Sport and Evoque models at Halewood amid "a range of challenges which are adversely affecting consumer confidence". PSA Group, meanwhile, said it has enlisted the support of workers' union Unite to define a 'roadmap' to make Vauxhall's UK plants competitive.



24th

STONEACRE POSTS 29.5% RISE IN PRE-TAX PROFITS
Stoneacre Motor Group said it had "ample opportunity for growth" after reporting a 28.5% increase in turnover, to £721 million (2016: £561m), and pre-tax profits up by 29.5%, to £7.9m (2016: £6.1m), in the year to April 30, 2017.

29.5%

26th

SNOWS GROUP OPENS FCA BRAND CENTRE IN SOUTHAMPTON

Snows Group has opened a new £2 million FCA Group brand centre stocking Abarth, Alfa Romeo, Fiat and Jeep models in Southampton. Stephen Snow, Snows Group's chairman, said "the new showroom environment has the senses tingling".



30th

VW, DAIMLER AND BMW SUSPEND STAFF OVER MONKEY TESTS

Volkswagen, Daimler and BMW faced a new diesel emissions-related backlash after it emerged that monkeys were exposed to diesel fumes as part of scientific tests carried out on the German premium brands' behalf in 2014. All three brands have suspended senior staff over the matter.



LEVEN CAR CO NAMED TOP ASTON MARTIN DEALER

Leven Car Company was named as Aston Martin's "Number 1 Dealer in the World" for customer satisfaction in new car sales. Roddy McAllister, dealer principal at Scotland's only Aston Martin dealer, on Bankhead Drive, Edinburgh, said the award was "quite an incredible achievement".



NEW 'DEFEAT DEVICE' EMISSIONS LAW COULD LAND DEALERS IN COURT

The UK Government is planning to change a law that could hold vehicle importers and dealer-distributors responsible alongside manufacturers if vehicles are sold with emissions defeat devices. Transport minister Jesse Norman said: "Those who cheat should be held to proper account."

devices. Transport minister Jesse Norman said: "Those who cheat should be held to proper account."

MPs WANT £2.4BN MOTABILITY 'UNDERSPEND' REPAID

MPs have called for Motability scheme funds to be returned to the Treasury after it emerged that the charity was holding on to £2.4 billion after "decades" of underspending. Motability Operations claimed the sum was needed to protect it against business risks.



DM KEITH ACQUIRES WESTGATE MOTOR GROUP IN GRIMSBY

DM Keith acquired Grimsby's Westgate Motor Group, which will expand its portfolio to 10 franchised dealership sites. The acquisition of the Grimsby-based operation brings DM Keith its first Honda franchise, along with new locations with existing partners Škoda and Seat.



MOTORLINE OPENS £14.5M THREE-BRAND DEVELOPMENT

Motorline has opened a £14.5 million development at Gatwick, featuring Lexus, Hyundai and Peugeot showrooms. The freehold development in Fleming Way, Crawley, totals 3.2 acres and will create 75 new jobs within the AM100 group.

FEB

1st

2nd

6th

7th

12th

ADVERTISING FEATURE

How to win big at prospecting

Prospecting for business doesn't have to be a daunting task for salespeople, says Simon Bowkett of Symco Training



Most salespeople hate prospecting. It's one of the few activities we do where we're going to fail many more times than we succeed. Even if you get a 10% hit rate, that still means 90% of your customers are going to say no and that amount of rejection can be

hard to take.

But look at it this way. What we do in the motor industry isn't really prospecting. It's account management. Prospecting to me means cold calling, but most of the time what we do as car salespeople is contact people who have bought cars from us or our dealership previously, or have had them serviced with us.

Thinking of it as account management rather than prospecting makes the task a little bit easier, I think, and that's what my sales training video on the AM website (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) this month is all about.

It's a numbers game

It also helps to remember that, ultimately, it's really just a numbers game.

Let's say you make five account management calls a day. That's going to work out at about 1,200 calls a year, and if you can get a hit rate of just 5% that's going to be 60 additional units. The commission per car sold is typically about £100 in the UK, so you are looking at about £6,000 of additional income.

Let's break that down again and divide the £6,000 by the activity you're having to do to earn it. It's £5 per call.

When you realise that each call is actually worth £5 to you, does that change the way you think about prospecting? It certainly might make those calls where the customer isn't that happy about speaking to you, and maybe even starts giving you a little bit of abuse, more bearable. In your mind, you can just say, "thanks for the fiver, my friend" and move on to the next call!

More good news!

The real good news here is that when you get better at making these calls, that £5 figure will go up to £10. With the right techniques, it is often fairly soon.

Visit our website for a free training trial

To find out how our low-cost, IMI-approved online training programme can help train your team, visit symcotraining.co.uk/freetrial and start your free trial today.

IMI AND NFDA BACK SEARCH FOR BEST UK DEALERSHIPS

In its inaugural year, 15 dealerships won AM Best UK Dealership to Work For status. Sign up for free to join our search for the best employers in UK motor retail in 2018



Dealerships can now register their interest for the AM Best UK Dealerships To Work For 2018 programme.

Following the success of the inaugural initiative last year, in which 15 dealerships achieved Best Dealership status, AM has again teamed up with Best Companies Group to identify those dealers working hard to look after their staff.

Employee engagement is an essential ingredient for a successful and profitable business. No company can succeed without a motivated, well-led workforce that believes in the company mission.

The main objective of AM Best UK Dealerships To Work For is to raise the bar among the industry's employers, creating excellence and employee

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

It enables retailers to benchmark their performance and identify shortcomings in their employee policies so they can make improvements that boost their staff retention and recruitment.

The dealerships which achieved the accolade in 2017 gained valuable media exposure.

Now we're launching the 2018 programme, and the Institute of the Motor Industry (IMI) and the National Franchised Dealers Association are both giving it their backing.

Steve Nash, IMI chief executive, said: "Happy, motivated and engaged staff are essential for long-term business success and the consistent delivery of a company's values and standards.

"Initiatives like AM Best UK Dealerships To Work For empower staff and managers, enabling them to work together to achieve the best results for their company, those that work in it and, of course, their customers. Harnessing the power of people through the highest professional standards is what the IMI is all about and that's why we support AM Best UK Dealerships to Work For."

It costs nothing to participate in the programme and become a Best UK Dealership To Work For. Employers will be offered the opportunity to buy a comprehensive report detailing their strengths and weaknesses in their staff engagement policies.

■ Retailers can register their dealerships' interest now at: www.bestukdealerships.com

≡ WHAT ARE THE BENEFITS TO YOU?

There are a number of benefits to the companies that choose to take part in AM's Best UK Dealerships To Work For programme. They include:

1. Recognition as a top employer, including use of the AM Best UK Dealerships To Work For logo
2. A promotional aid for recruitment and staff retention
3. Promotion to potential customers; raising your profile in your local area
4. The ability to benchmark performance against peers
5. Understanding of employees' views and areas to improve

≡ ARE YOU ELIGIBLE?

To be eligible for consideration, companies must:

- Have a minimum of 15 employees working in the UK
 - Be a franchised dealership
 - Be a publicly or privately held business
 - Have been in business for a minimum of one year
- A 40% employee response rate is required (80% for dealerships with 15-24 employees). Temporary or seasonal workers, contractors, consultants, interns and volunteers are not counted as employees or included in the survey.

○ 1 JUNE:

Registration deadline. Verification within 24 hours. Companies that pre-ordered reports will then receive an invoice within seven days

○ JUNE 8:

A web link for the employer questionnaire will be sent to the contact at each registered company

○ JUNE 22:

Completed employer questionnaires are due

○ JUNE 29:

Employee engagement and satisfaction surveys are emailed to dealerships

≡ PROGRAMME TIMETABLE



Winners of the 2017 AM Best UK Dealerships To Work For

REGISTRATION NOW OPEN

For more information and to register go to: BestUKDealerships.com

“ Having motivated and passionate people working for you is crucial, especially in a period when the industry is evolving at a fast pace and there is an increasing need for new ideas and solutions. Franchised dealer groups work hard to provide their employees with a supportive environment and to build a positive working culture and AM's Best UK Dealerships To Work For initiative will highlight the efforts that are being made

**SUE ROBINSON, DIRECTOR,
NATIONAL FRANCHISED
DEALERS ASSOCIATION**

≡ HOW IT WORKS

AM Best UK Dealerships To Work For is a two-part process designed to gather information about each participating dealership.

Part one: the employer completes the employer questionnaire, which details company policies, practices, benefits and demographics. This can be completed at group level for all the participating dealerships where applicable.

Part two: employees complete the employee

engagement and satisfaction survey, an in-depth set of 76 statements based on a 1-5 scale of 'disagree strongly' to 'agree strongly'. The survey also includes two open-ended questions and seven demographic questions.

Both surveys are completed online, although a paper option is available if email and internet technology are not available for use by employees.

Best Companies Group will combine the results

of the two surveys to determine which companies make the list of the Best UK Dealerships To Work For.

Participating is free, and dealerships will have the opportunity of purchasing an employee feedback report from Best Companies Group, which will provide comprehensive details of the surveys, including employee comments and benchmarking against peers.

○ JULY 13:

Deadline for all-online version of the employee survey

○ AUGUST 21:

Notification letters sent to participating dealerships

○ SEPTEMBER 4:

Employee feedback reports are sent to dealerships that ordered them

○ NOV 8:

AM Best UK Dealerships To Work For winners announced at Automotive Management Live, NEC, Birmingham

PREMIUM BRAND SALES

GROWTH IN FLEET STEERS MERCEDES INTO TOP SPOT

German brand leaves competitors BMW and Audi in its wake, despite retail volume dip

Mercedes-Benz took the UK premium brand crown in 2017 due to gains over competitors in the fleet market. AM has reviewed fleet and retail detail figures from last year to take a closer look at the UK's premium market.

While BMW saw a 4.1% drop in registrations last year to 175,101 units and Audi had a flat year, down 1.31% to 174,982 units, Mercedes-Benz saw growth of 6.56% in total to 180,970 units, driven by 13.94% of growth with fleet customers.

Mercedes' retail volumes actually declined in 2017 by 2.4%, but it was big gains with the A-Class in fleet specifically, up 20.32% to 29,114 units that pushed the brand forward.

It also helped to offset the drop in C-Class fleet sales which saw a 6.15% drop (but still represented the second biggest chunk of Mercedes' fleet registrations at 25,563 units).

The biggest growth segment for Mercedes-Benz was its G/GLC/GLC Class products, up 45.3% in the fleet market to 10,136 units.

Its fleet performance also meant the brand made it into the top 10 volume sellers for 2017 in the UK with the C-Class and A-Class both on that list.

BMW's fleet volumes dropped by 7.84% in 2017 and like Audi's total registrations, its fleet performance was also flat (down 1.58%).

BMW's biggest loss in fleet came from the 21.43% drop in X3, 15.36% drop in its 1 Series and 13.39% fall in 2 Series volumes with fleets.

The biggest model in fleet for BMW is still the

MIXED FORTUNES FOR AUDI

Audi lost share in almost every segment of the retail premium car market in 2017, as it failed to defend against a Mercedes-Benz onslaught and strong activity from BMW.

Audi's A3/S3 range lost 4ppts share and lost the lead of the compact executive car segment, where it had accounted for one in four sales in 2016.

It was knocked into second place by the BMW 1 Series, whose segment share rose 5.9ppts to 20.9%. Mercedes-Benz A-Class dropped 1.5ppts in retail share, however grew significantly in fleet to more than compensate.

In the upper-medium executive car segment the Audi A6/S6 slumped 7.5ppts to record a 14.5% retail share and the A7/S7 lost 1.6ppts to settle at 3.25%. The Mercedes-Benz E-Class, already top of the class, stretched

its lead by 0.7ppts to 33.2% share.

Mercedes' flagship S-Class has led the large executive car market for many years, but in the retail market in 2017 the Porsche Panamera ate into its lead. S-Class share dropped 15ppts to 34.3%, while Panamera gained 21ppts to record a 26.5% share, overtaking BMW's 7 Series (23.5%) in the process and leaving Audi's A8/S8 far behind with 5.2%.

The SUV market was where Audi fought hardest. Its new Q2 took the lead of the small premium SUV retail market, rocketing to 18.9% share and leaving the Mini Countryman in second place with 13.1%. And in the compact premium SUV class, Audi's Q3 gained 3.5ppts to secure a 26.5% retail share, narrowing the gap to the segment-leading Range Rover Evoque's 39.5%.

3 Series at 26,445 units, but this also saw a 5.94% drop. The arrival of the new 2018 X3 should help BMW claw back business this year.

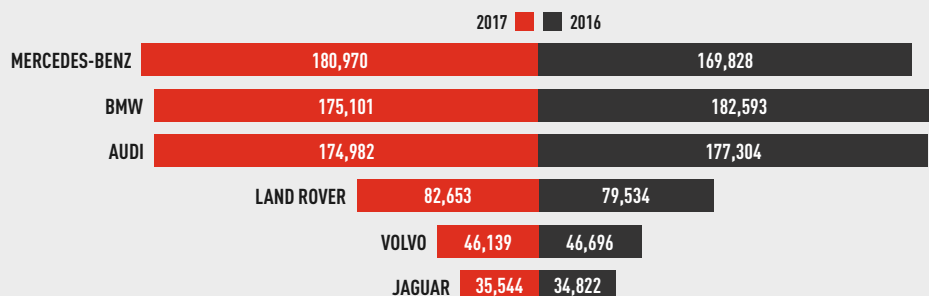
BMW did slightly better in the retail market, growing volumes by 2.47% to 67,845 units and this was delivered by gains with 1 Series up 30.1% to 16,673 units and 3 Series up 9.77% to 9,459 units.

Audi saw its biggest fleet loss from a fall in A6

registrations, down 26.68% to 8,204 units and the A1, down 12.3% to 8,492 units. The A1 is an important conquest vehicle for Audi and for many, their first way into the brand, so the new generation model due to arrive this year will be vital for fleet and retail volumes.

Audi's biggest volume seller overall is the A3 and this saw a 5% fall in registrations in fleet to 21,822

PREMIUM 2017 FULL YEAR NEW CAR REGISTRATIONS BY VOLUME



| 2017 % Market share | 2016 % Market share | % Change |
|------------------------|------------------------|----------|
| 7.12 | 6.31 | 6.56 |
| 6.89 | 6.78 | -4.1 |
| 6.89 | 6.58 | -1.31 |
| 3.25 | 2.95 | 3.92 |
| 1.82 | 1.73 | -1.19 |
| 1.4 | 1.29 | 2.07 |

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SPONSORS COMMENT



By Richard Jones,
managing director,
Black Horse

I have been asked what I feel is the biggest issue currently facing the industry. Suggestions include falling

sales, pressure on dealer margins, regulation and, of course, Brexit.

However, the biggest issue we are facing is consumer confusion around fuel technology, particularly the future of diesel.

The problem in our market is not diesels.

The problem, in terms of emissions, is with old fuel types – both petrol and diesel.

It seems to me, though, that this is misunderstood by a lot of drivers. Although frustrating, this is understandable given tax changes on diesels with little done to promote the removal of old vehicles.

Media coverage hasn't always helped and recent industry 'scandal' has also been a catalyst, all combining to 'demonise' diesel.

If you're buying a new Euro 6 diesel or petrol model, you're almost certainly buying a cleaner car than your previous one. It is older, more polluting vehicles we need to get off the road, not a specific fuel type.

It is clear the future is going to be driven by electric vehicles (EVs) and we should welcome that – but it's a long term journey.

Thinking about our 30m UK car parc, it will be 2030 at the very earliest before EV becomes the majority fuel technology on our roads in the UK. For most of us that's at least four buying cycles away.

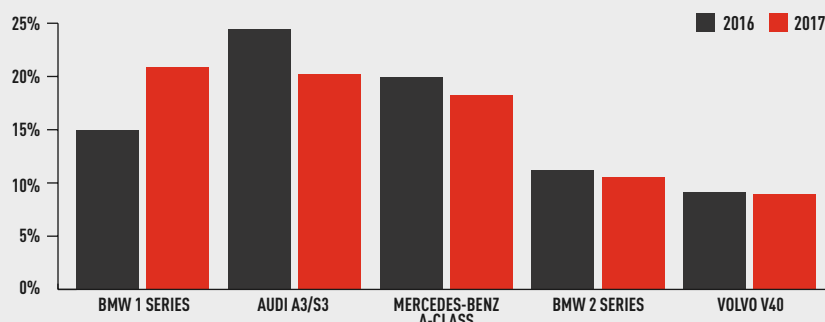
So what do we do in the meantime? A knee-jerk shift to petrol will serve to increase carbon dioxide emissions, reduce fuel efficiency in the UK and create different problems for us. That isn't the answer.

We need to get back to basics and provide balanced and clear information, not in favour of one fuel type or another. We are risking customers making choices based more on confusion, fear and risk of loss, than on what will be right for their needs.

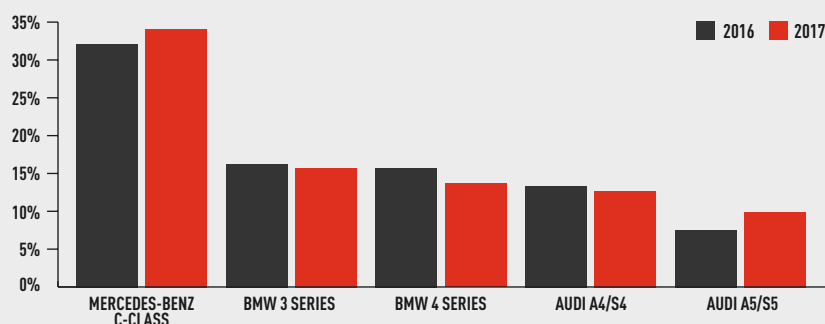
We need to bring our voices together across lenders, retailers and manufacturers.

We need to work collectively with local authorities and the Government. Projecting life in 2040 is easy, but responsibly navigating the UK from one technology to another over a long period takes real effort.

COMPACT EXECUTIVE RETAIL MARKET SHARE



LOWER MEDIUM EXECUTIVE RETAIL MARKET SHARE



units and a significant 22.68% drop in registrations in the retail market to 16,104 units.

The Q2 delivered big retail growth for Audi, with a full year of sales in 2017 propping up this side of the business with an additional 8,843 units.

A5/S5 registrations also increased with retail customers, up 48% to 5,980 units.

JLR

While the big three German manufacturers are playing around the 180,000 unit volume mark, there is still a wide gulf between the rest of the premium players in the UK.

Land Rover is the closest competitor at 82,653 units in 2017. Combine its SUV line-up with Jaguar's range of saloons and SUVs at 35,544 units, it takes JLR as a whole to a volume of 118,197 units.

Land Rover was second to Mercedes last year in terms of a volume growth spurt, growing the brand by almost 4% in total. Retail was the biggest growth area, up 5.21% to 48,329 units, but Land Rover also increased its fleet volumes by 2.16% to 34,324 units.

While AM does not have access to the model breakdown from Land Rover, it's clear almost a full year of new Discovery sales would have been beneficial to the registrations success.

VOLVO

Volvo really cemented its position in the premium market with its new XC90 back in 2014. While registrations were flat in 2017, down slightly by 1.19% to 46,139 units, Volvo has ambitions to increase sales to 60,000 units over the next two years.

The XC40 crossover is expected to help push Volvo towards its goal of a 2% market share by 2020, but last year it was big gains in the retail market that held up the brand from a negative performance.

Fleet registrations fell by 15.91% to 23,831 units, while in complete contrast retail was up 21.54% to 22,308 units.

S70/V70/XC70 fleet volumes fell off a cliff last year by 97.4% from 1,422 units to just 37 and there were also double digit losses from fleet from XC60 to 7,870 units (down 28.3%), V40 to 7,097 units (down 17.9%) and S60/V60 to 3,071 units (down 21.24%).

Volvo's retail fortunes were boosted heavily by the new S90 saloon which saw registrations increase from 268 from the previous S80 model to 1,723 units to the new generation.

Retail demand for XC60 was also strong, up 67.53% to 8,432 units, making it Volvo's most popular model by volume, followed by the V40.

TOM SEYMOUR

NEW CAR REGISTRATIONS

SMMT calls for Government diesel drive to rescue ailing registrations

The 2018 new car market started with the lowest January result since 2014, prompting the SMMT to urge the Government to encourage fleet drivers back into diesel cars.

Business registrations plummeted 29.7% year-on-year, to 4,686 units, and private registrations dropped 9.5% to 69,416 cars. Fleet registrations fell by 1.8% to 89,513.

The decline of diesel-fuelled vehicles continued, with a fall of 25.6% – taking the fuel's market share to 35.9% – as petrol and alternative fuel vehicles rose 8.5% and 23.9%, respectively.

Continued anti-diesel sentiment prompted Mike Hawes, the chief executive of the SMMT, to encourage businesses to buy diesels.

Hawes said: "The ongoing and substantial decline in new diesel car registrations is concerning, particularly since the evidence indicates consumers and businesses are not switching into alternative technologies, but keeping their older cars running."

"Given fleet renewal is the fastest way to improve air quality and reduce CO₂, we need government policy to encourage take-up of the latest advanced low-emission diesels as, for many drivers, they remain the right choice economically and environmentally."

Trade credit insurer Euler Hermes has predicted that the shift away from diesel cars and issues surrounding Britain's exit from the EU would contribute to a 6% decline in new car sales in the UK during 2018. The SMMT currently predicts a 5.6% drop.

Maxime LeMerle, Euler Hermes' head of insolvency and sector research, said: "European car sales reached the highest level in a decade in 2017. Almost every market supported the robust performance except the UK automotive industry, which also faces a difficult year ahead."

Simon Benson, head of motoring services at AA Cars, said: "With the market now in its 10th month of decline, motorists are clearly wary about purchasing a new vehicle. Our own research suggests a lack of consumer confidence cost the industry an estimated £2.6 billion in 2017 alone."

| | January | | | | % change | | |
|---------------|---------------|---------|----------------|--------|----------|----------------|--------|
| | Marque | 2018 | % market share | 2017 | | % market share | |
| 1 | Ford | 19,654 | 12.01 | 22,778 | 13.05 | -13.71 | |
| | Vauxhall | 12,652 | 7.73 | 13,870 | 7.95 | -8.78 | |
| | Volkswagen | 12,579 | 7.69 | 12,967 | 7.43 | -2.99 | |
| | Mercedes-Benz | 11,891 | 7.27 | 13,048 | 7.47 | -8.87 | |
| 2 | Audi | 11,806 | 7.22 | 11,676 | 6.69 | 1.11 | |
| | BMW | 9,000 | 5.50 | 8,489 | 4.86 | 6.02 | |
| 3 | Toyota | 7,975 | 4.87 | 7,436 | 4.26 | 7.25 | |
| | Nissan | 7,917 | 4.84 | 11,378 | 6.52 | -30.42 | |
| 4 | Kia | 7,582 | 4.63 | 7,661 | 4.39 | -1.03 | |
| | Hyundai | 6,429 | 3.93 | 6,387 | 3.66 | 0.66 | |
| | Land Rover | 5,660 | 3.46 | 5,427 | 3.11 | 4.29 | |
| | Škoda | 5,473 | 3.35 | 5,431 | 3.11 | 0.77 | |
| | Peugeot | 5,276 | 3.22 | 5,952 | 3.41 | -11.36 | |
| | Honda | 4,282 | 2.62 | 4,010 | 2.30 | 6.78 | |
| | Seat | 4,203 | 2.57 | 3,854 | 2.21 | 9.06 | |
| | Renault | 3,747 | 2.29 | 4,020 | 2.30 | -6.79 | |
| | Citroën | 3,488 | 2.13 | 3,250 | 1.86 | 7.32 | |
| | Suzuki | 3,305 | 2.02 | 3,762 | 2.16 | -12.15 | |
| | Mini | 2,871 | 1.75 | 2,280 | 1.31 | 25.92 | |
| | Mazda | 2,861 | 1.75 | 2,827 | 1.62 | 1.20 | |
| | Volvo | 2,270 | 1.39 | 2,795 | 1.60 | -18.78 | |
| | Jaguar | 2,174 | 1.33 | 2,694 | 1.54 | -19.30 | |
| | Dacia | 2,121 | 1.30 | 1,994 | 1.14 | 6.37 | |
| | Fiat | 1,714 | 1.05 | 3,221 | 1.85 | -46.79 | |
| | Mitsubishi | 1,555 | 0.95 | 1,329 | 0.76 | 17.01 | |
| | 5 | Porsche | 994 | 0.61 | 687 | 0.39 | 44.69 |
| | | Lexus | 887 | 0.54 | 800 | 0.46 | 10.88 |
| | | Smart | 601 | 0.37 | 751 | 0.43 | -19.97 |
| MG | | 475 | 0.29 | 205 | 0.12 | 131.71 | |
| DS | | 290 | 0.18 | 659 | 0.38 | -55.99 | |
| Abarth | | 279 | 0.17 | 223 | 0.13 | 25.11 | |
| Alfa Romeo | | 277 | 0.17 | 284 | 0.16 | -2.46 | |
| Jeep | | 235 | 0.14 | 728 | 0.42 | -67.72 | |
| SsangYong | | 187 | 0.11 | 298 | 0.17 | -37.25 | |
| Subaru | | 155 | 0.09 | 178 | 0.10 | -12.92 | |
| Bentley | | 138 | 0.08 | 163 | 0.09 | -15.34 | |
| Maserati | | 110 | 0.07 | 165 | 0.09 | -33.33 | |
| Aston Martin | | 100 | 0.06 | 189 | 0.11 | -47.09 | |
| Infiniti | | 94 | 0.06 | 182 | 0.10 | -48.35 | |
| McLaren | | 53 | 0.03 | 49 | 0.03 | 8.16 | |
| Lotus | | 12 | 0.01 | 25 | 0.01 | -52.00 | |
| Chevrolet | | 1 | 0.00 | 0 | 0.00 | 0.00 | |
| Other British | | 38 | 0.02 | 52 | 0.03 | -26.92 | |
| Other Imports | | 204 | 0.12 | 390 | 0.22 | -47.69 | |
| | | Total | 163,615 | | 174,564 | | -6.27 |

1 MERCEDES-BENZ

Having won the premium race in 2017, has Mercedes eased off the throttle? Its January result, down 8.9%, or 1,157 registrations, suggests so, although it is still ahead of Audi and BMW. The decline was balanced across fleet and retail markets, with the C-Class bearing the brunt, down 39.5%, or 1,111 units, in fleet and down 45.1%, or 641 units, in retail.

2 BMW

Up 6%, or 511 units, BMW recorded strong growth in fleet for its 3 Series and 5 Series. Its overall performance masked an 11.3% drop in retail, however, where its 1 Series registrations dropped by 43.1%, or 278 units, and its X1, X3 and X5 SUVs also declined.

3 NISSAN

Its registrations slumped by 30.4% overall, but plunged 46.1% in the retail market. Doubling sales of the Micra to 592 units failed to haul back a 74%, or 1,781-unit, drop in Juke's retail sales. Thankfully for its dealer network, the Qashqai held firm, increasing by nine retail units, or 1%, to 1,083 registrations.



4 CITROËN

It's off to a strong start with 7.3% growth, thanks to fleet sales of its C3 hatchback, which rose by 168%, or 699 units. In retail, Citroën's volumes fell 20%, or 348 units, as demand dropped for every core model except the pre-facelift C4 Cactus, which is heavily incentivised.

5 PORSCHE

The premium brand's registrations were 44.7%, or 307 units, ahead of January 2017. Demand for its 911 rose 50.4%, or 69 units, Panamera sales were 148%, or 61 units, ahead and the Boxster was 80.2%, or 77 registrations, up. Only its Macan SUV underperformed.



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FINANCE OFFERS

Manufacturers pin 18-plate hopes on bold offers

A month out of the gate and the market is still down, but AM's financial offer data shows manufacturers going after customers in Q1 this year with some aggressive offers.

With the March plate-change this month and the prospect of older diesels facing extra tax from April, the financial incentives backing new products up should prove to be a boost this quarter.

There has been a marked increase in 0% offers leading up to March, with 63 available across 16 brands. This is a 12.5% increase compared with the 56 0% offers in Q1 2017 spread across 14 franchises. It's also much higher quarter-on-quarter compared with the 45 0% offers available in Q4 2017.

This indicates that the manufacturer finance houses are getting behind dealers to tempt customers in what is the most important month of the year for dealers.

There are quite a few brands offering no-deposit offers too, with Smart's Fortwo and Forfour, the Mitsubishi Mirage and the Renault Clio all available with no advance payment.

Dacia, which offers the cheapest monthly payment, £99 for the Sandero, has three offers in the lowest monthly payment segment. The rest of the top 10 lowest monthly payments are spread across seven other manufacturers, including Volkswagen, Hyundai, Toyota, Citroën, Suzuki, Škoda and Fiat. All have models available in Q1 for less than £140 a month.

The Toyota Aygo X-press is the lowest-priced 0% offer in Q1 at £129 a month on a 42-month PCP after a £2,199 deposit.

The average monthly payment in Q1 based on AM's data is £345 a month, although when taking out niche and higher premium models, the average comes down to £283.

The Porsche 911 Turbo is the priciest example in Q1, at £1,461.88 a month. However, looking outside super-premium models, the Outlander PHEV 4h petrol hybrid Auto 4WD comes in at £592.32 a month.

The seven-seat Škoda Kodiaq could be the priciest mainstream model in AM's data, but it's £375 a month, which isn't astronomically beyond the average monthly price level.

The highest APR in Q1 is on the Jeep Wrangler, at 7.5%. Jeep stands out in particular for Q1 due to having a difficult start to the year, down 67.72% to just 235 units. While the Wrangler is a niche product targeted at a very specific type of buyer, Jeep's dealers do have affordable options, with the

TOP FINANCE DEALS FOR RETAIL BUYERS

| Model | Finance type | Deposit | Term | Monthly payment | Final payment | APR | Offer ends |
|--|--------------|-----------|------|-----------------|---------------|-------|------------|
| Top 10 lowest monthly payments | | | | | | | |
| Dacia Sandero Lauréate SCe75 | PCP | £2,327 | 36 | £99 | £3,424 | 4.90% | 31/03/2018 |
| Dacia Logan MCV Ambiance SCe 75 | PCP | £1,913 | 36 | £109 | £3,632 | 4.90% | 31/03/2018 |
| Dacia Sandero Stepway Ambiance TCe 90 | PCP | £2,180 | 36 | £109 | £3,671 | 4.90% | 31/03/2018 |
| Volkswagen Take up! 1.0 60PS 3dr | PCP | £2,777.06 | 47 | £109 | £2,593.80 | 6.60% | 02/04/2018 |
| Hyundai i10 SE 1.0 | PCP | £1,999 | 37 | £120.38 | £4,017.93 | 4.90% | 31/03/2018 |
| Toyota AYGO x-press 5dr 1.0 VVT-i Manual | PCP | £2,199 | 42 | £129 | £4,567.50 | 0% | 02/04/2018 |
| Citroën C1 VTi 68 manual 3dr Feel | PCP | £2,390.77 | 37 | £129 | £3,756 | 2.90% | 31/03/2018 |
| Suzuki Celerio 1.0 SZ2 5dr | PCP | £130 | 43 | £129.53 | £2,423 | 0% | 31/03/2018 |
| Škoda Citigo 3-door Colour Edition 1.0 MPI 60PS | PCP | £1,113.93 | 48 | £135 | £2,937.60 | 5.90% | 02/04/2018 |
| Fiat Panda Easy 1.2 70PS | PCP | £1,550 | 48 | £139 | £2,289 | 5.90% | 31/03/2018 |
| 10 0% deals with monthly payments below £300 | | | | | | | |
| Toyota Aygo x-press 5dr 1.0 VVT-i Manual | PCP | £2,199 | 42 | £129 | £4,567.50 | 0% | 02/04/2018 |
| Suzuki Celerio 1.0 SZ2 5dr | PCP | £130 | 43 | £129.53 | £2,423 | 0% | 31/03/2018 |
| Nissan Micra Acenta Limited Edition IG-T90 with metallic paint | PCP | £3,266 | 36 | £149 | £5,910 | 0% | 02/04/2018 |
| Suzuki Swift 1.0 Boosterjet SZ-T 5DR | PCP | £1,916 | 43 | £159 | £4,905 | 0% | 31/03/2018 |
| Mazda2 75PS SE | PCP | £2,138.25 | 43 | £159 | £3,888.75 | 0% | 31/03/2018 |
| Suzuki Ignis 1.2 Adventure 5dr | PCP | £2,216 | 43 | £159 | £5,105 | 0% | 31/03/2018 |
| Ford Fiesta Titanium 1.0 100PS 5dr | PCP | £5,401 | 24 | £165 | £8,379 | 0% | 31/03/2018 |
| Citroën C4 Cactus PureTech 82 manual Feel | PCP | £2,410 | 36 | £169 | £5,321 | 0% | 31/03/2018 |
| Nissan Juke Acenta DIG-T 115 | PCP | £4,742.71 | 36 | £169 | £6,158.29 | 0% | 02/04/2018 |
| Ford B-Max Titanium Navigator 1.0 EcoBoost 100PS | PCP | £5,830 | 24 | £169 | £7,054 | 0% | 31/03/2018 |
| 10 vehicles with the highest APR | | | | | | | |
| Volkswagen Take up! 1.0 60ps 3dr | PCP | £2,777.06 | 47 | £109 | £2,593.80 | 6.60% | 02/04/2018 |
| Suzuki Jimny 1.3 SZ3 3dr | PCP | £2,390 | 43 | £195 | £4,224 | 6.90% | 31/03/2018 |
| Audi A3 Sport 1.5 TFSI 150 PS 6-speed | PCP | £6,283.19 | 47 | £249 | £8,493.95 | 6% | 02/04/2018 |
| Škoda Octavia Hatch SE 1.0 TSI 115PS, with Pacific Blue | PCP | £707.83 | 48 | £255 | £5,922.90 | 6.30% | 02/04/2018 |
| Porsche 718 Cayman S | PCP | £11,100 | 35 | £357.72 | £35,148.65 | 6.40% | 02/04/2018 |
| Porsche Macan | PCP | £10,200 | 36 | £433.76 | £27,418.90 | 6.50% | 02/04/2018 |
| Jeep Wrangler 4dr Overland 2.8 CRD 200hp Automatic 4x4 | PCP | £9,240 | 48 | £439 | £14,231 | 7.50% | 31/03/2018 |
| Porsche 718 Boxster | PCP | £9,900 | 36 | £459.02 | £24,995.45 | 6.40% | 02/04/2018 |
| Fiat Stelvio 2.2 Turbo Diesel 210PS Q4 AWD Speciale | PCP | £5,999 | 48 | £465 | £17,783 | 6.90% | 31/03/2018 |
| Fiat Stelvio 2.2 Turbo 210PS Q4 AWD Milano Edizione | PCP | £6,499 | 48 | £495 | £18,140 | 6.70% | 31/03/2018 |

THERE HAS BEEN A MARKED INCREASE IN 0% OFFERS LEADING UP TO MARCH, WITH 63 AVAILABLE ACROSS 16 BRANDS, A RISE OF 12.5% COMPARED WITH Q1 2017

Renegade at £199 over four years and the Grand Cherokee on a 0% offer.

MG had a positive January with new car registrations, up 131.71% to 475 units. The MG3, ZS and GS are now all available for less than £200, way below the average monthly payment, which should help attract customers.

Nissan had a big drop of 30.42% to 7,917 units in January, although 0% offers on the majority of its model range, including core models such as the Qashqai, Juke and Micra can hopefully help dealers get back on track in the run-up to March.

While Porsche had a strong start to the year, up 44.69% to 994 units, Mini's 26% jump in registrations in the first month of the year helped to boost it to 2,871 units.

Other than the niche John Cooper Works three-door hatch, Mini's line-up is supported by a 2.9% APR PCP offer with all monthly payments below £280.



SEARCH FOR FINANCE OFFERS

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

VIEWPOINT



DEALERS SHOULD USE EVENTS TO ENGAGE WITH BUYER EMOTIONS

SADIE CARRINGTON business development executive, Chameleon Event Production



WHY THE USED VEHICLE MARKET NEEDS TO BE MORE LIKE AMAZON

SIMON JOYCE managing director, Anchor Vans

→ As more car sales are completed online, the industry needs to evolve if it is to emotionally engage with customers. Dealers need to deliver more customer-centric, immersive experiences to complement the communication that takes place online.

Automotive events can create a positive lasting impression for consumers, helping to influence brand impression and ultimately purchasing choices.

Events encourage individuals to get inside the dealerships and, more importantly, into the cars – there is evidence that experiencing a car first-hand can dramatically increase the likelihood of purchase.

For example, following the success of its 'Ultimate Driving Experience' – which converted a quarter of those driving a vehicle at the event to buyers – BMW North America has expanded its event marketing to 30% of its annual marketing budget.

Purchasing decisions are emotional and strong connections are made when a customer can use almost all their senses to experience the car.

Dealerships should tap into the reasons why increasing numbers of people choose the internet over

the dealership experience in the first place – including wanting to be in control of the purchasing decision, not wanting to be 'sold to' and not wanting the obligation that comes with meeting a salesperson.

Events offer an opportunity to create a dealership experience that surpasses finding a car online and allow both car and brand to be shown off, allowing consumers to experience the company's values.

In creating this connection, clients are more likely to visit friendly faces at dealerships rather than taking to the internet.

Dealerships are increasingly employing non-sales positions, known by some companies as 'geniuses', who act as enablers to the sale rather than salespeople. This, combined with events as a low-pressure environment, can make the visit more customer-centric – an experience based on building relationships rather than making sales transactions.

Some might argue that events are limited in their ability to reach a large audience and therefore a marketing budget might not reach as far as a viral campaign.

However, a survey conducted by Jack Morton Worldwide found eight out of 10 people who participated in experiential marketing told others about their experience.

With social media becoming more prevalent than ever, the potential has never been higher for an event attended by a few to be experienced by many.

In the face of uncertainty, it's time for the industry to adapt. A rise in experiential marketing could mark a step in the right direction and help secure the fate of dealerships in the future.

→ The used car market has undergone dramatic changes in the past 25 years due to the shift in consumer behaviours and expectations that resulted from significant technological advances.

Originally, the used car supermarket came about to solve the problem of customers trawling multiple dealerships to find the right vehicle. Once the customer arrives onsite, there is no need for them to leave until a sale is agreed.

In the present day, the internet is responsible for a huge shift in the way we sell. Buyers are now able to access a great wealth of vehicle information with just a few clicks. We have also seen the rise of customer willingness to buy 'unseen' over the phone.

Most of us shop online regularly, making purchases without seeing products, and buyer confidence is extending to larger investment purchases, such as vehicles. Just like the large online distributors, the vehicle supermarket benefits from the cost advantages of scale and holding stock in one large central location.

As technological advances increase, so do customer expectations. They want fast access to services and products; real-time stock info; hassle-free finance; next-day delivery – we get it on books and clothes, why not cars?

Fulfilling expectations is crucial in any industry, and retailers are increasingly meeting demands that would have been laughed at 30 years ago.

Of course, the 'tyre-kicker' still exists, and while commercial vehicle buyers are more likely to

"REAL-TIME STOCK INFO; HASSLE-FREE FINANCE; NEXT-DAY DELIVERY – WE GET IT ON BOOKS AND CLOTHES, WHY NOT CARS?"

purchase unseen, many car buyers still like a test drive.

The difference is now that customers have narrowed down the options before arriving onsite, they know what they want and are ready to buy.

Excitingly, we have now reached a time where the purchasing experience can often be better online than when visiting in person.

As online services for buyers develop and improve, the buying process will become easier still. Buyers will be inclined to visit dealerships in person less and less.

Click-and-collect and home delivery will apply to cars and vans just as much as they do to your grocery shopping. It is up to us to keep pace with the technology and customer expectations.

In the long term however, there are bigger changes afoot. There is no question that the next 25 years will see radical transformation of the car industry. Keeping ahead of the curve is our perpetual challenge.

"EVENTS ENCOURAGE INDIVIDUALS TO GET INSIDE THE DEALERSHIPS... AND THE CARS"



VIEWPOINT



STOP SELLING THE SPECS AND START TELLING STORIES

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



Some years ago, I was asked to research two car launches – one had been a great success and the other, despite the hype, failed to deliver.

Having spent a lot of time talking to both dealers and manufacturers it was obvious what had happened. The first launch was very important to the company, as it was a replacement for one of their best-selling vehicles. The technical team and the marketing agency were under a lot of pressure to come up with an effective way of communicating all that was good about the new car.

Quite boldly, they decided to go for a narrative approach, which simply meant telling stories about the car. Stories such as why it was developed the way it was, why the controls were positioned where they were and how special design features were there to help those with limited mobility. The narratives were developed and the sales people were trained in the art of story-telling.

Following the success of that launch, the agency was in a quandary – what do you do for an encore?

This time, it moved away from the narrative and went into technical benchmarking, bombarding the dealer staff with product information it believed would interest the customer.

Unfortunately, neither the staff nor the customers seemed

enamoured with this approach. The salespeople had been successful when engaging the customers with stories, but struggled to make the technical stuff interesting for the customer.

Why is this relevant? An interesting piece of data came from one of the recent surveys published on AM's website that stated only 32% of 18- to 24-year-olds would be comfortable buying a car without face-to-face guidance from a dealer. This implies that 68% do want some form of personal interaction.

The most digitally savvy age group in the population are looking to talk to dealer staff. The question is – what about? They already have access to all the online technical data, they have undoubtedly visited comparison websites, they will have gained the views of friends and family – what else is there to talk about?

A powerful story sticks in the mind longer than technical data – by providing an interesting narrative that can be shared, we add a unique value to the interaction.

Giving customers stories they can tell about their new car gives them responses when friends question their purchase decision. It provides a weapon against post-purchase dissonance and gives us something meaningful to say to well informed, information-empowered customers.

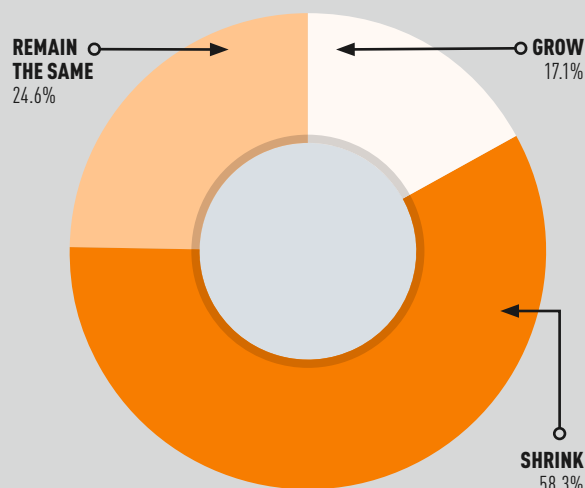
Maybe the time has come to again start telling stories about our cars, to offer an insight that is not available online.

“THE MOST DIGITALLY SAVVY AGE GROUP ARE LOOKING TO TALK TO DEALER STAFF. THE QUESTION IS – WHAT ABOUT?”

AMPOLL

NUMBER OF FRANCHISED DEALERSHIPS ‘WILL FALL IN 2018’

DO YOU EXPECT THE SIZE OF YOUR BRAND'S DEALER NETWORK TO GROW, SHRINK OR REMAIN THE SAME IN 2018?



The UK's network of franchised dealerships will shrink by the end of 2018, said most respondents to our latest online poll.

As the new car market shrinks and as some brands' market shares remain depressed, such as at Vauxhall, there will be some natural attrition in franchised networks.

One respondent said: "Focus on aftersales and used cars. As manufacturers sell cars direct to customers, dealers who are low on aftersales absorption will fail first and manufacturers will cull them to leave the rest of the pack stronger."

Others echoed the sentiment, citing online sales and the rise of broker sales platforms as threats. But the reduced networks will be more refined, said one respondent, giving a better, more cost-effective result.

Another respondent said the new car market is causing dealers headaches, with 'demonisation' of diesels, high prices and reduced replacement cycles. He added: "Without PCP renewals, the market would be further reduced, and margins are under pressure. The used car market has plenty of supply and is much more profitable."

However, some believe networks will remain stable, or even grow, due to the new drivetrains coming through. One voter said the good will need to get better, but the growth of hybrid technology means customers will need advice to ensure they make the right choices.

NEXT MONTH: WILL PUBLISHING THE GENDER PAY GAP HAVE A POSITIVE OR NEGATIVE EFFECT ON YOUR BUSINESS?

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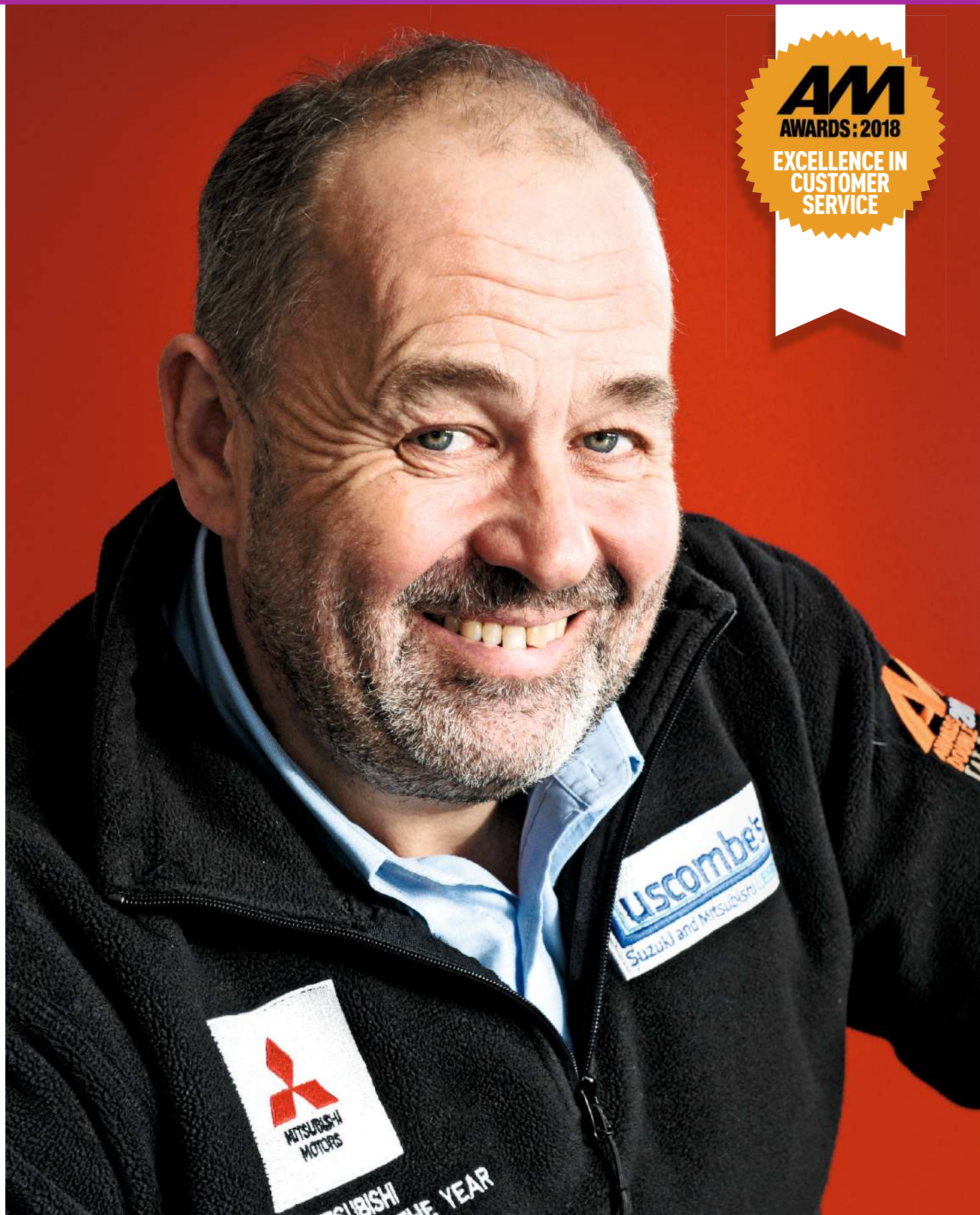
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FACE TO FACE: LUSCOMBE MOTORS

'WE DO THINGS OLD-SCHOOL'

Robin Luscombe wants low-pressure, long-term relationships with his customers and he's happy to fill the gaps left by bigger dealer groups, he tells **Tom Sharpe**

We try to do everything the big groups and PLCs can't. In many ways, we are like an independent, with a flexibility and adaptability that makes it much easier for us to meet the expectations of our customers."

Robin Luscombe, the founder of Luscombe Motors, is in no doubt of the potential damage that over-ambition could do to his down-to-earth Suzuki franchise. The business has been setting standards and winning awards almost since the day he acquired it from Robert Bowett, in an area known as 'the workshop of Leeds', in 2010.

Luscombe has presided over a culture where staff are trusted to make deals with their customers and do not chase amber and red aftersales work to boost profits – the "sales push" is frowned upon. Both practices appear to have played their part in delivering standard-setting customer retention and return-on-sales figures.

When *AM* paid a visit to his facilities on Low Road, Hunslet, Luscombe said: "When I walked in the door here in 2010, the dealership was exactly what you would expect. It had all the trappings of a franchised dealership.

"I remember taking the team aside and explaining the culture I wanted to see. We were going to be doing things 'old-school' – low pressure – and giving customers a good deal. Playing the long game.

"The general consensus was that I'd be bankrupt within six months, I think, but now we are a business that is proud of its customer retention levels, proud of its reviews and referrals and everyone's a part of its success. Now everyone gets it."

Despite what may sound like a philanthropic approach to business, Luscombe's model has proved itself at returning a profit.

Annual financial results for the year to May 31, 2017, show a turnover of

£26.3 million, up more than 5% on 2016's £25m million, with profit before tax up by 24.5%, from £808,753 to £1,006,619.

Gross profit as a percentage of turnover was 14%, while administrative expenses were 10.4% of turnover (2016: 9.8%), producing an overall return-on-sale before interest and tax of 3.9%, an improvement on 2016's 3.4%.

However, Luscombe said the business did face challenges last summer.

Sales "fell off a cliff" in Q2, only to defy the wider market trend by recovering to 2016 levels by October and finishing the year strongly to record 1,827 new car sales and 1,065 used car sales for the year.

Despite the stronger year-end, Luscombe announced at a staff meeting in January that a twice-yearly profit-sharing scheme – every member of staff receives the same sum – would be cut by more than half on the same period 12 months earlier.

In the seven months to January, Luscombe said the business had maintained a return-on-sales figure of 3.5%, but turnover was down 9.9% year-on-year, partially due to the reduction in Mitsubishi fleet success previously generated by the Outlander PHEV.

HELPING MOTOR RETAIL'S NEW BLOOD

Luscombe recently became a founding member of a multi-million-pound private investment fund created to help entrepreneurs establish their own franchised car dealerships.

Tempus Automotive Investments was

formed with industry experts David Kendrick, Dave Vickers, Paul Daly and Steve Mills after the group identified the limited number of sponsored dealer opportunities currently available and the funding challenges faced by new entrants to the sector.

UHY Hacker Young research has shown that 92% of new entrepreneurs in motor retail over the past 15 years have been through manufacturer-sponsored dealer programmes, suggesting the need for fresh blood.

Interested parties go through a thorough assessment programme before being given formal funding approval by the investor team. Businesses generating a turnover of up to £50m, but with shareholders or owners that have no succession plan in place, are among the likely acquisition targets.

The fund launched in August 2017 and Luscombe said interest has been strong, but that the volatile market meant the consortium has exercised caution about potential investments.

"Things haven't moved on considerably for the simple reason that nobody seems certain of the direction of travel of the industry," he said.

"We want to deliver value for people that want to set out on their own, and will have committed probably in the region of £150,000 of their own money to do so.

"A business being offered to us now could well turn out to be worth a lot less by the time April comes. It's a difficult period, but it might also present opportunities."

Luscombe started his own business with no manufacturer backing.

After beginning his automotive career as a parts apprentice at a coachbuilding workshop in Leeds, a love of motorcycles landed him a position in the parts department of Colin Appleyard's Keighley Suzuki "bike shop".

It was only when the suggestion of a move over to cars would free up

FACTFILE

TURNOVER (2017) £26.3 million
PROFIT BEFORE TAX £1,006,619
FRANCHISES Suzuki, Mitsubishi
STAFF 50

☞ Saturdays to spend more time in the saddle that he made the move to four wheels.

Over the years Luscombe has proved an adept sidecar trials rider, securing 16 British titles, 18 Manx Sidecar, plus three World successes and one Australian sidecar trials championship.

While winning on the motorcycle, Luscombe progressed his career, running two Appleyard sites. Eventually, he felt the time came to go it alone.

He said: "I woke up one day in January 2009 and said 'right, I'm 47 at the end of this month, if I leave it another week I'm going to be too old'."

With the approval of his wife, and against the advice of some friends, Luscombe left his job at Colin Appleyard.

"It was very much a case of putting everything on red and hoping for the best," he said.

"I'd done the business for someone else and needed to know if I could do it for myself."

GOING IT ALONE

The opportunity to buy Bowetts Suzuki came about after Luscombe put in a speculative call to then owner Robert Bowett.

The business was everything he had hoped for, having been at the top of his list of potential targets.

"It was a Suzuki franchise, within a short commute of my home and it was in a good territory.

"It was 16 months from our initial chat to finalising the deal," said Luscombe.

In the summer of 2016, Luscombe secured the freehold of the Suzuki site, along with Bowkett's neighbouring Mitsubishi franchise and used car pitch for an undisclosed sum.

Luscombe said he has no plans to expand

“CUSTOMERS DON'T WANT TO BE MOVED FROM ONE PERSON TO THE NEXT DURING THEIR VISIT, SO OUR STAFF WILL DEAL WITH A SALE FROM END TO END

ROBIN LUSCOMBE,
LUSCOMBE MOTORS

further: "I've created a business which makes good money and has a very distinct culture.

"Our customers are like our family. If I was to grow the business, I'm in no doubt that I'd lose that."

While Luscombe is very much the man at the helm of his business – he presents promotional videos posted on the business' website, voices radio adverts and writes a weekly 'Robin's Diary' section for *The Yorkshire Post* – he is keen to imbue his staff with independence.

Last July, he took a month away from the business to allow his team the chance to make their own decisions, to influence the performance of their departments and lessen their reliance on him.

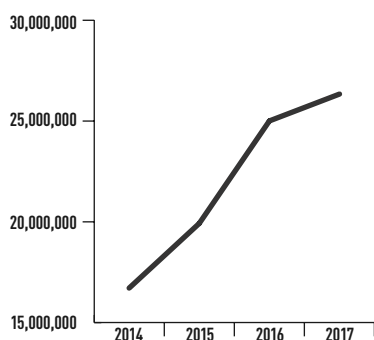
"I asked for a daily operating control document and how many cars had been sold and that was it," he said.

"They benefited from the knowledge that I trusted them and was happy for them to make their own decisions."

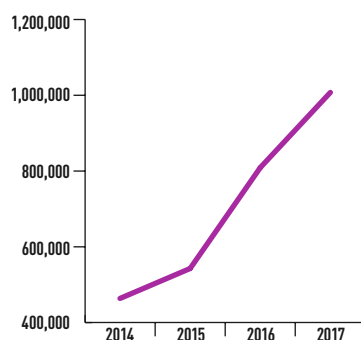
Part of the Luscombe culture is an effort



TURNOVER (£)



PROFIT BEFORE TAX (£)



Despite showing consistent growth during the years that Luscombe Motors has posted full financial results with Companies House, the Hunslet-based retailer has no plans to grow, preferring to preserve its relationship with customers and, in turn, impressive return-on-sales performance.

to adopt a team ethos. While he was unable to measure the effects of his month off on the business, he said the recovery of the business after a tough April, May and June could be attributed to allowing his team "to grow".

The bonus scheme – which sees all 50 Luscombe Motors staff receive the same cash lump sum twice a year – helps the team spirit.

All eight of his managers were involved in the decision to introduce the scheme and it includes everyone from sales managers to showroom cleaners.

Staff retention levels are high, reaching 95% in 2016 and 92.5% in 2017.

As a sign of its staff satisfaction levels, Luscombe Motors achieved AM Best Dealerships to Work For status, which was



Robin Luscombe and his team, proudly displaying their AM Award patches

presented at Automotive Management Live 2017 in November.

The sales team brings together the concept of trust in staff with Luscombe's focus on delivering a personal customer service.

He likes to see his sales manager on the shop floor, communicating with customers, and his nine sales executives are part of an end-to-end customer service model.

"Customers don't want to be moved from one person to the next during the course of their visit, so our sales staff will deal with a sale from end to end," he said.

"They can value the part-exchange up to their comfort level.

"The sales exec's main job is that of a rapport-builder, but it's hard to fill that brief if they're just one part of a long process.

We want staff to get to know their customers and welcome them back each time they come in."

Luscombe Motors won the AM Award for Excellence in Customer Service at the start of February, gaining praise for its sales mantra: "We won't sell you a car, we'll help you buy one."

Luscombe insists that customers are allowed to go away and think about a deal if they wish as part of the business' low-pressure sales ethos.

ENDING THE SERVICING 'HARD SELL'

The same approach extends to aftersales, where Luscombe dropped prices when he acquired the operation in 2010. Service reception no longer attempts to push amber and red work after a customer has

made clear they do not want the work carried out.

"When I came here, the workshop was suffering – they had charged the customers more money in an effort to compensate," said Luscombe.

"I said 'we're lowering prices and we'll get more business and sell more cars'. They thought I was mad."

When AM visited Hunslet, the workshops were bustling and Luscombe reported that his latest financial results showed overhead absorption of 110%, up from 103% a year earlier.

He said aftersales profitability was up by 5%, with trade parts sales up by 17%, a figure which should see it exceed £200,000 for the financial year.

Service retention in the Suzuki



franchise stood well above the manufacturer's upper quartile of retailers, at 97.13% in year one, 94.6% in year two and 72.6% in year three.

The ongoing battle to keep aftersales costs low continues to be a headache, however, with customers increasingly expecting a full valet worth about £50 when spending just £100 on a first service, Luscombe said.

But he insists that a busy workshop serves to feed the car sales business, with customers encouraged to pop into the showroom for a coffee.

Attracting new customers through referrals and as a result of positive online feedback is also a key target at Luscombe Motors.

In 2010, Luscombe had little cash to invest in marketing and "just sat down at a computer and messed around".

The result was a strong social media presence at a time when other retailers may have been focusing on more traditional marketing channels.

Luscombe remains active on Twitter and LinkedIn, extending the use of CitNow video for aftersales customers into YouTube clips, which he presents from the showroom, and customer testimonials, which take centre-stage on a website developed by Yorkshire-based Autoweb Design. Luscombe won the AM Award for Best Use of Video in 2017.

Reviews on Google and Auto Trader also help drive custom to the business.

"It's remarkable the number of referrals we attract. It's a huge part of our business," said Luscombe.

"For us, it's fairly simple. We treat people in the best way we can and if something goes wrong we deal with it."

'ROBIN CONTROL'

Used cars account for a small part of Luscombe's business, with the sales ratio skewed heavily towards new vehicles, even though exchange rates pushed up the price of imported stock by 10%-15% in 2017.

Despite hosting Takanori Suzuki, Suzuki's head of European automobiles and Nobuo Suyama, Suzuki GB's managing director, when they visited the UK on an "EV fact-finding mission" in December, Luscombe said it was the manufacturer's range of straightforward, petrol-engined vehicles that had paid dividends for the group as anti-diesel sentiment took hold of the market through 2017.

Luscombe said Suzuki plans to invest in EVs to meet strict regulations that will be brought into force in India – its key market, with 1.25m annual sales – but feared such developments could drive up prices still further.

IT MIGHT HAVE ONCE TAKEN 10 MINUTES TO POST A CLASSIFIED AD, BUT NOW THEY NEED TO BE SPOT ON AND IT CAN TAKE OVER AN HOUR

ROBIN LUSCOMBE, LUSCOMBE MOTORS

The business has made efforts to speed up the processing of used stock and improve the quality of online classifieds. A salesman looking for more regular working hours and less commission-based pay made the switch to become a full-time vehicle photographer and classified advert producer, uploading about 50 images of each used car and writing thorough descriptions of their features five days a week.

Luscombe said: "It might have once taken 10 minutes to post a classified ad, but now they need to be spot on and it can take over an hour. Doing things right saves time towards the end of the process. Creating a classified advert has become very much a part of the sales process."

The used forecourt at Luscombe's

Hunslet site will accommodate up to 100 cars, but Luscombe said capacity is rarely reached as the used stock is sold too quickly. The forecourt usually features about 70 vehicles, and about 88 used vehicles are sold each month.

Used vehicle stock is generally up to five years of age and 60,000 miles and is bought from about 10 different sources.

Luscombe said an over-reliance on manufacturer stocking sources can disadvantage retailers, serving as a "leveller" on price, resulting in franchisees competing for the same business.

For a similar reason, he set aside Auto Trader's iControl system.

"I prefer to employ 'Robin Control'," said Luscombe.

▼ 'TREAT EVERY CUSTOMER LIKE CLOONEY'

Luscombe Motors hired high-profile keynote speaker Geoff Ramm to help staff come up with a way to deliver a "celebrity service" to its customers at the dealer's annual staff meeting in January.

Ramm – who regularly works with brands such as Emirates and Specsavers – delivered a lively presentation centred on the need for staff to treat every customer no differently to how they would treat George Clooney or Angelina Jolie.

Teams from across the business took part in a two-minute exercise to come up with an idea for how to deliver a unique ice cream product for a parlour business. The exercise was intended to show participants that generating game-changing ideas need not be time-consuming.

Volunteers dreamt up a "make your own ice cream" concept, flavoured cones and a high-quality, dine-in experience in a matter of seconds.

Ramm said: "Is there anything like that available in Leeds now? No, there isn't. If you can come up with innovations like that for a business you don't know at all, what can you



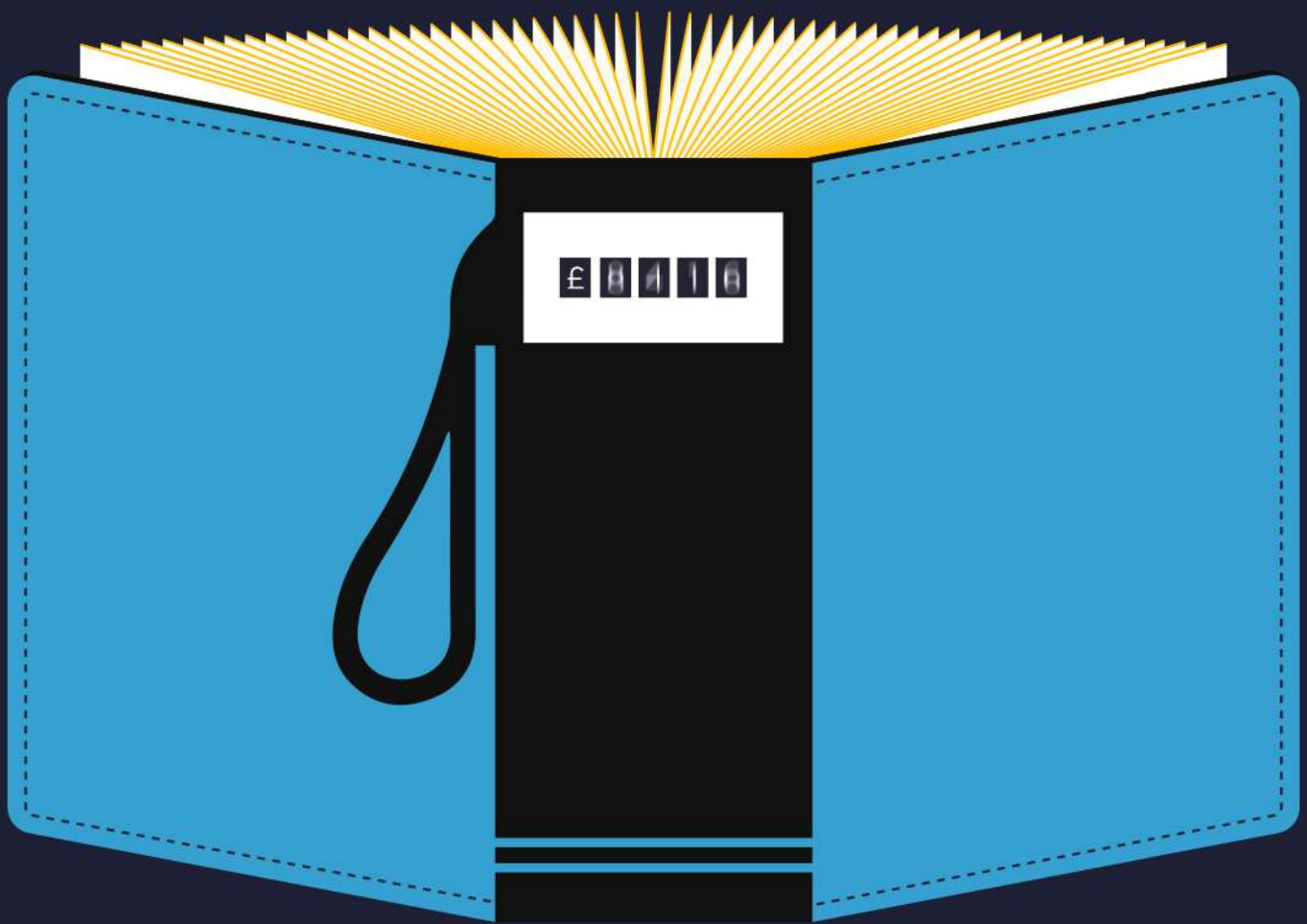
Geoff Ramm, left, took Luscombe's staff through exercises to boost their customer service skills

do for Luscombe customers?"

Ramm, formerly a marketing manager with Springfield Motor Group, also highlighted that compliments, personalised service and gestures such as low-cost, personalised gifts not only strike a chord with customers, but can gain marketing traction via social media channels.

At the end of the presentation, Luscombe said Ramm's fee would be worth it if everyone in the room was inspired to make another £100-a-month on the back of it.

Luscombe said afterwards: "I think that was money well spent."



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Creating a Compliance Culture is Good for Business



The challenge of compliance can be turned into business opportunity. Tara Williams from i-Comply online, which works with a growing roster of motor retailers across the UK, explains just why this is so important and how to set out on the right road.

Compliance is a daily part of car retailing today, as it is for all businesses. Next up is General Data Protection Regulation (GDPR) on May 25.

GDPR is a microcosm of the compliance challenge facing many car retailers; the change is overdue; it will impact all areas of a dealership and there is no quick fix that will solve it.

The current data protection regulation became law in 1998, written for an analogue world. Twenty years on, dealers today work in a largely digital way and the approach to

data protection has evolved filling the void that existed in the dated regulation currently in place.

Dealers work in an environment where reputation, transparency and fairness are all-important; this is often underpinned by regulation. The way forward for dealers is to embed compliance into everyday working. Creating a 'culture of compliance' and customer success can be a valuable differentiator, not a cost, underpinning the value of reputation and trust, which should never be underplayed.

Get compliance right and performance will follow

To build a foundation for a culture of compliance, look to the following tips: Cultural Shift

- 1 'Tone from the Top'**
cascading business-wide through the middle management.
- 2 Communication**
promote principled behaviour and a drive to continuous improvement every day.
- 3 Competence**
invest in training to explain business policies, rationale and expected behaviours.
- 4 A Learning Ethos**
use root cause techniques to assess incidents and prevent repetition.

Processes

- 1 Commerciality and Cost Effectiveness**
establish business-wide risks and opportunities prompted by compliance, develop suitable actions.
- 2 Risk Spotting**
be aware of potential risks and build platforms to monitor them.
- 3 Consistency and Controls**
combine good compliance controls with commerciality focused on good customer outcomes.

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Tara Williams
Director, i-Comply online





MINUTES WITH...

Zara Ross,
chief executive, Ben



What's your background?

I have worked in the care industry for more than 30 years particularly in the charity sector. I am unashamedly committed to the world of charity. I worked for the local authority in social work, digressed into HR management for 15 years, where I was particularly interested in organisational change. I crossed back from HR director to care director before Ben.

What was the attraction of Ben?

I believe at Ben I have a fantastic opportunity, it's been around for a long time and is ripe for renewal and refocusing. I see my role as involved in shaping what the charity's all about.

How do you see Ben's role in the sector?

Ben's purpose is to be a support for life for people who work in the automotive industry. Transformation is happening very quickly and it's quite exciting to run alongside it, but also reflect on all of that as it's happening. I believe Ben can add value and partner with the industry during this time of change. I don't think that's how the charity has positioned itself previously.

What can Ben offer the automotive workforce of today?

A helpline, a website which is evolving and about to expand, as well as professionally trained advisers and trainers. The growth in online chat has been considerable in the past 12 months. We really believe we can become a more integrated part of what companies are doing. We can offer practical workplace programmes and we are working hard on a new package, Ben4Business. We provide health and

**I BELIEVE BEN
CAN ADD
VALUE AND
PARTNER WITH THE
INDUSTRY DURING THIS
TIME OF CHANGE...
TRANSFORMATION IS
HAPPENING VERY
QUICKLY**

ZARA ROSS, BEN

well-being training for employers around mental health in particular. Part of raising awareness is having something to offer, so we provide a personalised health check, which involves assessing blood pressure, heart and body-mass index and follow up with practical advice to improve physical fitness. It's free to employees. It was launched at the end of summer 2017 and we have seen 11,000 employees already.

Is mental health the biggest issue?

The four big areas that impact any organisation are mental health, physical health, financial well-being and social well-being. These four pillars underpin what we do. We have had 25,000 hits to our mental health pages on our website in the past year and we expect that number to go up as more people are talking about mental health. Mental health has been a consistent enquiry over the past 12 months. The previous 12 months we had

more enquiries about financial support although that can sometimes be bound up with mental health. Often these can be inseparable.

Does the nature of automotive retail – high staff turnover, low basic salaries, sales targets, etc. – exacerbate financial and mental health issues?

Things are tough in every industry, but there are real dilemmas for those folks at the frontline trying to close sales in extremely hard circumstances. Yet the challenge to change that model for organisations is very difficult. People at all levels are working under incredible stress. This is not something that will change dramatically overnight. In my view, the next five to 10 years will see very significant transformation in the sector and I think the mental health support needs that come with that will be a reality.

What has contributed to the increase of mental health issues in the workplace?

There's a range of factors, things are never one-dimensional. Until the Brexit negotiations become clear, there's a big uncertainty factor tied up with the economic one. Raising the profile of mental health in itself has contributed hugely to people having the courage to say 'I'm struggling and I need some help', but some folk find that difficult.

A male-dominated industry is another factor, it's always going to be difficult for some of our male colleagues [to ask for help]. Having mental health difficulties does not make you a weak person – that's an important message. The honesty in facing up to a problem is the first step to getting help.





What practical help can Ben provide?

We have partnerships with 700 other support organisations, which can provide guidance and advice about specific issues that could be the reason why people develop mental health issues.

We can give guidance on debt counselling and we can put people in where there's a family crisis or bereavement. We visit people in their own homes and make sure they get after-care support. We respond to people online, by email or engage via web chat, whatever works for the individual.

How are you measuring your impact?

I believe we are making great strides, but it is not enough to just say that. We carry out an impact report every quarter and feedback [from people Ben has helped] has been exceptionally positive. We have a fantastic repertoire of stories and practical information on how people have moved forward with the support of Ben.

It has helped people achieve more than £1 million of benefits that they were entitled to, but not claiming. We have helped people who were homeless and guided them through getting a new tenancy and we have helped negotiate payment of bills or even had debt written off. It may seem small, but it's very practical and it's hard to make some of this tangible. We are working on how to record this on our website, you will see more of this in the next 12 months, and we will be able to share more data on how we are improving people's lives.

Will Ben continue to provide care homes, which it is probably best known for?

Ben has been providing social care in care centres (in Berwick, Coventry and Berkshire) for almost 60 years. Those services give priority to people who work or have worked in the industry or have a close relative who has worked in the industry. It has been a fantastic area of work for Ben. We want our legacy care

WE WANT TO BUILD ON OTHER WAYS TO SUPPORT COMPANIES AND TRAINING IS A BIG PART OF THAT ZARA ROSS, BEN

centres to be the very best they can, but also to be financially self-sustaining. Our target is to achieve that over the next couple of years and we believe that's possible. We don't want the care centres to be a financial drain on automotive contributions from people who work in the industry today.

Have the care homes hampered Ben's appeal to current industry employees?

I think that's absolutely the case. That's why it's important that we can show there is a clear connection between what they contribute today and what they see people [in the sector] get, and so it becomes a virtuous circle. To run professional care services with the support of the local authority and from health funding as well as the financial support of those who can afford to pay is a financial mix which is different from how Ben was run in the past. There has to be a logic for people who are under financial pressures to give to any charity. The reason people do that is because they can see a link with themselves or someone they know.

Has this new strategy resulted in increased fundraising and giving from the industry?

We recognise that this will take time. We still value all sources of income, some of which have been coming through for several years. We could not manage without the large contributions of large corporate organisations as well as fundraising events. We are starting to see a

direct link between higher awareness of Ben and increased giving. Awareness-raising and fundraising go hand in hand. We are seeing people really responding and prepared to give. We expect that to increase over the next financial year and following years.

What does your five-year plan consist of?

The five-year plan starts in our new financial year on April 1, 2018. The focus is on the health and well-being [of people in the sector], to make our care centres financially self-sustainable and to create a charity we can be proud of in the way we run ourselves, which is efficient and effective.

For health and well-being, we are focusing on three areas – awareness, engagement and intervention, where we go into workplaces. We provide not just crisis help, but regular opportunities to support employees.

We want to build on other ways to support companies and training is a big part of that. We have 40 companies signed up to our training programmes in 2018 where we go into workplaces to talk not just about Ben, but mental health, how to recognise mental health and the practical things that can be done to support that. We want to be ambitious about the number of people we will be supporting, we have thousands and thousands of people in our minds as we go into the next five years.

Is there anything you would want to say to people in the sector?

Thank you. For those who are in the industry, the money they give, they will see an impact in the workplace and see that we can improve people's lives. About 80% of the calls we take are from people in the industry today and yet there are still so many people who have not heard about Ben. If you have an experience of Ben, let us know and let other people know. **DEBBIE KIRLEW**

FACT FILE

COMPANY:
BEN – MOTOR AND ALLIED TRADES BENEVOLENT FUND

HEADQUARTERS:
ASCOT

TOTAL INCOME:
£26.3M (2017)

EXPENDITURE:
£22.4M (2017)

STAFF: 404



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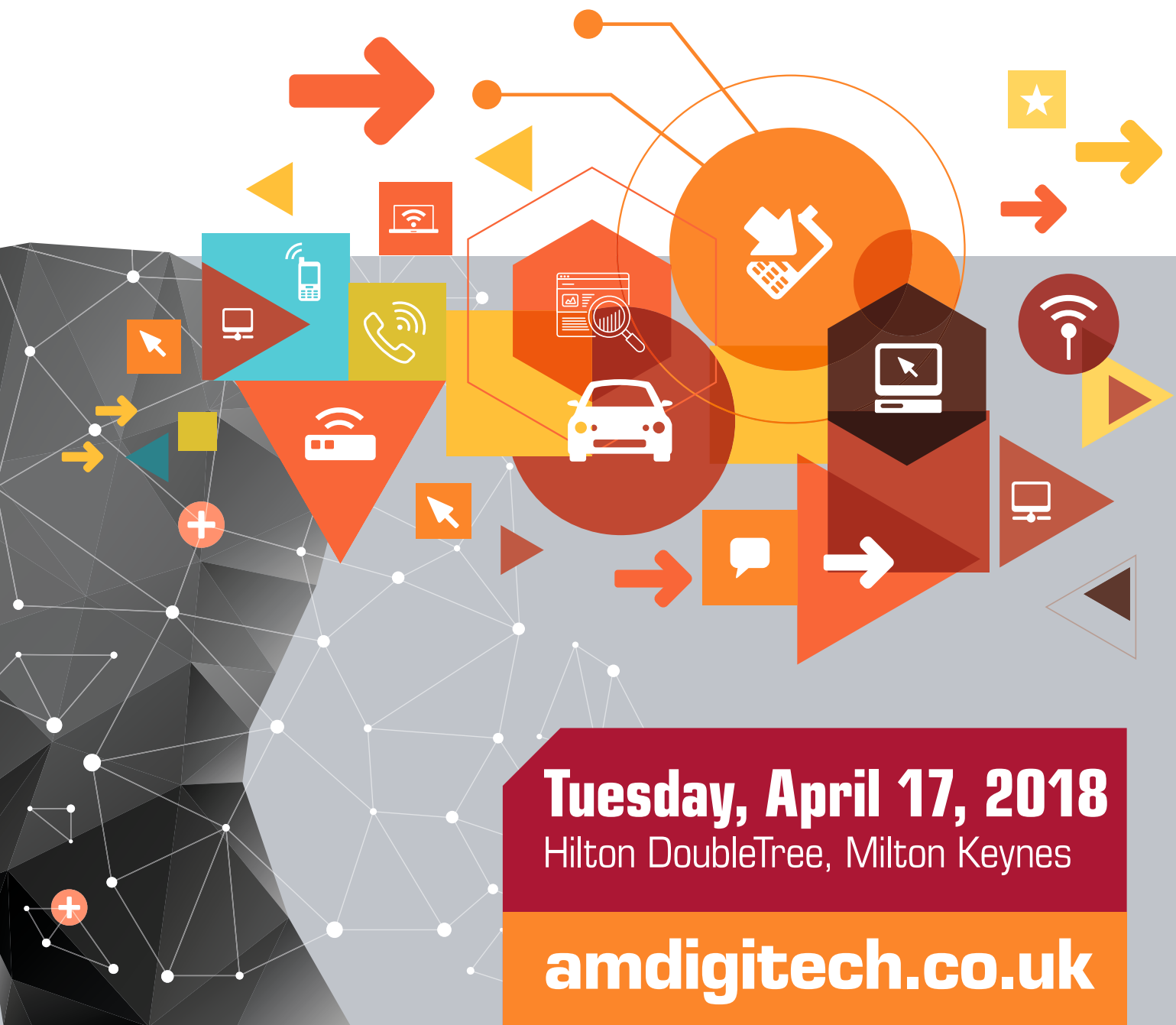
Developing an innovative automotive retail business in the digital world

Tackling the various technological and digital developments shaping automotive retail, the conference explores the challenges and opportunities facing the industry today – and tomorrow. We endeavour to understand the impact these will have on motor retail and how dealers need to prepare and evolve now to reflect the consumer's fast-changing attitude to cars, mobility, vehicle ownership and transacting online.

The event will also look at current issues dealers are tackling such as digital communications, big data and GDPR compliance and the inevitable electric vehicle (EV) revolution.

WHY YOU SHOULD ATTEND?

- Learn dealer database best practice and fully appreciate the implications of GDPR
- Find out about the latest technology driving dealer efficiency and the customer experience
- Discover the software and technology that's powering the way forward in the retail space
- Prepare for the EV revolution with power supplies, technicians, sales, repair and training
- Insights into online, IT and tech changes dealers will face in the next five to 10 years
- How retailers are enabling customers to properly transact online and win online sales
- The inside story from digital disruptors and their impact on sales and consumer behaviour
- Case studies from dealer colleagues
- Gain a deeper understanding of how digital and technology drives a successful business
- Hear about current trends and future influences, such as the connected car
- Network with colleagues
- Meet industry suppliers and find out about the latest products and services on the market



Tuesday, April 17, 2018

Hilton DoubleTree, Milton Keynes

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WHO SHOULD ATTEND?

DigiTech can benefit employees at every level of your business:

Senior motor retailers and decision-makers – harness technological innovation to create a business fit for our digital world

Divisional directors – identify digital trends and how they will affect the automotive retail model

Dealer principals & general managers – grasp the complexities of the ever-changing digital landscape and how it can help influence profitability, retention and CSI

Digital marketing directors and executives – the latest in digital marketing and data concepts within the new regulatory framework

Sales managers – how digital is changing the sales process and how it can benefit your business

Aftersales managers & service managers – the impact of digital and new technologies in customer care and communication as well as process management and aftersales operations

Sales executives – how digital can help generate leads, develop customer relationships and increase conversions

CRM advisers – understand digital's role in fostering and cementing customer relations for improved CSI and repeat business

Marketing managers and marketing executives – familiarise yourself with the latest digital communication trends to boost engagement and encourage more people into the dealership

CTOs and IT managers – find out about the latest technology, consumer expectations and potential threats as well as GDPR obligations

Manufacturer employees – gain a deeper understanding of how the digital dealer operates

VOLVO

Volvo is two years from self-imposed targets on market share, safety and CI and workshop updates. Kevin Meeks, customer services director, is confident it will hit them, he tells **Tom Seymour**

2

020 will be a big year for Volvo – not only does it aim to have all 101 UK dealerships upgraded to a new corporate identity by then, it wants multi-technician working in its aftersales departments (signing up 300 new technicians along the way) and it is targeting 2% market share, or 60,000 registrations.

In less than 24 months from now, all new Volvos will be available with electric or hybrid versions, and the manufacturer insists that they will be so safe that no passenger or driver will be seriously injured or killed in one.

While there may be sceptics out there about how achievable all of that is, it is clear that Volvo is no longer sitting back – spurred on by investment from its Chinese owners Geely, it believes it will be the most progressive and desired premium brand.

Kevin Meeks, Volvo UK's customer services director, said: "We could have said we aim to be the most desired, progressive and premium car brand by 2020. But we speak about it in the present tense because

“WE’VE BEEN ASPIRING TO THE PREMIUM SECTOR FOR SO MANY YEARS, IT’S ALMOST LIKE WE DON’T REALISE IT NOW WE’VE GOT HERE
KEVIN MECKS, VOLVO



it forces us to confront any obstacles that might be in the way.

"For quite a long time, it felt like Volvo was under the radar. If it feels like we're not now, it's because of Geely's involvement. They are absolutely committed to building a global automotive brand."

Just how sceptical are the dealers about hitting these goals? When Volvo asked them, 78% thought it was achievable.

Volvo then invited them en masse to its new £6 million training and development centre in Daventry. Confidence rose to 87%.

Meeks acknowledged that there is work to do over the next two years, but the centre in Daventry acts as a focal point for making these 2020 plans happen.

He said: "Certainly the 'progressive and desired' bit needs more work to get to where we need to be, but in terms of premium we are there."

"We're on parity with other brands for pricing and residual values."

"Sometimes it's about us thinking and feeling that way. We've been aspiring to the premium sector for so many years, it's almost like we don't realise it now we've got

KEY PRODUCTS



◀ V40

Registrations of Volvo's rival to the Mercedes-Benz A-Class and Audi A3 totalled 14,256 last year, split equally between retail buyers and fleets.



◀ S60/V60

Fleets are the biggest customers for this saloon and estate line, taking 65% of last year's 4,693 registrations. It may suffer after Volvo expands the range with its XC40 small SUV in March.



Barnetts Volvo Dundee:
Volvo wants its entire
101-site network to have
adopted VRE by 2020

❖ VOLVO'S SPONSORED DEALER PROGRAMME

Volvo is preparing to reveal its first sponsored retailer after relaunching the programme two years ago.

It has slightly reshuffled its network over the past 12 months, with four partners leaving the franchise and replaced by solus and multi-site owner drivers, as well as an additional large regional multi-franchise group.

Dealers are on a two-year rolling contract and despite the changes there is still a mix of 55 owners across the 101 dealerships.

Meeks said the network is stable at 101 and Volvo is happy with its geographic coverage.

However, there is a number of people waiting to join the franchise or start as a sponsored retailer.

He said: "There are some hugely talented operators out there that don't have the huge backing required to set a dealership up, but they have the skills to do it."

"We put a great store on the relationship we have with our dealers, so we're not going to do a hatchet job on the dealer network to change operators."

"Where dealers have the energy, we will be continuing with them. If a dealer says the future is too difficult, then we would look at new opportunities to work with new partners."

here. We have a different mindset now to what we had a few years ago."

Daventry will train new technicians, hosts, product specialists, sales executives and future managers. The centre has its own hosts on staff, six training rooms with digital whiteboards, three webinar rooms, an auditorium for larger training events, 16 service bays and a restaurant.

Meeks also believes that if Volvo is asking dealers to take the next step, then the company has to lead the way with its own facilities and approach.

Volvo is certainly embracing change with

what it offers customers (see Care by Volvo on the next page), but what is it expecting of its dealers?

VRE, VPS and MST

Three acronyms reflect most of the core changes Volvo expects of its dealer network.

Volvo Retail Experience (VRE), its latest corporate identity (CI) upgrade, is about turning showrooms into Scandinavian-inspired living-room spaces that are "cool on the outside, warm on the inside".

Customers park directly in front of the entrance, unlike the traditional dealership

style which prioritises stock display above the customer.

The emphasis on customer comfort is due in part to Volvo's desire for aftersales customers to wait while their car is serviced.

Although Volvo car dealers may still offer courtesy cars, as well as collection and delivery, a new 'lean' method of working by multi-skilled teams (MST) of two technicians on each car will mean a service can be completed in under 30 minutes.

Waiting customers can see exactly what is going on in the workshop through the showroom windows. A customer's



❖ XC60

It's the most popular new Volvo in the range, responsible for one in three sales. In 2017, thanks to replacement and run-out of the original model, registrations reached 16,302 units.



❖ XC90

The highly regarded luxury SUV, which signals Volvo's hybrid future. Registrations are still climbing since its 2015 launch, passing 6,200 in 2017.

Assigned Volvo Personal Service (VPS) technician will deal with them directly in the 'living room' and can escort them into the workshop to see first-hand if any further repairs or maintenance needs have been spotted on their car.

Of the 101 dealers, 42 are now running VPS and 25 have upgraded to VRE. Not all VRE sites are new-builds, with the majority able to upgrade existing facilities to the new standards.

VPS takes nine months to train into the business from start to finish. Meeks acknowledged that it can be quite an upheaval: "You're pulling things apart from how you would traditionally approach things and then you're putting it back together again and that takes time."

Dealers can implement MST before VRE depending on where they are on updating to new standards.

Meeks said: "There will be a minority that won't be able to make the change to VPS, but the majority of technicians have embraced this and will make the change."

Volume ambitions

In the latest SMMT data, Volvo registrations were down 1.2% year-on-year, from 46,696 in 2016 to 46,139 in 2017. This compares with a 2.1% increase for Jaguar at 35,544 and a 3.9% increase for Land Rover on 82,653. While JLR is arguably more established as a premium player, Volvo is still fighting alongside it for market share from Mercedes-Benz, BMW and Audi.

Meeks said Volvo will finish this year closer to 50,000 units and the additional volume the brand is looking for will come through conquest sales with the XC40, Volvo's range-broadening first small SUV, in its first year on sale and growth across the rest of its product range.

He said there are no volume ambitions being shared beyond 2020, but growth will be organic.

"When we're talking about 60,000 a year, that's just new. We're in danger of ignoring the opportunity with used cars and the necessity for us to do even better in that area," he added.

CARE BY VOLVO



Part of Volvo's new approach to automotive retail is testing the waters with a new subscription service in London.

Care by Volvo launched on September 21, 2017, and bundles the use of the new XC40 compact SUV with tax, insurance, service, maintenance, tyres, windcreens and a concierge service. Prices start from £629 a month on a 24-month contract.

Insurance covers the driver and two other people. Through the Volvo Car Exchange, customers can also use another Volvo in the range for 14 days a year, such when a customer may need a bigger car like the XC90 for a family holiday.

A 30GB data SIM is also included so drivers can use connectivity features like Spotify and passengers can connect their smart devices.

The concierge service has a dedicated team to help with booking restaurants and hotels, facilitate car exchanges, or even cancelling a booking for a haircut.

Nicola Murphy, Volvo UK direct sales manager who also heads up Care by Volvo in the UK, said: "The target demographic is people that aren't interested in the traditional ownership model, but they want additional services and use of a vehicle."

"These are likely to be people that may have successful careers or have a very busy family life."

Care by Volvo is working in partnership with Endeavour Automotive's Volvo Cars London (VCL).

Any delivery, handovers or collections to do with servicing or the car exchange will be facilitated by VCL's team.

Murphy said as Care by Volvo is in the early stages of its pilot phase the brand is still working through how commission or fees will be attributed between the dealership and the subscription service.

She said: "If Care by Volvo is a success we would of course look to extend it out to a wider area across the UK and with other models. We have to test, learn and scale this accordingly."

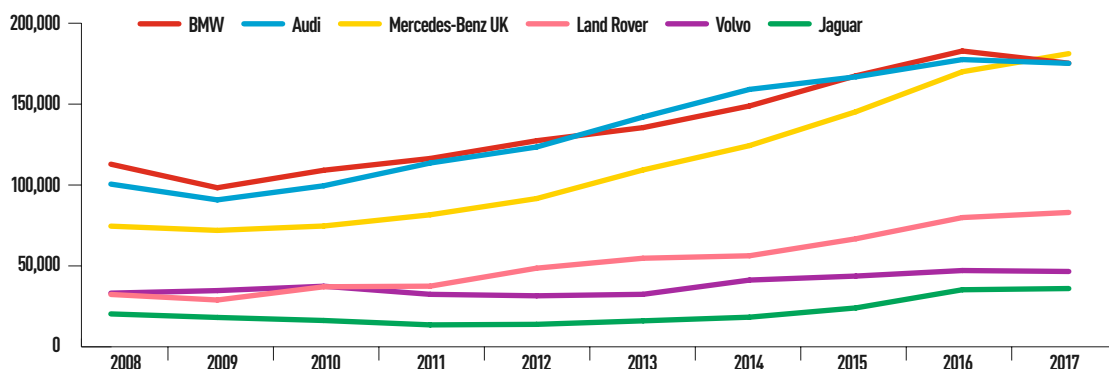
"There's a lot for us to learn and we're really the first to market with something like this. If it was to expand we would of course have to look very closely about how dealers were involved and to make sure it was just and fair with the dealer network in mind."

It's likely Care by Volvo will also act as a test bed for Volvo's new standalone Polestar luxury brand.

Sales will be online-only when it launches its first 2+2 coupé model in the UK in 2019. However, a spokesman confirmed that the UK dealer network will act as a facilitator in partnership with Polestar for things such as servicing and maintenance.

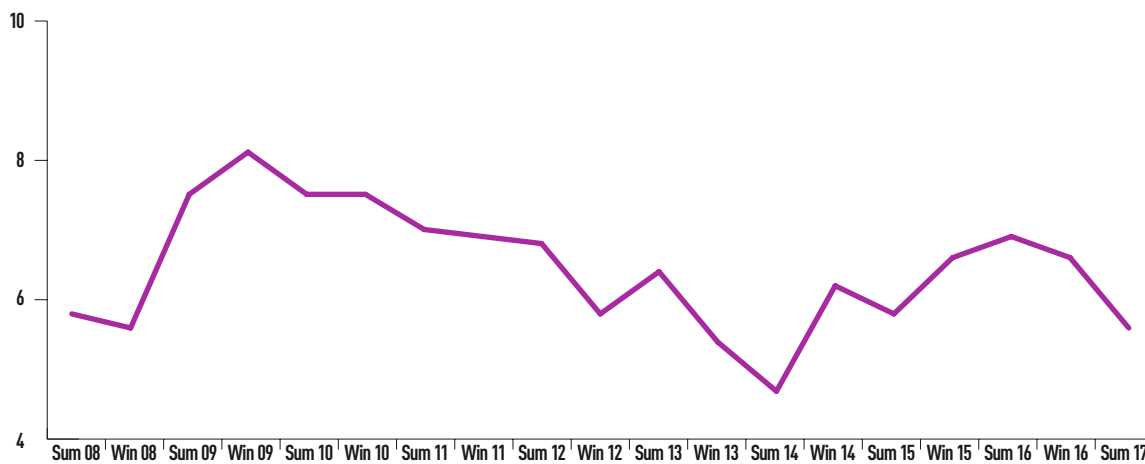
Another Geely brand, Lynk and Co, will be available in the UK as a car subscription service, but Volvo was unable to comment on whether its dealer network would help facilitate servicing.

NEW CAR REGISTRATIONS



Volvo's dealers have enjoyed a decade of either relatively stable or growing new car demand. Milestones include the XC60's arrival in 2009 and V40's launch in 2013, which triggered a rapid rise.

NFDA DEALER ATTITUDE SURVEY



Satisfaction scores show the brand has done little to truly upset its franchisees, except the 2014 announcement of VRE investment requirements. The line appears to reflect model cycles, with notable uplifts created by excitement around profitable SUV launches in 2009 (XC60) and 2015 (XC90).

Volvo wants dealers to grow approved used car sales by up to between 500-600 units per dealer by 2020 to give a higher level of total throughput.

Meeks would not disclose average return-on-sales figures for the network (in 2014 it was 1.1%), but he said new car margins across the industry are under pressure: "Much as we might bemoan that fact, we can't get away from it, we have to embrace the environment we are working within."

"It's only going to get more competitive. It's not all about the margin you get in each individual new car. The future model will have to be not only through a growth in numbers, but through growth in the diversity of the products and services we offer."

"The traditional model is going to be undermined and we have to be prepared for that."

Moving into mobility

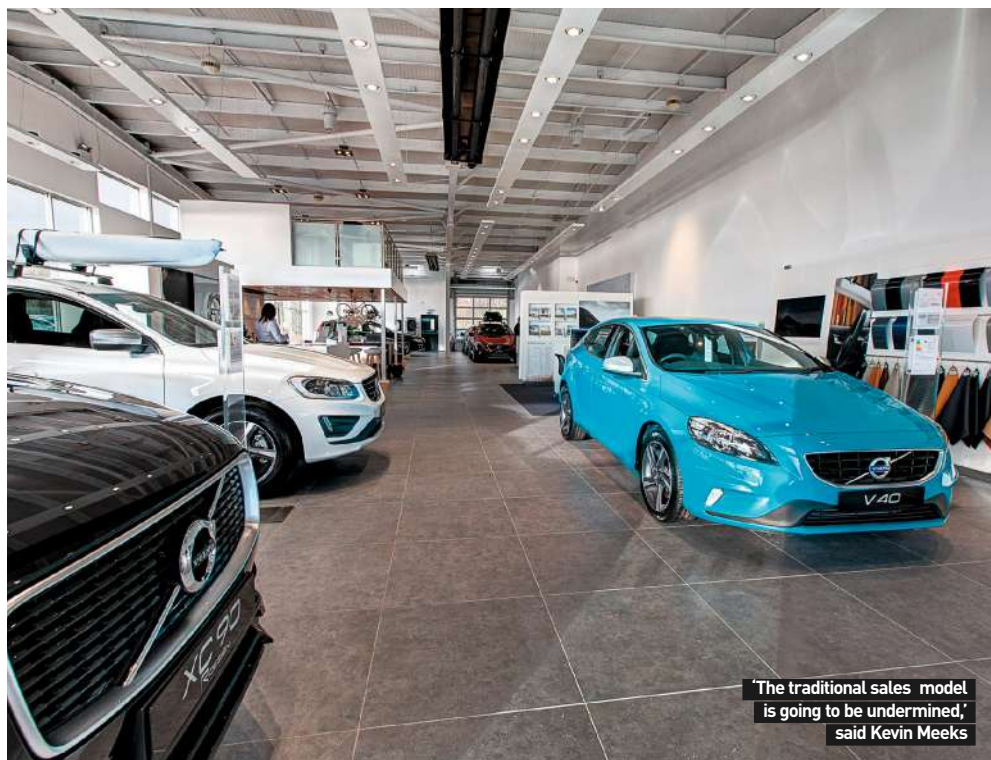
Meeks said Volvo is aware it will have to be a supplier of mobility in the future, not just products and services. He thinks motor retail will look very different by 2030.

"The provision of product specialists is a natural step in that direction. Fighting about the price is much less relevant because there is a much greater ability to customise monthly payments," he said.

Meeks said that as consumer behaviour

IF WE KEEP THINKING IN TRADITIONAL TERMS THEN WE'LL REMAIN PART OF A TRADITIONAL INDUSTRY. WE SHOULD BE THINKING MORE ABOUT CONSUMER MOBILITY

KEVIN MEEKS, VOLVO



"The traditional sales model is going to be undermined," said Kevin Meeks

changes, the role of the dealer will naturally change, too. This may mean a reduced role for sales executives and for dealers to be concierge and customer service specialists, facilitating replacement cars, servicing, handovers and deliveries.

He said: "If we keep thinking in traditional terms then we'll remain part of a traditional industry. We should be thinking more about having a pioneering position in consumer mobility."

Meeks said the role of the product genius or in Volvo's case, the product specialist, highlights a whole industry in transition.

"The automotive industry is highly industrialised and all brands have production footprints and volume targets."

"The successful brands will be the ones that effectively marry that up with the opportunity, and the need to have a profitable retailer network."

Meeks recognises there is a disconnect between recruiting staff not incentivised on volume who work alongside staff who still have volume targets in place.

He said: "That will change over time. It won't be shutting the door on one approach and going to another."

Meeks reiterated that Volvo is "fundamentally committed" to an independent franchised dealer network.

He said: "We have an obligation to help them construct a future that is profitable for them."



CONGRATULATIONS TO THE 2018 AM AWARD WINNERS



All the recipients of this year's AM Awards at Birmingham's ICC

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

This year, the entries were whittled down into a shortlist by a panel of independent judges, chaired by Christopher Macgowan OBE and comprising Ray Sommerville, industry veteran;

Stephen Briers, *AM* editor-in-chief; Tim Rose, *AM* editor; Jeremy Bennett, *AM* associate editor; Piers Trenear-Thomas, industry analyst; Steve Young, managing director, International Car Distribution Programme; Professor Jim Saker, director, Centre for Automotive Management, Loughborough University; and Steve Nash, chief executive, Institute of the Motor Industry.

Independent audits of all retailer categories

were conducted by BDO. Hamel Soni, industry head automotive at Google, assisted in judging the website award.

The event was guest hosted by BBC Breakfast presenter Steph McGovern. Comedian Lee Nelson provided the after-dinner entertainment, in addition to a casino provided by Aston Barclay.

Over the following 44 pages, you can discover who the winners of each category were and the reasons for their success. ➔





Oussama Kadid, sales manager,
Motor Village Marylebone,
collects the award from Wendy
Harris, vice-president of EU
sales, CarGurus, right

BEST DEALER WEBSITE

Winner: Motor Village UK

Motor Village's website was designed by Visarc and launched last year, following a six-month project plan.

Changes designed to drive sales included clear brand representation and ease of navigation for users across new and used cars, aftersales and fleet.

Motor Village's design changes were made to ensure that the website was fully responsive across different platforms, with careful consideration given to page layout, structure and hierarchy of content.

The copy was written with the user in mind and the pages carry a host of video and images to

inspire enquiries and generate leads. Motor Village also focused on improving its SEO performance and this greatly influenced site structure, architecture and content development.

It has had 45 keyword rankings in the top three positions on Google and 98 rankings in the top 10. Organic traffic was up by 15% year-on-year and it increased new users by 17% year-on-year.

It also implemented event tracking across the site so that lead generation and conversion data could be extracted.

Motor Village said it had 75 enquiries from the website and an increase in web-based enquiries from the previous two years. At the time of entry to

the AM Awards, Motor Village's conversion rate, from web enquiries to actual sales, was 5%. It has already entered the next phase of SEO, which saw a 10% traffic increase in September.

A spokesperson for Motor Village said: "We are particularly delighted with the traffic increases driven through SEO and AdWords activity to date and the ongoing commitment from Motor Village to performance marketing after the site launch.

"With ongoing development and a digital marketing performance programme, we hope to see further improvements in driving quality traffic to the site."

HIGHLY COMMENDED
DM Keith

FINALISTS
Bridgend Ford
Jardine Motors Group
Luscombe Motors

Renault Retail Group
Sturgess Motor Group

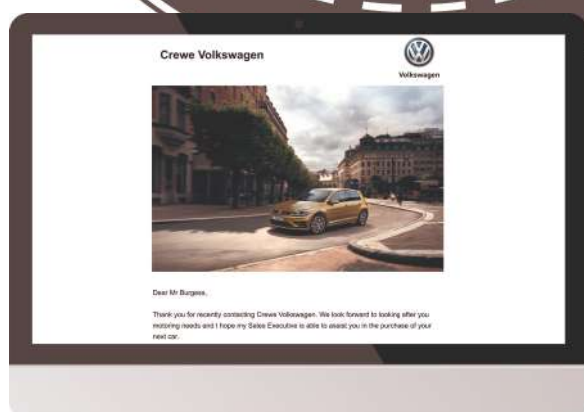
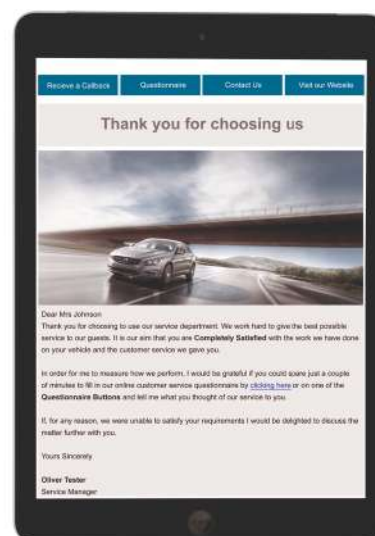
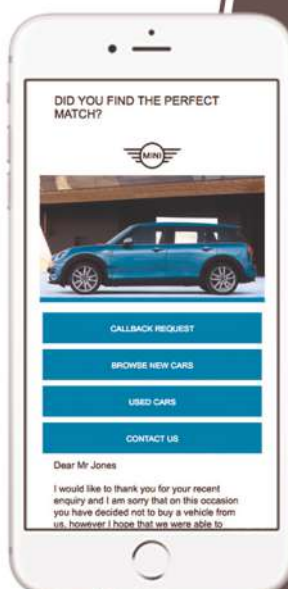
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BEST SOCIAL MEDIA STRATEGY

Winner: CarShop

Born of a collaborative effort from members of its marketing department, CarShop's social media strategy is heavily dictated by its social audiences.

Since it implemented its offline data program, designed to track social activity directly to a sale, CarShop said at least 30 cars have been sold as a result of social media campaigns.

Recruitment costs have also fallen as a result of using social media. After making 12 placements in 2016 (saving £35,825 in recruitment costs), the number of applicants the group received via social media has doubled to 198, with 21 of those being placed. This saved CarShop £73,500.

CarShop believes the success of its strategy can be attributed to an acceptance of social media by its employees, driven by training, as well as more infrastructure to its marketing department.

The training led to one post being picked up and amplified by Vice, a popular social channel and news source. This generated 1.7 million engagements on CarShop's post, giving the brand exposure to 117 million people worldwide.

Following achieving an organic growth of 27,000 fans on Facebook, it was able to cut its daily advertising budget of £10.

The combination of a flexible strategy and social polls has provided a way to successfully extract

information from its followers. It has also adopted a 'test and learn' approach when pushing the brand socially, allowing it to make informed decisions on appropriate paid and organic advertising methods.

Ben Scholes, CarShop's communications and content manager, said: "Last year, CarShop took the lead in industry engagement, with 124 interactions per thousand on Facebook."

They said CarShop has started to align itself with customer perceptions of other industries through a content strategy that "blends educational content, community focus and motoring interest with a strong focus on customer and colleague support".

HIGHLY COMMENDED
Bells Crossgar
Marshall Motor Holdings

FINALIST
David Dexters

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Stuart Foulds, chairman and chief executive, TrustFord, collects the award from Marc Robinson, sales director, Motors.co.uk, right

BEST DIGITAL CAMPAIGN

Winner: TrustFord

To mark the launch of the new Fiesta last summer and to differentiate itself from other dealer groups, TrustFord created its own multi-channel campaign to complement Ford's own coverage.

The result, 'Fiestaval', had a strong digital focus that both sold the benefits of the new vehicle and encouraged consumers to buy a new Fiesta exclusively through TrustFord.

As a result of a collective effort between TrustFord, content agency Good Relations and media agency Spark Foundry, the campaign theme was 'festivals', to highlight the Fiesta's B&O stereo system.

Alongside creating a dedicated landing page,

TrustFord designed teaser advertising and targeted email marketing (for those who had already purchased, and those who had not) with interactive competitions – encouraging social engagement.

The emails achieved an average of 40.8% and 36% open rate respectively, an increase of just under 50% on the previous year.

A Fiesta Find competition, in which customers could win a vehicle through social media, resulted in 4,328 selfies being taken in TrustFord stores.

Good Relations created video content with DJ Tim Westwood which received more than 1 million views on Facebook alone. By the end of September, TrustFord's Facebook audience had grown to

38,036 likes, up 87% on last year, with a content reach of 4,631,565.

The teaser advertising gained 84,130,928 display advertising impressions and TrustFord added 166,272 new customers to its database.

The campaign was intended to generate footfall and to drive enquiries and purchases. In 2017, it generated 350,105 enquiries and 3,517 new model Fiesta registrations – 112 of which were in Q2, before Fiestaval launched. In July, August and September it saw 793, 969 and 1,422 registered respectively.

A spokesperson for TrustFord said: "We wanted to do something different. We challenged ourselves to be innovators and we believe this has paid off."

HIGHLY COMMENDED
Mercedes-Benz Retail Group

FINALIST
Endeavour Automotive

Sponsored by

MOTORS
.co.uk



Marie Pétriacq Dobson, head of HR Belgium and Luxembourg, Renault Retail Group, collects the award from Mike Macaulay, head of corporate sales, AutoProtect, right

BEST TRAINING & DEVELOPMENT PROGRAMME

Winner: Renault Retail Group

In conjunction with Loughborough University, Renault Retail Group (RRG) introduced personal development programmes (PDPs) to boost the industry knowledge needed among its employees to progress within the company.

Since its launch, 37 people have completed the Diploma in Automotive Retail Management, while the PDPs have resulted in a retention rate of 97% and a promotion rate of 68%.

The training has saved RRG thousands of pounds in recruitment fees by enabling the group to promote from within. For example, by promoting four people at branch manager/dealer principal

level, it has saved £72,000 in recruitment fees, and reduced its employee labour turnover in managerial positions by 30%.

A spokesperson for RRG said: "We were the pioneer automotive retail company to enrol our staff into automotive retail management programmes. Mercedes UK has since followed in our steps. Due to our experience, we have been contacted by retailers such as Volkswagen UK so they may replicate something similar in their business."

Every year, RRG UK runs a training needs analysis for most staff. It also uses mystery shops to identify any gaps.

The training equips participants with a Diploma in

Automotive Retail Management and sees them entered into a mentoring programme with a senior member of staff to give guidance, or work on long-term advancement goals. A unique feature of this programme, 'walk in your manager's shoes', gives employees the opportunity to experience a higher position when their manager is on leave.

It also introduced an extra training level with the leadership development programme at Cranfield School of Management for its senior managers.

Ultimately, the main goal of the programme is to save money through internal promotion while providing long-standing staff members with heightened career prospects.

HIGHLY COMMENDED
Sytner

FINALISTS
Drive Motor Retail
Perrys
Peter Vardy Rookie Academy
Vauxhall (with Raytheon Professional Services)

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Excellence in Customer Service
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Robin Luscombe, managing director, Luscombe Motors, collects the award from Adrian Willard, sales director, EMaC, right

EXCELLENCE IN CUSTOMER SERVICE

Winner: Luscombe Motors

Luscombe Motors has a clear message for its customers: "We won't sell you a car, we'll help you buy one."

Customer experience is paramount at the privately owned Mitsubishi and Suzuki dealership. To ensure it exceeds expectations, a team of management and staff from both sales and aftersales departments meet every two weeks to review processes, discuss any issues that may have arisen and implement new procedures.

Every customer who visits the dealership receives a follow-up telephone call from the relevant department and an email from managing

director Robin Luscombe to make sure they are fully satisfied.

"If we have made a mistake and failed to offer the level of service we should have, it is quite straightforward – we messed up, we put it right," stated Luscombe in the awards entry.

Customer service is a top priority as the business believes its customer service and the way it promotes it is better at generating new business than using traditional sales techniques.

The dealership relies on posts and reviews on social media sites, Google and Auto Trader to give prospective customers the confidence and

motivation to visit the showroom. A lot of business comes from the friends and family of existing customers.

In the showroom, sales staff are trained, coached, empowered and trusted to sell cars with all the support needed to deliver the very best customer experience.

The business is not rigid in sticking to rules and can, within reason, bend them to suit the customer. According to the business, this ethos means customers quickly become friends and the dealership encourages them to call in for a coffee while their car is checked over by technicians.

FINALIST
Romford Mazda

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Nathan Tomlinson, managing director, Devonshire Motors, collects the award from Richard Lailey, director, Autoguard Warranties, right

BEST AFTERSALES PERFORMANCE

Winner: Devonshire Motors

Devonshire Motors has approached aftersales in the same way as car sales, maximising opportunity and gross profit while at the same time minimising associated costs.

Recognising the value of aftersales to its profits, in its award entry, the dealership claimed that selling a car at a loss can be advantageous if it guarantees a solid package of retention tools.

To make the most of a stretched resource, Devonshire Motors streamlined its workshop operation.

Ramps are loaded before technicians arrive for work to make the most of the first hour of the day as the dealership identified this as one of the biggest

sources of lost time. They continue to be proactively loaded throughout the day. For example, when technicians return from post-service road tests, the next job is ready and waiting.

"This approach not only reduces technician downtime but creates a very efficiency-focused working culture that helps everyone understand the goals of the department," said managing director Nathan Tomlinson in the awards entry.

At the front desk, Devonshire Motors focuses all its effort and resource on upselling brake and air conditioning services, its most profitable products.

A brake service is worth an hour's labour and Devonshire Motors has a take-up rate of 40% for

the product, which delivers a gross profit margin of more than 80%. An air conditioning service carries a margin of up to 100% and is recommended to customers every 24 months.

Service advisers are trained to advise customers of the benefits of the products rather than give the 'hard sell' and the dealership has a policy of offering no more than three upsell products to a customer.

Vehicle health checks are offered to all customers every three months. During this free service, the technicians will top up oil, fluids and tyre pressures for free and advise customers of upcoming work. Last year, the dealership re-booked 70% of deferred work through this service.

HIGHLY COMMENDED

60 Vauxhall
Swansway

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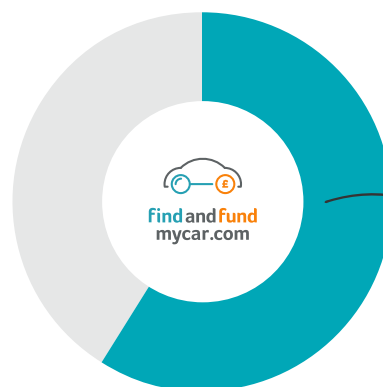


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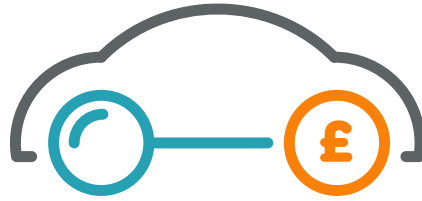
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Mark Beddows, Beddows Motor Company,
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Darren Bradford, general manager, Drayton Motors, collects the award from Martin Peters, sales director, Autoclenz Group, right

BEST USED CAR PERFORMANCE

Winner: Drayton Kia

A 38-day average stock turn, a return-on-investment of 141% and a near-perfect customer service score put Drayton Kia ahead of its rivals in the Best Used Car Performance category.

The award is the culmination of five years of hard work and a determination to take a fresh approach to used car retailing. Standout factors include the Lincolnshire-based dealer's introduction of a 'price match guarantee', ensuring that if a customer finds an equivalent vehicle within seven days of purchase Drayton Motors will give them back the difference.

To further ensure customer satisfaction, as well as manage space constraints at this rural dealership, Drayton has a three-day rule for new stock – cars cannot take longer than this from acquisition to being presented on the used car pitch. A prep centre ensures all cars are at the highest standard.

These two factors, plus a culture of continuous training to ensure staff are confident in their product knowledge and brand standards, have contributed to the business achieving a customer satisfaction rating of 98.8% on JudgeService.

Drayton Motors also takes an innovative

approach to marketing, through advertising on Sky television in its area of influence. General manager Darren Bradford said this was a bold step, but one that has set it apart its competitors around Boston.

Such has been the business's success that its speed of growth has seen it buy surrounding land, expanding its used car lot from 15 cars to up to 65 in four years.

On why he believed Drayton Motors should win this award, Bradford said: "I truly feel my team deserve the solid recognition for all the hard work they have put in over the past five years."

HIGHLY COMMENDED
Peter Vardy BMW/Mini Edinburgh

FINALIST
Luscombe Motors

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Darren Cuthbertson, franchise director, Peter Vardy CarStore Glasgow, collects the award from Keith Bell, national accounts director, Barclays Partner Finance, right

SALES TEAM OF THE YEAR

Winner: Peter Vardy CarStore Glasgow

A new Arnold Clark centre opening on the opposite side of the street would challenge any business, the AM Awards judges said, but the 90 staff at Peter Vardy CarStore Glasgow have put teamwork and innovative thinking together to meet the threat.

Despite having a traditional set-up on the face of it, the entire business is part of the sales team, according to franchise director Darren Cuthbertson, with no aftersales, parts sales, etc.

"As such, we have a large number of daily KPIs that we know contribute to our success," he said. "All department heads work with a weekly planner that joins up key daily and weekly meetings in which

we review the actual KPI performance versus our key targets independently."

This detailed analysis of the business led to a 'micro-focus' on check-out staff to improve efficiency, and adding an in-house bodyshop for faster vehicle preparation.

Because of the team ethos, the business is able to move people into 'seasonal roles', motivating staff and supporting retention. An employee survey reported that all of the sales team were proud to work for the company and they all understood team and department objectives.

Innovations include the creation of 'CarStore chameleons', able to work in two different roles at

the used car supermarket, together with 'super Saturday' when week-day roles are swapped. For example, the digital manager will manage guest satisfaction queries, the market executive helps with online stock sourcing and the prep manager will work in the handover team bays.

Sales advisers practice parts of the sales process each day to identify weaknesses, which are addressed with additional training, followed up with quarterly exams focusing on skills gaps.

At the end of Q3 2017, CarStore Glasgow made a net profit of £854,000 (against a forecast of £836,000) and contributed an additional £700,000 to group profit, with customer satisfaction levels at 98%.

FINALISTS

Peter Vardy BMW/Mini Edinburgh
Romford Mazda

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Dave Wright, corporate quality manager, Norton Way Motors, collects the award from Stewart Grant, commercial director, Santander Consumer Finance, right

BEST FLEET OPERATION

Winner: Norton Way

“0ur fleet business is totally dedicated to serving our fleet customers. This is done by listening to their business challenges and then responding with efficient, effective and innovative solutions,” said Norton Way Corporate Sales in its winning awards submission.

The business specialises in the supply and servicing of Mazda, Honda, Peugeot, Nissan, Škoda and Kia backed up by a full aftersales operation.

One direct result of its focus on excellent customer service has been the addition of more than 50 new fleet customers in 2017, accounting for more than 1,000 sales between them. New clients

included local businesses, SMEs, brokers, PLCs and leasing and rental companies.

A culture of continuous innovation has recently seen the introduction of digital tachographs in all delivery vehicles, to provide customers with real-time delivery information, the establishment of the first manufacturer-backed contract hire scheme for motorcycles, the creation of campaigns with customers and/or funders to produce benefits such as lower CO₂ or satellite navigation to increase efficiency and safety, and pre-handover videos or web links to explain technology to drivers.

To maintain a wholly fleet approach rather than a ‘bolted on’ service to Norton Way Motors’ retail

department, Norton Way Corporate Sales employs fleet-focused and trained staff to carry out all aspects of the supply chain, from quoting through to ordering, stock management and invoicing.

With testimonials from Zenith, Alphabet, Lex Autolease and LeasePlan, the AM Awards judges noted Norton Way Corporate Sales’ “fantastic” service levels.

One judge said: “The business is not just about scale and price, but concentrates on tailoring a service level to each leasing company to deliver the best experience to them and in turn to the customer.”

HIGHLY COMMENDED
TrustFord

FINALIST
Pendragon National Fleet Solutions

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Congratulations
to all the winners
at this year's
AM Awards 2018



Jeff Aynsley, general manager, Infiniti Newcastle, collects the award from Le Etta Pearce, group sales director, Auto Trader, right

MOST IMPROVED DEALERSHIP

Winner: Infiniti Newcastle (Vertu Motors)

The challenges for this Vertu Motors centre have been considerable. The immaturity of Infiniti means it does not have the budget to build the brand and so the dealership's local market did not know of its existence, plus a lack of new car volumes meant it had no walk-in traffic. This, in turn, meant it had no chance of building an aftersales business.

However, as the judges noted, the business did not take the easy route. As general manager Jeff Aynsley put it: "Most dealerships fall into the trap of concentrating on used cars and ignore the new

market as being too hard. Our key decision was to not accept that we could not sell new cars."

Infiniti Newcastle was determined to make new cars a success via "every channel we could find", attending every local event possible with its cars, marketing in every media outlet and driving its digital marketing and social media presence.

It has paid off for Aynsley and his 12 colleagues. Infiniti Newcastle is the most profitable site for the brand in the UK, it sells more new Infiniti cars than any other dealer in the UK and it is now the brand's third most successful dealership in Europe in

new car volumes. By the end of October, it had registered 18% of Infiniti's UK sales.

For the year to March 2017, Infiniti Newcastle won Infiniti's European Customer Experience Award for the second time and it consistently achieves a 100% JudgeService score on 'Would you recommend us to your family and friends?'.

It sold just 29 cars in 2015, but now the total is more than 600 in a year.

Plus, as a result of great service provided in sales, Aynsley's team has a retention rate of more than 80% among service customers, with service hours sold up 123% in the past three years.

FINALISTS

Clive Brook Volvo Bradford
DM Keith Skoda Bradford

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NEW RETAILER OF THE YEAR

Winner: Porsche Centre Wolverhampton (Pendragon)

This new-build dealership opened in April 2016 with no customer database and a workforce at around half the planned level, but within 18 months has become one of the high performers in its franchised network.

The business was originally designed to replace the group's existing Porsche Centre 30 miles away at Sutton Coldfield, but it was decided to keep that one open and let both dealerships capitalise on demand for Porsche cars in the West Midlands.

Despite opening with 28 staff (since increased to 40), it has beaten its targets for profit per unit and for new car sales volume, and its sales of approved

used Porsches have grown quickly, to an average of 25 units a month.

New car sales manager Benjamin Robinson wrote in the entry: "All this success has been achieved through ensuring we create the best possible environment to work in and taking time and pride in employing and keeping a great team across all departments."

Several employees have been nominated for awards from parent group Pendragon, two high-performing sales executives have been put forward for a business manager programme and a parts adviser has been promoted to a managerial role.

Aftersales was difficult for the first year due to the

lack of a database and a fresh technician team, said Robinson, but performance is building and the dealership is consistently in the top three of Porsche's network for customer satisfaction.

Its marketing efforts have included a dealer launch event with more than 500 guests and product placements at Wolverhampton Racecourse and Stourbridge Golf Club. It has also held customer engagement events, from drive days in Wales to golf and clay pigeon shoots, and it invited about 200 customers to a 'wellness evening' in partnership with a local personal trainer and beauty product producer.

The awards judges said it is "an impressive site and a good operation, and has made a rapid success".

HIGHLY COMMENDED
Peter Vardy CarStore Dundee

FINALIST
GWR Kia (Norton Way)

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Simon Hetherington, commercial director, Kia Motors UK, collects the award from Philip Morrison, head of corporate sales, Car Care Plan, right

USED CAR OF THE YEAR

Winner: Kia Sportage

Kia's standard-setting seven-year warranty and the ever-growing appeal of SUVs continue to cement the Sportage as a star performer for used car retailers.

Completing a hat-trick of Used Car of the Year Awards in 2018, following on from AM Awards successes in 2017 and 2016, when it wrested the title from the popular Ford Fiesta, the Sportage is a stand-out contender in the used car marketplace.

The result at the AM Awards mirrors the SUV's reign at the top of Auto Trader's fastest-selling car rankings.

In 2017, data compiled by the classified automotive advertising specialist found that the petrol-powered 2015-year Sportage, fitted with a manual gearbox, had hit the sweet spot with used car buyers.

The model took 24 days to sell, at an average £13,690, which amounted to a 2% like-for-like increase.

Just as on the used car forecourt, the AM Awards judges continued to acknowledge the rakish design and ample standard specification of the South Korean SUV as key reasons for its success as a pre-owned vehicle.

Not only do buyers of a 2015 Sportage still

benefit from four years of manufacturer warranty, but features such as sat-nav, leather seats and a panoramic glass sunroof continue to attract buyers.

Despite buyers' preference for petrol-powered Sportages in 2017, the manual version posts a 40.1mpg fuel economy figure and 149g/km CO₂ emissions to ensure it is still affordable as a family run-around.

Ominously for other manufacturers eyeing the Used Car of the Year title, early but low-mileage versions of the current generation of Sportage were already creeping into the sub-£15,000 bracket as AM went to press.

FINALISTS
 BMW 3 Series
 Ford Fiesta

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Jon Wakefield, managing director, Volvo Car UK, collects the award from Chris Benham, key account manager, Supagard, right

NEW CAR OF THE YEAR

Winner: Volvo XC60

Volvo's successor to the popular XC60 proved to be worth the wait when it launched in 2017, with the second generation of the SUV attracting praise from numerous quarters.

Introduced to showrooms in Q3 of last year, the 'little brother' to the game-changing XC90 flagship had a big act to follow. Volvo's aging but stylish XC60 secured best-seller status during its run-out year with a total of 16,302 registrations (2016: 16,009).

The opportunity that the XC60 continues to deliver to retailers, with prices ranging from £32,935 for the 190PS D4 SE Nav, to £58,700 for the Inscription Pro T8 Twin Engine, is clear, with both retailer

margin and forecourt appeal in evidence.

Volvo's latest XC60 design moves away from the nose-down, dynamic appearance of its predecessor in favour of the more square-set, premium shape of the XC90.

With a plug-in hybrid as the range's flagship model, Volvo is able to claim impressive economy figures for its newest addition. Range-wide fuel economy figures start at 42.2mpg in the two-litre, petrol-powered T5, reaching a faintly absurd 134.5mpg claim for the T8 Twin Engine hybrid.

The T8 combines a turbocharged two-litre petrol engine, which powers the front wheels, with an electric motor powering the rear wheels, to

produce a combined 407PS. The result is a vehicle that can claim to emit CO₂ of just 49g/km while – possibly not at the same time – going from 0-62mph in 5.3 seconds on the way to a 143mph top speed.

Euro NCAP was among those to praise the new XC60, hailing the five-star performer as the safest car of the year and a vehicle "bursting at the seams" with safety technology.

Matthew Avery, director of research at Euro NCAP's safety test provider Thatcham Research, said: "It is so far ahead of the game that its innovative Cross Traffic Alert and Turn Across Path systems are not yet a part of the Euro NCAP programme."

FINALISTS

Ford Fiesta
Honda Civic
Kia Picanto
Kia Stinger

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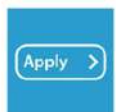
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Dale Wyatt, director automobile, Suzuki GB, collects the award from Khuro Kamal, chief executive, Car Finance Giant, right

FRANCHISE PARTNER OF THE YEAR

Winner: Suzuki

The AM Awards judges affirmed the reader vote by naming Suzuki as Franchise Partner of the Year, recognising its positive reputation among franchisees.

Finding favour for a lack of expensive corporate identity (CI) demands and its reputation of giving dealers the opportunity to get on with the business of selling cars and making reasonable profit, Suzuki is widely seen as a positive partner.

The NFDA's Summer 2017 Dealer Attitude Survey communicated as much when retailers scored it 8.2 (average: 6.3) overall, placing it just behind Kia, Mercedes-Benz and Lexus.

In terms of the cost required to meet franchise standards, respondents scored a Suzuki an 8.4 (average: 5.5), just behind standard-setters Mercedes-Benz and Kia.

The SMMT's 2017 registration figures revealed that Suzuki had defied the overall market's 5.7% decline in new car registrations, with an annual total of 40,343 units, up 1.59% on 2016. Its market share rose from 1.42% to 1.59%.

Suzuki delivered mild hybrid technology in 2017, an innovative starter-generator providing an electric boost to its new Swift and Ignis models.

While the Vitara continues to be the brand's best seller (2017: 11,933), the return of the Jimny will

offer retailers another compact off-roader to bolster consumer interest in the brand during 2018.

It will continue to pursue high-visibility marketing of new models through social media and via television adverts with Ant and Dec.

Suzuki has punched above its advertising weight in recent years, with award-winning television presenters and a series of viral YouTube videos.

Retailers have shown their appreciation of Suzuki's approach with a flurry of investment at the start of 2018 – Hendy Group opened a new Suzuki operation in Crawley in January, while Desira Group opened a second outlet with the brand in Norwich as open points were filled.

FINALISTS

Ford
Kia
Volkswagen
Volvo

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NEIL HODGSON
PERRYS WORKSOP

**GENERAL MANAGER / DEALER PRINCIPAL
OF THE YEAR**

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Neil Hodgson, general manager, Perrys Worksop, collects the award from Jimi Matthews, director of business development, Perfect Placement Automotive Recruitment, right

DEALER PRINCIPAL / GENERAL MANAGER OF THE YEAR

Winner: Neil Hodgson, Perrys Worksop

The recognition of his team's contribution to the success of a dual-franchise dealership reflected the ethos that brought Perrys general manager Neil Hodgson to the attention of the AM Awards' judges.

Hodgson, who runs the Ford and Kia facility on Turner Road, Worksop, was keen to highlight his "open door" policy and the "gems" in his dealership team when completing his entry for the award.

While admitting an obsession with operating controls that help to ensure every member of staff is "achieving the required budgeted gross profit on a daily basis", a 2% staff turnover figure spoke volumes for his leadership skills.

As do a set of KPIs which show the team has driven the operation's return-on-sales figure from 1.6% in 2014 to 2.9% in 2016, with gross profit per unit rising from £1,228 to £1,548 in the same period.

When Hodgson joined the then GK operation in 2010, it was generating £86,000 in profits. By 2016, this had risen to £756,915.

"The whole branch has a culture of working together," said Hodgson, who has increased the focus on used vehicle sales and greater finance penetration with the help of appointments made since 2015.

Carl Roberts' promotion to the role of sales

manager and the recruitment of Richard Sanders from Perrys Retford helped boost new car sales from 463 to 569 between 2014 and 2016 and used cars from 914 to 1,236.

This was backed by the appointment of a dedicated member of staff to produce high-quality online used car listings.

The appointment of a second business manager, Andy Daubney, helped to increase the value of F&I products sold from £280 per unit to £400 in 2017.

Hodgson said he was excited about the potential used car sales for the business: "I have a personal ambition that by 2019 we will make £1m in our used car operation."

HIGHLY COMMENDED
Darren Bradford, Drayton Kia

FINALISTS
Robin Luscombe, Luscombe Motors
William Blackshaw, Blackshaws Garage

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Nathan Tomlinson, managing director, Devonshire Motors, collects the award from Christian Jamison, client service director, Rhino Events, right

BEST DEALERSHIP

Winner: Devonshire Motors

"Micro-management" has allowed Devonshire Motors' managing director Nathan Tomlinson to lead his team to a return-on-sale figure of near 4% (against a Mitsubishi network average of 1.5% in 2017), a new car market share of 6% (with a franchise that has less than 1% nationally), and aftersales absorption of 105%.

The business also has a return on used car investment of more than 130%, against a network average of 65% – it is a 'five-star' Mitsubishi dealer and for three years in a row has been the manufacturer's dealer of the year.

The success has come after a long journey, on

which Tomlinson said everything had to improve: "Our results are a snapshot in a timeline resulting from many years' worth of work and improvement."

Six years ago, the business made an overall pre-tax loss of £44,000. Now its new and used sales and aftersales performances are a benchmark for the network.

Among the improvements made were ensuring workshop ramps are loaded before technicians arrive for work and pro-actively loading them during the day, allowing a technician to work on six or more jobs in an eight-hour day; front-desk upsell of a full brake service, with a take-up of more than 40% – or 40 hours sold for every 100 services at a

gross profit margin of more than 80%. The business also pre-identifies and prioritises vehicle health checks, putting customers into a three-month cycle, rather than trying to guess when brake pads might be at 60%.

"Our new, used and aftersales performances are all [at] benchmark as a result of around 10 years of micro-managing every detail and variable to ensure we make the best of every opportunity," said Tomlinson.

"As we have improved, we have always looked to include and develop staff in equal measure, giving them more freedom and flexibility and empowering them to make day-to-day decisions."

HIGHLY COMMENDED

Peter Vardy BMW/
Mini Edinburgh

FINALISTS

Drayton Kia
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Gareth Williams, managing director, Hatfields, collects the award from John Boseley, managing director of Jewelultra, manufacturers of Diamondbrite, right

BEST RETAIL GROUP (UP TO AND INCLUDING 10 SITES)

Winner: Hatfields

This dealer group puts customers at the heart of the process and reaps the rewards of doing so. Its efficiency and earnings are well above the industry average, and the AM Awards judges praised Hatfields for being a consistently strong local hero.

Return-on-sales has remained between 2% and 3% since 2010 and its trading performance is strong across the new and used car sales and aftersales departments. That consistency and stability has resulted from a strategy centred on the premium brands Jaguar, Land Rover and Volvo since the turn of the decade.

In the past, Hatfields has also held other

franchises, including Chrysler Jeep and Hyundai, but has since steered away to concentrate on the more profitable opportunities. It now runs sites ranked in the top 10 for each of its remaining brands.

It recently demonstrated its commitment to the premium car market by the acquisition of Shrewsbury Land Rover in 2016 – its fourth site with the 4x4 brand – and by its plans to redevelop its Volvo dealership in Bury in line with the brand's new VRE showroom standards.

Based in Wakefield, Hatfields trades in the north of England, following the M62 motorway from Hull in the east to Liverpool in the west, and is owned by the Williams family. Managing director Gareth

Williams has previously described the business as being skilled at “selling the essence” of its famous brands rather than giving everything away, and he takes pride in the group's regional strength, and its focus on winning buyers locally in an age when it's all too easy to be sucked into a national fight.

Hatfields wants its staff to get to know their customers, to make them feel special. Each site is managed and driven by the characteristics and personality of the head of business, who typically is a local person who has come up through the ranks.

Williams once described his aim of not being of selling hundreds of cars, but of selling one. He has the confidence that one sale will lead to another.

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Darren Edwards, chief executive, Sytner, collects the award from Dave Woodman, UK and Ireland business development manager, MOTUL, right

BEST RETAIL GROUP (MORE THAN 10 SITES)

Winner: Sytner

It has a strategy for success that keeps evolving." That statement formed part of this winner's praise from the awards judging panel, in a very strongly contested category. Other judges' statements following a review of its audit included "an extraordinary group" and "head and shoulders ahead".

Sytner has a superb portfolio of premium and specialist franchises and some spectacular facilities, yet it is its people and processes which form the cogs in this motor retailing machine and make it a very profitable high-performer.

Staff are rewarded and valued, and motivated to

play their part in its success, as testified by its clutch of *Sunday Times* Best Companies To Work For awards.

In return, the group's success filters back down, giving ambitious employees the skills and opportunities to progress their careers, either at Sytner in the UK or overseas with its parent, Penske Automotive. Members of Sytner's board of directors provide inspiration, including chief executive Darren Edwards and HR director Melvin Rogers, who have both come up through the ranks.

As the new car market's growth ended in 2017, Sytner took a leap into used cars with the

acquisitions of the UK's two largest car super-market chains, Car Shop and The Car People. Together they form a new division, operating separately from Sytner's franchised divisions, but the expertise and talent they add to the group only make it stronger.

Sytner is now the UK's largest car dealer by turnover, but as Edwards told *AM* recently: "As a company, we never set out to be the biggest, we just wanted to be the best."

The group's programme of further improvements, staff training and technological developments makes it clear its focus remains on becoming exactly that.

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Jon Wakefield, managing director, Volvo Car UK, collects the award from Andrew Hooks, chief operating officer, carwow, right

MANUFACTURER OF THE YEAR

Winner: Volvo

The evolution of Volvo's growing range and its efforts to distinguish its retail network from the premium market establishment earned the AM judges' approval in 2018.

The latest generation of its products show that it has finally earned a place alongside the dominant German premium brands after decades being widely regarded as a wannabe. The XC90 large SUV and S90/V90 saloon/estate range have put it on the consideration lists of wealthy Audi and BMW diehards, and smaller products coming through show plenty of promise.

Its original XC60 SUV became a best-seller for the

brand and the new one, launched in Q3 2017, is compelling enough to sell in high volumes – earning it the AM Award for New Car of the Year 2018.

Volvo's range is about to expand with its smallest SUV, the XC40, which promises more growth opportunities for its dealers. The XC40 launches into a popular market segment where it can compete with the Audi Q2, Mercedes-Benz GLA-Class and BMW X1. Its CMA platform will also spawn a replacement V40, giving dealers a good renewal opportunity for many of the customers won over by the first generation of the hatchback.

Plug-in hybrids have featured in Volvo's V60 line-up since 2013, but it is now poised to capitalise

on current demand for PHEVs as diesels remain politically threatened. It promises to have hybrid or pure electric powertrains in every new model line from 2019, and won masses of positive publicity from international news organisations after its decision was widely mis-reported as a ditching of conventional internal combustion engines.

There are signs of dealers' faith in the manufacturer's future. Major groups such as Lookers and Marshall Motor Holdings are investing millions of pounds in new showrooms, and it is the launch franchise for Waylands Automotive, the new business started by John O'Hanlon since the 2016 sale of AM100 group Ridgeway, which he co-owned.

FINALISTS

Hyundai
Kia
Toyota
Volkswagen

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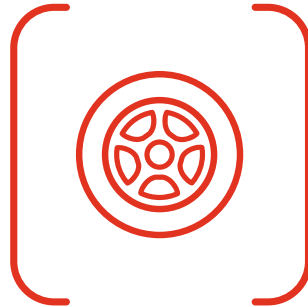
carwow

AM Business Leader of the Year 2018

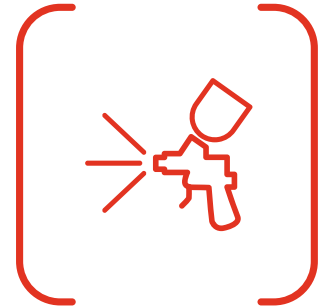
Winner: Darren Edwards, CEO, Sytner Group



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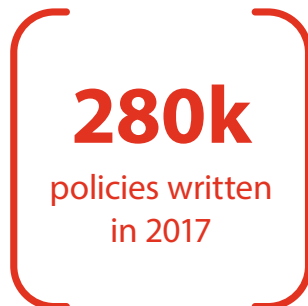
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Darren Edwards, chief executive, Sytner (second from right), collects the award from Ian Simpson, sales and marketing director, Premia Solutions, right, and AM editor Tim Rose

BUSINESS LEADER OF THE YEAR

Winner: Darren Edwards, chief executive, Sytner

He is an energetic, understated leader, who has come up through the ranks and is responsible for steering the UK's largest car dealer group past £5 billion worth of annual sales and for motivating a workforce numbering more than 8,000 people.

Darren Edwards is a true professional, as one would expect of anyone on the board of a group as highly respected as Sytner. A walk alongside him through one of its many businesses reveals a leader able to engage people at all levels. He is a warm and welcoming communicator and a driven businessman, whose firm and fair manner makes others clear about what the company expects of

them and what it provides in return. He takes a keen interest in all aspects of the business, from the systems in development by Sytner's IT team to induction programmes from its HR and training department.

His career progression will inspire people joining any dealer group. From starting as a teenage apprentice bodyshop technician, he has held most of the roles available in franchised dealerships, from technician, to sales executive, business manager, sales manager and dealer principal. After joining Sytner in 2004 as a BMW dealer principal, he was promoted to franchise director, then Volkswagen Group divisional managing director

before succeeding Gerard Nieuwenhuys in 2014 at the head of Sytner Group.

Edwards and his team played a master stroke at the beginning of 2017 when they acquired CarShop, the UK's largest car supermarket group and a former AM Award winner. Crucially, Sytner retained its management team and empowered them to build the business further, leading to the takeover of The Car People in December.

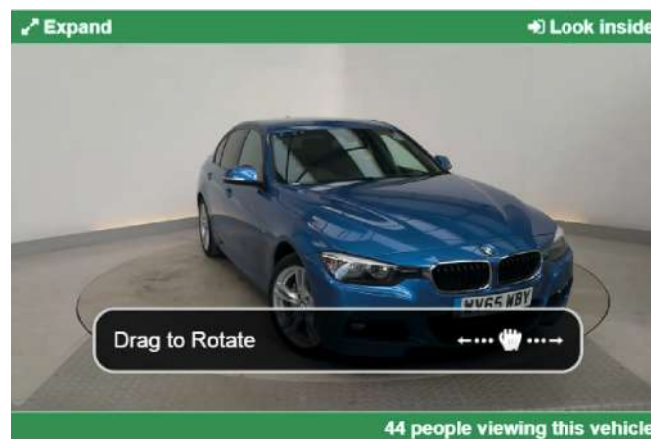
Edwards recognises he is now the focal point in a huge team of people that together make Sytner a success. Although business leader, he is responsible to them, and to global chairman Roger Penske, for ensuring the success continues.

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Martin Sewell, managing director, Rockar, collects the award from Nathan Elliott, head of sales, Autino, right

DIGITAL RETAILER OF THE YEAR

Winner: Rockar

Rockar's growth trajectory and ambition has shown no sign of abating as the omni-channel retail specialist continues to fuse an online sales platform with new manufacturer partners and high-street stores.

Following the announcement that Mitsubishi Motors in the UK was to partner Rockar, founder Simon Dixon told *AM* that 2018 is the year he expects to "realise the potential" of the innovative automotive retail model as it celebrates its three-year anniversary.

In January, news emerged that Rockar would partner another manufacturer to launch a car sales

offering in Next clothing stores. Starting with the opening of a store at Manchester's Arndale Centre in March, the partnership with Next is an opportunity to realise Rockar's plan to have 12 stores across the UK, said Dixon.

"Next has 500 stores across the UK, so the opportunity for us is huge," he added.

Rockar opened its first shopping centre-based car store with Hyundai Motors in 2014 with a retail location at Kent's Bluewater shopping centre.

It added a second location with Hyundai at Westfield Stratford, in December 2015, and a Jaguar Land Rover showroom and aftersales facility opened its doors at Westfield in 2016.

Mitsubishi's new Rockar online retail platform will be complemented by a retail store at a location that has yet to be announced.

In its first three years of trading, Rockar has logged more than 1.2 million user journeys through its online platform and has welcomed more than a million customers through its retail-focused stores.

This year, it will introduce its online retail platform to franchised car dealers.

Dixon said he did not want to be seen as a rival or a disruptor to franchised dealers: "We want to be a facilitator of online sales for manufacturers and retailers and I think 2018 will be the year that we realise that potential."

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Darren Edwards, chief executive, Sytner, collects the award from Richard Jones, managing director, Black Horse, right

RETAILER OF THE YEAR

Winner: Sytner

It's a well run, highly regarded, top-performing, premium-brand-retailing powerhouse that now adds the AM Award for Retailer of the Year to its large trophy cabinet, alongside various accolades from manufacturer partners and *The Sunday Times* Best Companies To Work For.

As the new car market's growth ended in 2017, Sytner took a leap into used cars with the acquisitions of the UK's two largest car supermarket chains, CarShop and The Car People. Together they form a new division, operating separately from Sytner's franchised divisions, but the expertise and talent they add to the group only make it stronger.

Sytner is now the UK's largest car dealer by turnover, but as Darren Edwards, the Sytner chief executive (and winner of this year's AM Award for Business Leader of the Year) said recently: "We never set out to be the biggest, we just wanted to be the best."

The group's programme of further improvements, staff training and technological developments makes it clear its focus remains on becoming exactly that.

The judges praised Sytner for never standing still, for having a strategy that keeps evolving, and for performance that was "head and shoulders ahead" of its other national peers in 2017.

Sytner has a superb portfolio of premium and specialist franchises and some spectacular facilities, yet it is its people and processes that make it a very profitable performer.

Staff are valued, motivated and rewarded, as testified by Sytner's clutch of *The Sunday Times* Best Companies To Work For accolades. That success filters down, giving ambitious employees the skills and opportunities to progress their careers, either at Sytner in the UK or overseas with its parent, Penske Automotive. Members of Sytner's board of directors provide inspiration, including chief executive Darren Edwards and HR director Melvin Rogers who both came up through the ranks.

SHORTLIST IS COMPILED FROM THE SEVEN RETAILER CATEGORY WINNERS

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AM PORTFOLIO

WHAT WE DO IN YOUR INDUSTRY

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

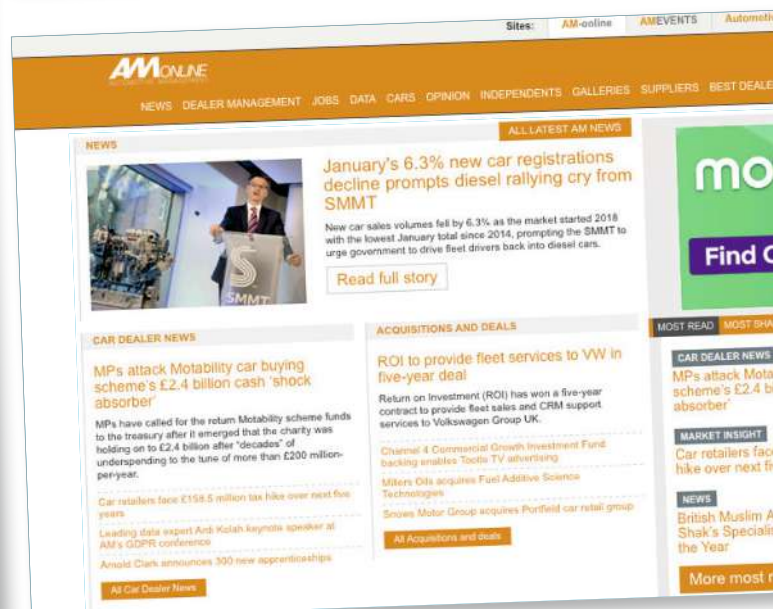
Independent Dealer magazine

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

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AM100 Dinner guest speaker confirmed as former Home Secretary, Alan Johnson.

Alan Johnson started his working life stacking shelves at Tesco. He then became a postman and union official before rising through the New Labour ranks to hold one of the great offices of state as Home Secretary.

Seven years after entering parliament Alan was brought into Cabinet as Secretary of State for Work and Pensions. In less than a year he was promoted to Trade and Industry and then Education and Skills, he was then moved to Health where he stayed for two years before moving to Home Office where he remained for the rest of the Labour term of office.

With such a wide range of government experience, Alan resonates with all manner of audiences. Aside from keynote presentations on related areas, he is also an adept and immensely



engaging after dinner speaker. Along with tales of delivering the post in upmarket Buckinghamshire, he might well reveal how his last minute intervention saved the Prime Minister from rebranding the DTI. (Nobody else had spotted that the proposed name would inevitably result in it being known by an inappropriate acronym.)

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Shell Lubricants has been named the No.1 global lubricants supplier, selling more lubricants than any other supplier in the world for the 11th consecutive year according to annual research study carried out by Kline & Company (2017).



Jack Tordoff, chairman, JCT600 (second from right), collects the award from Katie Rugen, UK automotive sales team lead, Shell UK, right, and AM editor-in-chief Stephen Briers

AM HALL OF FAME INDUCTEE

Winner: Jack Tordoff MBE, chairman, JCT600

Throughout his distinguished career, Jack Tordoff MBE has demonstrated a passion for hard work that has rubbed off on those around him at JCT600.

He started his automotive career in the family garage as an apprentice at 15, shortly after the death of his father. Initially, that meant fetching tea and newspapers for the mechanics and sweeping up, but before long there weren't many jobs he couldn't do.

Tordoff took a break from the business to complete his National Service, which might have led to a different life. He thrived in the Army and was encouraged to stay, but he honoured a promise

to his mother that he would return to the garage.

However, the Army's influence did give him the discipline and eye for detail to improve the business. With a £1,000 loan from his mother and after studying Glass's Guide and motor auctions, Tordoff expanded into selling cars. It soon added a purpose-built car showroom across the road, above which Tordoff lived. This flat became the birthplace of the company's current chief executive, John Tordoff.

New car franchises followed: first Standard-Triumph, then Saab and Porsche.

Tordoff also won acclaim as an amateur rally driver, culminating in a win at the Circuit of Ireland international rally. At around the same time, he

bought a used Mercedes-Benz 600 with a registration plate bearing his initials – JCT 600 – and a business brand was born.

More franchises followed, including BMW, Ferrari, Aston Martin and Lotus. With £1.2 billion turnover, 50 dealerships and 2,200 staff, JCT600 is Yorkshire's largest private company and ranks in *The Sunday Times* 100 Best Companies To Work For.

Tordoff has been ambitious and competitive, but has developed tremendous ideas about customer care and how the company can support its local communities. Friends and colleagues describe him as a great leader, with values that remain core to the business today.

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ADVERTISING FEATURE

EXECUTIVE PANEL

Industry professionals share

Knowledge is power, and businesses need as much expert advice and insight as possible to succeed. For senior managers in franchised dealerships, who are ultimately responsible for a multi-faceted service, retail and business-to-business operation, that need is even more pronounced. This is where AM's Executive Panel can be of real help. The Executive Panel is made up of AM commercial partners who are all experts in their key industry segment – segments that can have a major influence on a motor retail business's bottom-line profitability and customer experience.

AUCTIONS

Get the best from your plate-change part-exes

By Simon Henstock, BCA chief operating officer, UK remarketing



With record levels of volume early in January, the used car sector certainly started the year strongly, with competitive bidding from high-value prestige stock to older, higher-mileage budget vehicles. Nor was trading adversely affected by the wintry weather, with buyers switching to our Live Online platform if travel was difficult.

Despite the sharp rise in volumes, supply and demand was well balanced and buyer activity was strong and confident. There will be no let-up in the wholesale markets as the March plate-change period inevitably sees volumes rise substantially and stock levels traditionally remain high until at least early May.

For dealers, now is a great time to appraise over-age stock and get it sold, clearing the decks. Vehicles that are in poorer condition, with lower spec or higher mileage must be valued to sell in line with market sentiment.

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

Incoming part-ex vehicles can be processed fluidly, and allocated to retail or trade as appropriate. Dealer Pro also integrates with other dealer systems, such as lead management and provenance systems, to improve overall dealer efficiency, and enables all data captured to be used in any sales channel.

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



FINANCE

Car finance trends for 25- to 34-year-olds

By Shaun Harris, sales director, Codeweavers



Last month, more than 3,500,000 car buyers viewed a finance quote generated by Codeweavers calculators on dealers' websites. Codeweavers software enables the car buyer to get an accurate finance quote, using the rates and terms of the lenders the dealer uses. Of these viewers, more than a third (1,196,807) went on to tailor a finance quote to their requirements.

If the dealer works with multiple finance lenders, Codeweavers can provide these car buyers with finance quotes based on all of the lenders' parameters.

Last month, Codeweavers focused its analysis on car buyers between the ages of 25 and 34 years old who interacted with a finance calculator.

Based on Codeweavers' statistics of users interacting with a finance calculator, this was the most popular age group looking at financing a vehicle.

Of these 25- to 34-year-old car buyers, 52% opted to tailor a PCP finance quote rather than any other finance product. Looking at the duration of finance agreements these car buyers were interested in taking out, the most popular term was 48 months, followed by 60 months.

Based on these findings, it suggests 25- to 34-year-olds would like to take out a longer finance agreement, meaning they either want to reduce the monthly payments or the deposit they are putting down.

Interestingly, these car buyers wanted to pay £200 a month to finance their car. This suggests that £200 was a comfortable amount for these car buyers to pay each month, so why not create some special offers on your website that are based on this finding?

■ We hope you find this analysis useful. If you would like further information on these stats, please email us on: marketing@codeweavers.net



CODEWEAVERS

Give their best advice on motor retail issues

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VIDEO

How to capture eyeballs in a busy market

By Adam Price, founder, AutosOnShow.tv



In a time poor and media-rich world it has never been harder to capture a consumer's attention. People have more choice than ever before when it comes to what, how and when they access information about a vehicle.

Motorists in the market will hop between a range of devices, digital platforms and content providers as they inform their next purchase.

For dealers looking to optimise the number of views of their stock, there are some simple guidelines informed by years of experience and millions of pieces of data at AutosOnShow.

It is essential to make sure fresh images of stock are uploaded regularly to keep the website and other platforms updated. The data shows that multiple high-quality images will attract more views and drive a better response.

As broadband and mobile speeds have improved, so has the desire for high-definition images. Ensure the production quality is high using guides and standards. The average car is viewed eight times, and zoom gallery views are becoming increasingly popular.

When a customer enquires, a tailored video and images can be used to enhance the customer journey and address particular concerns.

AutosOnShow data shows 20% of buyers view a video of a vehicle more than five times. It's clear that buyers are making their minds up online before they walk onto a forecourt.

The pace of change is relentless, and AutosOnShow continues to invest and innovate to provide a service that is fit for the future.

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VALETING

Autoclenz, the ultimate outsource partner

By Martin Peters, sales director, Autoclenz Group



Autoclenz's success has come from listening to clients and delivering solutions that save money, add value or improve retail customer satisfaction – sometimes all three.

Savings come from the efficiency of a specialist outsourcing company managing your valet bay, the economies of scale in supporting the operation and transparent IT to track productivity and spend. This can include our imaging and upload solution. This is also true with our SMART repair implant solution, which refurbishes your stock on site quicker, more consistently and on budget.

There are many opportunities to add value and upsell over the aftersales desk. This can be the upsell of a retail valet or SMART repair. We have clients offsetting 34% of their valet spend by selling these services simply by asking the question. All point-of-sale activity and delivery is managed by Autoclenz.

And finally, improved CSI. All of the above will certainly help with a customer's perception of your business. Our Value Add portfolio includes a car park concierge to help your customers park, meet-and-greet operators to set the scene for your customers' dealership visits and collection and delivery operators, again to enhance the offering to your customers. All of these could be the difference between a customer choosing you over your competition.

Autoclenz can help your customer retention, improved CSI scores and an improved bottom line.

■ For more information on the difference that Autoclenz can make to your business, please call Lucy on 01283 554682, or visit our website: www.autoclenz.co.uk

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starts at £28,500



JAGUAR E-PACE: F-PACE'S SMALLER SIBLING AIMS 'AT NEXT SEGMENT DOWN'

For a brand with a rich heritage in sports cars and motorsport, it's perhaps ironic that Jaguar's fastest-selling car to date has been the F-Pace SUV.

In 2017, it was largely responsible for a 20% increase in global sales, and in 2018, Jaguar is adding two smaller SUVs, starting with the E-Pace.

The all-electric I-Pace will arrive in the summer, and will become Jaguar's first plug-in car, but the E-Pace is primed to take advantage of the strong demand for crossovers with conventional powertrains.

From a mechanical and layout perspective, the E-Pace is similar to sister brand Land Rover's Discovery Sport and Range Rover Evoque. So perhaps the challenge, both for Jaguar's engineers, and for sales staff on JLR's dual-brand 'Arch' sites, is ensuring the customer sees and feels a vehicle more related to the 'leaping cat' than any Land Rover model.

The Jaguar design team, led by Ian Callum, has certainly tried to ensure the E-Pace has its own look, a little softer than the F-Pace, but with cues from the F-Type in the headlamps and the rear haunches.

Petrol or diesel 2.0-litre Ingenium engines power the E-Pace range, with various outputs to match certain price points. An entry-level D150 starts at £28,500 on the road with front-wheel drive, four-wheel drive versions start at just over £30,000,

with the next most popular engine, the 4WD-only D180, at £30,790.

There's a more powerful D240, available only with four-wheel drive and an automatic transmission, while P250 and P300 petrol versions are also auto and all-wheel drive.

The range is split into two body designs – standard and R-Dynamic – with the base E-Pace available in both, then a choice of S, SE and HSE equipment grades. There is also a First Edition grade offered in D180 and P250 during the first model year of the car.

The entry-level E-Pace comes with heated windscreen and washer jets, heated door mirrors, rain-sensing wipers, twin exhaust pipes, tailgate spoiler, automatic LED headlights, LED rear lights, 17-inch alloy wheels, two-zone climate control, cloth seats and leather steering wheel.

Safety features include autonomous emergency braking, six interior airbags, cruise control with speed limiter, driver condition monitor, lane-keeping assistant, front and rear parking sensors, rear-view camera and power child locks.

Other driving aids include hill launch assist, All Surface Progress Control (auto only), torque vectoring by braking (AWD only) and low traction launch (auto only).

Entry-level versions come with push button start, 10-inch Touch Pro dashboard screen, five-inch driver info display, 125W audio system with DAB, Bluetooth and voice control, four 12V power outlets and two USB data and charging ports, ➔



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TO A DIVERSE
AUDIENCE,
BRINGING NEW,
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TO JAGUAR

JEREMY HICKS, JLR



The E-Pace feels more agile than its relation, the Range Rover Evoque



The cabin has a clean, uncluttered design and a premium feel

plus an eco-driving-style assistant. R-Dynamic cars are distinguished by cosmetic changes in the styling to give it a more aggressive look.

S specification adds a signature LED daytime running light to the headlights, 18-inch alloy wheels, auto-dimming interior rear view mirror, auto-dimming, power fold, heated door mirrors with approach lights, 10-way electrically adjustable front seats, leather seats (with contrast stitching on R-Dynamic), Navigation Pro, Connect Pro Pack with Pro Services and Wi-Fi hotspot, smartphone pack with InControl apps, traffic sign recognition and adaptive speed limiter, 360-degree parking aid, rear traffic monitor and park assist.

SE includes automatic high-beam assistant, 19-inch alloy wheels, power tailgate, 14-way electrically adjustable front seats, 380W Meridian audio system, Drive Pack consisting of adaptive cruise control with queue assist, high-speed emergency braking and blind-spot assist.

The range-topping HSE has 20-inch alloy wheels, gesture tailgate opening, keyless entry, perforated leather seats and a 12.3-inch configurable digital instrument display.

The First Edition is based on the SE and adds 20-inch alloy wheels, caldera red paint, black pack exterior trim, fixed panoramic glass roof, unique interior trim treatment and head-up display.

Only D240 and P300 versions were available to drive on the launch event so for now we have only sampled these higher-performance, £40,000-plus examples.

The cabin has a clean, uncluttered design and a premium feel, with most functions found in the touch-screen display, and rotary controls for the air conditioning below. All our test cars came with the 12.3-inch digital instrument display, which only comes as standard in HSE specification, whereas in a Peugeot 3008 it's a feature of

Q&A



JEREMY HICKS,
MANAGING DIRECTOR,
JAGUAR LAND ROVER UK

When did dealers first see the E-Pace and when will the car arrive in showrooms?

We revealed the new Jaguar E-Pace to the world via a spectacular Guinness World Record 270-degree corkscrew-like barrel roll in July last year. Order books opened following the reveal and it is available in UK showrooms now.

What are the challenges in creating an SUV range from a brand associated with sports cars and sports saloons?

Our Pace family of SUVs are true Jaguars, with years of engineering expertise going into ensuring these vehicles are instantly recognisable as a Jaguar, with all of the dynamic and performance credentials associated with the brand. As well as performance, it's obvious from the styling of E-Pace that it takes clear design cues from its sporting brother, the F-Type.

Given the success of the F-Pace in boosting Jaguar sales, can dealers expect more of the same from the E-Pace?

The dynamic of the UK car market continues to

change and the appeal of SUVs continues to grow exponentially. The introduction of the E-Pace will allow the Jaguar brand to compete in the next segment down of the SUV market. The success of F-Pace speaks for itself and we expect E-Pace to continue to drive this momentum for Jaguar, capitalising on this growing demand for SUVs.

Will it mean new customers for Jaguar, and with so many other premium crossovers available at this price point, what will be the unique appeal of the E-Pace?

The Jaguar brand stands for engaging performance and the E-Pace delivers these credentials extremely well, offering a package that blends sporty and agile performance with the added practicality and technology SUV customers demand. We believe the E-Pace has a real sense of character and will appeal to a diverse audience, bringing new, conquest, customers to Jaguar.

Which marketing tools should dealers embrace to make the most of a new product launch, such as the E-Pace, and the forthcoming I-Pace?

Increasingly, our initial communication with target customers is via our digital assets. We receive an incredibly high level of direct online enquiries – customers saying that they want someone to get in touch with them. The most effective tool retailers can use is successfully making the connection between a customer who has made a digital enquiry and turning that into a real-life showroom visit.

even the entry-level car.

The automatic transmission has a sportier gear lever rather than the pop-up selector of some other automatic Jaguar models, perhaps trying to reinforce the fact that S in SUV stands for 'sports'. On the passenger side of the centre console is a grab handle, also reminiscent of the F-Type.

The interior is roomy enough for five adults, with reasonable rear leg room. and decent rear headroom. The luggage area is also decent, with a total of 577 litres up to the retractable cover. There is a puncture

repair kit rather than a spare wheel.

It's possible to connect and charge up to five devices by USB cable, depending on specification, while the E-Pace's Wi-Fi network, where specified, can link to eight devices.

The E-Pace feels agile, and rather firm of ride compared with other Jaguar models, although we still think it feels more compliant than rivals such as the Audi Q3. The agility certainly puts distance between how it feels compared with the related Range Rover Evoque. **SIMON HARRIS**

E-PACE WILL ALLOW THE JAGUAR BRAND TO COMPETE IN THE NEXT SEGMENT DOWN OF THE SUV MARKET JEREMY HICKS, JLR

Ignore the global rise of millennials at your peril

David Green, CDK global vice-president sales and marketing, discusses how the growth of millennials and their use of technology is reshaping automotive retail

The influence of millennials – young adults aged 18 to 34 – is growing in major markets around the world.

Their demographic spans the digital revolution – having grown up with the internet they are highly reliant on information from digital devices to inform their purchasing decisions.

In France, Germany and the UK, millennials make up about 15% to 20% of the population¹, while in the US the demographic now represents a quarter of the population, responsible for a massive \$200 billion of annual spending².

The generation game

For Generation X, who grew up in the late 1950s and early 1960s, traditional values such as retailer loyalty and customer service remain important. Millennials differ from this – they have grown up in a technological revolution and want to contact retailers via digital channels, including email, social media and instant chat services – and expect an instant, personalised response.

Unlike their predecessors, millennials are often 'numb' to blanket advertising. Dealerships need to acknowledge that this demographic has a different world view and a different way of choosing what they buy. For example, more than 60% avoid purchasing big-ticket items with credit and loans, preferring flexible financing and trade-in options to pay.

Behavioural differences in the generation

Research by CDK Global shows that within the millennial demographic there are clear distinctions of behaviour. Older millennials respond to both modern and traditional marketing approaches, reacting more to lifestyle changes and possessing a higher degree of brand loyalty than their younger



counterparts, of which 58% are swayed more by social status².

For all millennials, buying goods has to be easy – 93% cite convenience as their main buying criteria, with search engines (98%), independent review sites (93%) and word of mouth (88%) the biggest influences on their car-buying choice.

In emerging markets, CDK Global has witnessed the growth of a 'leapfrog' generation. In China, India and Africa for example, consumers are now more inclined to shop online for clothes and food – and increasingly for cars. This confidence in purchasing online is fuelled by faster internet speeds and access to mobile devices, digital payments and comparison websites. In these markets, millennials are a pioneer generation – high-risk-takers, not relying on their instincts and traditional purchase methods.

Change the dealership approach

Millennials typically create a shortlist of three to four cars they want to buy, using information gathered from predominantly

digital channels. They will then search for local dealerships to arrange a test drive, checking the online ratings for word-of-mouth recommendations for the quality of a dealership and service levels.

Younger millennials find 'being sold to' uncomfortable, which can work against a dealer as 85% say they prefer an advisory approach. CDK Global's research shows that 95% of millennials are put off a purchase by a lack of knowledge of their requirements by a dealer. They are the 'now' generation, with 63% expecting immediate delivery, frustrated by waiting times and excessive paperwork.

The millennial is potentially a very fickle customer, so dealers need to be digitally aware and adaptable to new technologies to retain these customers for the future. As an enabler of end-to-end automotive commerce, CDK Global uses its global knowledge and local insight to map out all eventualities across the customer journey. For example, to help dealers understand more about their customers' needs, CDK partners with certain vehicle manufacturers to integrate the DMS with online car configurators, providing a seamless transition from online to showroom. Knowing a customer's likely preferences before they set foot in the dealership is a big step towards delivering the experience millennials demand and expect.

For more information about CDK Global in the UK, visit www.cdkglobal.co.uk



MERCEDES-BENZ C220D SPORT ESTATE

REPORT
PROGRESS



IS MERCEDES' APPROVED USED SCHEME BEST FOR DEALERS?

The term 'used car' can blur the fact that to its next owner, it is 'new'. Mercedes' TV advert for its approved used programme cannily makes this point (you can see it on YouTube).

The stock of used C-Class estates listed on Mercedes' approved used site was generous – 834 results, three within 10 miles of me. Prices ranged from £19,990-£25,490, aged between 2014 and 2016, mileage from 17,558 to 32,515 and the finance range was from £308 to £355 a month.

Alongside the technical details of each car were more than 20 pictures, finance quotes, location, dealer's contact details, compare option and what I've looked at previously. All wholesome stuff to carry you to a purchase decision, but my hand isn't quite held all the way. It's not a true premium experience, set apart from what you would find on Auto Trader, Motors or Parkers.

For example, there's no video and no live chat. The dealer location map is not interactive to the point of giving directions. On Auto Trader, there were 813 C-Class Sport diesel estates. I found the same vehicle I had looked at on Mercedes' site. But now there was the ability to chat, an 'about the dealer', an invitation to start a conversation with the dealer about a part-exchange and an Auto Trader and owners' rating. It was more inviting and reassuring. Mercedes has some way to go to provide a premium online buying experience adequately supporting its dealers. **JEREMY BENNETT**



REGISTRATIONS
(2017 FULL-YEAR):
45,912 (C-CLASS RANGE)
(SOURCE: SMMT)



SEGMENT SHARE
28.2%
(SOURCE: SMMT)



PCP PAYMENT
£7,004 DEPOSIT, £349
MONTHLY PAYMENTS,
48 MONTHS, 10,000
MILES AT 5%
REPRESENTATIVE APR,
TOTAL AMOUNT
PAYABLE £38,945
10.8 PENCE PER MILE
EXCESS MILEAGE
CHARGE
(REPRESENTATIVE EXAMPLE
ON MERCEDES' APPROVED
USED WEBSITE)

☒ SEAT HEATERS
AUTOMATICALLY ADJUST

☒ THE TOUCHPAD – I CAN'T
FATHOM THE POINT OF IT

CURRENT
MILEAGE 1 4 7 5 1

START
MILEAGE 1 1 1 8 7

MAZDA MX-5 RF 2.0-LITRE SPORT NAV

REPORT
PROGRESS



ALL THE MX-5'S LIMITATIONS MELT AWAY ON THE TEST DRIVE

The limitations of having a Mazda MX-5 two-seater as the second car of the household were made evident by the Christmas break.

With boot space totalling 127 litres, accessed by a fairly narrow opening, the MX-5 RF left me an easy, if later judged to be inadequate, excuse for having bought only the smaller items on my wife's request list.

It also meant my sanity remained at least partly intact during our customary trip to stay with relatives – while the gifts, our three kids and two dogs filled Mrs Rose's Volvo, I followed in comparative peace, alone in my sports car except for a boot filled by two overnight bags and a half-case of wine.

Family transport clearly is not this Mazda's forte. But de-stressing is. It's so light on its toes, nimble yet just supple enough in ride, even though the Sport trim has a stiffer Bilstein suspension set-up and limited slip differential to help power out of bends. Five minutes behind the wheel on an open country road is all it takes for frowns to turn to smiles.

My conclusion is that the test drive is the single most important part of a prospective MX-5 buyer's experience. I'd hope the roadster has been in Mazda's portfolio long enough by now for its dealers to have their ideal route mapped out.

There is a sign the network has it covered. Some 4,698 people bought the Japanese two-seater in 2017 – 11% more than the prior year. **TIM ROSE**



REGISTRATIONS YTD
162
(SOURCE: SMMT)



SEGMENT SHARE
33.3%
(SOURCE: SMMT)



PCP PAYMENT
£4,369 (36 MONTHS)
(SOURCE: MAZDA)



RETAIL/FLEET SPLIT
75.8%/24.2%
(SOURCE: SMMT)

☒ FUN, NIMBLE, EXCELLENT HEATER

☒ LACK OF CABIN STORAGE BINS

CURRENT
MILEAGE 0 8 0 2 0

START
MILEAGE 0 0 8 7 0

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Leigh McGrath,
general sales
manager at Renault
Retail Group's
Swansea
dealership,
correctly identified
the Porsche 914
last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, March 9.



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ADVERTISING FEATURE

Apply for your free Used Market Insights Report

By **Martin Potter**, group operations director,
Aston Barclay



Our new Used Market Insights report looks at how used cars are performing across our five-site network, looking at both fleet and dealer part-exchange sectors in detail.

Used diesel cars have shown no sign of losing their appeal. Average diesel prices increased by £601 from Q1 2016, to £8,829 in Q4 2017, while ex-fleet diesels reached a two-year high, rising 11.4% to £10,076 in Q4 2017 helped by a fall in average age and mileage.

Average used petrol prices increased by £426 from Q1 2016 to Q4 2017, while ex-fleet petrol prices stagnated over 24 months at about £7,250.

2017 delivered a stable used car market. Fewer new car sales will impact dealer part-exchanges entering the market in 2018, but higher used car volumes from 2013 and 2014 are likely to balance the shortfall.

Dealer part-exchange market insights

Our report divides the dealer part-exchange market into Young (55-78 months), Older (79-126 months) Budget (126 months+).

The average value of Young part-exchanges increased to £5,848 in Q2 2017. Retailer demand for this 'prime retail stock' remained strong.

Used prices of Older part-exchanges also rose and in Q4 peaked at £2,679. A Budget part-exchange was worth between £771 in Q1 and £880 in Q4 2017, with strong demand for cheap, affordable cars as volumes have been depleted by new car scrappage deals.

■ **For a free copy of your report, go to:**

<https://goo.gl/6VUnFA>



The 2018 UK Franchised Dealer Report

AM's fourth edition of our annual UK Franchised Dealer Report drills down into the detail of the risks and opportunities presented in 2018 and includes expert insight into what lies ahead.

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

To purchase your copy, call
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or visit am-online/shop

YOU WANT INSIGHT INTO YOUR EMPLOYEES? ASK THEM

A good staff survey can guide development, motivate workers and predict trouble

Workforce surveys are a double-edged sword for car dealerships.

Done well they can give you an invaluable insight into your employees and their work practices, helping you to improve your business operations and staff recruitment and development strategy. However, done badly they will tell you little and cost you more in time and money.

With increasing pressure on employers and their staff to perform with fewer resources, the need to deliver a quality employee survey has never been greater. After all, the intended result – an engaged and motivated workforce that believes in the company's mission and values – is far more likely to succeed than one where low morale and lack of direction are the norm.

Adam Turner, sales director of Chorley Group Nissan and one of AM's 2017 UK Best Dealerships To Work For, said his company carries out annual staff surveys to measure employee engagement. As a result of the constructive feedback received, he said the company has been able to grow through new schemes and programmes, thus producing more motivated staff.

"We have introduced new initiatives and programmes on the back of the input from the team and we have seen an increase in engagement across the business," he said. "This was supported when we were awarded UK Best Dealership To Work For status in 2017."

The one downside, said Turner, is negative feedback when it is unhelpful or without foundation. However, he added, sometimes you have to accept that not everyone will be satisfied.

Darren Bradford, general manager at



YOUR STAFF NEED TO UNDERSTAND WHY YOU ARE DOING THE SURVEY. THEN THEY ARE MORE LIKELY TO ENGAGE



**PROF JIM SAKER,
CENTRE OF AUTOMOTIVE
MANAGEMENT,
LOUGHBOROUGH
UNIVERSITY**

Drayton Kia, said the main advantage of doing a regular survey is the updated feedback. If done well, it also provides you with a better understanding of the different parts of the business, as well as your strengths and weaknesses, he said.

The problem, said Bradford, is that staff often lack interest in completing surveys. It can also become a monotonous box-ticking exercise if it isn't structured properly, he added.

Measure your progress

Tracy Roberts, managing director of Tracy Roberts Associates, said workforce surveys are best used to get a snapshot of employees' views. The information gathered, she said, should then be used to help improve the company's performance, as well as retention and communication channels.

"Taking a sound bite of staff values and attitudes helps to identify priority areas," she said. "It also helps you understand attrition rates and the general feeling among the workforce."

"Furthermore, repeat surveys enable you to measure your progress and assess the reaction to fundamental

business changes you make. Then you can drill down into comparing attitudes between different sites, functions and departments, and to identify key issues."

Roberts said staff tend to respond better to anonymous surveys with the option to provide personal information to enable you to address individual issues. It also helps if the results are shared across the business, including positive and negative comments, she said.

She said employees are often unwilling to share information if they think it will be held against them. Another big turn-off, she said, is repetition of the same question.

"The more you repeat yourself, the less effective a survey becomes," she said. "Another problem is over-promising what you are going to do once you get the results and then not being able to deliver."

Communicate, listen and act

Professor Jim Saker, director of Loughborough University's Centre of Automotive Management, said doing a survey for the sake of it is pointless if you don't know what you want to achieve from it. This could include understanding the culture and mood of employees or identifying development needs, he said.

"Your staff need to understand why you are doing the survey," he said. "Then they are more likely to engage and write or say something constructive that you can then use."

"But far too many employers just go through the motions and don't act on the information they receive. That can breed resentment among employees because they don't feel like they are being listened to." **ALEX WRIGHT**

RESOURCES

GET THIRD-PARTY EVALUATION

AM's Best UK Dealership To Work For programme rewards the best-run dealerships based on employee surveys.
www.bestukdealerships.com



SURVEY BEST PRACTICE

A video on employee engagement survey best practices for preparing and delivering on the results and how to avoid mistakes.
www.youtube.com/watch?v=nRX9ZCSd6Ns



SEE A SAMPLE SURVEY

Survey website SurveyMonkey features templates of employee engagement survey to identify your key needs.
www.surveymonkey.com/mp/employee-engagement-survey/

TALENT ON THE MOVE



CHRIS GRAHAM,
SUBARU UK

IM Group has promoted Chris Graham to the managing director role at Subaru UK. He replaces Paul Tunnicliffe, who has become automotive development director for the IM Group, which also runs Isuzu and Great Wall in the UK. It said Graham, who recently ran IM Group's Citroën & DS Ireland operation, has a vision for Subaru to become the fastest growing brand in the UK, despite the declining market and growing competition in the SUV market.

"My vision for Subaru is ambitious but, most importantly, it's realistic," he said. He has to quickly halt a decline – in 2017 its new car registrations dropped 26% to 2,679 units.

Graham is well known to the Subaru UK network. He has been with IM Group since 1998 in various roles concerned with recruiting dealers to its franchised networks.

In the 1990s Graham was dealer principal of five-acre multi-franchise site Alexandra Cars in Lincoln.



DAVID GEORGE,
MINI UK

Mini UK has hired former Mercedes-Benz and Volkswagen Group executive David George as its new brand director.

The appointment follows Chris Brownridge's move to the sales director role at BMW UK.

George had been at Mercedes-Benz UK since 2011. He initially held the marketing director post, which included a year at its retail partner Sandown Group, then moved to the sales director role in a 2016 executive reshuffle.

Prior to that he had spent 13 years with Volkswagen Group UK, where he headed its learning services function at the group national learning centre and became head of marketing for Volkswagen Commercial Vehicles.

In 2017 the UK became the largest worldwide market for Mini, despite its new car registrations here falling by 1.2% to 68,166 units.



NIGEL STEIN,
INCHCAPE

Inchcape has announced that Nigel Stein will be its next chairman, following the retirement of Ken Hanna this May.

Stein has been a non-executive director of Inchcape since October 2015 and is also industry chair of Automotive Council UK.

His appointment takes effect at the AGM. He will work with Hanna and the board until then to ensure a smooth handover.



MARC ROBINSON,
MOTORS.CO.UK

Motors.co.uk has appointed Marc Robinson, a former general manager of Inchcape Retail, as its new sales director.

He replaced Mark Hammond, who has moved to a role with Cox Automotive UK, Motors.co.uk's parent company.

Robinson has more than 20 years' experience, with his most recent role as general manager for Inchcape's Mercedes-Benz Derby dealership.



ALAIN DESCAT, DS
AUTOMOBILES UK

Alain Descat will take on the newly created role of managing director at DS Automobiles UK, in April.

The appointment is part of PSA Group's strategy to identify DS as a standalone luxury brand.

Descat has held a number of sales and marketing roles for Peugeot importers in Mexico and Central America, northern Europe and most recently in Amsterdam.

ADVERTISING FEATURE

Why we take data security ever more seriously

By James Tew, CEO, iVendi



The General Data Protection Regulation (GDPR) means data is very much at the front of dealers' minds at the moment. However, while the regulation deals largely with how you store and use information, we have also been working hard on data security.

iVendi has recently been accredited with the ISO 27001 information security standard, which is an industry standard designed to specify and audit processes that are intended to bring data under clear and unambiguous management control.

The project is one of a number of data security measures being implemented here, including 24/7 managed detection and response, enhanced data encryption, a new Event Store, which records all key platform interactions, and highly available systems spanning multiple data centres. In addition, all iVendi staff have received suitable ISO training alongside similar programmes covering Financial Conduct Authority (FCA) regulation and the GDPR. We have also created an internal information security committee and are now working towards ISO 9001.

Why are we making such an investment in this area? Well, the nature of the services we provide, which quite often include personal financial details and other sensitive data, means that our clients and their customers need to be able to trust our systems beyond any level of doubt. Especially, over the last year, we have been working with a number of major European financial bodies, and they rightly demand the highest level of compliance in this area.

Achieving ISO 27001 is a strong baseline standard and, with the other measures we are undertaking, means our client base can rest assured that their information is protected with high levels of control, audit and security. If you have questions about our data security, we would be pleased to answer them.

■ **The iVendi Platform provides a complete online motor retailing solution for dealers, car portals, manufacturers and motor finance providers. To find out more, visit ivendi.com, email enquiries@ivendi.com or call 0345 226 0503.**





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| | | | |
|-------|-------------------------|---------------|-----------------|
| 12565 | Dealership Accountant | Buckingham | £45,000 + |
| 12564 | Purchase Ledger Admin | NW London | £21,000 |
| 12558 | Dealership Accountant | South Coast | £40kpa + car |
| 12557 | Dealership Accountant | Oxon. | £40kpa + car |
| 12556 | Purch Ledger Admin | Berkshire | To £24kpa |
| 12550 | Snr Banking Accts Clerk | London | To £30k pa |
| 12545 | Dealership Accountant | Essex | £40k pa Neg |
| 12535 | Dealership Accountant | Hertfordshire | CE£50k pa + + + |
| 12530 | Dealership Accountant | Norfolk | £37,500 + + |
| 12529 | Management Accountant | Berkshire | £36k pa + + |
| 12527 | Management Accountant | Essex | £35k + + |
| 12519 | Assistant Accountant | Bucks | £24k pa |
| 12507 | Systems Accountant | Bucks | £Neg + + |

OPERATIONAL

| | | | |
|-------|--------------------------|---------------|-----------------|
| 12569 | Sales Manager | Hertfordshire | OTE £50,000 |
| 12568 | Logistics Specialist Mgr | E London | £40,000 |
| 12567 | Technicians | Bristol | £Neg |
| 12566 | Sales Consultant | London | to £30,500 |
| 12563 | Commercial Vehicle Tech | E London | £Exc |
| 12562 | Accessory Fitter | Essex | £23,000 + OTE |
| 12561 | General Manager | Lincolnshire | £65,000 |
| 12559 | Vehicle Admin | Shropshire | £65,000 |
| 12555 | Service Advisor | Bucks | OTE £30,000 |
| 12554 | Programmes Support Mgr | Surrey | OTE £46,000 + + |
| 12553 | Product Specialist | Surrey | OTE £35,000 |
| 12552 | Showroom Mgr | Bedfordshire | £45k OTE |
| 12551 | Showroom B... | Somerset | OTE £45k |

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CAR RETAILERS LOOK TO LEAN WORKING IN FALTERING MARKET

Smaller networks, new pay models and cost-cutting all on the table as registrations and margins fall, say dealers

Retailers suggested that smaller franchised networks, a change in the dealer remuneration model and increased efficiency could all be vital elements of a future car retail model as they discussed business beyond 2017.

Following a year that saw a stuttering start to Brexit negotiations, declines in new car sales volumes and the fallout from negative coverage of diesel vehicles, car dealers gathered at Automotive Management Live to discuss what challenges the new year may hold.

Following the example of Vertu Motors chief executive Robert Forrester, who said "we left no stone unturned in the pursuit of greater efficiencies", which he credited for his PLC's 29.4% rise in pre-tax profit (to £24.2m) in the first half of 2017, many dealers were keen to be lean in 2018.

Robin Luscombe, managing director of Luscombe Motors (see our face-to-face interview with Luscombe on page 24), said the key to success might be "cutting our cloth and removing the frilly bits".

Chris Roberts, the managing director of Drive Motor Retail, suggested taking a slightly more extreme approach. He said: "Run your business as if it's in crisis all the time and you'll avoid a shock at each quarter-end."

The market in 2017/18

Meeting just after the SMMT published its prediction that new car registrations would fall a further 5.4% in 2018, to 2.426 million, the group at AM's roundtable suggested that the pull of Europe's still growing market alongside a weaker pound could have a positive effect on manufacturers' approach to the UK.

John Smyth, director at Swansway Garages, pointed out that 2018's predicted 2.4m registrations would still make it the fifth-biggest market ever.

Luscombe suggested that the sector needed to return to the registration levels last encountered in 2014/15, when "we were all quite happy because we had a business that matched the market".



Dealers at the AM roundtable felt it could be possible to drive up margins in used cars and aftersales during 2018

In a news insight in last month's AM ('Will 2018's market fall be bigger than we think?'), Mike Allen, a market analyst with Zeus Capital, said a reduction in the levels of cars reaching the UK, due to the pull of a strong European marketplace and the weak pound, could benefit dealer margins.

Roberts said: "It is difficult to get your head around the full effects of the currency fluctuations." He stated that Vauxhall's market plan for the UK had been based on a stronger pound, adding: "That might not be a wholly bad thing in that they might be deterred from forcing as many cars into the market. That could be beneficial for us in terms of working a margin."

Aftersales and CSI

While new car profitability may be at the mercy of manufacturer targets, the retailers felt it could be possible to drive margins in used cars and aftersales during 2018.

Hargraves said dealers would have to set up the business "in a way that ensures that we are not that reliant on new cars".

It was increasingly clear that efforts would have to be made to attract new customers to keep workshops working at capacity, a process that will be made trickier by the arrival of the General Data Protection Regulation (GDPR) in May.

Gavin Ruddick, aftersales director at Lookers, said the shift towards used car business and attracting off-database aftersales business

DELEGATES



RICHARD HARGRAVES
operations director, JCT600



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doing their numbers. That effects overheads as well. The workshop and the showroom are suddenly too big."

Honda's registrations were down 8.8% at 53,901 last year (2016: 59,106).

Many retailers in the room suggested that the time would soon come when manufacturers looked towards slimming their networks.

Volkswagen recently rebutted suggestions it was planning to reduce its UK network after Reuters reported it would shed 10% of its outlets across Europe.

However, manufacturers have started to experiment with online sales and urban stores and this could be the catalyst for a change in the relationship with the franchised network.

Hargraves praised Rockar's online retail platform, but said that he would not feel comfortable buying the car without visiting a dealership.

Smyth held the belief that customers "like to negotiate". However, Swansway has two broker businesses and he conceded that a customer may wish to test drive a car in a dealership and then head home to buy remotely.

He also raised the prospect that a future remuneration model between a franchised dealer and manufacturer may mirror the Volkswagen TPS centres one.

Smyth said the way franchised outlets were remunerated would have to change if they were to become "delivery agents" for online car sales, stating that Swansway's three TPS sites operated on an "agent model" where rent and parts costs are covered by the manufacturer. Dealers achieve a greater margin dependent on how many parts were sold throughout the year.

Diesel emissions

Consumers' approach to diesel emissions will play a big part in motor retail in 2018 and the assembled dealers were uncertain about the scale of the issue.

Brighton suggested that politics was starting to have too much effect on the market and urged retailers to do more to set the record straight on diesel: "The Government seems to have more influence these days than ever before. You only have to look at the effect of the VED changes in April."

Rudge said the number of lower-value diesel cars coming back on PCP deals was ever increasing and could become a problem for long-term residual values, adding "something needs to change".

Ruddick said: "What we say in this room is not going to change the wider view of 'dirty diesel'. It's done. The horse has already bolted."

TOM SHARPE



“WHAT WE SAY IN THIS ROOM IS NOT GOING TO CHANGE THE WIDER VIEW OF ‘DIRTY DIESEL’. THE HORSE HAS ALREADY BOLTED

GAVIN RUDDICK, LOOKERS

provides a more predictable revenue stream.

"You're almost guaranteed to lose money on a first service, which will cost the customer £35 and cost us £10 just to wash the car," he said.

Smyth agreed that used cars offered a greater aftersales opportunity, adding that the effects of the Brexit vote on the largely non-British valeting workforce had been pronounced, with costs going "through the roof".

Smyth questioned the need for manufacturers to demand valeting at that low-margin first service.

The group suggested that this was another manufacturer CSI initiative that would benefit from reappraisal.

Hargraves said: "I was at a car launch recently and the manufacturer was celebrating because the car had received four stars out of five from *Autocar*.

We are criticised when we get 4.7 stars out of five. There's quite a lot that needs looking at from that perspective."

The franchised model

While manufacturer CSI demands came in for criticism at the AM roundtable, the investments in showroom and workshop facilities were also questioned as the market began to slacken.

Roberts said: "Vauxhall this year has around 50,000 fewer new vehicles in the marketplace and we have workshops to sustain."

Stephen Brighton, the managing director of Hepworth Motor Group, said: "We have the same thing with Honda. We are working our dealerships up to 100,000 capacity and suddenly they are not



For more information, call 0800 066 4781 or email uksales@reputation.com

EIGHT QUESTIONS TO...

A CAR BRAND DIRECTOR

Dale Wyatt, director of automobile for Suzuki GB, explains why dealers will lose out if the industry adopts a 'wait and see' attitude to consumer, legal and technological changes



What are the main responsibilities of your role?

WYATT: As director of automobile, I am responsible for the leadership of the entire Suzuki GB and Ireland business.

My time is split between working with the management team in the UK, our dealer network and our parent company, Suzuki Motor Company, in Japan.

Ultimately, I am accountable for the brand health of Suzuki cars.

We are a growing brand that aims to please its customers and franchised dealer partners while delivering a financial return to its parent company.

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

WYATT: Every problem I have has two legs. The key challenge for me is to deliver operational alignment and to get the balance correct between 'survive' and 'succeed' activities.

The motor industry is on the cusp of significant change. Legislation, consumer behaviour and technological advancements mean our business model needs to adapt quickly to stay ahead.

How might these challenges be overcome?

WYATT: Quite simply by trial and error. These are industry challenges that can be solved by the people in our industry.

If we work together with a 'change is coming – how do we adapt and prosper?' mindset then I believe we can prosper.

However, if we adopt a 'wait and see approach', new entrants and a handful of large groups will pick off the fun and profitable bits.

We aren't driven by the market, we are driven by our own behaviour and attitude. We know it's what we do that determines how successful we are. We know if we're clear what the enablers are and we execute those enablers, we'll get where we need to be.

Our future is in our hands and it is down to us to plot our way towards a new and refined business model.

What attracted you to this area of expertise?

WYATT: The people. The motor industry is full of fantastic people and I have worked with them in a

number of roles, since I started my career in 1987. The dealer franchise model attracts lots of entrepreneurs and it is a privilege to work alongside them – something I did extensively during my time as dealer development manager and then sales and marketing director.

Suzuki also has some fantastic employees across a broad spectrum of disciplines and I really enjoy the breadth of the roles they hold.

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

WYATT: I believe in three simple statements:

- Do a day's work in a day
- Most of the things you worry about don't happen
- Be business friends and then utilise the friendship to deliver win-win solutions.

When you become a Suzuki dealer, you join the Suzuki family, and it's a family where you belong and feel valued. The relationship is one where, internally, the family can openly criticise each other, but if someone externally tries to pick on one of us, we all defend each other.

In order to ensure we have the very best working relationship with our dealers, we worked with them to create the Suzuki Charter. It is a set of guidelines split into "dos" and "don'ts" that outlines how we should behave, with the vision to ensure that all colleagues feel valued. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

Winning.

What's your favourite app?

British Airways (I love a weekend getaway).

How do you relax?

Spending time with friends and family while enjoying good wine and good food.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What is your least favourite smell?

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DRIVING EFFICIENCY

How important is software to driving dealership efficiency?

incadea discusses how it is helping to drive efficiency through process integration and increasing retention for OEMs and dealerships

The automotive industry is ever-changing to meet the consumer's needs – for this reason it's important for dealerships to keep up and evolve, ensuring that they do not lose their customers' loyalty to their competitors.

Paul Humphreys, incadea MD, states: "Reviewing service capabilities not only helps the sales process by making it more appealing to new customers, it is also a significant retention opportunity for existing customers, and certainly should not be overlooked. At present, we believe dealerships are not speaking loudly enough about their capabilities, and as such, they are missing key opportunities to maximise profit."

As well as having the facilities to physically provide the services needed,

it is also crucial for a dealership to have software in place that allows its users to input data with ease and use that data effectively. These systems are the backbone of any dealership, so ensuring they're as efficient as possible allows you to increase your ability to improve revenue.

An all-encompassing dealer management system allows each piece of software used to communicate with one another – simply, speeding up the data entry process, increasing intelligent use of customer data and allowing more time to be spent with customers.

Lead management is also crucial to success, and having the ability to find information and follow up with ease helps to improve sales, as you're actively

encouraging people to engage by assisting them in finding the perfect vehicle.

We're pleased to offer a suite of products that have been designed to fully encompass the needs of your dealership. Our incadea dms ensures that all of your information is stored in one place, which makes it easy for all relevant people to access and use – whilst talking seamlessly to the other systems you have in place.

Launched this year, incadea service allows you to increase customer retention by delivering a premium aftersales experience. Encompassing a range of specialist tools that allow you to operate your aftersales area more efficiently, from scheduling a service to vehicle health checks, it will ensure you're able to maximise on your service operation, giving the potential to increase your profits.

All of our products are designed to assist you in improving your dealership, so get in touch today to see how we can help you drive your efficiency forward.

Contact us today to arrange your demo.
Visit incadea.co.uk to find out more.

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