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**VOLKSWAGEN / P8**

New dealer sales model  
to take effect by 2020

**AML / P22**

Our 14-page preview of  
what to expect at this  
year's Automotive  
Management Live

**CITROËN / P56**

MD Karl Howkins:  
'We want dealers  
to see a return'

TOBY PARTRIDGE - PARTRIDGE OF HAMPSHIRE / P42

# 'DON'T TAKE NO FOR AN ANSWER'

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Reduction in  
average days in stock

115%

Of OEM YTD  
target achieved

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

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

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

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

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



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## EDITOR'S LETTER

**W**e have begun examining 2017 financial results ready for the publication of our AM100 Update in December. Those we have already gathered include some dealer groups who have improved their return-on-sales figures – but there are not many.

So far, the toll of 2017's post-VED-change decline in new car sales is evident. One third of the dealers we looked at reported a drop in turnover. Two thirds had a drop in profits. That tells its own story about the margin and cost pressures of a post-peak car market.

It does show just how nimble dealer groups need to become, if you're not already. And it indicates why manufacturers need to allow you to be nimble, and ease off with the six-figure showroom refurbishment demands that come all too frequently.

In Volkswagen's announcement of its sales model restructure (see Page 8), it said its aim is to become more flexible and efficient. Those are characteristics I would expect every franchised network to develop in the future.

Experts and business leaders I have personally invited will be discussing some of the most likely future scenarios that will affect our industry in our Vision of the Future strategic seminar, which takes place during Automotive Management Live at Birmingham NEC on November 8.

We would love you to join us – find out more about the event, including how to register for free, on Pages 22-40.

### MEET THE TEAM



**Tim Rose**  
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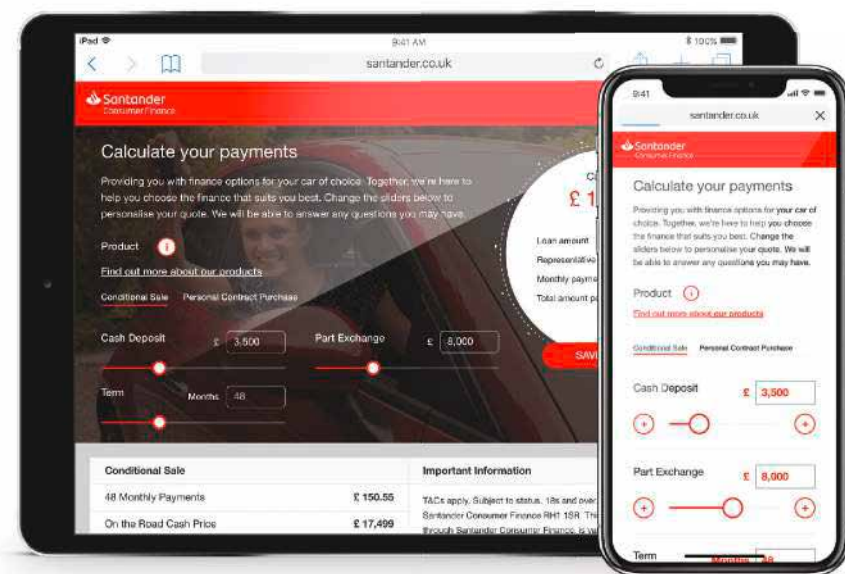


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 **Santander Consumer Finance**

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**November 8, 2018**  
NEC, Birmingham



## SHOWROOM

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# DEALERS 'MUST PLAN FOR NO-DEAL BREXIT'

Manufacturers exert pressure for free-trade agreements after March, but retailers still seek clarity on the financial impact

**M**otor retailers have been told to prepare for a 'no deal' Brexit as supply line uncertainties look increasingly likely following Britain's planned departure from the EU in March 2019.

Sue Robinson, director of the National Franchised Dealers Association (NFDA) said while the lack of a free trade agreement and the imposition of a 10% tariff on imports was the association's "least favourite outcome", it was "important that members include a 'no deal' scenario in their future contingency plans".

Much of the talk during recent Brexit negotiations between Britain and the EU centred on car manufacturing, with no mention of the impact on franchised dealers, which contribute more than £15 billion to the UK economy and employ more than 621,000 people.

At the Paris Motor Show, Harald Krüger, the chief executive of BMW and a former head of the Mini plant in Oxford, warned that plans to close the factory for a month after Brexit would, in the event of a 'no deal' Brexit, be followed by a total closure and production would move to the Netherlands.

Jaguar Land Rover is also considering a Brexit-related extended closure of its Solihull, Castle Bromwich, Wolverhampton and Halewood factories after its chief executive, Ralf Speth, said a 'no deal' outcome to talks would cost the business £1.2bn a year.

In an interview on BBC Radio 4, Marvin Cook, the managing director of Toyota UK's Burnaston manufacturing plant, said a no-deal Brexit would also cause production stoppages there.

Cook said: "The evidence from not just Toyota, but other manufacturers, is that we need to absolutely

be able to continue what has been a highly successful set of supply chains. We need to have a deal."

BMW exports 80% of its 218,885 Mini and Rolls-Royce vehicles it makes in the UK each year, while JLR exports 80% of its 532,107 and Toyota 90% of its 122,885.

But even as manufacturers take to the airwaves in their attempts to safeguard free-trade agreements, support and advice for their retail networks appears less than forthcoming.

The Society of Motor Manufacturers and Traders calculated that £1,500 could be added to the price of the average EU-built car if 'no deal' results in the adoption of World Trade Organisation (WTO) rules. As a result, many retailers will be asking for clarification of the impact on their businesses.

John Tordoff, chief executive of JCT600, said he had received no support or guidance from manufacturer partners, but added: "We are just coming into conference

season, when there'll be discussions around contracts and volume aspirations for next year, so I fully expect Brexit to be on the agenda.

"Above all, we need clarification with regards to what manufacturer expectations are going to be in 2019. Irrespective of the Brexit deal, the SMMT is predicting volumes down by 2% to 3%, but until we have meaningful discussions with our manufacturer partners we can't make any plans."

Despite the impact of the Brexit vote on both currency and consumer confidence, Tordoff said sales had remained buoyant at JCT600 since June 2016.

The Gfk consumer confidence index fell from -1 to -12 in the month immediately after the Brexit vote and remained at -9 in September 2018, but Tordoff said JCT600 had continued to be "overrun with customer enquiries".

He added: "Take yourself back two or three years and all the doom-mongers suggested that the day after the Brexit vote everything was going to fall apart. The reality is that nothing really changed."

Robert Forrester, the chief executive of Vertu Motors, likened fears surrounding Britain's exit in March to the Millennium Bug, saying that "the sun will still rise the following day".

He conceded, however, that the uncertainty of Brexit had played a part in Vertu's decision to strengthen its balance sheet.

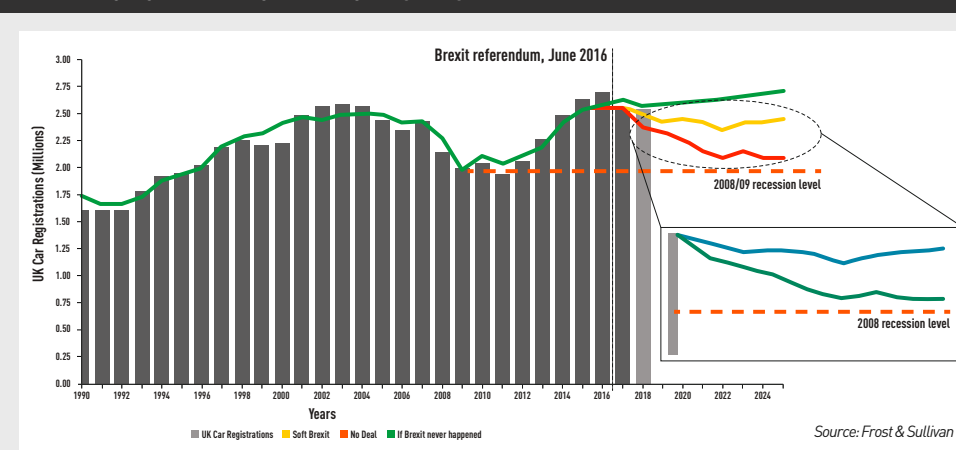
"We were already conservative around debt because of the cyclical nature of the sector, but Brexit has added another variable," said Forrester.

"We could be considered ultra-conservative with our finances, but if you believe 'Project Fear', then you have to be very conservative with your finances."

**DOOM-MONGERS SUGGESTED THAT THE DAY AFTER THE BREXIT VOTE EVERYTHING WAS GOING TO FALL APART. THE REALITY IS THAT NOTHING REALLY CHANGED**

**JOHN TORDOFF, JCT600**

## IMPACT OF BREXIT ON NEW CAR SALES



### 'We are facing Armageddon'

Not everyone is so sanguine about the outcome of a 'no deal' Brexit, however.

Brian Gilda, the chairman of Peoples Ford, and chair of the Ford Europe Product Panel, warned the motor industry in the UK was "staring over a cliff edge".

He said: "Unless the Government gets a fix on Brexit, an agreement which doesn't impose unacceptable tariffs and cross-border trading constraints, the UK motor industry is facing Armageddon. This is a huge industry in the UK and Brexit has the potential to do untold damage to it."

Gilda's concerns are echoed by the RMI, which has called on the Government for certainty on Brexit by the end of November.

Peter Johnson, the RMI president, told attendees at its annual dinner: "Whether they settle on a Chequers-style deal, or a Canada-plus deal, or a form of customs union, our industry must have a deal agreed and that deal approved by parliament this November. Neither our suppliers, nor our customers, nor our own businesses will benefit from delays at border checkpoints nor from tariffs set at two levels," he said.

Suppliers, too, are sounding warning bells.

DMS provider Pinewood, which recently recruited seven Vietnamese graduate software developers, said employers have found it increasingly difficult to recruit EU workers. Pinewood attributed the difficulty to a decline in the UK's attractiveness to EU workers, due to the falling value of the pound and the uncertainty about their futures.

**NEW CAR SALES VOLUMES WILL DECLINE WHATEVER THE OUTCOME OF [BREXIT] NEGOTIATIONS**

**SARWANT SINGH, FROST & SULLIVAN**

### Sales could fall to 2009 levels

On October 9, Frost & Sullivan hosted a Brexit seminar at its London headquarters.

Senior partner Sarwant Singh said it had analysed the likely impact of various Brexit negotiation outcomes on the automotive sector.

"What we have found is that new car sales volumes will decline whatever the outcome of negotiations (see the graph, left), but a hard Brexit would see registrations fall back towards levels last seen in 2009," he said.

Frost & Sullivan's calculations suggest UK vehicle production will fall from about 1.48 million units in 2018 to 1.17m next year and said the trend would be exacerbated by a further reduction in automotive sector investment – from a high of £2.5bn in 2015 – to a 20-year low of £0.44bn in 2019 in a 'no deal' scenario.

Among manufacturers' impact mitigation strategies have been the stockpiling of vehicles and parts in storage facilities on each side of the border, he said, adding: "Manufacturers will also be looking to different ports to bring vehicles into the UK because Dover, in particular, is expected to become extremely congested."

### Who will pay the price?

Singh said it was impossible to foresee a scenario where car manufacturers would expect their franchised partners to bear the impact of the £1,500 WTO tariff if Britain left the EU without a deal in March, however.

He said: "With the margins made in the sector, I do not see how that could be expected of them."

Most manufacturers suggested it was too early to make plans when AM asked what advice they had offered franchised partners.

PSA Group said it was "planning for all eventualities" and Ford echoed that, adding that WTO tariffs would cost it about \$1bn a year.

Robinson said the impact of a hard Brexit would vary depending on whether a retailer's manufacturer partner was EU-based or not: "Manufacturers based outside of the EEA are able to absorb these costs without affecting their competitive retail proposition."

Mazda, for example, already pays a 10% tariff on the cars and parts it imports from outside the EU.

A Mazda spokesman said: "If there are tariffs imposed then, relative to our competitors, we would be better off."

**TOM SHARPE**

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# VOLKSWAGEN LAUNCHES NEW SALES STRUCTURE

'Hub and spoke' dealer network, digital expansion and direct sales to take effect from 2020

**V**olkswagen will "restructure" its sales model from 2020, with new sales and service formats joining the manufacturer's dealer network across Europe.

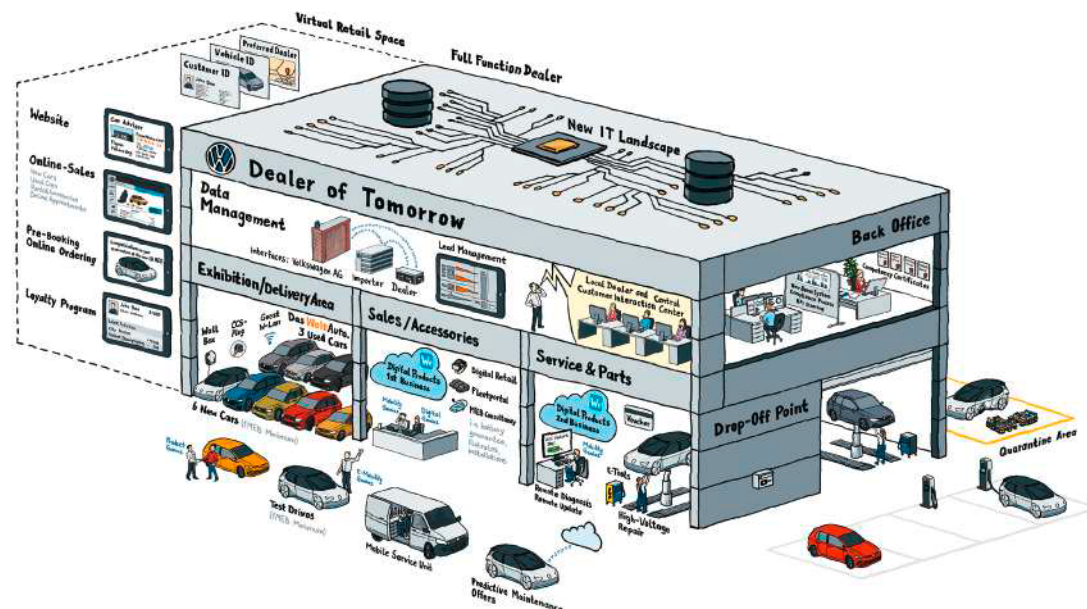
City showrooms, pop-up stores, used car centres, 'service factories' and scalable 'full-feature dealerships' will all form part of the franchised network's structure after April 2020.

Information from Volkswagen suggests these may be structured in a market area 'hub and spoke' arrangement, as the carmaker said each dealer "will only need to have one full-feature facility in the future" and franchisees "will be able to shape their presentation by agreement with the relevant importer to make their business more effective and customer-oriented, with city showrooms, pop-up stores, service factories, used car centres or scalable full-feature dealerships".

Volkswagen said online sales are to be massively expanded and direct sales by the manufacturer will become a reality.

"Within the framework of its new digital partnership with its dealers, Volkswagen will develop a joint internet platform which will handle the entire purchasing process through to contract conclusion, including financing, payment and even used car trade-ins," the carmaker said. Dealers will complete the transaction.

With direct sales, the dealer selected by a customer for handover will be paid a fee. For vehicles sold online under the dealer's own name, they receive the usual margin.



Volkswagen said it intends to use the online platform for direct sales, mainly in the fields of software and online services.

All franchisees are expected to sign the new contract by the end of November.

"This is the right step at the right time," said Jürgen Stackmann, board member for sales of the Volkswagen brand.

"We have adopted this approach because our business environment is changing at a breathtaking pace in view of new technologies, changed customer expectations and new market players."

Stackmann said Volkswagen has qualified sales and service partners,

an established logistics network, strong products and loyal customers, and the combination of these with the new elements would define its business in the future, such as with digital products and services or online sales opportunities.

The Volkswagen European Dealer Council has backed the carmaker's new plan and said it participated in shaping it.

"We believe in the new business model, as it will strengthen dealers' entrepreneurial responsibility," said Dr Matti Pörhö, its president.

"In the areas of digitalisation and e-mobility, the major tasks for the future, dealers will play a key role. To shoulder these challenges,

dealers need a firm foundation of profitability."

In December 2017, Volkswagen UK said it had "no plans" to reduce the number of dealer locations in its UK network from the current 190 sites as news emerged that Stackmann was looking to "accelerate" the brand's network consolidation plan across Europe in the next one to two years.

That came after several franchisees told *AM* the network was operating with overheads too high to make a good return.

In response, Volkswagen UK director Alison Jones said the network would not shrink, but there may be a more varied mix of sites. She added: "We will always have retailers, but the physical size and shape over the next decade will change."

It re-stated that message to *AM* after Stackmann's announcement.

Volkswagen is the latest manufacturer to consider how to get its dealer network fitter for the next decade. Vauxhall issued new contracts to its network in the spring, to reduce the number of sales points by about a third by 2020. **TIM ROSE**



**“OUR BUSINESS IS CHANGING AT A BREATHTAKING PACE IN VIEW OF NEW TECHNOLOGIES, CHANGED CUSTOMER EXPECTATIONS AND NEW MARKET PLAYERS**

**JÜRGEN STACKMANN, VW**



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## ADVERTISING FEATURE

Prospecting: the  
2nd follow-up call

Here's how to keep in touch without pressuring the customer, says Simon Bowkett of Symco Training



Last month in this column, I talked about the 'same night' follow-up call to people who leave your showroom without buying a car. This time I want to focus on the next follow-up call.

A lot of salespeople get a little nervous about this, because they don't want to pressure the customer. It's good to be aware of exerting too much pressure, but it's important to remember that the difference between pressure and persistence is simply a matter of technique.

If you are giving people information when you call, you are calling for their benefit as much as for yours.

## The wrong way to call

People feel pressured when salespeople phone up and say something like: "Hi! You were in over the weekend and I was just calling to see if you've had any more thoughts. No? Well, I'll give you a ring in a couple of days." Two days later: "Hi! Have you come to a decision yet?"

These calls are for your benefit, when what you should be doing is giving people information instead.

## The right way to call

This type of second follow-up call might go something like: "Mr Customer, hi, it's Simon from [name of manufacturer]. The reason for the call is, I know you're looking at that black [name of model] and we talked about a delivery date of 17 December. But just to let you know, I've had a customer looking at a white one and it's going to be delivered by the end of November. I don't know if that makes any difference to you, I know it's not your first colour choice. I just wanted to let you know the white one's coming in two or three weeks earlier. Would that make a difference to you?"

## Pressure or persistence?

So you see, the difference between pressure and persistence is just the technique. If all you are doing is phoning up and asking, "What are your thoughts... what are your thoughts... what are your thoughts?", that is pressuring the customer. But if you are phoning up to give more information, you are helping them to make the right decision.

Keep that in mind the next time you are following up a customer, and watch my new sales training video on the AM website this month ([www.am-online.com/symcotraining](http://www.am-online.com/symcotraining), or at [www.symcotraining.co.uk](http://www.symcotraining.co.uk)) for some great practical tips on handling that second follow-up call.

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## THIS MONTH'S NEWS HIGHLIGHTS

IN DETAIL  
To view the full story go to  
[am-online.co.uk/news](http://am-online.co.uk/news)



SEPT

24th

## ARNOLD CLARK PRE-TAX PROFITS FALL 15%



Eddie Hawthorne, the chief executive of Arnold Clark, said the business would "continue to adapt and embrace the opportunities" after its 2017 financial results showed a 7.3% increase in turnover to £3.93bn (2016: £3.66bn), but a 15% decline in pre-tax profits to £106.6m (2016: £125.3m).

OCT

1st

## EVANS HALSHAW FIRST WITH PEUGEOT/VAUXHALL SITE

Pendragon's Evans Halshaw dealership in Wakefield became the first UK site to house Peugeot and Vauxhall under the same roof. Pendragon's national franchise director for the Vauxhall brand, Jeff Hocking, said it marked "an exciting transition for the brand".



5th

## TOYOTA RECALLS 55,000 HYBRIDS IN THE UK

Toyota is to recall about 55,000 Prius and Auris models in the UK, as part of a global recall of more than 2.4m hybrids, due to a fault that could cause them to lose power. The affected cars were produced between October 2008 and November 2014.

■ Ford has agreed to refund car owners after a fault caused hundreds of one-litre EcoBoost petrol engine failures.

8th

## STONEACRE ACQUIRES FOUR VOLVO DEALERSHIPS

Stoneacre Motor Group has acquired four Volvo dealerships from Mill Garages Northeast. The AM100's 17th-placed retail group expects to achieve its goal of becoming a £1 billion turnover business early following the acquisition – its fourth of 2018.



10th

## VAUXHALL DROPS ADAM AND VIVA IN RANGE SHAKE-UP

Vauxhall will introduce eight new or updated models by the end of 2020 and ditch its Adam and Viva models, as part of its efforts to drive profitability with its new PACE! strategy.

## VERTU PRE-TAX PROFIT DECLINES 13.4% YOY IN H1



Vertu Motors' turnover rose 7.9% to £1.56bn (2017 H1: £1.45bn) according to its half-year financial results, to August 31. Adjusted profit before tax declined 13.4% to £18.1m (2017 H1: £20.9m). Chief executive Robert Forrester said: "I cannot ask any more of my management and the other people in the business if they continue to sell more cars than the competition."

## SYTNER PROFITS DOWN 9.3% DESPITE RECORD TURNOVER

Sytner Group recorded a 9.3% decline in profit before tax as it generated a record turnover during 2017, annual financial results have revealed. In the year that the group's owner, Penske Automotive Group, grew the Sytner business with the £89m acquisition of the Car Shop used car supermarket, turnover rose 15.6% to £5.6bn as pre-tax profits still maintained their second-highest level ever at £99.1m (2016: £109.3m).

## WAYLANDS AUTOMOTIVE ACQUIRES OXFORD VOLVO SITE

Waylands Automotive acquired Johnsons Cars' Volvo Oxford car dealership to extend its operations to four sites – all with the Swedish premium brand. Waylands, run by John O'Hanlon, now plans to move the facility to a new 17-car showroom nearby, on Cumnor Hill, Botley.



## GOVERNMENT 'BONKERS' TO CUT ULEV PLUG-IN GRANTS

Cuts to the Government's ULEV plug-in car grants were branded "short-sighted" and "frankly bonkers" by industry experts. The Department for Transport confirmed that the plug-in car grant for hybrids will be cut by £1,000 and no longer apply to cars with a zero-emissions range of less than 70 miles from November 12.

## BRIAN GILDA WARNS OF BREXIT 'ARMAGEDDON'



Peoples chairman Brian Gilda has warned of "Armageddon" for the UK's automotive sector because of the Government's failure to negotiate a Brexit deal. Peoples reported £274.4m turnover (down 0.76% on last year) and a 13% decline in profit, to £5.5m (2016/17: £6.32m) in its annual financial results to July 31, 2018.

## PENDRAGON WARNS THAT PROFITS LIKELY TO FALL 17%

Pendragon said it expects underlying profit before tax to fall to £50m for the full year of 2018, down 17% year-on-year. It said the introduction of WLTP on September 1 had been partially to blame, stating: "This has caused significant new vehicle supply disruption... This will clearly have an effect on the group."

## COX AUTOMOTIVE TO SELL MOTORS.CO.UK TO EBAY

eBay has announced that it is to buy Motors.co.uk from Cox Automotive to strengthen its online car sales as part of its Gumtree classified site. The deal, subject to approval by the Competition and Markets Authority, would give a combined Motors.co.uk, Gumtree Motors UK, and eBay Motors UK more than 620,000 car listings reaching 10 million car buyers.

11th

12th

15th

19th

Year of the  
used car

By Alistair Horsburgh, CEO, CitNOW



Following the introduction of the Worldwide harmonised Light-vehicle Test Procedure (WLTP), SMMT figures show that new car registrations in September fell by more than a fifth (-20.5%) compared with the same month last year, as dealers experienced supply issues following a testing backlog.

Along with the turbulent new car market, September also revealed shifting market trends, as the latest research from CitNOW showed consumer attention is turning to the used car market.

CitNOW's 'The Year of the Used Car' report, which questioned 2,000 consumers, found 48% of car buyers would consider used when it comes to replacing their vehicle.

While the research findings no doubt offer a boost for retailers focused on used cars, other responses offer a cautionary note. Used car buyers expect a 'good as new' level of service, but a quarter reported a negative purchase experience in the past.

The biggest concerns for used car customers are mechanical reliability (57% of those reporting a bad experience identified mechanical unreliability as the reason), a full service history and bodywork problems. This highlights how a personal video message can put buyers' minds at rest. Showing any scuffs or scratches on the bodywork and wheels before they even set foot in the dealership manages expectations and underlines openness.

With more than half of respondents saying a video tour is an important or essential part of the online used car buying experience, the proven success of personalised, digital communications could be vital for retailers looking to reap the benefits from this trend. The year of the used car is also proving to be the year of video.

■ Visitors to this year's Automotive Management Live show in Birmingham's NEC on November 8 can find CitNOW at Stand D38 for more insights into the benefits that video delivers to businesses and to receive a copy of our 'Year of the Used Car' report.





NEW CAR REGISTRATIONS

# SLUMP SHOWS LACK OF WLTP PREP, NOT DEMAND

Changes in segments more revealing than individual brands, as new emission rules bite

**L**ast month, we said disentangling the effects of the new WLTP emissions test from underlying market forces in September would be hard. We now have to admit that it has been pretty near impossible.

Year-on-year, the overall market was down by 20.5% for the month and 7.5% YTD. The company most affected by WLTP was Volkswagen Group – Škoda was the least bad performer (-31.3%), followed by Seat (-36.7%), Audi (-53.4%), VW (-55.2%) and Porsche (-67.9%). As we pointed out recently, this is a Europe-wide VW issue, with Audi down 55.5% across the continent and VW Group as a whole down approximately 50%.

The reason for the problem is intriguing – VW said in August that a lot of engine experts had left in the wake of the diesel emissions scandal, and they did not have enough engineers left to homologate the vast number of engine/transmission/model/specification combinations across the group. The

problem is that WLTP requires separate homologation of every combination of equipment, right down to tyre sizes.

Hence, drawing conclusions of market performance at a manufacturer level is not very helpful this month – it was as much about who was prepared for WLTP as about whose cars were in demand (oddly, the best prepared company in Europe appears to have been South Korean Kia, which was the only Top 10 company to increase registrations). Instead, it is more useful to look at segment trends, on the grounds that WLTP effects are likely to be broadly equal at a segment level.

The city car segment has fallen by 12.9% YTD and now takes 7.2% of the market. That is well down on the market share figure of 9.8% YTD 2012, partly a reflection of the fact that the segment tends to do worse when the economy is weak, as so many of these models are bought as second/third cars.

However, there may be a deeper factor at work. In urban areas, is a family's second/third car now

**“ODDLY, THE BEST PREPARED COMPANY [FOR WLTP] IN EUROPE APPEARS TO HAVE BEEN SOUTH KOREAN KIA, WHICH WAS THE ONLY TOP 10 COMPANY TO INCREASE REGISTRATIONS**

an Uber? With the rise of ride-hailing apps, there may be less demand for the extra family car that does the occasional short run. In the longer term, if robotaxis become common in city centres, it is city cars that are most likely to suffer. A fully autonomous car that can do the job of, say, a Jaguar F-Pace is at least 10 years away, but autonomous shuttles doing short trips in city centres will be here in less than five.

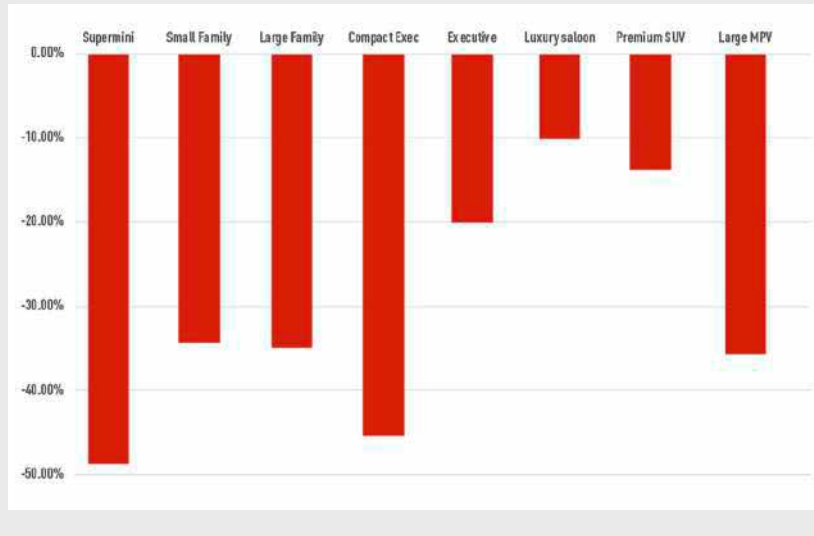
## CROSSOVERS KEEP B-SEGMENT BUOYANT

Superminis (B segment, -2.7%) are doing better than the overall market, as are C-segment small family cars (-7.0%). As the heartland of the car market, accounting for 65.7% of total sales, these two segments are less volatile than most. Incidentally, if you are wondering how just two segments can account for almost two thirds of total sales, the reason is the rise of the crossover. Traditionally, the B and C segments each accounted for 25%-30% of the market, but the rise of models such as the Mokka X and Qashqai have transformed market shares. It could be argued that a crossover belongs in a different segment to a hatchback, but something like a Tiguan is really a Golf with a different outline.

## COMPACT EXECUTIVES CONTINUE TO FALL

Large family cars continue their inexorable decline (-22.1%), but actually performed slightly better than compact executive models, which fell by 23.3%.

## DIESEL REGISTRATIONS BY SEGMENT – % CHANGE YTD 2017/2018



The significant factor in the compact executive sector is that German brands took 88.8% of registrations YTD. At first sight, that may not seem like big news – the 3 Series, A4 and C-Class have always dominated. However, the significant factor is that their share has gone up from 87.3% last year, despite Audi's WLTP problems. With the new Jaguar XE and Alfa Romeo Giulia, one would have expected the share of the German brands to fall. What seems to be happening is the segment is now made up of die-hard buyers – people on their nth German premium saloon. Most of the people open to new models have moved over to new SUVs instead. That means new compact executive models are aiming at a market that barely exists.

Although a smaller segment, executive models such as the BMW 5 Series, have performed much better, with a sales decline of 3.5%. Jaguar is not doing brilliantly here, but at least the XF is outselling the XE and fighting with the Volvo S90/V90 for fourth spot in the class.

Luxury saloons are pretty stable, given that there are always about the same number of chief executives in need of an S-Class or similar. Overall market share has barely changed in 25 years.

## THE END OF THE AFFORDABLE SPORTS CAR?

However, there are big changes in specialist sports models. We used to separate this segment into affordable and luxury sports cars, but affordable sports cars are fading away. The only low-cost sports cars to sell in any number



Lamborghini sales are up a remarkable 185%

are the Mazda MX-5 and its relative, the Fiat 124 Spider. Below that is the Toyota GT86, which has not even sold 500 units so far this year. Luxury sports cars are more stable, with the most expensive models doing best of all – McLaren is having a record year, with 545 units sold YTD (up 21.9%), and Lamborghini is up a remarkable 185% to 419 units YTD.

Meanwhile, premium SUVs continue to march on with the stately progress of a Range Rover driving along a green lane. Market share is up from 12% to 12.9%, with overall sales down just 0.5%. Sales of Jaguar crossovers have risen to a very respectable 16,600 YTD, well ahead of Jaguar saloon sales (10,100 YTD). There has been recent news about production stoppages at Land Rover, but their sales are only down 9.9% – not much worse than the overall market, and mostly due to the run-out of the Evoque.

After the wild swings of September, let's hope the market gets back to some sort of normality in October, so that we can draw some firm conclusions about manufacturer and model performance. **DAVID FRANCIS**

## SPONSOR'S COMMENT



By Richard Jones, managing director, Black Horse

New car registrations fell significantly in September – down 20.5% on September 2017 and leaving 2018 YTD

7.5% behind year-on-year. There has been much speculation about what is driving this.

I'm steered towards WLTP as being the most significant contributing factor – it is both reducing customer demand and causing bottlenecks in the supply chain, as the lead time for WLTP-approved vehicles is significantly longer than pre-WLTP approval. As a result, sales of petrol and diesel cars were down, but those of hybrids and plug-in electric vehicles actually rose 3.9% in the month (6% YTD).

Similar patterns have been recognised in other major European markets. There is a big variance between brands – Volkswagen, for example, was down 55%, while Mitsubishi was up 35%. Did some manufacturers plan for this much better than others?

This year's general trend towards a flattening of the market cannot be denied, but, at the same time, there is continued strength in used car sales and residuals, as more customers move towards nearly new.

Put together, this has not been good news for manufacturers and retailers in what is typically a buoyant month. However, I think it represents a positive change in customers' understandings of engine types, emissions and purchasing decisions. Further, WLTP is a step in the right direction of commonality on emissions across the UK and the globe, which can only be welcomed.

As the immediate impact of these WLTP changes starts to ease over the coming weeks, I will be keen to see lower-emission, hi-tech vehicles starting to roll off the production line. I am sure confidence will return to the marketplace, despite other looming economic uncertainties.

Our role as experts in this marketplace is to reassure customers on their purchases and help them better understand their options when it comes to fuel types. We have a key role in educating and encouraging customers to get out of their older vehicles in favour of newer, cleaner engines, be they electric, petrol or new-tech diesel.

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### NEW CAR REGISTRATIONS

## August uptick gives way to September slide

A total of 338,834 units were registered during the plate-change month – down about 87,000 on 2017 – in contrast to a 23.1% sales surge in August as manufacturers took action to clear their stocks of NEDC-homologated vehicles.

The SMMT's figures showed that registrations to private consumers, fleets and business declined by 20.1%, 22.4% and 6.3% respectively during September.

Registrations of petrol and diesel cars also fell, while hybrids and plug-in electrics fared better, up a modest 3.9%.

Auto Trader director Ian Plummer said: "September's performance was a matter of basic economics – there simply weren't enough cars on forecourts that met the new WLTP standards for retailers to sell."

#### 1 KIA

The South Korean brand was in the black in September, 593 units ahead of September 2017, thanks to its Stonic and Niro models. The growth was only in the fleet market, however, up 3.7%.



#### 2 JAGUAR

Another brand bucking the September trend, Jaguar grew by 1,148 units. Its XF saloon, F-Type sports car and the new I-Pace SUV were the cause.

#### 3 SUZUKI

Its September registrations were down 58.6%, or 4,288 units. The problem was a slump in fleet demand for the Vitara, which achieved 297 registrations versus 1,418 in September 2017, and in retail orders for the Celerio, down from 979 to 98. Yet Suzuki is outperforming the market year-to-date, down 4% against an overall market down 7.5%.

Marque	September					Year-to-date				
	2018	% market share	2017	% market share	% change	2018	% market share	2017	% market share	% change
Ford	33,326	9.84	39,696	9.31	-16.05	206,103	10.79	234,180	11.33	-11.99
Mercedes-Benz	30,161	8.90	31,430	7.37	-4.04	137,766	7.21	146,342	7.08	-5.86
Vauxhall	28,847	8.51	31,058	7.29	-7.12	143,656	7.52	161,751	7.83	-11.19
BMW	27,940	8.25	31,465	7.38	-11.20	136,312	7.13	137,793	6.67	-1.07
Toyota	19,091	5.63	19,222	4.51	-0.68	85,742	4.49	84,802	4.10	1.11
Nissan	16,827	4.97	28,810	6.76	-41.59	85,200	4.46	127,391	6.16	-33.12
Kia	16,299	4.81	15,706	3.69	3.78	78,726	4.12	76,571	3.71	2.81
Volkswagen	16,283	4.81	36,332	8.53	-55.18	157,685	8.25	165,376	8.00	-4.65
Hyundai	16,102	4.75	16,587	3.89	-2.92	75,798	3.97	75,315	3.64	0.64
Audi	13,797	4.07	29,619	6.95	-53.42	124,101	6.49	138,535	6.70	-10.42
Land Rover	12,827	3.79	14,504	3.40	-11.56	60,304	3.16	66,956	3.24	-9.93
Peugeot	11,070	3.27	12,810	3.01	-13.58	65,586	3.43	67,818	3.28	-3.29
Mini	10,082	2.98	12,282	2.88	-17.91	49,425	2.59	51,801	2.51	-4.59
Renault	10,074	2.97	12,378	2.90	-18.61	49,777	2.61	58,646	2.84	-15.12
Volvo	8,461	2.50	7,865	1.85	7.58	37,506	1.96	36,574	1.77	2.55
Citroën	7,991	2.36	8,301	1.95	-3.73	41,455	2.17	43,410	2.10	-4.50
Škoda	7,390	2.18	10,760	2.52	-31.32	58,105	3.04	63,267	3.06	-8.16
Honda	7,271	2.15	9,831	2.31	-26.04	44,176	2.31	44,784	2.17	-1.36
Jaguar	7,047	2.08	5,899	1.38	19.46	28,675	1.50	29,054	1.41	-1.30
Mazda	6,704	1.98	7,530	1.77	-10.97	32,696	1.71	33,777	1.63	-3.20
Fiat	5,851	1.73	6,540	1.53	-10.54	29,182	1.53	38,453	1.86	-24.11
Seat	5,281	1.56	8,343	1.96	-36.70	50,490	2.64	44,237	2.14	14.14
Mitsubishi	3,233	0.95	2,387	0.56	35.44	15,658	0.82	12,774	0.62	22.58
Suzuki	3,031	0.89	7,319	1.72	-58.59	32,350	1.69	33,685	1.63	-3.96
Lexus	2,686	0.79	2,908	0.68	-7.63	10,648	0.56	10,398	0.50	2.40
Dacia	2,470	0.73	4,459	1.05	-44.61	18,264	0.96	21,075	1.02	-13.34
Smart	1,583	0.47	1,701	0.40	-6.94	6,226	0.33	8,760	0.42	-28.93
MG	1,010	0.30	842	0.20	19.95	6,695	0.35	3,321	0.16	101.60
Abarth	987	0.29	780	0.18	26.54	4,518	0.24	3,500	0.17	29.09
Jeep	867	0.26	1,059	0.25	-18.13	4,899	0.26	5,492	0.27	-10.80
Subaru	829	0.24	510	0.12	62.55	2,668	0.14	2,118	0.10	25.97
Porsche	654	0.19	2,034	0.48	-67.85	10,633	0.56	10,933	0.53	-2.74
Alfa Romeo	474	0.14	841	0.20	-43.64	3,427	0.18	4,009	0.19	-14.52
SsangYong	461	0.14	454	0.11	1.54	2,280	0.12	3,005	0.15	-24.13
DS	416	0.12	1,850	0.43	-77.51	4,616	0.24	7,831	0.38	-41.05
Aston Martin	272	0.08	144	0.03	88.89	1,168	0.06	1,231	0.06	-5.12
Maserati	130	0.04	184	0.04	-29.35	1,026	0.05	1,306	0.06	-21.44
Bentley	52	0.02	199	0.05	-73.87	1,291	0.07	1,363	0.07	-5.28
McLaren	47	0.01	120	0.03	-60.83	545	0.03	447	0.02	21.92
Infiniti	42	0.01	407	0.10	-89.68	665	0.03	3,095	0.15	-78.51
Lotus	37	0.01	20	0.00	85.00	200	0.01	228	0.01	-12.28
Chevrolet	1	0.00	6	0.00	-83.33	30	0.00	59	0.00	-49.15
Other British	43		0.01		83	0.02		-48.19		577
Other imports	782	0.23	895	0.21	-12.63	3,845	0.20	4,394	0.21	-12.49
Total	338,834	100	426,170	100	-20.49	1,910,820	100	2,066,411	100	-7.53



FINANCE OFFERS

# Cuts to Q4 targets may hit finance profits

With September’s expected market drop out of the way, dealers can now concentrate on closing out the year positively as new WLTP stock arrives in showrooms over the next few months.

AM understands some manufacturers have cut targets for Q4 if they know they are unable to get WLTP stock through to the network quickly enough, so sales expectations have been reduced as a result.

While that Q4 bonus may be more achievable as a result, a reduced market means fewer opportunities for profit in other areas, such as finance.

Ford led the market by volume in September, but it still saw a 16.05% drop in registrations in the plate-change month, as well as a 12% drop YTD.

It has reset its strategy for Q4, with its representative examples showing fewer 0% deals, instead moving to a slightly higher rate of APR at 1.2% across about half of models. Importantly, those 0% deals are still there on the Ka, Fiesta, Focus and Ecosport – all big volume models that need to keep moving to keep dealers in profit. Both the Ka and Fiesta are available at £99 and £160 a month respectively to tempt customers in the run-up to Christmas.

Mitsubishi is a stand-out brand this year, managing to somehow navigate the stock shortages that have plagued other brands in September, with a 35.4% increase in registrations and a performance up 22.6% YTD.

A scan of the Japanese manufacturer’s representative examples for Q4 doesn’t reveal a link as to whether they have had a part to play in its success. The Eclipse Cross crossover stands out as it’s even cheaper than a Mirage city-car in Q4 at £114.53 a month, but that’s after a customer can find £7,016 for the deposit.

The deposit for Mitsubishi’s popular Outlander PHEV is cheaper, at £2,500, but that leads to a rather expensive monthly payment of nearly £600, well above the average of £315 from the data AM has collated for Q4 so far. Out of the examples in the table here,

SOME MANUFACTURERS HAVE CUT TARGETS FOR Q4 IF THEY KNOW THEY ARE UNABLE TO GET WLTP STOCK THROUGH TO THE NETWORK QUICKLY ENOUGH

TOP FINANCE DEALS FOR RETAIL BUYERS							
MODEL	Finance type	Deposit	Term	Monthly Payment	Final payment	APR	Offer ends
Ford							
KA+ Zetec 1.2 Ti-VCT 85PS	PCP	£3,343	24	£99.00	£5,926	0.00%	31/12/2018
Fiesta Zetec 1.0 EcoBoost 100PS 3dr	PCP	£4,529	36	£160.00	£6,021	0.00%	31/12/2018
Fiesta ST-2 1.5 200PS 3dr	PCP	£4,712	36	£225.00	£9,286	2.90%	31/12/2018
EcoSport Zetec 1.0 EcoBoost 100PS	PCP	£4,793	36	£190.00	£6,407	0.00%	31/12/2018
Focus ST-Line 1.0 EcoBoost 140PS	PCP	£4,464	36	£229.00	£7,677	0%	31/12/2018
All-New Focus ST-Line 1.0 EcoBoost 125PS 5dr	PCP	£4,745	36	£250	£8,906	1.20%	31/12/2018
C-MAX Zetec 1.0 EcoBoost 125PS	PCP	£5,860	36	£239	£6,887	1.20%	31/12/2018
Kuga ST-Line 1.5 EcoBoost 150PS FWD	PCP	£5,691	36	£279	£10,295	0.00%	31/12/2018
Mondeo Titanium Edition 2.0 TDCi 150PS	PCP	£6,291	36	£259	£9,093	1.20%	31/12/2018
Mondeo Titanium Edition HYBRID Electric 2.0 Tivct 187PS	PCP	£6,632	36	£269	£10,340	1.20%	31/12/2018
S-MAX ST-Line 2.0 EcoBlue 190PS	PCP	£9,297.31	36	£289	£12,490.00	1.20%	31/12/2018
Galaxy Titanium 2.0 EcoBlue 150PS	PCP	£10,257.40	36	£289.00	£11,134.00	1.20%	31/12/2018
Grand Tourneo Connect Titanium 1.5 EcoBlue 120PS	PCP	£5,635.40	36	£259.00	£9,368.00	1.20%	31/12/2018
Edge ST-Line 2.0 Duratorq TDCi 180PS (with LUX Pack)	PCP	£10,253.00	36	£289.00	£16,143.00	0.00%	31/12/2018
Tourneo Custom Titanium L1 H1 2.0 EcoBlue 130PS	PCP	£10,897.15	36	£279	£14,107.00	1.20%	31/12/2018
Ranger Wildtrak 3.2 TDCi 200PS Auto	PCP	£12,231.63	36	£299	£12,339.00	0.00%	31/12/2018
Mitsubishi							
Mirage 4 Petrol Manual	PCP	£4,238	36	£125.84	£4,421	5.90%	27/12/2018
ASX 4 Diesel Manual 4WD (Leather)	PCP	£2,014	36	£385.95	£8,737	5.90%	28/12/2018
Eclipse Cross 2 Petrol Manual 2WD	PCP	£7,016	36	£114.53	£10,734	5.90%	29/12/2018
Outlander Juro Petrol Auto 4WD	PCP	£0	36	£474.17	£11,378	5.90%	30/12/2018
Outlander PHEV Juro Petrol Hybrid Auto 4WD	PCP	£2,500	36	£596.02	£14,426	6%	31/12/2018
Outlander Keiko Diesel Manual 4WD (Leather)	PCP	£6,948	36	£250	£11,540	5.90%	01/01/2019
L200 4Life Single Cab Diesel Manual 4WD	PCP	£0	36	£412	£9,239	5.90%	02/01/2019
Shogun SWB Diesel Auto 4WD	PCP	£0	36	£645	£11,973	5.90%	03/01/2019
Shogun Sport 3 Diesel Auto 4WD	PCP	£13,100	36	£296	£15,407	5.90%	04/01/2019
Jaguar							
XE 2.0i 200ps R-Sport Auto RWD	PCP	£5,439	36	£309.00	£14,282	0.00%	31/12/2018
XF 2.0i 250ps R-Sport Auto RWD	PCP	£5,368	36	£349.00	£18,168	0.00%	31/12/2018
XF Sportbrake 2.0i 250ps Portfolio Auto	PCP	£4,365	36	£389.00	£21,931	0.00%	31/12/2018
XJ 3.0D 300ps Luxury SWB	PCP	£9,414	36	£475.00	£23,846	0.00%	31/12/2018
E-Pace R-DYNAMIC 2.0 D150 FWD	PCP	£5,345	36	£299.00	£18,034	0%	31/12/2018
19 Model Year F-Pace R-Sport 2.0D I4 180PS Auto RWD	PCP	£8,475	36	£399	£20,597	5.90%	31/12/2018
F-Type Coupe 2.0i 300ps R-Dynamic	PCP	£8,275	36	£499	£32,287	5.90%	31/12/2018
F-Type Convertible 2.0i 300ps R-Dynamic	PCP	£13,015	36	£599	£29,236	5.90%	31/12/2018
I-Pace EV400 SE	PCP	£12,325	36	£559	£40,845	5.90%	31/12/2018

Mitsubishi has the highest rate of APR. It’s interesting to note what happened to those manufacturers AM had been informed were struggling to homologate their vehicles in time for the WLTP deadline. Both Audi and Volkswagen struggled in September, with registrations down heavily by 55% and 53% respectively. This could potentially be a positive in some ways for dealers as this hints that both brands did not force registrations of non-WLTP stock, so dealers will not be left with a glut of vehicles that will be difficult to shift over the next quarter. Jaguar was another brand AM had heard was having trouble with getting WLTP stock through to its network, but by comparison its registrations increased by almost 20% in September. There is strong support in place from Jaguar in Q4, with 0% offers on core models such as the XE and XF, as well as the E-Pace. The E-Pace is actually the most affordable model in Jaguar’s range this quarter at £299 a month after a £5,345 deposit.

TOM SEYMOUR

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# VIEWPOINT



## WHY CARROT BEATS STICK IN CARMAKER-DEALER RELATIONSHIPS

**PROFESSOR JIM SAKER** is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years

→ In the 1990s, I undertook some research in the hope of understanding the principles underpinning the manufacturer-dealer relationship. The study surveyed a number of franchises and identified 'coercive' and 'non-coercive' approaches.

Coercive approaches were where the manufacturer told the retailer what to sell and how, a process based on compliance.

The non-coercive approach was collaborative, with mutual respect, communication and understanding. Most observers would prefer the latter option, as having a distribution network that hated you seemed counter-productive.

Over the years, I have seen swings between coercive and non-coercive – some manufacturers take a low view of their dealers, while others see them as partners who should be supported. There is, however, a general tendency that when the market is buoyant, and the brand is doing well, the manufacturer starts to exert power in areas such as standards, with new investment specifications to build-ins or showroom layout. But when the market or the brand is falling, standards are ignored and the manufacturer suddenly becomes supportive in trying to 'shift the metal'.

In that light, it is always interesting to look at the NFDA Dealer Attitude Survey results and try to work out why some brands are firmly positioned at the top while

others seem rooted at the bottom.

Inevitably, return on investment is a major driver of a positive attitude from the dealer, but that is not the only factor.

Kia, Toyota and Lexus – all significantly ahead of the pack in the latest survey – are delivering good returns, but their management style also has a reputation for being collaborative and close with their respective dealer networks. Having spoken to several dealer groups with these franchises, they would have more locations if they were available.

A recent AM Online article highlighted Citroën's poor performance in the NFDA survey. In that story (and in our interview with him on page 56 of this issue), Citroën's UK MD, Karl Howkins, quotes a dealer group as saying Citroën had "lost the dressing room". Although there is a weakness in the analogy – it is in the interest of the dealer to try to make money – the sentiment rings true. If the manufacturer-dealer relationship becomes coercive, negative behaviours creep in and both businesses weaken.

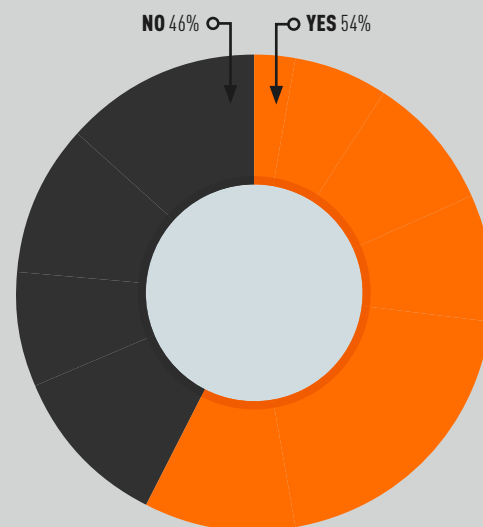
Howkins plans to get out and "be approachable and transparent to the network". This is undoubtedly the right approach and reflects the tenet from *In Search of Excellence* by Peters and Waterman that the most effective management is "wandering around".

By building trust through being visible, attitudes do change and by being better informed, manufacturers make decisions that lead to greater profitability for all.

**"SOME MANUFACTURERS TAKE A LOW VIEW OF THEIR DEALERS, WHILE OTHERS SEE THEM AS PARTNERS"**

# AMPOLL

DO YOU BELIEVE TESLA, DYSON AND OTHER EV START-UPS WILL BECOME REAL COMPETITORS IN THE NEW CAR MARKET OF THE NEXT 15-20 YEARS?



Views are pretty evenly split on whether newer entrants to the electric vehicle market are likely to survive to 2040, the deadline for all new car sales to be hybrid or electric.

Many voters believe new EV brands will be either overtaken by mainstream car brands or snapped up through acquisitions and partnerships for their technology.

More than half believe the strength of the new brands will increase. "I think it will happen inside the next 10 years, especially if you compare what Dyson has done to Hoover in the past. Current car manufacturers are going to have to really change to genuinely compete with the new entrants. Of all the sectors of trade, the automotive sector is probably the one that hasn't had significant change and I am not sure that some leadership can cope with it," said one 'yes' voter.

Another stated: "They will certainly shake up the market, but will they be a big player like the premium brands? With electric motors, batteries and charging technology becoming more standardised, it will be easier to get models to market quicker. Tesla has already achieved more than most expected."

Voters in both camps suggested EV start-ups would become real competition only in partnership with an existing carmaker, due to the resources needed to gain scale.

'No' voters cited mainstream manufacturers as a barrier to new brands' growth. "Lack of a distribution network and localised maintenance offering will be a barrier for the uptake of services. Consumers who wish to go electric will prefer to rely on known brands and warranties," said one.

"The big manufacturers are not likely to sit back and watch Tesla take their market share. They are letting Tesla develop and test the market for them for free. Once they are ready to pounce their demand on the logistics and supply chain will starve the likes of Tesla. The marketing and commercial power of the traditional big players will be tough to beat."

**NEXT MONTH: DO YOU EXPECT YOUR DEALERSHIP'S 2018 FULL-YEAR PROFITS TO BE HIGHER OR LOWER THAN IN 2017?**

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# Automotive management LIVE

Brought to you by  
**AM** **NFDA**  
NATIONAL FRANCHISED DEALERS ASSOCIATION

**November 8, 2018 NEC, Birmingham**

## SHOW PREVIEW

# THE COUNTDOWN TO AUTOMOTIVE MANAGEMENT LIVE HAS BEGUN

**W**e are just days away from AM's third one-day trade show, which takes place on November 8 at Birmingham NEC.

Once again hosted in partnership with the National Franchised Dealers Association, this year's event includes new insights into people and recruitment. Hosted by some of the sector's leading suppliers, eight best-practice seminars will tackle some of the major challenges and developments in the industry, covering video, online retailing, live chat, social media, digital and websites, used cars, live chat and customer reviews.

In the exhibitors' hall, attendees can meet suppliers showcasing the latest technologies and providing product demonstrations.

Last year, more than 700 delegates attended the event and this year even more are expected to attend from both the franchised and independent sector.

■ **There is still time to register for FREE at:** [automotivemanagementlive.co.uk](http://automotivemanagementlive.co.uk).

### WHY SHOULD YOU ATTEND?

- Find out about the different services and products available to improve dealer operations
- Best practice in used cars, video, web, digital, social media, online retailing, and reviews
- Understand how the automotive retail model is changing and how to prepare for the next decade
- New ways to increase revenue, improve efficiencies and boost customer service
- The AM Best UK Dealerships To Work For presentations
- Network with colleagues, talk to suppliers and discuss new ideas, initiatives and innovations

### WHO SHOULD ATTEND?

- Senior automotive retailers and decision makers
- Divisional directors
- Dealer principals and general managers
- Digital marketing directors, managers and executives
- Sales managers and sales executives
- Aftersales managers and service managers
- Marketing managers and marketing executives
- CTOs and IT managers
- Manufacturer employees

**FREE**  
FOR DEALER AND  
MANUFACTURER  
DELEGATES



### AT A GLANCE

#### New for this year

- Vision of the Future strategic seminar
- Future Dealership Zone
- IMI People Theatre
- People Zone

#### Back by popular demand

- The AM Best UK Dealerships To Work For presentation ceremony
- Best-practice masterclasses
- Jam-packed exhibition hall housing the leading automotive retail suppliers
- Comfortable and relaxed café area for networking opportunities

#### Topics and issues

- Used car market performance
- Busting myths surrounding the demise of the dealer network
- Preparing for the next decade in automotive retail
- How consumers will shop for cars, and fund their mobility, in the next decade
- Apprenticeships and the apprenticeship levy
- Managing change in the workplace
- The benefits of a diverse workforce

#### Best-practice sessions

- Video
- Used cars
- Customer reviews
- Social media
- Online vehicle retailing
- Live chat
- Lead management
- Website & digital

### AT THIS YEAR'S AML, WE WILL EXPLORE:

#### The used car market

- Has 2018 been the year of the used car? Find out what's in store as the year comes to a close
- The truth behind used diesel sales and values
- Best-sellers by make, model, age, fuel and region

#### Customer communications

- How video has evolved to become a key communication tool for dealers
- How social media can help reach customers

#### Sales

- The connection between reviews and sales
- Use data to create a top-performing sales culture

#### Future of automotive retail

- How automotive retail could look in 10 years
- The latest technologies driving dealer operations
- Closer working relationships between dealers and manufacturers and the single customer record

#### People

- How to maximise the apprenticeship levy and ways to attract high-calibre apprentices
- Why a diverse workforce is best for business

#### Digital technology and websites

- Social media campaigns that have driven sales
- Target your website more effectively to generate more enquiries
- How to be more imaginative with websites and digital marketing

#### Aftersales

- How digital communications, including video and social engagement, can improve customer service
- The latest aftersales software, systems and services available from providers to deliver a seamless customer experience
- The flow of data from the connected car and predictive marketing opportunities



## THE NFDA AT AML

# ENSURE DEALERS' VOICES ARE HEARD



**T**he National Franchised Dealer Association, our partner in Automotive Management Live (AML), will be available at the AM/NFDA Hub to discuss industry issues and outline the ways it supports motor retailers.

With WLTIP and the decline in demand for diesel cars continuing to affect the new car market, director Sue Robinson and her team continue to work alongside members, to ensure consumers are provided with facts and accurate information about different fuel types so they select the car best suited to their needs, and to ensure dealers' voices are heard.

"On the policy side, during this crucial phase of Brexit negotiations, it is vital that the needs of automotive retailers are listened to. To best represent the interests of our members we have held regular meetings with key government departments. In particular, the Department for Transport

(DfT), the Office for Low Emission Vehicles (OLEV), Department for Business, Energy & Industrial Strategy (BEIS) and HM Treasury.

"Meanwhile, the NFDA Parliamentary Engagement Programme continues to help us give MPs and parliamentarians a better insight into our sector by inviting them to visit a dealership in their constituency," said Robinson.

On the exhibition floor, visitors will discover more about the NFDA's new initiative, Drive My Career ([www.drivemycareer.co.uk](http://www.drivemycareer.co.uk)). Drive My Career (see page 33) brings the retail automotive sector together to improve its perception by connecting talented young people to franchised retailers looking for new people to join their business.

It is currently connecting thousands of young people with 850 dealerships from more than 60 different groups across the UK, and more dealers are invited to come on board.



**DURING THIS CRUCIAL PHASE OF BREXIT NEGOTIATIONS, IT IS VITAL THAT THE NEEDS OF AUTOMOTIVE RETAILERS ARE LISTENED TO**

**SUE ROBINSON, NFDA**

## VISION OF THE FUTURE

Sponsored by



# TAKE A STRATEGIC LOOK AT MOTOR RETAIL

**T**he Vision Of The Future strategic seminar is a new feature for AML 2018, aimed at giving insights and inspiration to automotive business leaders.

Speakers already confirmed include: Steve Young, managing director of automotive researchers ICDP; Tony Whitehorn, chairman and chief executive of Hyundai Motor UK; James Mullins, finance director of Cambria Automobiles; Paul Humphreys, managing director of Cox Automotive Retail Solutions; and Marcus Dacombe, CDK Global's product marketing director.

John Clark OBE, chairman of John Clark Motor Group, and François de Bodinat, chief marketing officer of augmented reality developers Zerolight, will also join the speakers for a panel debate, answering questions from the audience.

Steve Young will open the session with an outline of some of the findings from the ICDP's report, 'The European Dealer of Tomorrow', which examined how franchised motor retailers may need to adapt to sell services as much as vehicles in the future, with support from their manufacturer partners.

"Our industry is evolving, and the insights shared by our high-quality presenters will be crucial for business leaders determining their strategies and investment priorities for the next decade," said Tim Rose, editor of *AM*.

"We're keen to give business leaders who will visit AML the opportunity to properly explore and debate the issue."

### ICDP



Steve Young will explore the new revenue opportunities on the horizon for dealers, such as opportunities in transport as a service (TaaS), and in utilising the data from connected cars to find revenue-generating opportunities through in-life option sales

and predictive marketing. He'll also outline ICDP's findings on the future structure of dealer networks.

"We do not anticipate a 'Blockbuster' moment for car retailing where the sector is revolutionised in a few years, with today's dealers being the primary casualties," he said.

### CDK GLOBAL



Marcus Dacombe will discuss the impact of data-driven connections and an API economy on UK motor retail, as technology providers will work more closely together to help retailers provide a more personalised experience.

Dacombe said: "In reality, there's a fragmented consumer experience in our sector. The consumers have high expectations now. They expect the same one-click digital experience that they get in other sectors.

"By encouraging collaboration across our industry, we can work with other suppliers to provide new, innovative solutions for retailers."

### HYUNDAI MOTOR UK



Tony Whitehorn will urge the industry to be more flexible in adapting to change, and will outline the three main considerations: Technology, the routes people will use to buy vehicles, and how they will fund them. Hyundai is developing hydrogen fuel cell electric

vehicles, launched the shopping centre 'store' concept in the UK with Rockar, and offers consumers an online car purchasing channel, Hyundai Click To Buy. Now the brand is looking at providing purchasing alternatives through fintech (financial technology) options, and is rolling out an aftersales system, Hyundai Workshop Automation.

"I have always said that if you want to revolutionise the retail experience, you need to take the dealer network with you and that is what is at the heart of our approach moving forward," said Whitehorn.

"In the long term, expertise within franchise dealerships will increase with greater training which will have an impact on independent repairers."

### COX AUTOMOTIVE



Paul Humphreys will share Cox Automotive's insights into 'connected retail'. He will point out that one in 10 dealers use more than 11 systems in their businesses, and they need to deliver a 'connected retail' experience.

Humphreys said: "The dealership of the future will have an online showroom where consumers can do everything from looking at a 360-degree image of a vehicle, to getting a guaranteed part-exchange quote without leaving home. Connected retail is about having the right systems in place, so when a consumer does walk into a dealership the experience is seamless, data is harnessed to keep coming back for aftersales, and dealers have tools that support decision-making, funding and profitability."

### CAMBRIA AUTOMOBILES



James Mullins will share details of why the top 25 AM100 dealer group has embraced digital technology that supports its daily operations, and how it expects to maximise its future opportunities as the industry evolves. Since its creation in 2006,

Cambria has grown strongly, with a portfolio of mainstream, premium and luxury car brands, through focus on employee engagement and customer delight.

## FUTURE DEALERSHIP ZONE

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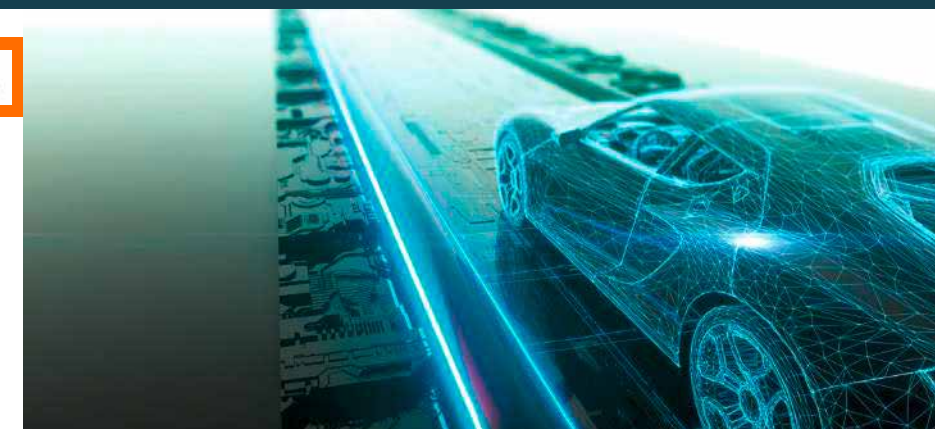


In addition to the Vision of the Future seminar, AML 2018 also has a separate, dedicated Future Dealership zone, home to specially selected exhibitors whose products are expected to help dealers engage with customers and enhance their profitability in the next decade.

**Exhibitors confirmed include:**

■ CDK Global, developer of DMS systems

- Chargemaster, supplier of electric vehicle charging technology
- eDynamix, developer of automated service reception technology
- Hyundai, manufacturer fuel cell EVs
- ICDP, industry researchers
- Nexcel, developer of rapid oil-change technology for hybrids
- Zerolight, developer of augmented reality showroom and online systems





## IMI PEOPLE THEATRE

# HELPING YOU TO RECRUIT AND RETAIN THE BEST

### THE IMI PEOPLE THEATRE WILL ENABLE:

■ CEOs, directors and owners to create the highest-achieving and most dedicated workforce and to understand how managerial development can increase business returns, help employees reach their potential and deliver more profit

■ HR managers and directors to find out the latest professional training available, learn industry best practice and discover new ideas for retaining staff and creating a loyal workforce

■ Sales managers to develop their leadership ability and increase the performance of their team as well as acquiring the skills needed to take the next step on the career ladder

■ Dealer principals to understand what training is on offer and how leadership skills are essential for a successful business

■ Aftersales managers who want to widen their access to DP and divisional director roles through the right training and by acquiring accreditation

**O**ne of the new features at Automotive Management Live for 2018 is the IMI People Theatre, where issues ranging from apprentice funding to workforce diversity and managing change will be explored in a number of sessions during the day.

"The ways that automotive managers can develop and manage their workforce is such an important subject," said Tim Rose, the editor of *AM*.

"We listened to the feedback from our advisory board, which is made up of senior executives from dealer groups and single sites. They felt that the foundations of their businesses are built from the quality of the people they hire and retain, and believe these are subjects that must be addressed.

"So we approached the Institute of the Motor Industry (IMI), our industry's professional body, to partner with us in creating this specific theatre. The

expert insights from the IMI and our guest speakers will give delegates plenty to consider."

The sessions will be chaired by Steve Nash, the chief executive of the IMI, who will also host an informal 'open session' at lunchtime where he and his expert team can discuss apprenticeships and the impact of the Apprenticeship Levy with delegates over free refreshments.

Nash said: "The levy provides an excellent opportunity to take a fresh look at apprenticeship strategy. Typically, these employers are looking for innovative ways in which to deploy their levy spend alongside the established technical apprenticeship routes.

"Removal of the age restriction for funding eligibility has resulted in roles, traditionally not considered as suitable or even available as an apprenticeship, being included in employers' strategic planning to maximise their levy spend."

The success of the levy and the apprenticeship



**“LONG WORKING HOURS  
ARE COMMON IN THE  
MOTOR RETAIL SECTOR,  
SO LACK OF TIME FOR  
PERSONAL DEVELOPMENT IS  
PERHAPS INEVITABLE**

**NIGEL BANISTER, GMD PEOPLE**

reforms in general, according to Nash, ultimately relies largely on a combination of:

■ **Quality careers advice available to young people in mandatory education;**

■ **An informed understanding of the merits of a vocational career path in our sector versus further and higher education for parents, guardians and care-givers.**

He added: "There remains a wealth of opportunity across the breadth of our sector for high-quality apprenticeships. All too often, high-quality apprenticeship vacancies remain vacant, either due to a lack of applicants or applicants not meeting the high expectations that employers rightly demand.

"Employers of all sizes, not just levy payers, remain fully engaged with apprenticeships. There simply aren't enough skilled people to supply our sector with the workforce required now and in the future. The quality of apprenticeships available is exceptionally high and employers continue to place them at the forefront of their strategic planning to address the skills gap."

In other sessions during the morning and afternoon at the IMI People Theatre, Nash will be joined by Nigel Banister, director of GMD People and Valerie Risk, client executive at Fujitsu.

Risk will lead an inspirational seminar on how the challenges facing the automotive retail industry will require a more diverse mix of skills and talents in the workplace, and how dealers can achieve that.

That diverse workforce will be needed to meet the demands of consumers and their changing behaviour, Risk will tell delegates. Having driven gender diversity initiatives at Fujitsu, which was named a *Times* Top 50 Employer For Women earlier this year, and served as a role model for others, she won the Gender Champion award at the Business in the Community Gender Equality Awards 2018.

She will be joined by Lynda Ennis, the co-founder of automotive specialist executive search firm, Ennis & Co, which, in partnership with Auto Trader, has driven the #diversityinauto initiative, exploring diversity requirements in the industry and creating a culture of diversity and inclusion.

Risk said: "Both IT and automotive companies are



**“THERE SIMPLY  
ARE NOT  
ENOUGH  
SKILLED  
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OUR SECTOR WITH THE  
WORKFORCE REQUIRED**

**STEVE NASH, IMI**

now faced with a rate of change and complexity from much more demanding customers and workforces, with new competitors, business models, technologies, product innovations, digital channels and digital disruption in the mix. Expectations have never been higher.

"We have entered the era of mass personalisation and it brings with it many opportunities and challenges. Those retailers who can adapt to this era of mass personalisation will thrive."

Banister will highlight the need for proper skills development at management levels in the motor

retail industry, and suggest ways of creating highly skilled leaders in our rapidly evolving sector.

He said: "Self-driving and electric vehicles, car stores in shopping centres, changing customer attitudes to car buying, access to more data via the internet, new entrants to market such as Amazon, mergers of well-known vehicle brands – these are some of the changes taking place in the retail automotive sector today. Change can be difficult, but for leaders and managers, the skills of leading change will be critical to future business success."

GMD People conducted a study of line managers and senior executives in the industry and found managers believe time is the biggest barrier to their learning and development – more than four times as many as said the costs incurred by the business.

"Long working hours are common in the retail automotive sector, so lack of time for personal development is perhaps inevitable," said Banister, who was a HR manager at Volkswagen Group prior to founding GMD People, a business he has run with his wife, Michelle, in 2001.

"However, many managers may be caught in a Catch-22 situation. Lack of development prevents smarter working. This, in turn, reduces the time available for personal development during the working day."



**“WE HAVE  
ENTERED THE  
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MANY OPPORTUNITIES  
AND CHALLENGES.  
RETAILERS WHO CAN  
ADAPT WILL THRIVE**

**VALERIE RISK, FUJITSU**





## USED CARS

Masterclass by **Glass's**  
Part of Autovista Group

# WILL THE USED CAR BE CROWNED KING IN 2018?



**A**t the start of the year, Glass's predicted that the 'used car would be king', a prediction that appears to be on the money. Anthony Machin, head of content at Glass's Guide, will provide insights into the 2018 used car market when he leads the event's used car best practice session.

Using Glass's Live Retail Pricing data, trade valuations and market insight, Machin will take a close look at the used car market in 2018, giving delegates actionable insights that will make a measurable difference to their business.

### THOSE ATTENDING THE SESSION WILL FIND OUT:

**What's really happening to used car diesel sales and values?**

Machin said: "While new car buyers may be shunning diesels in favour of predominantly petrol and hybrid alternatives, diesels are finding new homes quickly with used car buyers, especially high-mileage drivers, snapping up models not long after they appear on the forecourt. In fact, clued-up used car dealers are cashing in on the anti-diesel hype with plenty of models coming back into the market at the end of lease."

### What trends have emerged in 2018?

"Through 2018, around 5.5% more stock is going through auction, with the houses seeing strong demand. This could continue for the next 18 months to two years as the market continues its upward progress. Through auction, first-time conversions are up to around 80%," said Machin.

### What impact, if any, is WLTP having?

"After months of discussion over the potential impacts, and various news stories concerning manufacturer worries, the Worldwide harmonised Light-vehicle Test Procedure (WLTP) is now in force for every new vehicle sold in Europe. "The impact of the new test on the market is yet to be truly felt, as the market evens itself out.



**WHILE NEW CAR BUYERS MAY BE SHUNNING DIESELS, [THEY] ARE FINDING NEW HOMES QUICKLY WITH USED CAR BUYERS**

**ANTHONY MACHIN, GLASS'S**

However, it is already evident that a number of manufacturers have resorted to discounting and pre-registering across Europe to ensure that their stock of existing vehicles, built to NEDC regulations, do not need expensive retrofitting.

"The UK saw growth in August of 23.1%, while German sales increased by 24.7%, France by 40% and Spain by 48.7%. In the UK, Volkswagen posted a growth of 62%, as did the group's Seat brand. Ford increased its growth by 21.4%, while Honda boosted sales by 91.5%."

### The best- and fastest-selling used cars by vehicle segment, age, mileage and fuel type

Every month, Glass's analyses Live Retail Pricing data to identify the UK's fastest-selling used cars during the previous month. Based on more than 8.4 million annual real trade car adverts on the UK's leading advertising portals, this data shows what sells well across the UK's used forecourts.

### The most popular cars by region, so you can move and source stock to maximise profit

Instant access to local data helps dealers meet goals. This local help is important in a market where timing is crucial. If dealers can effectively track and identify movements in their used vehicle market in terms of demand and, critically, changes in pricing, they can maximise revenues while turning stock effectively and minimising the number of days to sell each vehicle. This is key to achieving the best possible results.

Glass's will also reveal how the AM100 dealers have performed in the used car market in terms of days to sell, pricing and price reductions, to see who can make the strongest claim for the used car throne.

With the Society of Motor Manufacturers and Traders (SMMT) reporting a slight drop (2.6%) in used car sales volumes year-on-year during the first half of 2018, retailers keen to glean as much information as possible on what to expect from the rest of the year, and into 2019, will have Machin's session in their sights.

# WHAT WILL YOUR DIGITAL JOURNEY LOOK LIKE?



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## BEST PRACTICE MASTERCLASSES

Masterclasses by



# BUILD YOUR BUSINESS WITH AN AML MASTERCLASS

**D**uring the morning, experts from leading motor industry suppliers will host a wide range of best-practice masterclasses, delivering insights into areas such as online retailing, websites, video, social media and customer reviews.

Drawing on research, data and real-life retailer experiences, each session promises to provide key takeaways which can make a difference to your business.

### VIDEO

#### How video has evolved the vehicle sales process

*Alistair Horsburgh, chief executive, CitNOW*

Drawing on CitNOW's data, this session identifies what customers do after watching a video, the wider customer experience of the new and used car purchase process and the part played by digital communications, particularly video. Now a prominent part in the omni-channel world of automotive retail, video has changed the car buying and owning process and will continue to evolve this space. In addition, CitNOW will reveal findings from its latest consumer research, undertaken in 2018.

- Study of consumer attitudes to video
- The growing prominence of video in retailer communications
- The part played by video in making purchase decisions



### SOCIAL MEDIA

#### 'Go with the numbers' - why your dealership can't ignore social media any more

*Jeremy Evans, managing director, Marketing Delivery*

Examining the numbers behind social media, Jeremy Evans of Marketing Delivery will show how Facebook advertising should be an essential part of a dealer's marketing plan. In this masterclass, Evans will showcase some of the methods and tools used to reach more consumers. With real-world examples of campaigns and content that have driven sales, this session will show how to build campaigns that will last.

- How Facebook advertising can help generate enquiries
- Campaign content that has delivered results
- Exploring social media marketing success stories



### CUSTOMER REVIEWS

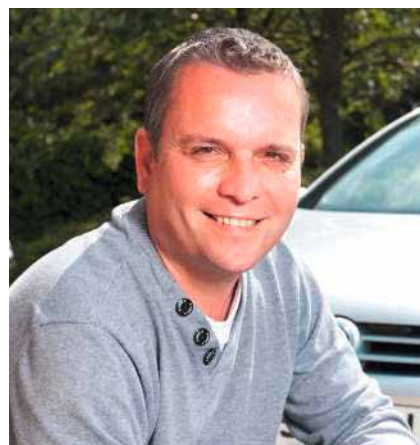
#### Raving fans drive stock turn - improving customer satisfaction results to increase sales

*Neil Addley, managing director, JudgeService*

Consumers are sharers and truth-seekers. They research before they buy and when they can, they will tell the world about the critical micro-moments of their purchasing journey.

Data analysed from hundreds of thousands of surveys gathered from more than 1,000 British dealerships reveal a direct relationship between customer satisfaction ratings and stock turn. According to JudgeService's research, dealership ratings significantly affect stock turn.

- How customer reviews influence purchase decisions
- Capturing reviews from critical micro-moments of a buyer's journey builds online reputation
- Using feedback to take business action to improve customer satisfaction



### ONLINE VEHICLE RETAILING

#### Preparing to deliver online vehicle sales

*James Tew, chief executive, iVendi*

With increased confidence from consumers in transacting big-ticket items online, dealers and manufacturers are both investigating and investing in ways to deliver an end-to-end online purchase solution. Tew will draw on iVendi's recent 'Report on Online Motor Retailing', which explores the attitudes of consumers, dealers and manufacturers to online motor retailing. With the overarching message that online motor retail is likely to grow, this session explores some of the changes and challenges likely to occur.

- Latest report detailing consumer and industry attitudes to online retailing
- Discussing the challenges of retailing vehicles online



### WEBSITES & DIGITAL

#### The website as the heart of dealer digital communications

*Martin Dew, digital solutions director, Autoweb Design*

The website continues to beat at the heart of the dealer's marketing strategy. Harnessing the mass of information generated by a website means dealers can target effectively and increase the likelihood of generating enquiries, which ultimately translates into more sales. From mobile-friendly sites to driving web traffic and delivering the right content, this session explores latest developments and website user behaviour to help dealers fine-tune their digital strategy.

- How websites and online consumer behaviour have evolved
- Capturing and using the information generated from website traffic



### LEAD MANAGEMENT

#### Using data to build a high-performance sales culture

*Adrian Wilmore, head of sales, enquiryMAX*

This session explores how data can be used to help build a high-performance sales culture, how simple changes can make a big difference to conversion and why each lead should be treated with the highest priority. Sales data should be used daily and at every customer interaction. It can enable better cross-selling from the service department to sales to create a low-cost, efficient route to generating business.

- Explore how data helps drive sales
- Understand how data can improve cross-selling across different departments
- How data can pinpoint the small changes that can make all the difference



### LIVE CHAT

#### Conversational commerce: How to best connect with more of today's shoppers

*Thorn Coupar-Evans, UK sales director, Contact At Once!*

If you want to provide a better consumer experience, you need to cut through the noise in the shopping, buying and aftersales cycles. This session explores how you can do this through conversational commerce - enabling consumers to converse with your company on their own schedule, via familiar messaging apps and using natural language to take action. Many large brands are already taking advantage of conversational commerce, and you can, too. Learn how to adapt this approach for the motor industry, helping connect your digital and in-store experiences in one seamless process.

- Why conversational commerce can help you reach consumers more effectively
- How other companies have adapted conversational commerce to their benefit
- How to take advantage of the latest messaging channels to increase reach and improve your customers' experiences



**PLEASE NOTE: BEST PRACTICE SEMINARS ARE RESERVED FOR CAR RETAILERS AND VEHICLE MANUFACTURERS**



## OTHER ATTRACTIONS

# WHAT ELSE TO LOOK OUT FOR AT THIS YEAR'S EVENT

**P**acked full of exhibitors, best-practice seminars and thought-provoking seminars, this year's Automotive Management Live has more features to ensure visitors get the most out of their day and can network comfortably with business colleagues.

### AM EXECUTIVE LOUNGE

This exclusive networking area has been designed to enable senior dealer executives to network, share ideas, discuss challenges and explore opportunities. Providing privacy and an area to relax, this comfortable lounge is set to be a hub of activity, enabling invited senior industry representatives to discuss issues, concerns and potential solutions to a range of pressing business matters. Refreshments will be available throughout the day.

### NATIONAL FRANCHISED DEALER ASSOCIATION

Automotive Management Live is hosted in conjunction with the trade's body, the NFDA, which will be promoting its 'Drive my Career' initiative.

Drive My Career ([www.drivemycareer.co.uk](http://www.drivemycareer.co.uk)) was launched in February 2018 with Get My First Job, a social enterprise with a database of 16- to 24-year-old school leavers, to inform them about the employment opportunities in motor retail and drive potential candidates to automotive retailers' career pages to help them fill their vacancies.

Since its inception, Drive My Career has



successfully connected more than 3,500 candidates to the career page of a member dealer. In total, there are 850 sites signed up from 61 different retailer groups.

Sue Robinson, NFDA director, said: "Despite all the different, exciting career paths the industry offers, automotive retail can lose many talented young people due to the lack of information about the range of roles available and the potential for

career development. With Drive My Career, the whole industry has come together in a unique way and one that will enable retailers to connect with the workforce of the future."

### THE AM HUB

In its role supporting the motor retail sector and highlighting the issues that matter and recognising some of the industry's top players, *Automotive Management* magazine will present the AM Best UK Dealerships To Work For 2018.

Tim Rose, the editor of *AM*, and Andrew O'Kelly from Best Companies Group, our partner in the programme, will outline some of the headline trends and attributes shared by the dealers who have made this year's listing.

Providing the opportunity to honour and celebrate the best dealerships to work for, these awards also provide inspiration and ideas to colleagues.

This year's awards take place at the event in the AM Hub, where the best employers in the sector will be announced at noon on the day of the exhibition.

### EXPRESS CAFÉ

When it's time for a break and to replenish your reserves, the Express Café offers the perfect place for a relaxing cuppa and quick bite. Catch up with colleagues or simply catch your breath – the Express Café offers a range of snacks and drinks throughout the day and is open to all visitors.



## LEADING WITH INNOVATION SINCE 1988

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# WHO IS EXHIBITING AT THIS YEAR'S SHOW?

## ARENA GROUP STAND B16

Arena Group's mstore for automotive is the only purpose-built, cross-enterprise dealership document management system, used by three of the top 10 dealer groups and many more in the AM100. Paper-heavy processes such as deal files, service work in progress, HR and finance are enabled through a combination of scanning, DMS and system integration, and electronic document management technology. Visitors to the stand can find out how digital transformation delivers efficiency gains, improved cash flow, release of headcount and enhanced customer service in all areas, including warranty claims, FCA compliance and manufacturer audits with return on investment achievable within two years. Delegates can also play 'Wheel of Fortune' on stand B16 with F1 British Grand Prix tickets up for grabs.



## ASTON BARCLAY STAND E56

Showcasing technologies launched over the past 18 months, the Aston Barclay stand includes a live demonstration of its virtual auction, where the online digital auction combines with the benefits of a physical sale, including a live auctioneer. The LIVE online bidding platform has been relaunched after buyers said their biggest challenge was sourcing and buying the right stock quickly and efficiently. Proxy bids can now be made directly from the online catalogue right up to the car being offered for sale. The Buyer App, downloaded by 9,000 buyers, has seen £10 million of stock bought from buyers' smartphones from around the world. The Vendor App and SpinCar, which allows buyers to view the car's interior and exterior prior to bidding, are also on display.



## AUTOMOTIVE INNOVATIONS STAND D32

Automotive Innovations will exhibit its new integrated sales and service video functionality for its all-in-one Mentor DMS, which enables dealers to reduce the number of systems they use. Videos

can be recorded straight into Mentor and directly emailed to the customer with professional email templates. Many dealers use separate systems for DMS, CRM, service reminders, vehicle health checks and their websites – Mentor brings all of these features into one integrated system with one monthly payment. Users can record videos on a phone or tablet and quickly upload to Mentor for review before sending out to the customer.



## AUTOSONSHOW STAND D24

AutosOnShow provides full enterprise solutions to manufacturers and large dealer groups, making the imaging of vehicles more efficient and reducing the time it takes to advertise them. Along with images, its solutions provide video, interior 360s, exterior 360s, exploded views, tagging and much more. Delegates are invited to try its video and imaging solutions to see how easy and quick it is to get high-quality imagery on websites. Delegates can also enter AutosOnShow's competition to win a fantastic 'Track Day'.



## AUTOTECH RECRUIT STAND C30

Autotech Recruit provides temporary vehicle technicians and MOT testers to dealerships, fast fits and independent garages, to help workshops maintain their profitability. Contracts are offered from one day to multiple weeks at time. Autotech Recruit's focus is to build awareness of the service, as 'temping' in automotive is not as well known as in other industries. Benefits include ensuring ramps are not empty due to staff sickness or holiday, and the ability to release regular employees for training, maintaining or even improving efficiency and the bottom line. Visitors can enter a competition to win a free place on a two-day MOT Managers Training course (two-day course worth £399) delivered by its training division, Autotech Training.



## CALLTRACKS STAND B30

Dealers need to focus on areas that matter and that work – managing phone calls better will make a big difference to their bottom line. Call-tracking is even more important for dealers in the current market. Calltracks helps dealers to generate more quality leads from their marketing investment and more sales from their phone calls. Calltracks is also highlighting its message that stopping the leaking calls could double sales.



## CHAMELEON STAND D30

Chameleon has worked with many manufacturer and dealer groups on a range of customer contact services since it was established four years ago. Its new product, the 'Chameleon Complete Package' provides event support – dealers just need to dress the showroom, ensure staff are on hand and refreshments are available while Chameleon handles everything else. Attendees who leave a business card will be entered into a draw for a free campaign starting November 19. Plus biscuits and a goodie bag!



## CITNOW STAND D38

Copies of CitNOW's recently published Year of the Used Car Report based on consumer research undertaken in June, will be available on its stand. Providing an insight into customers' buying habits, previous car-buying experiences and expectations, it found almost half (49%) regularly use video to support purchasing choices. The team will be on hand to show visitors how video can be integrated into every step of the car-buying and -owning experience. Anyone who would like a demonstration can book a slot at citnow.com.



## CITY AUCTION GROUP STAND D39

Exhibiting to enhance its Rockingham brand and portfolio of automotive defleet and vehicle remarketing solutions, City Auction Group will provide an overview of its new facilities including the group's first dual-lane auction halls. Its 250-acre Rockingham site will undergo development and restructuring with an upgrade of auction halls and new HQ offices in January 2019. Additional services will include vehicle inspection, storage and refinishing opportunities. Visitors to the stand can drive a race car simulator around the Rockingham circuit, with the fastest three invited back for a race-off to win something 'very special'.



## COPELAND AUTOMOTIVE RECRUITMENT STAND D64

The Copeland Automotive Recruitment consultant team will be on hand to offer free career advice to anyone working in the automotive industry.



## CRYSTAL CLEAR WARRANTY STAND A20

The team will highlight the 'huge advantages' of using Crystal Clear Self-Funded Warranty – every penny of unspent premium is returned to dealers' bottom line, claims are not rejected without their consent, they hold the claims pot in their own accounts and each one has fully customised warranties. The programme is independently managed by a highly trained customer service team who deliver a quick, fair and customer-focused solution. Administration charges are from £16 per warranty, including up to three months' free 'Rescue & Recover' and legal assistance.



## DEALERWEB STAND C12

Celebrating its 15th anniversary since the launch

of its lead-management system, Dealerweb Showroom, Dealerweb's team will take visitors through some of the recent exciting developments of its system and demonstrate its new lead capture and response tool, Dealerweb React. Visitors who want inspiration about winning and teamwork can meet English football legend and 1966 World Cup winner, Sir Geoff Hurst, who will be at Dealerweb's stand from 11am-2pm.



## DEALTRAK STAND A22

DealTrak links UK motor dealers and finance brokers to more than 200 finance, insurance, data, and other value-added product and service providers, so they can offer automotive F&I products to car buyers compliantly and efficiently. The platform acts as a connector between multiple parties' systems and has enabled millions of F&I transactions to date. The web-based interface is easy to use, with tools to assist with quoting, compliance, in-depth reporting and more.



## DIAMOND CUT REFINISHING STAND A2

The world's first mobile alloy wheel diamond cut refinishing machine will be on display. Incorporating an innovative patent-pending design, Diamond Cut Refinishing (DCR) will also announce its 'Cost Per Cut' business initiative. It has partnered with a UK finance company, making its machine affordable to all levels of business, including low-volume users. Demand for diamond cut refurbishing is increasing year on year and DCR is committed to delivering a safe, standard-led solution to insurers, dealerships, car hire companies, fleets, bodyshops and the general public.



## DP PUBLICITY STAND D44

DP Publicity will promote its new event service, PACE (Pay After Customer Engagement), in which up-front costs for all customer communications are paid for by DPP, which has worked with CD

Bramall, Dixons, Inchcape, Lookers, Perrys and Vertu, among others. PACE is also supported by DPP's prospecting website, which logs appointments and includes interactive games, while reporting the best communication methods. Visitors can try their hand at DPP's interactive games, with prizes for the top performers.



## EMAC STAND E52

EMaC will promote its 'Drive Now, Pay Later' platform, a flexible monthly instalment plan up to 12 months, launched in June, to spread the cost of vehicle-related repair bills and accessories. EMaC will also demonstrate its 'Self-Serve' facility, which enables customers to buy a service plan online via a dealer or manufacturer website.



## GFORCES STAND C5

GForces and Gubagoo will explore the consumer-led demand for automotive e-commerce at dealer level. Visit the stand to find out more about the most advanced communication solution in motor retail, and to see how GForces can enable easy e-commerce integration for the digital dealership.



## IDEALFILE STAND A6

Since the launch of iDealFILE in 2017, it has won contracts with two of the top five dealer groups. The most recent enhancements include automated workflow, self-auditing, GDPR document deletion and API creation. Demonstrations that show how iDealFILE can deliver control, visibility and savings, are available at its stand.





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**Visit us at Automotive Management Live 2018 to learn more.  
We'll see you on 8th November at stand C3.**





## INTUITIVE LEARNING STAND A34

Founded last year by Mike Routledge, sales director, and Jonathan Jerome, commercial director, Intuitive Learning will demonstrate its learning tool, Cognito. Designed to keep retailers up to date on legislation, compliance, product and brand, Cognito uses artificial intelligence and machine learning to drive and measure employee knowledge, delivering continuous learning over time. Providing an alternative to traditional training, Cognito can measure how much people have learnt from training sessions and focus learning where gaps are identified. Visitors will have the chance to win the learning tool free for a month.



## JEWELULTRA STAND B1

Diamondbrite will launch its new online training programme. The bespoke portal has been designed to help dealers more successfully close sales of the Diamondbrite paint and fabric protection system and generate crucial additional income. Its core product, Diamondbrite paint and fabric protection, will be on display alongside its new alloy wheel protectors. Jewelultra's stand includes a state-of-the-art virtual reality driving simulator and the fastest driver will win two hospitality tickets to Royal Ascot on Wednesday, June 19, 2019.



## JUDGESERVICE STAND B24

The team from JudgeService will talk about how 'raving fan' levels of customer satisfaction can affect dealership stock turn and how much more quickly cars sell with improved dealer CSI scores. The JudgeService sweet cart will serve pick'n'mix for visitors, alongside copies of its white paper, which reveals the links between dealership stock turn, customer satisfaction, finance packages, dealership standards and more. It provides granular insight explaining the very real relationships between raving fans and dealership profitability.



## LAWGISTICS STAND C40

Lawgistics will unveil HR Manager, which enables businesses to manage their legal obligations in relation to HR, employment law, GDPR and health and safety. This easy-to-understand, simple-to-use software, is backed up with the expertise of Lawgistics' legal team.



## MFG STAND D34

MFG will reveal a series of product developments and additions for 2019. It includes the introduction of a bonus training session within the company's flagship Sales Generator programme, which will give retailers the option to choose a focused half-day course for their sales executives while MFG is on-site. MFG will introduce a powerful interactive reporting tool, which will provide senior management with a detailed live overview of how their MFG sales events are progressing in terms of calls, appointments, sales and conversion rates demonstrating ROI minute-by-minute. The team will also introduce the MFG Converter Pack, designed to ensure retailer teams maximise their MFG sales event by converting as many customer appointments as possible into profitable sales.



## MODIX STAND D10

Join the Modix team to talk about some of their most recent digital marketing solutions, including Modix 360, Modix Image and Modix Website, and how they can generate more customer leads. As part of Cox Automotive, Modix's focus is on a connected retail experience that brings together appraisal, valuation, sales, service and digital retailing to create the seamless experience consumers expect, with the efficiency dealers need. Visitors to the stand will be invited to pit their wits against one another in an interactive iPad quiz for a chance to win a fantastic prize at the end of the show.



## QUBE STAND D68

Qube automotive consultants will provide insight about how big data is affecting the automotive industry and the future of data automation for increased productivity and profit. It will show how its reporting systems can help manufacturers and dealers improve customer retention and genuine part sales and profit. Qube produces a variety of data-reporting solutions to provide decision-makers with accurate KPIs about all areas of the business. Tools include Data and Marketing, to create dealer incentives and bonus schemes' Performance Manager, which combines daily extracts of parts and accessory sales and sales lost to aftermarket suppliers, and Lifecycle Reporting, providing manufacturers with holistic information about the entire life cycle of their vehicles and customers.



## REYNOLDS AND REYNOLDS STAND C1

Reynolds and Reynolds, which has more than 100 years of experience building automotive retailing solutions, will offer give delegates hands-on experience of its upgraded Retail Management System. Offering dealers one fully integrated solution for their entire dealership, it includes everything from CRM, websites, telephony and DMS software. Free coffee and cake are available along with demonstrations from the company's experts and take-away goodies.



## REPUTATION.COM STAND D42

Reputation.com will discuss how online reputation management is evolving, from reviews and beyond, and how this is already affecting the automotive industry in the UK and worldwide. The team will also undertake on-stand demonstrations of its platform, which is used by many of the top manufacturers in the world and many of the top AM100 dealerships in the UK.



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## RTS RETAIL STAND D66

Focusing on how to increase profitability and what dealers need to fine-tune to achieve it, RTS Retail will showcase a suite of products. Calculator Apps project target profitability using different business scenarios on videos – with discussions about the issues that impact on performance in dealers today and what you can do to address them. Expert consultants are available to discuss any performance issues and give advice. RTS Retail also offers a free diagnostic to all visitors for their dealership. There's also a draw every two hours from 10am to 4pm to win an electrical item up to the value of £50 each (prize to be confirmed).



## STARTLINE MOTOR FINANCE STAND A10

Flexible prime lender Startline occupies a niche position just behind a dealer's mainstream prime lender, and is aimed at applicants who are rejected. APRs and general conditions are much closer to a prime lender than a sub-prime. Startline's research shows this group of customers accounts for about 20% of used car buyers, who often do not meet the requirements of prime lenders due to work patterns or other socio-economic factors. Its recently launched 'flexible prime' PCP, part of a three-product range including the core Startline hire purchase product and Finishline, will be the main focus.



## STERICYCLE STAND D4

As a specialist in product recalls, retrievals, returns, audit and marketing services, Stericycle Expert Solutions delivers a suite of offerings to protect consumers, brands and the environment while reducing corporate risk. Its key focus at the event will be its recall and aftersales retention services. Visitors can enter Stericycle's competition to win a Fitbit, while branded freebies include travel mugs, notebooks, stress balls and sweets.



## SUPAGARD STAND C8

Celebrating its 30th anniversary this year, Supagard's tried and tested products are exported across the globe, with growing demand. It will continue its birthday celebrations on the stand with an 80s theme – indulge in some nostalgia and take a look at its hand-picked 80s classic car, which has been treated with Supagard's state-of-the-art Bionic technology. It will also showcase future concepts, products and ideas.



## TITAN DMS STAND D54

For a refreshing cup of free, barista-brewed coffee, head over to the Titan DMS stand. Focusing on its product offering, Titan Dealer Management Solutions is more than your average DMS – it's a range of cloud-based software solutions designed to maximise efficiencies and opportunities within the dealership. The Titan DMS friendly product champions team will be on hand for a chat about the system.



## TRAKA AUTOMOTIVE STAND D46

The Traka Automotive solution is a premier key management solution for automotive dealerships, with bespoke automotive software and electronic key management cabinets designed around a dealership's processes to deliver the most effective solution to manage keys, vehicles and people. Delegates will be treated to a demonstration of Traka's products.



## TRUSTPILOT STAND C6

Trustpilot, which has recently refreshed its branding, will highlight the importance of customer reviews and brand reputation and will be seeking feedback on its new look. Visitors will

be able to experience the platform and chat with some of its representatives. Trustpilot has also promised some "fantastic" giveaways.



## WHAT CAR? STAND D52

The newly launched Whatcar.com can be viewed at stand D52. Marking a pivotal moment in What Car?'s 45-year history in helping Britain's car buyers, the purpose-built e-commerce platform connects 20 million potential car buyers to a network of car retailers across the UK. For the first time, the What Car? New Car Buying platform is integrated seamlessly into the reader's car-buying journey. The portal gives dealers efficient, time-saving and cost-effective access to customers who are ready to buy a car. It offers a smarter solution for retailers to increase sales and margins through increased lead conversion and ROI. Every new car deal matches the What Car? Target Price, a discount achieved by its team of mystery shoppers and a fair price for both the consumer and the dealer, enabling every new car buyer to get a great deal local to home.



## OTHER EXHIBITORS YOU CAN SEE AT THE SHOW

Assurant  
Auto Service Finance  
AutosOnShow  
Autogem Invicta  
Broadplace  
Call Miss Jones  
Castrol  
CBW Architectural Design  
Codeweavers  
Credit Card Keys  
DCML (Accident exchange)  
Freespee  
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InAutomotive (Friday Media Group)  
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# Constantly Evolving

Successful automotive brands continue to grow by developing high quality processes, investing in skilled people, embracing new technology and listening to customers. MFG is no different. Which is why 2019 will see us introduce a range of new initiatives designed to boost sales and transform retailer performance like never before.

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**“ I LIKE TO GET THINGS DISCIPLINED, WELL RUN, ALL THE DETAILS SORTED... ONCE YOU HAVE THOSE IN PLACE, THEN YOU CAN START GETTING CREATIVE ”**  
TOBY PARTRIDGE, PARTRIDGE OF HAMPSHIRE

## FACE TO FACE: PARTRIDGE OF HAMPSHIRE

### ‘BE VERY BLOODY-MINDED’

That's Toby Partridge's advice for anyone taking on a franchised dealership. He tells **Tim Rose** about moving from running BMW's Park Lane site to being his own boss

**F**ive years ago, Toby Partridge was offered a new challenge. He had been running BMW Park Lane, the manufacturer-owned outlet in central London, for nine years and had grown its sales significantly by challenging perceptions and attitudes. He was well known to BMW UK's senior management and they were keen to retain his talents within the brand.

He gained their blessing to take over Scotthall BMW & Mini at Eastleigh, near Southampton, from Jardine Motors Group. Within five years, the dealership, bearing his name in place of the Scotthall brand, had more than doubled turnover and was collecting trophies.

Partridge is immensely proud that his business was named BMW's Corporate Dealer of the Year at the end of 2017: "It's a moment to reflect on. How did a single-site, privately owned business – something that's becoming a rarer beast in our industry – get chosen by BMW for this award out of all its network?"

"I'm incredibly proud of the team, how hard they work, and their ability to just get on with it."

Running Partridge of Hampshire BMW & Mini is the culmination of a long career with the German premium brand. Except for an early spell selling Fords with Currie Motors, he has spent his working life at BMW centres. When he was dealer principal at BMW Tunbridge Wells, it was part of a four-site group that Inchcape acquired in 2002. Inchcape kept Partridge on, and eventually promoted him to sales director of Cooper Group, its BMW division.

The division was very successful and Partridge came to the notice of BMW as a result. In 2005, the brand asked him to become managing director of BMW Park Lane, and he jumped at the chance.

"I think the location overshadows the reality of running that business. It's very easy to be seduced by where you are, when

in reality it's still a car showroom, still a commercial operation that has to sell enough vehicles so that it ends up making a profit. It's not a vanity project.

"The best bit of being there is that the challenges make you think very laterally," he said. One challenge was how to sell lots of used cars from a place that's on a red route and has no customer parking.

Under Partridge, it became the largest BMW used car dealer in the country. How? It had an underground showroom, but needed to sell higher volumes to become profitable. The classic used car strategy is to squeeze as many cars as you can on the forecourt and turn them quickly, but there is no forecourt on Park Lane.

Inspired by independent used car dealers who often park stock on nearby streets, Partridge rented dozens of spaces in the underground car park opposite Park Lane. He then hired and trained some "very hungry" salespeople, listed all the stock online "and went for it". It even sold cars over the phone to customers outside London, with a promise that it would take them back if they didn't meet the buyers' expectations once delivered.

Stock was prepared at a pre-delivery inspection (PDI) centre he opened in Southall, and cars were valeted, photographed and marketed online before they had been anywhere near Park Lane.

BMW Park Lane also started online retailing of parts and accessories, and of classic car parts. Its new car customers included diplomats, corporate clients and international residents. And it was the first dealership to open a showroom for BMW's

i range of electric cars, which became the venue for the sub-brand's global launch on the eve of the 2012 London Olympics.

Partridge credits BMW for fostering great entrepreneurial spirit within its managers, and says its leadership team, including Tim Abbott and Jim O'Donnell, encouraged him to tackle problems. In his nine-year tenure, Partridge grew turnover to more than £250 million (up from £159m in 2004, the year before he joined) and increased volume to 10,000 units.

"Don't let the detail get in the way of the vision," has become a mantra for Partridge.

"Let's agree what our vision is first, then work backwards [on] how we're going to get there. Because if we fixate on 'no parking, customers can't get here', we haven't even agreed what we want to achieve yet because these things keep getting in the way," he said.

"Industries too often allow our beliefs and the rules of the industry to dictate how we can move forward."

His business partner at Partridge of Hampshire, Steve Soper of BMW motor racing fame, shares that 'can-do' attitude.

"I like to get things disciplined, well run, all the details sorted, quite conservative – they're the foundations. Once you have those in place, then you can start getting creative and doing things in a different way," said Partridge.

"Whether it's Park Lane or Southampton, you have to put in the effort to learn and respect who you're selling to, and tailor the proposition correctly."

Partridge's advice is to listen to what customers are telling you, make sure you have demonstrators specced to what people want to buy, make it easy for customers, notice trends, and understand that trends come and go.

Asked about the process of buying his business, Partridge said: "You have to be very bloody-minded. Be good at not listening to 'nos', because there are plenty that get put up, and you defi-

#### FACTFILE

**TURNOVER** £154.6m (2017 accounts)  
**PROFIT BEFORE TAX** £-85,411  
**NUMBER OF STAFF** 143  
**FRANCHISES** BMW (1), Mini (1)



# ARE YOUR VALETING COSTS TOO HIGH?



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## INTERVIEWS DEALER



Partridge has taken the Eastleigh dealership from a turnover of £40m to more than £150m

“I’ve definitely have to put your hard hat on and go for it. I was lucky because it’s a good business, I had the support of BMW, superb lawyers and advisers. The team you get around you counts. And Steve Soper is so ‘can-do’.

“It’s just like buying a house, times a hundred. That’s all. Keep focused on that process and it’s fine. As a private individual, it’s you – you can’t pass tasks to a team. Ultimately, you’re going to own it, so you can choose not to read the documents and

you’ll only have yourself to blame, or in my case you read them because you’re the one that’s going to sign them. You might read something you don’t like, and you can’t change that, but at least you’re aware.”

When he arrived at the Eastleigh dealership, Partridge was keen to build on its performance. It was turning over about £40m a year and he wanted to grow this quickly, and chose to replicate BMW Park Lane’s strong corporate sales model. Turnover has since quadrupled, and he

expects its sales to total 5,000 units this year, with half of those in corporate sales.

Profitability has been hovering around breakeven, and in 2017, when the BMW dealer network had a difficult year, the company recorded a loss. Partridge said the priority since his acquisition has been aggressively writing down goodwill and clearing debts, to strengthen its position ahead of Brexit, and he is confident it will fly in 2019. He said he is treating his company as a business for the long term, not as a personal plaything he’ll take money out of at every opportunity.

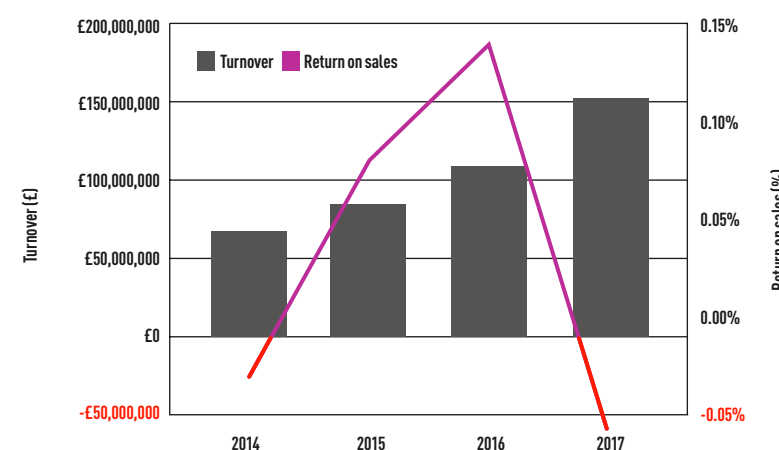
Getting to such a high level of sales requires lots of hard work building relationships and trust. Partridge said fleet and corporate business is relationship-led, and procurement contracts don’t change overnight.

It’s a case of building up the relationship and giving them the reason – quality of service – to come to you, he said. His aim is to deliver what the leasing companies and their end users want, and be reliable.

Members of his corporate team have defined roles, whether managing major accounts, selling to local businesses and brokers, making contact daily with its leasing company partners to ensure service levels are met and gather any feedback, or arranging test-drive bookings, deliveries and updating the end-users.

Success in corporate sales requires respect for all the parties involved, said Partridge. The dealer may have a direct contract with a corporate end-

### PARTRIDGE OF HAMPSHIRE - TURNOVER vs ROS (SOURCE: COMPANIES HOUSE)




Corporate sales have driven a rapid rise in the dealership’s turnover, but have had a limited impact on profitability. Expansion at Eastleigh, making space for more used car stock, should improve it





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INTERVIEWS  
DEALER



Partridge's PDI work is not done on-site, freeing space for retail and warranty work

user, or the relationship may be driven by a leasing company and the end-user is theirs, or the leasing company may ask the dealer to also provide services such as quarterly reviews to their end-user.

"You've got to be agile enough to understand where your customers fit," he said.

Corporate customers' service level agreements (SLAs) set minimum standards for aspects such as response time, delivery of service, quality of handover, the paperwork being done in the right way, even the speed of processing a return vehicle through to the client's disposal partner.

"You've got to deliver the very best service. The leasing companies and the end users demand exceptional [service]

as the norm," said Partridge.

As a premium brand, he said, BMW's products will generally be going to senior people in an organisation and the risks of getting it wrong must be minimal, for the sake of the dealer and of the leasing company, he said.

Partridge gave an example of one client, a global software firm, who contacted him when its chief executive was due to visit its UK offices. Having arranged some BMW 7 Series saloons for the chief and his colleagues, Partridge had to react fast when it snowed overnight, leaving the client potentially unable to collect the chief from the airport. In the early hours of the morning, Partridge arranged for his own BMW X5 4x4 on winter tyres to be delivered to the client, ensuring no one was left red-faced.

**“YOU’VE GOT TO DELIVER THE VERY BEST SERVICE. THE LEASING COMPANIES AND THE END USERS DEMAND EXCEPTIONAL [SERVICE] AS THE NORM**

TOBY PARTRIDGE,  
PARTRIDGE OF HAMPSHIRE

"That's the sort of thing that shows they can rely on you. Our client knows it was me thinking of him, I know how important that was to him, that we make it work."

Corporate sales means the team at the dealership don't actually get to see the customers' cars in the metal – none come onto the dealership's premises. As such, the dealership has no volume constraints. Instead, a slick process ensures they come into the docks at Southampton, are PDI'd there by BMW's own staff, and then are delivered to customers either by a driver or a truck.

Retail cars are PDI'd at Southampton docks too, and are delivered to the dealership only hours before handover. It keeps the workshop free for retail and warranty work. Partridge said retailers don't store everything on site, they use warehouses, and it



Partridge said corporate customers demand exceptional service





# New high performance dealers required

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The existing Ducati UK Dealer Network is one of the finest in the UK, offering excellent customer service and understanding that working with a brand like Ducati is not just a motorcycle business, it is a way of life. With planned growth and investment the network is fully backed with dedicated staff and support programmes focused on building a long term profitable partnership.

**As part of ongoing growth plans, Ducati UK currently have potential open points in various parts of the UK.**

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[ducati.com](http://ducati.com)



### INTERVIEWS DEALER



Work to expand the forecourt and parking has been going on since spring

**C** makes sense to store products where it is cheaper to do so. The dealership should have only cars available for sale or cars in for aftersales.

"Every square foot has to be dedicated to making money," he said, adding that dealerships have to raise their game, to make their properties work.

But the personal touch mustn't be forgotten. "It's very easy to forget, because it's big volumes, that somewhere among all this is somebody who, as part of their remuneration package, is choosing a lovely car, and they're excited about that. That can get lost among all the stuff you're doing."

The team has a process to call user-choosers who are on an extended test drive, check they are confident about all the controls and infotainment, and answer any questions on it, including whether they are happy with their lead time or would like to be flexible on colour or options to get a car sooner. Lead time can be a challenge for company car choosers, he said, because of the potential for taxation rates to change before the car has been registered.

From Partridge's experience leading franchised dealerships, he has learnt that good processes cannot save a business if it doesn't have good people. The biggest challenges are not using IT systems or FCA regulations, he said, but being enthusiastic 24/7 and having high energy levels. Partridge hires for enthusiasm and personality, then takes recruits through 12 steps to prepare



**“EVERY SQUARE FOOT HAS TO BE DEDICATED TO MAKING MONEY”**

**TOBY PARTRIDGE,  
PARTRIDGE OF HAMPSHIRE**

them for sales. The 12 steps are elementary, he said – the key is building relationships with people in the business who will help you to complete them.

"So you've got to ask someone to show you how to log in to the systems, you've got to find someone in accounts, but you have to do it in a way that when you turn up again the next week they don't say 'oh not again, what do you want' but say 'hello again, how can I help'. If people are saying they like him or her, then they've shown some tenacity, some ability, and I think they'll make it in sales."

"I feel that today, in the age of sending emails, there is more space for good sales communicators than there ever has been, because there's fewer of them. I see time and time again when people are coming to spend big money, they want that reassurance."

Partridge believes it is too easy for customers to make a mistake buying things on the internet, and dealers should play a role in talking customers through exactly what they want to ensure they get it, in case they've made assumptions. Staff must listen to customers and look after them, he said, and there is still a place for the 'old-fashioned' qualification questions.

"We have to earn our living. There's no right for us to be in the supply chain. We have to create the value."

How the team operates in the showroom must also reflect their focus on meeting customers' needs quickly. The meet and greet team doesn't





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**C**answer telephones, but focuses on welcoming on-site visitors, getting them a drink and a seat. Reception staff are trained to book in cars for service, rather than transfer callers to the service desk. The call centre team contacts owners in advance of their car's service to double-check if there are any additional needs or issues.

Communication is such a vital part of customer-facing roles, he said, as most complaints in motor retail relate to failures to return customers' calls or to share critical information in time.

Partridge is considering how he can streamline certain roles at the dealership. He said motorists have been given an expectation that a service adviser will know everything technical about every car, but he believes that is impossible and wants to simplify the job.

"I'm looking at unravelling the processes of what we do, diving into the detail, questioning why we do it this way," he said.

His data shows nine in 10 customers have no problem, so he is considering a service desk that welcomes customers, processes bookings and invoices, and can accommodate part-time staff, then behind them are two full-time, experienced technical personnel who can step in if there is something unusual to explain. He likened the approach to a hotel receptionist bringing across a manager if a guest has an issue.

He has already streamlined some other roles. In high street retail, sales managers are not also responsible for buying stock, he said, so his aren't either. Instead there is another employee respon-

**"I'M LOOKING AT UNRAVELLING THE PROCESSES OF WHAT WE DO, DIVING INTO THE DETAIL, QUESTIONING WHY WE DO IT THIS WAY"**

**TOBY PARTRIDGE, PARTRIDGE OF HAMPSHIRE**

sible for buying stock and presenting it online and on-site.

Ideas from staff are welcomed. Since spring, the dealership has been undergoing building work to expand its forecourt and parking, give Mini and the BMW i range better homes, and reformat the main BMW showroom to improve the flow for customers. While discussing the plans with staff, Partridge was delighted to have suggestions for pathways and flows that would improve the way they could work.

"Human beings have got to work in this place. We put a lot of effort into thinking how the customer is going to interact, but we mustn't forget about the staff," he said.

"For us it's exciting, and a considerable investment - a couple of million pounds. It shows the commitment to what we believe in. I believe in BMW and Mini, it's a strong franchise. It shows customers, too, that there is investment, it's not just the same site with a different name on it."



Partridge's redevelopment work has already given its Mini franchise a better home

## ADVERTISING FEATURE

# Aston Barclay to showcase new tech at AM Live

By Neil Hodson, group CEO, Aston Barclay



Aston Barclay will showcase the new technologies it has launched for buyers and vendors over the past 18 months, at Automotive Management Live.

We will have a live demonstration of our virtual auction for attendees to the show, where buyers enjoy the power of an online digital auction with the

benefits of a physical sale, including a live auctioneer.

Mercedes-Benz became the first vendor to sell cars through Aston Barclay's new virtual auction, selling more than 150 used cars stored at the company's defleet/refurbishment centres in Thurleigh, Bedfordshire, and Chipping Warden in Oxfordshire.

We have now relaunched our online bidding platform, LIVE, to increase its usability for buyers purchasing vehicles via their desktops in physical and virtual auctions.

The new platform was developed in conjunction with buyers who said their biggest challenge in the current used market is sourcing and buying the right stock quickly and efficiently.

To make best use of their time, buyers can bid in multiple auctions and locations all from the same screen, as well as viewing comprehensive details, appraisals and Aston Barclay Assured reports of the next lots without leaving their bidding window.

In a truly revolutionary enhancement, proxy bids can now be made directly from the online catalogue right up to the car being offered for sale.

The Buyer App continues to go from strength to strength with more than £10 million worth of stock bought on buyers' smartphones from around the world. More than 9,000 buyers have downloaded the app.

The Vendor App has also been well received, as it allows sellers to control and manage their sale from a remote location. They have the power to contact the auctioneer mid-auction to answer questions and accept provisional bids, all without the pressure of having to attend a physical auction.

SpinCar continues to transform the online homework buyers can undertake, allowing them to view the car's interior and exterior before bidding on the car either physically or online.

We look forward to sharing this technology with you face to face in Birmingham on November 8.



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INTERVIEW  
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## MINUTES WITH...

Wendy Harris, vice-president  
of European sales, CarGurus



**In the past, you have been employed by online corporations, including Facebook. What similarities did you find when you joined CarGurus?**

I started my career in finance, working in London and Chicago for three years, but wanted to move into the tech sector and joined Facebook in 2013 and ran Dropbox's European operations from Dublin. I really wanted to work in industries that are changing, and I think CarGurus is changing the way people buy cars. CarGurus came knocking in October last year and the opportunity was too good to pass up. Our co-founder, Langley Steinert, changed the way the world goes on holiday when he founded TripAdvisor and now he's trying to change the way the world buys cars.

**How have you been received as a finance and tech professional in an industry that can be quite insular?**

I own the fact that I'm not from the auto industry, but I think car dealers also respect the fact that I'm a new set of eyes and ears and that we are coming at the business of selling cars from a very different direction – from a search angle. Our dealer base ranges from sites with 10 to 15 cars to those in the top 10 of the AM100. I've worked for big corporations in the past and in the auto sector I've been meeting people who have built their own businesses and that are self-made. I have the utmost respect for our clients because of that.

**The car retail sector has been criticised for being slow to react to technological advances. Is that what you have found?**

I think the digital revolution is very much under way. The big challenge for us and

**THE CHALLENGE FOR US AND FOR CAR DEALERS IS THE ISSUE OF ATTRIBUTION, ESTABLISHING WHERE A LEAD CAME FROM**

WENDY HARRIS, CARGURUS

for car dealers is attribution, establishing where a lead came from in that journey from offline to online, and that is where we have focused a lot of our attention.

**How does CarGurus determine attribution?**

The first step in a CarGurus vehicle search is always the input of a postcode, and that obviously correlates closely with homes in a particular area, so we can correlate dealers' customer data with our search data and pinpoint where we have generated a lead.

Another area we want to educate dealers in is the importance of map clicks. Car buyers who click on a map are normally low-funnel, high-intent shoppers. Dealers really want to determine where their leads come from to determine the return on investment from their advertising.

**When CarGurus launched in the UK in 2016, Steinert said 'profitability isn't an issue' as it targeted Auto Trader and Motors.co.uk. Is it feasible for CarGurus to overtake Auto Trader and has that pledge changed since your IPO in 2017?**

We are the number one automotive

website in the US now. When CarGurus joined the sector there 12 years ago, it was a duopoly. If you had asked people there if CarGurus would become the number one market player, they would not have believed it. Now the business has a proven model of success and it will continue to invest and build momentum in the international market.

Our Q2 web traffic is up 54% year-on-year, with 3.5 million uniques internationally. I've been impressed with how open dealers have been to the product.

We became number one in the US by investing hundreds of millions of dollars in marketing and treating car buying as a search problem. At our headquarters in Boston, the business runs algorithms and crunches data through the night to help facilitate the most efficient introduction of car buyers to car dealers. The business currently has a staff of just under 700 overall, with 45 at the European headquarters in Dublin and five on the ground in the UK.

**How many car retailers are currently represented on CarGurus' platform?**

In our international markets – Canada, the UK, Germany, Italy and Spain – we had 3,098 paying dealers in Q2 – up 83% year-on-year. Dealers pay on a marketing subscription basis, but the price varies depending on the size of the inventory and the number of leads we think we will provide.

We make no guarantees, but our data-savvy retailers see the results. We had one dealer who told us that he needed to sell 21 cars to make a return each month and he saw his CarGurus-generated leads deliver 110 sales, so we're confident of our results. Ultimately, we







obviously want partners for the long term so we want dealers to see the returns they are making so that we can forge lasting relationships.

**The number of dealers that gained CarGurus 'top rated' dealer status rose 50% in 2018. Do you think businesses find that kind of accreditation important?**

CarGurus is built on the same foundations as TripAdvisor, in that it aims to deliver transparency to the consumer. At TripAdvisor they have a certification of excellence, so we've replicated that.

Seven days after a transaction, we send our own survey to car buyers to gauge their experience of the dealer service and those ratings feed into the online rankings and also determine the Trusted Dealer accreditations.

I think dealers see it as a great validation of what they offer because it's not us rating them, it's customers. The ratings are effective. When did you last stay at a hotel and not view reviews first?

**Car retailers have accused online platforms of feeding a 'race to the bottom' to appeal to customers on price alone. Would you say there is truth in that?**

We are not ranking dealers by the lowest price. We're not after a race to the bottom. There could be a higher-priced car, or a car with a high spec and low mileage, and that is something we want to give credit for. Dealer ratings are also taken into account. It's a big picture. Ultimately, we think that if you take into account and offer all the information that car buyers want, they will vote with their feet and we'll win the war.

**What new features are likely to make an appearance on the CarGurus platform in the coming months? Will we see a migration of finance or new car sales onto the site?**

Finance isn't something that we offer in the UK and the best indicator of what might be introduced is indicated by what has been tried and tested in the US

market. SEM Plus is our new search engine marketing product. We trialled it in the US and now we have three sites trialling it here.

**Some online car marketing sites have grown their exposure through online editorial and video. Is that something CarGurus is working to develop?**

CarGurus has appointed Chris Knapman, formerly the head of motoring at Telegraph Media Group, to lead its online editorial content and that is something that we will be developing very much during 2019. He is currently working on a series of used car reviews, which takes into account factors such as servicing intervals and residuals, and that's something that feeds into the added information and transparency that is core to what we offer. Some dealers have expressed an interest in having that content embedded in their own websites and I'm sure that is something that can also add value to their online offering. **TOM SHARPE**

#### FACT FILE

**HEADQUARTERS:**  
BOSTON, USA;  
DUBLIN, IRELAND  
(EU)  
**EMPLOYEES:**  
APPROX. 700  
**TURNOVER (2017):**  
£242M  
**PAYING DEALER SUBSCRIBERS (US/ INTERNATIONAL, 2017):**  
25,112/2,548  
**AVERAGE REVENUE PER DEALER (US/ INTERNATIONAL, 2017):**  
£9,208/£3,745

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## Welcome to this year's AM Awards sponsors

Preparations for the 2019 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 7, 2019.

There are 24 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career. Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar.

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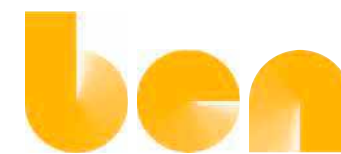
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# CITROËN

Although the PSA brand says it has no strategy to reduce failing points, it is open to new dealer partners, MD Karl Howkins tells **Tom Sharpe**

**W**hile new managing director, Karl Howkins, acknowledged that his 158-dealer network is "probably 10 to 12 too heavy", Citroën UK said it does not plan to rationalise its network on the scale of its Groupe PSA stablemate Vauxhall.

However, the brand is courting potential new franchisees, including an 'investor day' in Paris, and its turnaround programme for struggling performers is squarely focused on dealers outside of its bottom quartile.

Howkins, who joined Citroën on June 1, cut his teeth at Vauxhall, where he served as fleet operations director (a role also held by his father, Maurice), before moving on to become Opel's director of dealer performance for Europe and periods as the managing director of both Opel Switzerland and Opel Netherlands.

He hopes to create greater profitability by increasing the levels of competency and competition within the network.

To assist the 10 to 12 dealers at the bottom of the network's third quartile, Howkins and his director of network development, David

March, have set up a "turnaround programme" to improve their sales and accompanying profitability.

March insisted: "We don't have a strategy to go out and actively reduce failing points."

However, Citroën is courting new investors in an effort to inject a new impetus and fill open points along the M4 corridor.

Howkins said: "If there is a location on the blueprint that someone shows an interest in filling, we won't turn them away."

Recent dealership openings with Robins and Day (Birmingham and Chiswick) and John Grose Group (Ipswich) suggest a trend towards bringing the Citroën brand under the same roof as fellow PSA Group brands DS Automobiles and Peugeot.

Following the completion of the controversial separation of the DS Automobiles franchise on July 1, there are now 131 standalone Citroën dealerships. Of its 158 sites, 32 currently share space with DS, but Citroën said that number would grow to 45 by the end of 2019.

There are 40 solus operators among the brand's current franchise partners and Pendragon's Evans Halshaw network has the greatest investment, with 14 sites.

As with many franchises, though, Howkins and March recognise the need to drive profitability for its dealer partners amid a loss of sales and market share, which has been compounded by the loss of the once popular DS 3 hatchback from the bulk of the network.

Citroën's registrations fell from 83,397 (including DS) in 2014 to 51,455 (ex-DS) last year and were 4.5% down YTD at the end of September.

In 2017, the brand's market share reached its lowest point this century, at 2.03%. To the end of September this year, Citroën's UK market share was 2.17%, marginally ahead of the same period in 2017 (2.1%).

March conceded that, during his time as director of network development and quality for Peugeot Citroën Retail UK, the falling market share had prompted a move towards bringing the PSA brands under



Recent openings suggest a trend towards bringing Citroën dealerships under the same roof as DS or Peugeot



one roof to boost profitability.

He said: "We saw a decline in the market share and that was a pre-emptive thing to get out of short-term rental. We didn't see a huge opportunity to grow share back up and one option was to bring the brands back together because the benefit was largely in aftersales. We decided to go out and promote multi-brand."

"Ultimately, we want retailers to see a return on their square metres. We want to create an environment where they can generate the right return."

Citroën retailers are currently achieving an average 0.6% return-on-sale, up 0.1% on a year earlier, and Howkins said he wants to grow that to 1.5%.

"There is a lot of pressure on ROI at the moment and there is a need for us to be supportive and help our franchisees make

money," he said. "It's the ability to make money that can really change the mood of a network."

## Refining the range

Howkins remains confident growth in both registrations and market share will bolster profits in 2018.

He said the brand prepared "extremely well" for the September 1 switchover to the new Worldwide harmonised Light vehicle Test Procedure (WLTP) and was able to really "get going again" in the plate-change month – the brand was down 3.7% year-on-year in the month, compared with an overall market decline of 20.5% – even capturing some sales from rival brands that have struggled with the transition.

While Citroën was able to deliver to customers who entered showrooms in

September, the brand's new UK boss said the arrival of the new C5 Aircross flagship SUV later this year and the prospect of a future entrant to the saloon segment will deliver further momentum.

Howkins described the C5 Aircross as "the car we've been waiting for", adding: "From July to the end of August, we were 0.1% below 27% retail sales growth and that is PCP, PCH and cash. The areas we really need to grow are traction with SMEs and with public-sector fleet. There's work to be done there."

He added: "The C3 Aircross is getting some really good traction. Over that same three-month period its retail sales have grown by 33%."

According to Howkins, the time has come to start selling Citroën as a brand with a "great product range" – to both

consumers and potential new franchise partners. He said he is speaking to current franchised partners and potential future partners about the current range and plans for the future.

He said he enjoyed the challenge of changing perceptions of Citroën among some of the larger dealer groups that do not currently represent the franchise.

"In terms of investors, and the people that aren't with Citroën today, we are going to have an investor day and take them over to Paris," Howkins said.

"People like to see the reality and not just be shown a PowerPoint."

He added: "We have some relationships that we want to leverage and some others that we might want to say 'if you don't want to be in it, let's stop.'"

Howkins and March agreed that,



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**KARL HOWKINS, CITROËN**

## KEY PRODUCTS



### C3

Two years after its launch, the Fiesta-rivalling hatchback remains Citroën's strongest seller. In 2017, 16,486 were registered. To September 30, registrations stood at 13,065, down 5% YoY.



### C3 Aircross

Howkins has been impressed with the Aircross and a 33% increase in retail sales from the start of June to the end of August. Introduced late last year, a total of 7,988 have been sold YTD.



### C4 Cactus

Launched in March, the new C4 Cactus debuted Citroën's Advanced Comfort programme, moving in a more premium direction. Prices start at £17,265. September sales of 895 were down 4% YoY.



### C4 Spacetourer

Registrations of 6,082 to the end of September were 37% down on the same period in 2017, but the car previously named the Picasso remains a stalwart of the MPV class. Prices start at £21,125.



## ✧ ELECTRIFYING CITROËN

PSA Group has announced plans to launch 15 new electrified vehicles within two years as part of plans to offer an electric or hybrid powertrain option on its entire line-up from 2019.

The move should deliver alternative fuel vehicle (AFV) derivatives into a Citroën range that currently has the outdated C-Zero as the brand's only plug-in car (it also offers the previous generation of Berlingo in EV form).

Just seven Citroën C-Zeros were sold in 2017, but the brand hopes a range of all-electric or plug-in hybrid vehicles emitting less than 49g/km of CO<sub>2</sub> will change that.

PSA Group is focusing on building its models on two platforms, CMP and EMP2, which can integrate any of the power trains of its line-up, internal combustion, electric or hybrid.

Among the first models expected to



The first car based on the C-Experience concept (above) will be the C5 Aircross

receive an AFV treatment will be the Citroën C5 Aircross.

A saloon car based on the

C-Experience concept showcased by the brand in 2016 is also tipped to make its debut.

While attracting new investors, they would be going to greater lengths to support some retailers – who wish to stay with the franchise, but may currently be underperforming – with its turnaround programme.

Howkins said a new dedicated dealer performance manager would lead the project, in which the brand had invested a lot of time. However, of the bottom 10% of the network's performers, he said they were "not going to bring them back to life".

March said: "We don't want to part company with dealers. If they wish to re-engage, then we will offer the support they require."

After Howkins took over from Bek Hassan – now the PSA Group's vice-president of sales and marketing for EVs – he completed a 10-day trip to Paris himself to gain a thorough overview of the group.

He said: "It was the best induction I've ever had. There wasn't a meeting I didn't come out of and think 'blimey, they have processes and tracking mechanisms for everything'."

"It's a machine and, equally, there's a lot of passion for the brand in Paris."

### Rebuilding dealer relationships

However, that passion may not be shared by all of its dealer partners if the results of the National Franchised Dealers Association (NFDA) Dealer Attitude Survey Summer 2018 are anything to go by.

Citroën finished second from bottom in the 'overall' rating from franchisees, with a score of just 3.4 (out of 10).

While this represented a 0.2-point increase on the Winter survey, it was well below the average score of 5.7.

Although Howkins said he was "not obsessed" by achieving a top placing in the bi-annual survey, he said he is aware there is work to do to placate what appears to be

an unhappy network.

"I was talking to the chairman of a large franchised group recently and I asked him where he thought the brand had gone wrong," said Howkins. "He said that, quite simply, we'd 'lost the dressing room'."

Just how much sections of the network are still smarting from the loss of the DS franchise remains to be seen, but Howkins said communication and profitability were key areas in need of improvement.

"We've also been too complex in the past. We want to get back to basics and deliver simplification. The customer is king," he said.

Webex live video communications with the network on the first afternoon of each month are already providing greater transparency, allowing retailers to type in questions and get an immediate answer.

Howkins said that he also likes to get out and about into the network: "That is a part of the job that I really enjoy."

"Communication has been an area where the brand has not done as well as it should have in the past and I really want us to be approachable and transparent to the network."

The NFDA's survey showed that profitability was an area of concern for retailers. Respondents marked their current profit-

ability as 2.6 (average: 4.9), rating their prospects for future profitability at 3.9 (average: 5.4).

### Not one new CI, but two

A new corporate identity and the demands for greater investment from franchised partners is unlikely to immediately benefit Citroën dealers' bottom line.

But the brand is in the process of introducing two.

Howkins and March said the programme for the car retail network is now about 50% complete, but early in September the brand announced another new CI, this time for its van retailers, which would be rolled out over the next three years.

The van network changes – dubbed 'La Manufacture Citroën' – have been trialled at Reims in France and Amsterdam in the Netherlands, and introduce new masts, banners, illuminated signage plus light oak panelling and grey fabric in the showroom to underscore a "business-like look and feel".

Changes to Citroën's commercial vehicles sites will depend on retailers opting in to become "full fat" business centres, Howkins said, with the current 65 specialist sites possibly set to reduce in number. All Citroën dealerships can sell its commercial vehicles, however.

Changes to the car dealerships demand alterations to interior furnishings and some fittings at an average cost of £80,000 to £120,000 per franchised site, March said.

The new CI will also allow staff to wear chinos and shirts, as part of an attempt to create a more relaxed atmosphere.

March said the brand was willing to offer support to retailers still working towards a new corporate identity as margin pressures across the sector increase, however.

Howkins added: "The help is there" ➔

**“WE DON'T TO PART COMPANY WITH DEALERS. IF THEY WISH TO RE-ENGAGE, THEN WE WILL OFFER THE SUPPORT THEY REQUIRE**

DAVID MARCH, CITROËN UK

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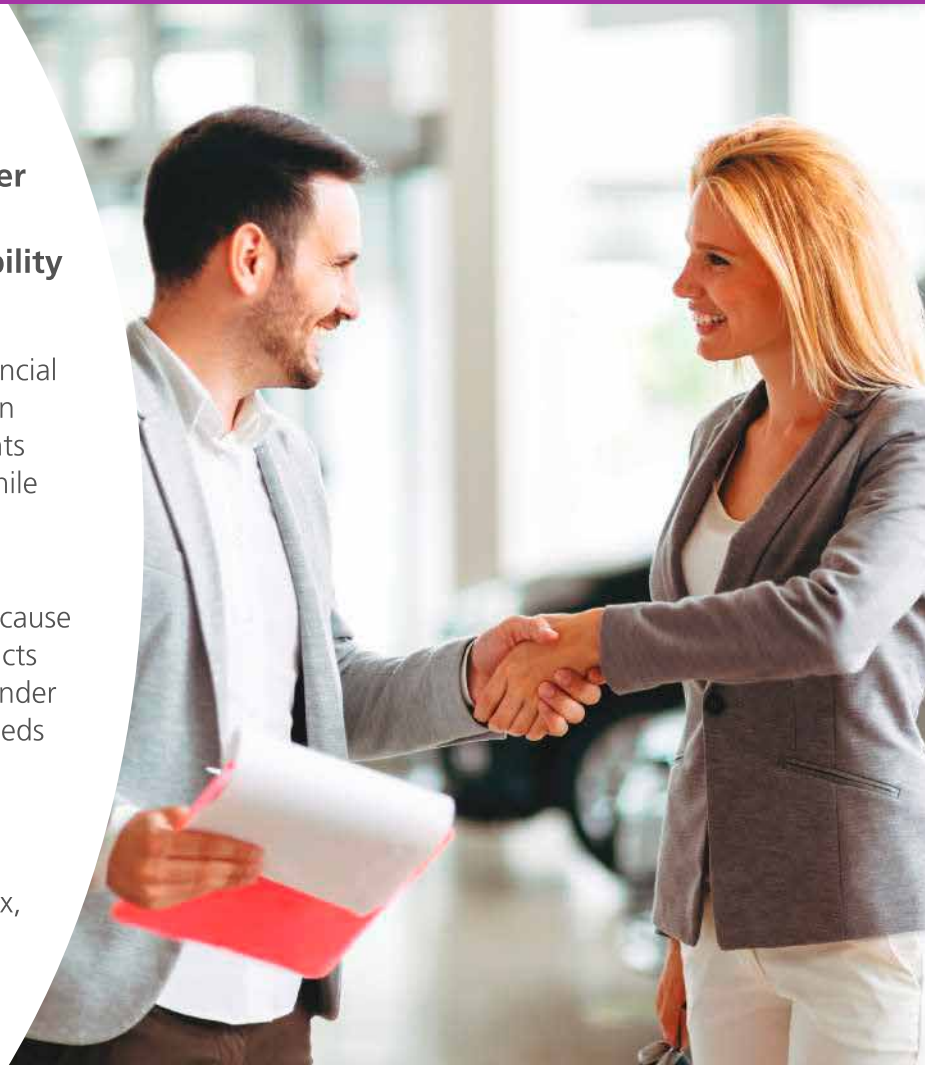
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## INTERVIEWS MANUFACTURER



for our smaller retailers."

In terms of the physical size of its outlets, Howkins is beginning to consider how the brand's changing retail space may evolve.

Paris has two Maison Citroën urban stores now and chief executive Linda Jackson is keen to see the idea to evolve alongside an online retail offering.

However, Howkins suggested that both were not immediately on the horizon for a UK launch.

"Buy Online for Citroën is something we're just starting with and we're behind the other (PSA Group) brands a bit," he said.

Commenting on the Maison Citroën concept, which is staffed and run by a third-party "agency" appointed by the brand, Howkins added: "It's always a matter of what the return on investment will be and

**FAILING TO SEE AN EMAIL AS A GENUINE ENQUIRY, NOT OFFERING A TEST DRIVE - THOSE ARE THINGS THAT CAN MAKE A REAL DIFFERENCE**

KARL HOWKINS, CITROËN

you have to look at that and say is it brand marketing or a dealership?

"For us, I don't think that London is the right place, so we are evaluating other metropolitan areas at the moment."

**'I am not a pre-registrations man'**  
Howkins seems to be placing an emphasis

on growing the strength of his retail network in his attempt to bolster the fortunes of the Citroën brand, but he insists that he will not resort to easy wins.

"I am absolutely not a pre-registrations man," he insisted. "I would never chase a 0.1% market share gain with something that is going to compromise brand values."

Sales through the Motability scheme are viewed more favourably, despite the acknowledgement that the channel can come with its own KPIs and corporate standards for retailers.

The brand's rental business is currently 9% of its volume, meanwhile, but Howkins said that - managed well - he appreciates the channel's ability to boost profits without harming residual values.

As well as growing the retail network's business with small fleets among SMEs - an area that currently accounts for just 3% of the group's fleet registrations - Howkins is keen to see improvements in the aftersales operations and will encourage greater provision of courtesy vehicles to improve customer service.

"This is an area where we can make improvements in the network," he said.

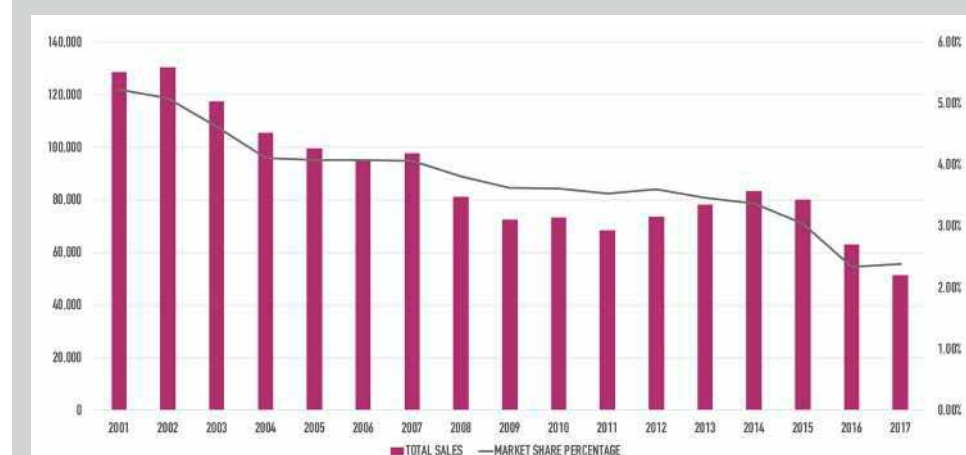
"We're very, very committed to customer satisfaction - we're talking above 91% - but we do have work to do and we're working with dealers in lots of ways to improve profitability."

Getting the basics right is where Howkins wants the brand to excel.

"I'm very passionate and determined, but in our business I find that it's always the basics that go missing - for example, failing to see an email as a genuine enquiry, not offering a test drive or offering accessories," he said.

"Those are the simple things that can make a real difference and, over the course of a year, can make a huge impact on the profitability of the network."

## ▼ CITROËN REGISTRATIONS AND MARKET SHARE 2001-2017 (SOURCE: SMMT)



Citroën's glory days of six-figure volume were built on affordable products and cash-back deals. Its decline coincided with the emergence of Kia and Hyundai, with their own strong offers and quality promises.



1

## What to use video for

With the penetration of smartphones in modern society, almost every car buyer and owner has a video player in their pocket – which is an important means of contact for dealers.

Dene Jones, the chief marketing and data officer at BCA, told us: "Video is used to support sales along the customer journey. App-based solutions enable dealers to capture a perfect video walkaround of every vehicle, complete with professional and consistent images. Once the video is captured, it can be instantly uploaded to a wide range of channels, from websites to social media platforms, classified sites and direct channels, such as text or email."

Luke Phillips, the head of marketing at web agency Gforces, added: "With up to 95% of the messaging within a video likely to be retained by the person viewing it, video is one of the most effective marketing tools a dealer can have in their repertoire, and the huge potential it offers is only just beginning to be explored."

Marshall Motor Group has seen that potential and is already using video. Philip J Deacon, Marshall's head of marketing, said: "We use video and rich media across our sales and service operations, and actively across our other digital assets and social communities. This is used to enhance the experience, and video is a great way to reach potential customers and maintain relationships with them."

2

## Tailoring video for your website and interactions with customers

Alistair Horsburgh, the chief executive of CitNow, explained how dealers can use video at different stages of the buying journey.

"At the beginning of the sales process, the web solution allows dealers to capture their digital assets on a single device. We store them on behalf of the dealer and make them available to all of the classified sites, and the individual dealer's own website. We help the dealer to make their stock more interesting for consumers when they're surfing the internet.

"Also, when a customer makes an inquiry to a dealership, say for a used vehicle, our sales application allows a sales exec to go outside and, utilising our application on an Apple or an Android device, introduce himself to the customer and show them the vehicle that they made the inquiry about. They then send a secure link to the customer, who can watch it at their leisure. That personalisation really makes a difference to dealerships."

Phillips added: "The great thing about video is that it usually has a built-in call to action. It's created to evoke a specific response or desired reaction in the viewer. Reaction in some form is practically guaranteed. Very few marketing platforms offer that."

# HOW TO USE VIDEO TO INTERACT WITH CUSTOMERS

In an era of video-on-demand, Netflix and YouTube, dealers can take advantage of 24/7 screen access to reach their customers.

Craig Thomas gets best-practice tips from industry leaders



4

## Video and social media

Social media often gets a bad rap, but many dealers have identified its commercial potential as a way of reaching out to consumers and promoting a range of messages.

Cambria Automobiles uses social media extensively, said its marketing director, Ian Godbold.

"We do a number of things, such as 'car of the week' or 'car of the day', or introduction videos. We'll also promote our activities and offers through Facebook, Instagram, Twitter. Google Places also has a facility to have offers and promotions using the Google Offer Card, and we have been utilising those videos. We're seeing huge engagement coming through those channels."

Deacon said Marshall uses lots of video – which increases its post-engagement. It uses a combination of manufacturer footage, plus professional video and in-house videos to promote its products and services.

"Our objective with social media is not to directly sell products or services: it's to showcase our company, our people, our products and services, our credibility and likeability (our #marshallmoments). On Facebook last year, we reached 60.3 million people and engaged with 1.1m. On Twitter, we had 10.5m impressions and were mentioned 11,500 times."

## COMMERCIAL PARTNER COMMENT

By Alistair Horsburgh, CEO, CitNOW



The increasingly online purchase journey for the car buyer has been at the expense of the personal relationship with the retailer. Car buyers undertake research online before narrowing down their choice to one or two cars, with many

making just one visit to a retailer.

With more of the journey taking place digitally, there is a far greater expectation from customers for that to be a personalised experience. Research has shown that nearly three quarters of consumers prefer to watch a video when researching a product<sup>1</sup>, while one in five respondents of our UK car buyer survey have used video to support their most recent car purchase<sup>2</sup>.

The use of personalised video in the showroom and workshop provides a window into the retailer and builds trust and transparency. Consumers are more comfortable having 'met' the sales executive, viewed the car and 'visited' the business while in the comfort of their home. Couple this with a video of a customer's vehicle in the workshop showing the work required and it is a winning combination.

Having provided video services to the automotive industry for 10 years, we have extensive knowledge on what works best, what your customers want and how to use video creatively. Gone are the days when video is only used to follow up a sales enquiry – we have customers using it at every stage of the car buying and owning experience.

**Join us at Automotive Management Live on November 8 to find out how you can integrate video relationship management (VRM) into every part of your business at our Best Practice session at 10.15am. We will be at stand D38 all day to answer any questions you may have and to share our latest report on the 'Year of the Used Car'.**

[1] Wyzowl, 'Video Marketing Statistics 2018 Survey: The State of Video Marketing 2018' Available at [www.wyzowl.com](http://www.wyzowl.com)

[2] CitNOW, 'Consumer Opinion on Automotive Video' survey, April 2017



CitNOW is a commercial partner of our Dealer Masterclass programme, and will be sharing more inspiration at Automotive Management Live on November 8.

**Next issue's dealer masterclass: Live chat**



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\*CitNOW poll of 2,000 UK motorists, June 2018



4

## The role of video for servicing and health check customers

Video is now well established as a means of communicating what work is required when a customer's car is in for service or repair.

Horsburgh said: "It's a visual aid to give the technician an ability to communicate with a customer what's wrong with their vehicle."

Godbold added: "With service, you're actually showing what's wrong with the car and what needs to be done, giving customers the opportunity to sign that off. We do that through email and text after they watch the video. That's where we see a big conversion coming through that channel."

Deacon said: "With a video, you can actually show the customer their vehicle, identify an issue and get an immediate answer, rather than having to wait for that. It offers so much more trust and transparency."



## WHAT WE'RE SEEING NOW IS THAT CONSUMERS WANT TO ENGAGE THROUGH VIDEO CHAT

IAN GODBOLD,  
CAMBRIA  
AUTOMOBILES

5

## Other uses of video – now and in the future

Apart from sales and servicing functions, dealers are finding many other ways to use video. Deacon said Marshall uses it for a variety of functions, including pre-delivery videos sent to customers on the scheduled day of collection, to heighten the sense of occasion; handover reveals for posting on social media; new-plate promotional events; how-to guides; tie-ups with social media influencers; even time-lapse videos of new showroom builds.

Godbold said Cambria uses Google 360 tours, virtual and 3D tours of showrooms.

"What we're seeing now is that consumers want to engage through video chat. There's so much more information they can get utilising Google and looking at a video, rather than just looking at 80 or 90 pictures. They can get so much more from the actual video itself, particularly from a personalised video," he said.

CitNow is also looking to the future, with additional functionality. Horsburgh said there are other areas that it is looking to expand, most of them with manufacturer programmes. "For example, we're looking to put video into the warranty reclaim process when vehicles go back into dealerships to have warranty work done.

"Also, anything that we can do that will enhance customer satisfaction. Customer service is very high up our agenda, so anything that we can do, from a dealer's perspective and from a communication point of view, is valuable. Two-way messaging, for example – trying to give the customer the ability to text back if they want to. It's all about simplifying the communication process between the consumer and dealer."

6

## Measuring success

Dealers need to be able to see that the investment in video is providing a return.

Deacon monitors the efficacy of video in a number of ways: "We look at open rates of emails/videos, click-through rates, how many minutes have been watched, how many engagements and views, the stickiness and time spent on our website, and how many followers we have and how many likes are generated. There are lots of different measures of success and KPIs."

The immediacy of a reaction to video is another useful way of measuring success. Phillips said: "Video really does allow you to respond to 'in-the-moment' opportunities and, as response is usually instant, whether or not it's working is usually easy to pick up on. Combined with trackable telephone numbers or embedded links, seeing if your content is successfully reaching an audience and being responded to is no more difficult than with any other content."

Godbold said: "As soon as a guest has viewed that video, we get a notification to say, 'The consumer has just watched this'. This is a great time to pick up the phone and speak to them, because we know that they've watched it."





# Building for growth, both online and off

**M**ore than a year on from its multi-million management buy-out by Rutland Partners, Aston Barclay is on course for expansion, with big plans in real estate, digital technology and recruitment.

The national independent auction group has five auction centre locations in the UK – Chelmsford, Prees Heath, Westbury, Donington Park and Leeds. The Leeds site will move to an 18-acre mega centre in Wakefield by the start of 2019. Its previous mega centre, at Donington Park, opened nine months ago.

Neil Hodson, Aston Barclay's chief executive, said: "We're already at 20,000 sales at Donington Park. That really painted a picture of what we can do with the right location. We'll be moving to phase two with that site and expanding further."

Aston Barclay is investing in new inspection facilities at Westbury and Chelmsford and has acquired a further 10 acres of land at its Prees Heath site to expand further.

Wakefield continues Aston Barclay's strategy of creating large regional auction hubs – the site has the capacity to sell 50,000 used vehicles a year – rather than a large network of smaller centres.

It will be fitted with banks of interactive screens with app functionality that links Aston Barclay's digital operations to the physical auction location. There is space on site for internal storage for more than 200 cars in a fully lit, air conditioned, dust-free environment.

Wakefield will also feature two glass-fronted auction halls and will employ about 90 full- and part-time staff once it is fully operational in early 2019.

These investments all push Aston Barclay closer to Hodson's goal of doubling sales volumes across the company to 160,000 vehicles by 2022.

He said: "These are all big real estate investments and it's an interesting balance you have to strike. We're really serious about

**“IT'S ALWAYS GOING TO BE A MIX BETWEEN [DIGITAL AND PHYSICAL]... THE PHYSICAL SIDE IS ALWAYS GOING TO BE THERE FOR US**

**NEIL HODSON, ASTON BARCLAY**

growing the digital side of the business, too, and that is taking off rapidly.

"It's always going to be a mix between the two and the physical side is always going to be there for us.

"You're always going to need to move, prepare and photograph the vehicles. We'll always have that option for people that want to physically be here and grab a cup of tea."

Over the past year, Aston Barclay has won contracts with Vantage Group, Group 1, Santander, Wessex Garages, Chapelhouse Group and Leasys.

Hodson said: "A challenging market makes you look at your suppliers and see what's out there, and that's playing to our advantage.

"People are using us to benchmark against the other two main players in the UK remarketing sector and dealer groups are looking at alternatives. For those dealers that are struggling to acquire stock at the moment, I would urge them to review all of their potential channels and to have a look at what is out there."

## Digital sales growth

As a percentage of total volume, Aston Barclay's digital dealer sales have risen from 5% a year ago to 20% today.

Fleet is farther along, up from 20% to 50%



of all sales, and vehicle manufacturer sales have gone from 20% to 70%.

Hodson said: "Even though digital has grown so massively in the last 12 months, I still think there's further to go."

Aston Barclay has a team of 300 people across the business and has taken on 30 new recruits in the past 12 months. There are plans to recruit a further 12 people specifically on the digital development side.

Hodson said the aim for Aston Barclay's digital remarketing solutions is to connect buyers with vehicles, boil down the processes that have existed for years in the physical space, and translate that into something that can fit in your pocket.

He said: "We've been thinking really hard about how we can help people transact and bring everything together in one place digitally."

Aston Barclay's Buyer App has been downloaded 9,000 times, far exceeding

For more information, call 01245 450700

Hodson's expectations, and it has about 3,000 active users a week.

"We have got some really innovative ideas in the works and we'll be making some announcements about that in Q1 2019. We've invested a lot in the digital development side and I think this has been one of the biggest differentiators for Aston Barclay," he said.

"We have Stewart Ford, our IT director, and a team of developers working on enhancements all the time and we've rolled out 15 updates in the last 12 months."

One such enhancement is using the data of those using the Aston Barclay app to create predictive stock suggestions based on previous buying and browsing history.

Hodson said: "If we know there is history there on white BMW 1 Series automatics and we get more in stock, we can help alert customers to that type of vehicle when it comes in, rather than them having to search through themselves."

## Virtual auctions

Another innovation is virtual auctions. Hodson said these combine the features of an online digital auction experience for buyers with all the benefits of a physical sale.

Stock from a variety of vendors can be offered in the same sale and a car manufacturer recently used Aston Barclay's virtual auction to sell stock from three separate physical sites directly to its existing buyer base online.

Hodson said: "Virtual auctions open the door for vendors to sell stock from remote locations, such as de-fleet or refurbishment centres. A live auctioneer hosts each virtual auction, with buyers accessing stock through the Aston Barclay website or through their Buyer App from wherever they are in the world."

"Vendors can remotely control their sales via the vendor functions of the app, just like a physical sale."

Buyers carry out their pre-sale homework online supported by images, inspection grading and a 360-degree walkaround of the car's interior and exterior.

## The virtual walkaround

Aston Barclay uses GardX Spincar technology to provide the walkaround in its vehicle inspection process.

It gives buyers a 360-degree view of the used car's exterior and interior with a zoom facility to enable them to more closely inspect any part of the car.

Hodson said: "We wanted to use technology to improve that inspection process and getting up close to seats and the interior with Spincar is really useful for buyers.

"We've looked at feedback on condition reports and things like Spincar have really helped reassure those who may be assessing vehicles at a distance."





### Audi A1

Audi's second-generation A1 will be available in five-door guise only and is due to arrive in UK showrooms in November.

The German premium brand's third-best-selling model in the UK has dipped below 90,000 global registrations in only one year since its 2010 UK launch, but the new version will aim to better compete with the Mini – a car that achieves more than twice that sales figure.

Three engines will initially be available from launch – the 30 TFSI, a 1.0-litre three-cylinder unit with 116PS, a 150PS 1.5-litre four-cylinder engine (35 TFSI) and a performance-focused 2.0-litre unit with 200PS TFSI.

### DS 3 Crossback

DS Automobiles will accelerate its shift towards SUVs and EVs with the introduction of the new DS 3 Crossback in 2019.

Built on the PSA Group's 'Common Modular Platform' (CMP), it will offer petrol, diesel or EV drivetrains without compromising interior space.

It will also feature Matrix LED headlights and DS Park Assist and Drive Pilot, which introduce new levels of semi-autonomous driving into the range. Available in the second half of 2019, the DS 3 Crossback's 136PS EV drivetrain claims an emission-free range of up to 186 miles.



### BMW Z4

BMW's new Z4 promises sports car performance when it joins the new 3 Series in showrooms from March next year.

Order books open in November for the new Z4. The entry-level sDrive20i is expected to make up half of UK sales and features a 197PS, two-litre turbocharged petrol engine, which should power the Z4 to 62mph in 6.6 seconds. The sDrive30i's 258PS engine will hit 62mph in 5.4 seconds and the M40i, with a 340PS three-litre six-cylinder petrol engine, will reach 62mph in 4.6 seconds.

# PARIS MOTOR SHOW

BMW topped the rankings of car manufacturers delivering genuine new car unveils at the Paris Motor Show this year.

The event, tipped by many commentators to be dominated by an abundance of new SUV and AFV products, delivered more than its fair share of sports cars and saloons.

Here, **Tom Sharpe** takes a whistle-stop look at the Paris Motor Show newcomers that are most likely to affect the performance of UK franchised retailer forecourts over the next 12 months

### Toyota Camry

Toyota will reintroduce a saloon model to its range when the Camry makes a return after a 14-year absence from the UK in 2019.

The Camry has remained on sale in more than 100 countries and generates annual sales of more than 700,000 units.

Offering hybrid-only drivetrains, the rival to the likes of the Ford Mondeo, Vauxhall Insignia and Volkswagen Passat, will fill the gap in the brand's range left by the loss of the Avensis from UK showrooms.

The Camry's 215PS hybrid drivetrain claims to accelerate the car to 62mph in 8.3 seconds, and Toyota says it will have 67.3mpg fuel economy and 98g/km CO<sub>2</sub> emissions.



### Mercedes-Benz

The third-generation B-Class will go on sale in December. A sportier appearance and dynamics have been promised thanks to a chassis now featuring a longer wheelbase and short overhangs.

The family-oriented model will also aim to offer a more flexible cabin, with a rear seat backrest as standard (with a 40:20:40 split) and, depending on the version, rear seats that can be moved by 14cm to vary the capacity of the boot from 455 to 705 litres.

Five engine variants will be available at launch. The most efficient is the 116PS 180d. Mercedes claims it can deliver fuel economy of 68mpg and 109g/km CO<sub>2</sub> emissions.

## ADVERTISING FEATURE

# Using video to sell add-on products online

By James Tew, CEO, iVendi



Add-on products are important sources of profit for dealers and other retailers, as well as providing valuable protection for customers – but are often easy to ignore during an online sales process if they are simply presented as a single page of options.

Major dealer groups, who in many ways are leading the way when it comes to online processes, are especially concerned about possible reduced add-on sales. Upselling of warranties, for example, is difficult for them to achieve when a deal has already effectively been concluded online.

At iVendi, we have been working on a number of strategies and new tools to help retain – and even increase – penetration of add-on sales online. As part of this, we've created a new range of four short, animated videos about add-on products, designed to be added by dealers, manufacturers and lenders to their online sales processes. They cover warranties, GAP, paint protection and tyre and alloy wheel cover, and each lasts just under two minutes, providing a simple but informative overview of all these products in a generic manner.

We have found that online videos of this kind are very effective at increasing sales penetration of products. In the past, we have used them to explain a range of finance options to online customers, and these have been watched hundreds of thousands of times.

The new, add-on product videos will fulfil a similar role, providing customers who are interested in a warranty or GAP insurance with a fun but useful product description that lets them know what they will be buying. We expect them to have a very definite impact on sales.

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





## » Suzuki Jimny

Just days after news of a “weak” three-star showing in the Euro NCAP safety tests, the Jimny 4x4 made its public debut at the Paris Motor Show.

The B-segment addition promises to be a genuine off-road tool, however, and features a part-time 4WD system with a low-range transfer gear, which can be easily switched between 2H (2WD-high gear), 4H (4WD-high gear) and 4L (4WD-low gear) modes.

Now entering its fourth generation, the Jimny will be offered only with a 1.5-litre engine and five-speed gearbox.

A tiny 85-litre boot space can be expanded to 377 litres by folding the rear seats, Suzuki said.



## ▲ Kia e-Niro

Not to be left behind by its Hyundai sister brand, Kia unveiled the e-Niro, an EV version of its Niro crossover.

As Hyundai's UK showrooms prepare to receive the Kona EV, which has been WLTP-tested to 300 miles with its 64kWh drivetrain, Kia has had its incoming Niro tested to 301 miles.

The EV range is achieved by the same high-capacity 64 kWh lithium-ion polymer battery as the Kona.

Models equipped with the 64kWh battery pack – a more affordable 39.2kWh power pack will also be made available – are paired with a 204PS motor, producing 395Nm of torque, enabling the e-Niro to accelerate to 62mph in 7.8 seconds.

## ▼ BMW 3 Series

Due to enter UK showrooms next March, prices for the larger and safer new BMW 3 Series will start from £33,610.

BMW's latest version of the big-selling saloon (2017: 35,904) sits on the same platform as the 5 Series and 7 Series and sheds up to 55kg as a result, despite featuring a longer wheelbase (which creates greater interior space and a 480-litre boot).

The full engine line-up is yet to be confirmed, but BMW said the 320d can achieve up to 67.3mpg with an automatic gearbox and it will have CO2 emissions from 110g/km (less than key rivals the Mercedes C220 d and Jaguar XE 20d).

A 330e plug-in hybrid version will also be available.

## ▲ BMW 8 Series

The Paris Motor Show marked the return of the 8 Series nameplate for BMW.

The retro nameplate – last used in the mid-1990s – will be fixed to a car that eschews the virtues of an AFV drivetrain in favour of large petrol and diesel engines and the standard fitment of BMW's xDrive all-wheel-drive system.

The M850i features a 4.4-litre V8 petrol engine, producing 523PS, and will be capable of accelerating to 62mph in 3.7 seconds, claims BMW. The diesel-powered 840d, meanwhile, has a three-litre six-cylinder diesel unit producing 316PS and should reach the same benchmark in 4.9 seconds. First deliveries will reach the UK in November.

## ◀ Toyota RAV4

Toyota's next-generation RAV4 claims to offer improved comfort and accommodation over its predecessor and continues the brand's AFV push, with hybrid-only drivetrain options.

The new RAV4 features a new 2.5-litre hybrid engine, which Toyota expects will achieve 62.8mpg and CO2 emissions from as low as 102g/km.

Features such as 18-inch alloys, larger display screens, leather upholstery, projector LED headlights, rear privacy glass and a power-operated tailgate will also be available when it reaches UK showrooms next year.

The new RAV4 will also feature a new digital rear-view mirror to help the driver achieve a wider field of vision.



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## VOLKSWAGEN E-GOLF

REPORT  
PROGRESS



## EV VALUES AND DEMAND LEAD INDEPENDENTS TO SPECIALISE

**A**n increasing number of independent retailers are moving towards only selling EVs on their forecourts, according to Chargemaster's director of communication and strategy, Tom Callow.

In a presentation at the AM Digitech conference earlier this year, Callow cited JD Cleve, Grimsby; Drive Green, Bristol; and EV Expert, Guildford among a list of emerging EV specialists.

He also challenges the perception of EV residual values (RVs) as being weaker than non-EVs.

Our e-Golf long-term test car has a three-year/60,000-mile RV of 31% – the same as its 150PS two-litre TDI alternative.

Cazana valued our test car at £30,026 retail, with an estimated 43 days to sale. An Auto Trader search returned 23 e-Golfs such as ours (2017 or later). All had mileage under 10,000 and were priced above £26,990.

At time of writing, VW used car and aftersales operation, White Rose Petersfield, had five e-Golfs in stock. Sales manager Paul Rabbets said the cars were bought from VW Financial Services and were being used by sales executives ahead of a delivery of five new e-Golfs.

"There has been a lot of interest and we've delivered a number of test drives," he said.

"Our prices are artificially high because we want to keep them for a while, but I've no doubt that they will sell quickly when we align the prices more closely to what they should be." **TOM SHARPE**



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£32,730 (NEW)



RESIDUAL VALUE  
(3YRS/36,000):  
31%



DAYS TO SELL  
43  
(SOURCE: CAZANA)



CHARGE TIMES:  
17 HRS (2.3KW);  
45 MINS (40KW)

✓ INTEREST IN USED E-GOLFS  
LOOKS ENCOURAGING

✗ LIMITED SUPPLIES FOR  
INTERESTED TRADERS

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MILEAGE 0 5 7 0 1

START  
MILEAGE 0 0 1 0 0

## SEAT ATECA

REPORT  
PROGRESS



## ATECA IS STILL PART OF SEAT'S RETAIL SUCCESS STORY IN 2018

**S**eat has been one of the star VW Group brands in 2018, with year-on-year registrations up 14%, or 6,253 units (to 50,490) by the end of September.

Ateca sales have dropped slightly this year, nudging just over 7,000 units compared with 8,500 in the same period in 2017, but retail demand has held flat and Seat's freshest and smallest SUV, the Arona, has ensured the brand remains in overall growth.

To support Ateca sales, Seat has introduced a four-year 0% APR offer in its Solutions PCP finance product, which runs until January 2. Alternatively, buyers can select a 6.3% APR PCP over the same duration, which is incentivised by a £1,750 deposit contribution.

In the past month, we've put another thousand miles on our Ateca and it got its chassis wet on a return journey from our briefing at the Birmingham NEC for exhibitors at November's Automotive Management Live, crossing the ford across the River Ise at Geddington in Northamptonshire. That aside, the furthest it has been off-road is parking on a front lawn, so sometime in the future it will explore my favourite rough track, from Heacham to Hunstanton in Norfolk.

I'm contemplating whether to visit a Seat workshop, too. On one recent occasion, the infotainment system failed to activate until about 10 minutes into a journey. And prior to that, the car rolled forward on my drive, leaving me unsure about the auto-hold function of the electronic parking brake. Both were one-offs, I'm sure. **TIM ROSE**



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(THIS MODEL  
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SEGMENT SHARE  
2.53%  
(SOURCE: SMMT)



55.4MPG



2.0-TDI 150PS

✓ NICE STYLING, POWERFUL  
ENGINE, RIDE HEIGHT

✗ INFOTAINMENT NIGGLES  
CONTINUE

CURRENT  
MILEAGE 0 2 3 0 3

START  
MILEAGE 0 0 0 9 4

## » GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Simon Parker,  
finance director  
at DM Keith group  
in Yorkshire,  
correctly identified  
the Vauxhall  
Chevette 2300 HS  
in our last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto:am@bauermedia.co.uk) with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, November 9.



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## We have the experts



This new series of 'Everything You Need To Know About...' videos enables AM commercial partners who are experts in their field to provide crucial advice and best practice for car dealers to implement in their businesses.

These short videos will be full of practical tips that will enable car dealers to manage and optimise this particular area of their business and ultimately drive improvements to the bottom line.

Brought to you by **AM**



[am-online.com/everything-you-need-to-know](http://am-online.com/everything-you-need-to-know)



## ADVERTISING FEATURE EXECUTIVE PANEL

# Industry professionals share their best advice on motor retail issues

### AUCTIONS

## Decision intelligence is king in remarketing

By Dene Jones, chief marketing and data officer, BCA



Sellers are always looking to improve their remarketing activity, whether that is in time to sale, conversion rate or price achieved, while professional buyers want access to accurately appraised and realistically valued stock so they can trade profitably. In short, decision intelligence is king in the remarketing sector.

Remarketing is about bringing these two groups together to balance supply and demand in the marketplace and, increasingly, the sector is turning to the advanced use of data to make that happen.

BCA has developed leading-edge machine learning algorithms to analyse and interpret vast amounts of historic and current market data to deliver valuable and timely decision intelligence to customers.

BCA has introduced new methods to analyse and deliver strategic intelligence to customers, improving conversion rates and driving up average selling values. BCA feeds professional buyers with comprehensive decision intelligence to purchase stock profitably, with a frictionless buying experience. Real-time access to this data improves first-time conversions and makes sure provisional bids are dealt with using the most up-to-date intelligence.

From the buyers' perspective, it means vehicles are accurately appraised and described, and valued in line with market sentiment. Personalised marketing strategies ensure that professional buyers are made aware of the vehicles they need to buy and which sales they need to attend, whether physical or online.

It may be a quiet revolution, but decision intelligence is changing the way the remarketing sector operates.

■ Visit [bca.co.uk](http://bca.co.uk) or call 0345 600 6644



### VALETING

## Autoclenz, more than just cleaning cars...

By Martin Peters, sales director, Autoclenz Group



Autoclenz's success has come from listening to dealers and creating a portfolio of services that can either save money, increase revenues or improve retail customer satisfaction. These are three very different boxes – or are they?

Saving money comes from the efficiency of having a specialist

outsourced company managing your valet bay, the economies of scale in supporting the operation, and transparent IT to track productivity and spending. This is also true with our cosmetic repair implant solution, which refurbishes your stock quicker, better and more cost-effectively.

Increasing revenues comes from the upselling of added-value services over the service desk. Whether this is the upsell of a valet or cosmetic repairs, we have customers 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.

Finally, to improved CSI. All of the above will certainly help with a customer's perception of your business. Our value-add portfolio includes 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 why a customer chooses you as opposed to your competition.

This month, our mobile diamond-cut alloy wheel van has launched, showing further innovation from Autoclenz.

■ For more information on the difference

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



### TALENT PEOPLE DEVELOPMENT

### RECRUITMENT

# SHOULD DEALERS TRY TO TEMPT HIGH STREET MANAGERS?

Are recent closures good news for staff-hungry motor retailers?

**T**he recent spate of high street retail brands entering administration or drastically reducing their footprints has meant shops such as Mothercare, Homebase, Toys R Us and House of Fraser shedding lower- and middle-management jobs.

According to Guy Liddall, the managing director of Motor Trade Select, there is still a shortage of management candidates in the motor retail industry, so could this pool of high street talent be a solution for dealer groups?

Unfortunately, explained Liddall, it's not quite as simple as that: "There are absolutely some transferable skills, but this is more possible on the shop floor level as a sales executive, or service adviser, as they can be fairly similar to another retail environment."

"However, when you get to management level, unless they get a lot of support at their induction it can be a tricky transfer and most struggle."

Karl Davis, the managing director of Coachworks Consulting, said there has always been a healthy cross-fertilisation between other retail sectors and automotive, but this is usually at two extremes – frontline staff or board level.

Davis said: "It's more challenging for middle managers coming out of a high street store and looking for something suitable in the automotive retailing sector, where buying skills and technical understanding are a prerequisite for positions such as sales and service managers."

Liddall said the difficult bedding-in period can lead many dealers to recruit those with specific experience at management level.

He said: "I'm sure a Formula 1 driver could fly a 747, but I wouldn't want to be on the first flight and that's the view of a

**I'M SURE A FORMULA 1 DRIVER COULD FLY A 747, BUT I WOULDN'T WANT TO BE ON THE FIRST FLIGHT. THAT'S THE VIEW OF A LOT OF DEALER GROUPS RECRUITING FOR MANAGEMENT ROLES OUTSIDE THE INDUSTRY**

**GUY LIDDALL, MOTOR TRADE SELECT**

lot of dealer groups that are recruiting for management roles from outside the industry.

"At dealer principal level, you have new, used, service, parts and bodyshop to manage and there are very few other retail management jobs that prepare for that level of complexity."

For those dealers considering focusing on recruiting at management level from outside the industry, Liddall advised dealer groups to look at their strategy.

He said: "Are you looking for a like-for-like short-term replacement? Or do you want to bring in a fresh perspective that will take some time and investment?"

"The biggest danger is the lack of experience and I've seen managers from outside the industry lose the respect of their teams as they can be made to look a fool very quickly."

TrustFord has a number of positions within the group that are held by those from high street retail, including

Sainsbury's, Argos, DFS and Barclays. The roles are across levels, including board and leadership roles, including HR, IT and marketing.

Stuart Foulds, TrustFord's chairman and chief executive, said TrustFord doesn't currently have dealership managers from high street chains that have recently gone out of business, but he would welcome applications from them.

Foulds said: "We recruit all roles, including those in management, both on experience and behaviour."

"Good communication, speed of service and the highest standards of customer care are crucial elements we look for. Though not limited to those with a retail background, these behaviours are often found in those who have worked on the high street."

Sue Robinson, director of the National Franchised Dealers Association (NFDA), said raising awareness of the sector and attracting talent from outside the industry is vital for the future.

She said: "High street retail positions usually offer lower salaries and less exciting long-term prospects compared with the automotive industry."

"The same benefits that are there for those starting their career in automotive retail are available to more senior people. These include a unique potential for career progression as well as a number of perks that are also often exclusive to our sector, for instance, owning a car."

Davis said it was important that the skills required for middle management level are learnt at an operational level first, including vehicle sourcing and technical expertise. He said these skills are not likely to be possessed by those managers from high street stores.

**TOM SEYMOUR**

### RESOURCES

#### SOCIAL MEDIA RECRUITMENT

Many HR and recruiting professionals are not equipped with the expertise to create a social media recruiting strategy. Andy Headworth aims to cover the essentials.  
[www.amazon.co.uk/Social-Media-Recruitment-Successfully-Integrate/dp/0749473703](http://www.amazon.co.uk/Social-Media-Recruitment-Successfully-Integrate/dp/0749473703)

#### PREDICTIVE ANALYTICS FOR HR

Authors Jac Fitz-enz and John Mattox II deliver a guide for HR professionals based on the power of analytics. The book can be used to support a range of businesses.  
[www.amazon.co.uk/Predictive-Analytics-Human-Resources-Business/dp/1118993670](http://www.amazon.co.uk/Predictive-Analytics-Human-Resources-Business/dp/1118993670)

#### RECESSIONAL RECRUITING

In an online white paper, jobsite.co.uk brings a guide to recessional recruiting based on the views of more than 4,000 employees and 500 HR managers from companies of different sizes, giving a real insight into both sides of the equation.  
[www.jobsite.co.uk/whitepaper/recessional\\_recruiting.pdf](http://www.jobsite.co.uk/whitepaper/recessional_recruiting.pdf)



**ADVERTISING FEATURE**

# One-stop total support from Secure Group

By Michaela Gunney,  
UK sales director, Secure Automotive Support



Whether your business is prestige brands or high-volume car sales, Secure can provide total support services tailored to your specific requirements.

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Secure Group operates in many automotive sectors – retail dealers, motor auctions, auto bodyshops, remarketing and defleet centres. We can also cover events – exhibitions, trade shows and special one-offs.

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■ For more information, call 01480 216700, or visit [www.secureplc.com](http://www.secureplc.com) or, alternatively, [www.autoimaging.co.uk](http://www.autoimaging.co.uk)



# TALENT ON THE MOVE



LEON CARUSO,  
VERTU MOTORS

Vauxhall's retail sales director, Leon Caruso, has left the brand to join Vertu Motors as group operations director.

He will be responsible for Peugeot, Hyundai, Toyota and Volvo franchises within the AM100 retail group, reporting to group chief executive Robert Forrester.

Vertu also hired Damien Rigby as head of fleet for its Mercedes-Benz division. Rigby joined from Arval and had also spent six years with Mercedes-Benz UK.

Caruso said: "I look forward to adding my experience to that of the established senior leadership team and using this to drive further business growth by ensuring we continue to meet and exceed the ever-changing needs of our customers."

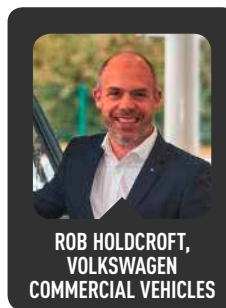
He is expected to bring a new perspective that will assist Vertu Motors in adapting to the forthcoming changes in the sector, such as new technologies and changes to the way vehicles get to market.

Replacing Caruso at Vauxhall Motors is Stephanie Howson, who has been with the brand since 1994.

She initially joined as an aftersales business analyst and has risen through the ranks of sales district manager, regional operations manager, national sales manager, marketing programmes manager and, most recently, national major group manager.

As the company embarks on its strategic PACE! plan to achieve profitability under new owners PSA Group, Howson will play a crucial role in working with Vauxhall Motors' retail partners.

"Together, our goal is to deliver the sales growth and brand reputation enhancement that our great products and services deserve," she said.



ROB HOLDCROFT,  
VOLKSWAGEN  
COMMERCIAL VEHICLES

Volkswagen Commercial Vehicles has promoted sales operations manager Rob Holdcroft to the post of national sales manager.

Replacing Iain Montgomery, who has left the brand to join FCA Group as sales director, Holdcroft previously worked within the Volkswagen Group's TPS (Trade Parts Specialist) brand, a role he took on in 2006.

In his new role, Holdcroft will continue to report to head of sales operations, James Douglas.



ANDY DRINKEL,  
MOTORVISE

MotorVise has expanded its team with the appointment of Andy Drinkel as its new head of dealer sales.

He joins the automotive retail services company having previously worked for Sherwood Vauxhall as group used car manager.

Drinkel has worked in the motor industry for 27 years and "truly understands" the ins and outs of car dealerships, according to MotorVise.

He joined MotorVise ahead of Sherwood's takeover by Drive Motor Retail.



RICHARD JONES,  
LLOYDS BANKING  
GROUP

Black Horse and Lex Autolease will be managed under a new combined leadership structure, led by Richard Jones.

Jones, the managing director of Black Horse, will oversee Lex Autolease – following Tim Porter's retirement – as managing director of Motor and Leasing.

During his 20-year tenure, Jones has driven the growth of Lloyds Banking Group by investing in dealer training, dealer support and digital and self-service options.

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# AM AWARDS: 2019

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# Welcome to this year's AM Awards sponsors

Preparations for the 2019 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 7, 2019.

There are 24 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career. Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar.

This year:

**Carwow is sponsoring the Manufacturer of the Year Award**

**Santander Consumer Finance is sponsoring the Best Used Car Dealer (independent/non-franchised) Award**

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

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



## EIGHT QUESTIONS TO...

# A PROJECT MANAGER

Louise Coates, of the Digital FordStore, Manchester Arndale Centre, on a new way of selling cars and always looking for a way to exceed buyer expectations



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

**COATES:** I am operationally responsible for the new Digital FordStore in the Manchester Arndale Shopping Centre, having managed it from the initial concept and store design, through to build and staff recruitment and training.

We have 15 'hosts' in store, specifically recruited based on their track record in delivering exceptional customer service, who are trained as product experts.

As well as ongoing responsibility for the team recruitment and training, I am the lead for the store analytics and vehicle management and ensuring the store retains a fresh feel.

Since we opened the store in July, we have seen more than 24,000 customers through the space. The concept behind the store is 'A New Way To Buy A Ford.' It is the first of its kind for Ford.

The permanent new concept store provides a relaxed, alternative environment where you can discuss your car needs with our friendly, knowledgeable store hosts.

You can also browse the Ford range on the large touchscreens in-store or on your own device and buy in-store or online via [buy.ford.co.uk](http://buy.ford.co.uk).

We have also now commenced test drives from the new Digital Fordstore.

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

**COATES:** Creating an environment which delivers exceptional customer experience 24 hours a day, resulting in conquest sales for Ford Motor Company.

More than ever, customers want to buy from companies they trust. We need to take our product to the customers, not wait for them to come to us.

The future challenges will involve integrating mobility solutions into the store, e.g. ride-hailing, electrification and ever advancing vehicle technologies.

### How might these challenges be overcome?

**COATES:** Delivering a great range of products at a fair price. More importantly, always looking for the opportunity to exceed customer expectations. Treat everyone as a potential Ford customer now or in the future.

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

**COATES:** Back in the 1990s, when I first left university, I worked in retail. I rolled out new concept shoe stores for British Shoe. At that point I had only worked in retail, which was always driven by a desire to provide exceptional customer service.

Throughout my career with Ford, I have always put the customer first, as I truly believe if you look after a customer and your product is good, they are more likely to be loyal to your brand. During my time as a regional manager at Ford, the biggest challenge I faced was growing our customer base, which is why taking the product to the customer is so important.

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

**COATES:** People are the most important element in any business equation. The relationships you build with your team, managers, customers and suppliers determine your success.

Empathy is important, the way you treat others. During my visits to dealers, I always made sure that I talked to the team on the ground as well as the management.

I am a fair manager, who leads by example; always do what you expect your team to do. **TOM SHARPE**

## QUICK-FIRE QUESTIONS

### What drives you?

To do my best in whatever role I fulfil. I want to work for a company that puts the customer at the heart of what they do.

I want to be a good example to my children; you need to work hard to achieve.

### What's your favourite app?

I love music, so I would have to say Spotify.

### How do you relax?

I enjoy taking my children on trips as often as possible. We are hoping to do a trip around Vietnam next summer.

# AM

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### THIS MONTH'S QUESTION TO THE AM TEAM:

What would you ask someone from the 23rd century to find out if it is a utopia or a dystopia?

### EDITORIAL

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► How much is a Rotherham United season ticket?

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► Has KFC introduced a quadruple bucket yet?

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► Do we have any flying cars?

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► Is Love Island still on?

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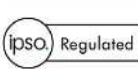
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# Head of Business

## John Clark Tayside



The John Clark Motor Group has an exciting opportunity for an experienced Head of Business to join John Clark Tayside BMW/MINI & MOTORRAD in Dundee. This is a crucial leadership role within one of the UK's most successful and ambitious motor industry groups during an exciting phase of development as 2018/19 sees our relocation to a new state-of-the-art, purpose-built showroom facility at Kings Cross in Dundee.

We are seeking an outstanding individual to lead our team and drive our business forward by delivering exceptional customer service. Here are some key responsibilities within the role:

- You will have a crucial leadership role within one of the UK's most successful and ambitious motor trade groups. Your remit covering sales and service volumes, profitability, employee satisfaction, customer satisfaction and loyalty levels bring you an excellent opportunity for personal and professional growth.
- You will be a vital part in developing the retailer strategy to increase revenue and profit in all areas of the business in accordance with the Group's growth plan, working with and developing our enthusiastic and skilled team to deliver the highest levels of customer experience.
- As Head of Business you will take full responsibility for managing the financial performance of the business to deliver on agreed budgets and manufacturer partner targets. Much more than that, you'll have the strategic vision, along with outstanding service standards and operational know-how, to create a truly world-class operation.
- You will work in partnership with senior managers to drive the operating standards, policy and procedures therefore you will have a proven track record of leading a large team, with impressive results in business performance.

This role will be reporting directly to the Divisional Franchise Director ensuring the business is adequately staffed, detecting and supporting training needs and ensuring dealership compliance with company policies and industry guidelines are also key objectives.

For the right candidate we are open to supporting relocation, if required, along with offering an excellent salary and bonus package with additional outstanding benefits including a company car, contributing pension fund, health insurance for self and family and life assurance.

***Please note we can only accept applications from candidates who are eligible to work in the UK without Sponsorship. Verification of your Right to Work in the UK should be included with your application.***

**Contact Jade Hazard Ritchie 07384 259480**

***Closing date 30th November 2018***