

AM

AUTOMOTIVE MANAGEMENT

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AM AWARDS / P10

New categories and now open for your entries

JCT600 / P26

John Tordoff is building franchise relationships for the future

ELECTRIC VEHICLES / P43

Drivers of the market growth and what they mean for dealers

STEPHEN NORMAN – VAUXHALL / P36

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EDITOR'S LETTER

Our annual Automotive Management Live (AML) show at Birmingham NEC is now less than 12 weeks away and I'm really excited to see how it is shaping up. Our industry continues to evolve and many of the exhibitors and presenters have some fascinating ideas about how we'll be working in the next couple of decades.

So I was heartened by the latest report from the ICDP into the motor retail sector, examining the disruption to the way new cars are sold and serviced. Its managing director Steve Young will share more detail at AML, however from ICDP's work with manufacturers it has concluded physical outlets are not consigned to the fate of dinosaurs. Franchised networks will change, and dealers will require scale and the ability to sell services which include the provision of a product, rather than selling the product as has been done for decades.

Young makes a particular point: "Although OEMs will lead these changes, there are actions that can be taken now by dealers, independent aftermarket players and technology and service providers to prepare for the forthcoming changes. Failure to do so may result in better-prepared competitors winning the battle."

I hope you will attend AML on November 8 and join in the debate. Shouldn't everyone in automotive management roles have a view about what the future holds for our industry?



MEET THE TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor



Stephen Briers
Editor-in-chief



Jeremy Bennett
Head of digital/
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DVLA URGED TO CLEAR UP V5C DATA ISSUES

GDPR legislation means less data is available but trade fears lack of transparency could have far-reaching implications

The National Association of Franchised Dealers is leading calls for the DVLA to create a "work-around" after the GDPR prompted the removal of previous keepers' details from vehicles' V5c documentation.

Fears that the lack of transparency resulting from the removal of vital provenance data will result in an increased workload and expense for used car retailers, a rise in clocked vehicles slipping through the net and the minefield of potential mis-selling litigation have all been cited in a bid to see a partial-repeal of the legislation changes.

Three months after the move came as part of the authority's efforts to comply with the EU's General Data Protection Regulation (GDPR), retailers have spoken out about the need to find a solution for the issue, with one warning that "the motor trade and general public are now, more than ever, at risk of fraudulent activity".

The NFDA's head of business development, Louise Wallis, has vowed to pursue a work-around for members and retailers alike. She said: "We believe that the changes to the V5c documentation are a real problem for retailers and a huge problem in the fight against mileage fraud."

Wallis added: "As its stands we have had a meeting with the DVLA and they have gone away to consider our concerns.

"They believe that it's a GDPR issue, but they have said that they will explore the possibility of a more efficient work-around. Sadly, I suspect reaching that point won't be quick."

Clocked cars and added cost

Cap HPI have warned of a flood of clocked cars into the used market and a further drain on margins as dealers battle to protect their reputations through the ever-greater employment of now costly provenance checks.

The vehicle data expert, which owns The National Mileage Register (NMR) – a database containing more than 265 million vehicle mileages from a number of sources including VOSA, auction houses and the DVLA – said the V5c changes would have a direct financial impact on the dealer network.

Cap HPI said in December last year that car clocking as an illegal practice had jumped 25% since 2014 and the NFDA has estimated that the issue costs dealers and subsequent owners £1.5 billion-a-year.

It pointed out that the inclusion of only the current keeper's data on the V5c means that where a full mileage investigation is required, it must now contact the DVLA and pay a fee for the previous keeper's details.

On average, HPI Check data identifies a mileage discrepancy in one in 16 vehicles, a hidden problem in one in three cases and a 'plate change' in one in five cars.

Wendy Swaine, head of retail at Cap HPI, said: "This change could have broader implications for the dealer



network. With the potential of increased cost to dealers, there is a risk that some may opt to forego a mileage investigation, opening themselves up to accidentally making a risky purchase, and then potentially being hit by the reputational damage to their business when the fraud is uncovered.

"It's potentially a double whammy for dealers, the industry and the consumer, which is why we are urging the DVLA to look at the wider ramifications."

Jonathan Allbones, operations director at Sytner-owned used car supermarket group The Car People, said that it had to "stand an additional cost in mileage investigations".

Allbones said he felt that the move by the DVLA was the correct one, adding that he was "always concerned that private individuals' data was openly on these documents".



“THE DVLA HAVE SAID THEY WILL EXPLORE THE POSSIBILITY OF A WORK-AROUND. SADLY I SUSPECT IT WON'T BE QUICK
LOUISE WALLIS, NFDA



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Retailers operating on a smaller scale might have their resources stretched further, however. Mark Mallender, the owner of Triple M Vehicle sales, near Barnsley, said: "The DVLA have got it wrong. I like transparency, I believe both dealers and the general public have a legitimate interest to know the previous ownership details."

A DVLA spokesman told the *Daily Mail's* This is Money website that there was no reason why removing the previous keeper from the V5C should result in an increase in fraud.

He added: "We believe the processes in place strike the correct balance between protecting the personal data of our customers while maintaining the availability of information about vehicles to those with a legitimate right to receive it."

Mis-selling litigation

An industry still smarting from threats of large-scale litigation over the alleged mis-selling of former business use vehicles as having had "one owner" is clearly keen to see a solution which will fill the blanks created by the DVLA's new stance.

In last month's *AM*, Loughborough University's Jim Saker highlighted that the change to V5c documentation had been made against the backdrop of the Glyn Hopkin/FCA

case, where the Advertising Standards Authority held that "retailers' adverts of used cars must specify whether the vehicle being marketed had previously been used for business purposes as part of a fleet where the relevant retailer is aware of this fact" (NFDA Briefing Paper March 2018).

Saker concluded that best practice would be to ensure that a customer signs to say they have seen the V5.

Glyn Hopkin operations director Stuart Hodson agrees, although it's not something he's always been comfortable with.

He said: "I think it's a step backwards and another layer of complexity to wrestle with in a business that is already getting harder and harder."

Hodson added that while Glyn Hopkin, in common with many other franchised retailers' used car forecourts, is stocked with part-exchange or nearly-new vehicles, for which they know the provenance, the DVLA's data omission was storing up issues for those who handle cars later in the lifecycle.

Hodson once again asserted that the Alfa Romeo Giulietta cars that sparked the ASA ruling on used car descriptions in a bid to stamp out mis-selling were actually sale-or-return cars from the FCA Group that

had previously been used in its business fleet.

The case had prompted Glyn Hopkin to stipulate that its used cars may have had multiple users, however, although Hodson conceded "we're not confident that it's foolproof."

In January Damon Parker, head of litigation at Marcus Sinclair, told *AM's* sister title *Fleet News* that more than 4,000 motorists had been in contact over the alleged mis-selling of a business use vehicle.

This month Parker told *AM* that the litigation had now been whittled down to around 2,000 consumers, with the law firm now left "scratching our heads as to whether this is viable".

He said: "We don't want to pursue cases where it might be a matter of Mr and Mrs Smith say this person said this and this. Those sorts of cases are unpredictable in terms of who a judge is going to believe."

Parker was in little doubt about the effect of the DVLA's interpretation of the GDPR, though.

He said: "There is no good GDPR reason for not telling someone who previously owned their car. But as a result of the DVLA's move there is much less incentive for a retailer to tell you."

TOM SHARPE

ADVERTISING FEATURE

Prospecting your customer database

Try this technique for converting more suspects into prospects, says Simon Bowkett of Symco Training



If you are nervous about killing your database because you are phoning the same people again and again about getting them out of their current car and into a new one, here's a technique that's a little bit different, but works really well.

Word track

"Hello, is that Mr Customer? It's Simon from Symco Motors. It's just about your [model]. I haven't caught you at a bad time, have I? The reason for the call is that we're in discussions with [manufacturer] at the moment, to find out what it would cost to get customers out of their current [model] into the brand new one and keep their monthly outgoings there or thereabouts. I don't need you to come in and see me, I was just wondering... can I use you as a guinea pig? All I need is your permission to get a settlement figure. So before I go, what's the condition of your car, on a scale of one to 10? And what's the mileage? OK, great! Thanks, I'll give you a call with the results."

Notice that I've said "monthly outgoings there or thereabouts", not "monthly payments the same", because of course they are likely to be higher. When you ultimately get them into the showroom, that's when you will need to draw on the 'dead money' technique that I explained in a previous article – the fuel savings and so on that help to offset the payments on the newer car.

No resistance

Because you are not actually trying to sell anything, you are unlikely to get any resistance to your request. If you do get someone saying something like, "Er, we're emigrating to Australia, so there's really no point", at least you know it's not going to be worth a second call. But for the vast majority of customers, now you can do a bit of homework. Speak to your sales or business manager. Work out what it would cost to get customers into that newer car.

Second call

Then you can make the second call. This is where you get the customer to come in to the showroom for an appointment. To find out how to structure this call, watch my new sales training video on the AM website this month (www.am-online.com/symcotraining, or at www.symcotraining.co.uk). It could make a significant difference to the number of cars, and the money you earn, each month.

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THIS MONTH'S NEWS HIGH

JUL

18th

DDC TAX BREAK FOR FIRMS

HM Revenue & Customs (HMRC) outlined in its Revenue & Customers Brief 7 (2018) that dealer deposit contributions (DDC) are not subject to VAT and invited companies to make a claim to recover overpaid output tax.

NEW REGISTRATION SYSTEM SET TO LAUNCH

The DVLA's new cloud-based first vehicle registration system will replace the current system by February. The FCA Group and Mazda UK trialled the new 'register a vehicle' service, which is designed to make the first registration process "simpler, quicker and even more user-friendly".

30th

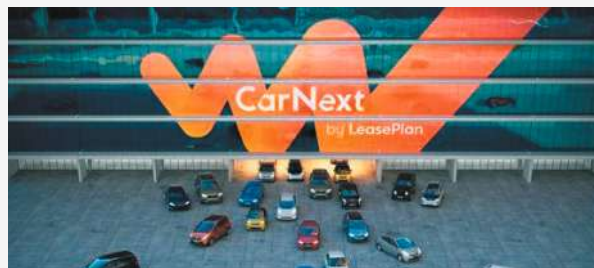
GO VAUXHALL CLOSES TWO DEALERSHIPS

A Vauxhall spokesman confirmed that Go



Vauxhall had closed its dealerships in Stafford and Wednesbury, stating that its franchise partners would be "more than capable of meeting the needs of our customers in the area". The spokesman said all dealership staff, "bar one or two", had gained alternative employment.

31st



NEW ONLINE CAR SUPERMARKET LAUNCHES

LeasePlan UK launched its CarNext.com online used car supermarket. Customers can choose a delivery location or pick up or test drive a car from the brand's "delivery store" in Milton Keynes. Volkswagen Financial Services UK also launched its Rent-a-Car service in July. Prices start from around £33 a day.

AUG

1st



SCOTTISH DEALERSHIPS CHANGE HANDS

Eastern Holdings, the parent company of Eastern Western Motor Group, added Mazda and Volkswagen dealerships in Dundee and a Volkswagen franchise in St Andrews with the acquisition of Barnetts Motor Group. John Clark Motor Group acquired the Barnetts Volvo Dundee franchise in a separate deal and Eastern Western acquired John Clark's Nissan businesses in Dundee and Perth.



MOTORLINE ACQUIRES EAST KENT AUDI

Motorline Group joined the Audi franchise with the acquisition of East Kent Audi from Inchcape. The acquisition brings the total number of dealerships operated by Motorline to 53.



1st



FIVE NEW PARTNERS JOIN MG MOTOR UK

MG Motor UK appointed five new partners to bring its number of franchised sites to 81. Joining the MG network are: Crayford & Abbs, Norfolk; Thomas & Davies, Merthyr Tydfil; McMillan Motors, Greenock; Jermyn & Sons, Seaford; and FG Barnes, Canterbury.



DEALER PROFITS SLUMP

Pendragon blamed a faltering UK motor division for a 41.4% fall in underlying pre-tax profits, by £20.1 million to £28.4 million, in H1. Inchcape UK's trading profits were also down "significantly" over the period. Chief executive Stefan Bomhard said the group's

premium brand mix had suffered from a "significant decline in diesel demand".



NO NEW BMW DEALERSHIP FOR HALLIWELL JONES

Planning officials refused Halliwell Jones permission to develop a new Wilmslow BMW dealership, deeming the plans "detrimental" to a nearby buildings and wildlife. The dealership, which would face Kiln Croft Lane, Handforth, was lined-up to replace existing showrooms in Wilmslow.

BMW EXAMINES EGR ON DIESEL MODELS

BMW UK is embarking on a technical campaign to examine its diesel vehicles' exhaust gas recirculation modules after the brand made the decision to recall 324,000 cars across Europe due to a risk of engine fires. A spokesman for BMW UK told AM that it would investigate affected cars in the UK, replacing the EGR "where necessary".

6th

7th

9th

ADVERTISING FEATURE

How video will help online used car sales

By Alistair Horsburgh, CEO, CitNOW



With 2018 set to be the year of the used car, retailers need to adapt to maintain a strong used car performance. From understanding changing consumer attitudes to preparing to take advantage of a changing retail environment, the time to be laying foundations is now.

New consumer research undertaken by CitNOW found more than half of customers believe an online video tour of a used car for sale is an essential part of the used vehicle listing. A further 7% pro-actively request a video when one isn't immediately received.

Although the number of consumers who would buy a car having only received a video tour of it are currently low, at 5%, the figure rises to 12% among 18-24 year olds. A further 30% said they may consider doing so, reflecting the growing acceptance and reliance of video.

The research shows that if the used market performs as well as it did in 2017 when 8.1 million vehicles were sold, the use of video could result in up to 2.8m sales from customers who never set foot in forecourts.

With many tools now available, used car pricing is accurate and accessible, giving consumers the confidence they are paying the right price. Good digital assets help an online ad stand out. Video provides the final piece of the jigsaw, increasing transparency and demonstrating that the vehicle's online description matches what is on the forecourt.



AAM

AWARDS : 2019



TrustFord,
Best Digital Campaign, 2018



Devonshire Motors,
Best Dealership, 2018



Norton Way,
Best Fleet Operation, 2018



Volvo,
Manufacturer of the Year, 2018



Mercedes-Benz,
Manufacturer of the Year, 2016



Ford,
Manufacturer of the Year, 2015

MAKE YOUR BUSINESS STAND OUT FROM THE CROWD

MAKE

JOIN THE AWARD WINNERS

Put your business forward to win the honour of the industry,
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Infiniti Newcastle,
Most Improved Dealership, 2018



Hatfields, Best Retail Group
(up to 10 sites), 2018



Sytner,
Retailer of the Year, 2018



Barnetts Volkswagen,
Best Dealership, 2014



Arnold Clark Automobiles,
Retailer of the Year, 2016



Peter Vardy,
Retailer of the Year, 2017

YOUR TEAM FEEL VALUED



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Hendy Group Retail CV Team,
Best Sales Team, 2016



John Clark Motor Group, Best Training
and Development Programme, 2016



Marshall Motor Group,
Best Use of Social Media, 2017

The 2019 AM Awards is now open to entries. Put your businesses and your employees forward to receive independent recognition of their skills and excellence from our panel of judges. The finalists will gather at the prestigious AM Awards gala dinner on February 7, 2019, at the ICC in Birmingham, where AM will reveal the winners and celebrate all who made it to the final shortlist.

Join the host of motor retailers – large and small – who've collected our exclusive AM Awards over the years. The categories are outlined here, but full details and the online entry system are at am-awards.co.uk

The deadline is October 26th. Good luck!

“An award win highlights your expertise. It gives you something to announce and, often a winner's logo to affix to your website. This provides external validation, acting as a stamp of quality. Furthermore, by entering or even winning the right awards you can show customers that you share their views and embody their values. It increases your credibility in their eyes and acts as a differentiator.”

Source – Chartered Institute of Marketing

ENTRY DEADLINE **FRIDAY OCTOBER 26TH**



Swansway Group,
Excellence In Aftersales, 2017



Jardine Motors Group, Excellence
In Customer Service, 2017



Volvo Cars North London,
Most Improved Dealership, 2017

“Award winners say this has helped them to acquire new talent, raise their brand profile and improve client relationships. Furthermore, it appears that you don’t need to win in order to reap the benefits. Even organisations who have only ever been shortlisted and never won report returns on their awards investment.”

*Source – global awards
research consultancy
Boost*

AM JUDGING PANEL



Stephen Briers,
editor-in-chief, *AM*



Tim Rose,
editor, *AM*



Jeremy Bennett,
associate editor, *AM*



Piers Trenear-Thomas,
industry analyst



Steve Young,
managing director,
International Car
Distribution
Programme



Steve Nash,
chief executive,
Institute of the
Motor Industry



Professor Jim Saker, director of
the Centre for
Automotive
Management,
Loughborough
University's
Business School




Ray Sommerville,
industry veteran,
former chief
executive of Perrys

BDO AUDITORS



This will be our fifth year of involvement and we are pleased to bring our experience of more than 25 years working with motor retailers to support *AM* in its recognition of the stars of the UK motor industry. Each year, we have been impressed by the quality of the entries. We look forward to auditing this year's entries and listening to the innovative ideas and success stories.

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THE 2019 CATEGORIES

(* = audited by BDO)

Best Use of Social Media

Demonstrate how you engage with consumers in a strong, innovative way that creates a tangible benefit to your business.

Best Website

Is yours more than merely an online shop window? Entrants should consider their website to be a multi-faceted tool, keeping consumers informed, promoting your products and services effectively and enticing buyers to further their relationship with you.

Best Marketing Strategy

Marketing should help you to build your brand as well as to find new customers and help you to grow sales in the short term.

Sponsor: Motors.co.uk

Best in Customer Service

Entrants should have a customer-centric culture and take pride in strong satisfaction scores, but never allow complacency and react robustly to fix the situation whenever things go wrong.

Sponsor: EMaC

Best Aftersales Team*

Open to franchised workshops and independent repairers, entrants will have high performing teams of service reception, workshop control and technical staff who deliver great returns for the dealership.

Sponsor: Glechniq

Best Sales Team (new and/or used)*

This award acknowledges the power of multiple individuals working together towards an acknowledged goal in a new and/or used car or van sales department in the past 12 months.

Sponsor: Barclays Partner Finance

Best Fleet or Local Business Dealer*

We're looking for entries from motor retailers that provide top quality service levels to either the large fleet or SME business markets.

The Community Hero award

We want to recognise dealerships which are deeply rooted in their communities, which support local causes and organisations, and which have a culture of giving something back.

Most Improved Dealership*

Driving a business from being good to becoming great or turning around a poor operation deserves recognition, so share your story with our judges.

Best Used Car Dealer (independent non-franchised)*

Retailing second-hand cars demands a host of skills and processes, from stock acquisition and preparation to marketing and protecting profit margins. We seek entries from independents and car supermarkets that show strength in all these aspects.

Sponsor: Santander Consumer Finance

Best Used Car Dealer (franchised)*

Pre-owned cars should not be the poor relations for franchised dealers keen to win this award. Entrants should evidence strength in stock acquisition and preparation, marketing, sales and profits.

Sponsor: Autoclenz

Best New Dealership*

Open to outlets opened or brands added since January 2017, this award aims to celebrate the early wins of young businesses and recognise the effort and talent required to make a success of start-ups.

Best Dealership*

This category is open to single-site owner-operators and to best performing dealerships within a larger group network, to reward strong performance across sales, marketing, aftersales and administration.

Best Dealer Group (up to 10 sites)*

Brand specialists or regional heroes apply here. Entrants should be high quality businesses with strong sales and aftersales results, a culture of success and the financial rewards to show for it.

Sponsor: Diamondbrite Automotive

Best Dealer Group (more than 10 sites)*

Here we recognise great large groups. Entrants should be high quality businesses, with strong sales and aftersales results, a culture of success and the financial rewards to show for it.

Sponsor: DSG Finance Services

Used Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: Car Care Plan

New Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: Supagard

Franchise Partner of the Year

Selected by a combination of readers' and judges' votes.

Best New Product and Service

Open to industry suppliers who are helping to change dealers' fortunes. We expect to see innovation and measurable results, including examples of beneficial use by your customers.

HEADLINE AWARDS

The AM People Investor Award

Companies which regard the development of its workforce as an investment, not a cost, should enter this category. The judges will want to see your training and development strategy, understand how skills are developed and see evidence of the resultant benefits to the business.

Dealer Principal/General Manager of the Year

The judges will be looking for a dealer principal or general manager who has demonstrated excellent leadership skills, ambition, drive and innovative thinking that has helped the dealership achieve business objectives such as sales volumes, profitability, customer satisfaction/loyalty and employee engagement/retention.

Supplier of the Year

Open to entries from industry suppliers making a significant difference to dealers' fortunes. Entries will be reviewed and voted upon by readers' and the judging panel.

Dealer Group of the Year

The ultimate accolade for the best business performance and culture. Selected by the judging panel.

Manufacturer of the Year

This award recognises vehicle manufacturers which are developing and delivering the best products and technology consumers could want now and in the near future. Nominated and voted upon by the judging panel.

Sponsor: Carwow

Business Leader of the Year

To recognise strong leadership, vision, visibility and accountability at the highest level. Nominated and voted upon by the judging panel.

Sponsor: Premia Solutions

AM Hall of Fame

We recognise someone who has made an outstanding contribution to the automotive industry during their career. The recipient is chosen by AM's editor Tim Rose and editor-in-chief Stephen Briers.

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SLUMP IN UK PRODUCTION SPARKS WORRIES

Diesel remains biggest concern but other sectors are suffering from turmoil too

The headline figures for July were as expected: the car market was up 1.2% for the month and down 5.5% on the year to date. However, a much more startling number came from a different source: UK car production for domestic consumption fell by a remarkable 47.2% in July. Given that UK car production had been rising steadily from 2009 to 2016, that is a worrying number. It should be said that production for exports was up by a modest 6.0% (most of which went to Europe), so 88% of total UK production last month was for export – a record figure.

That hints at considerable turmoil in the UK market. Partly it was because of random external factors: car production is more volatile than usual at present because car manufacturers are trying to homologate all their models for the new WLTP fuel consumption and emissions test that will replace the current, discredited, NEDC cycle in September 2018.

That means there is no point in making cars now that can't be sold after September. In addition, virtually all Nissan's UK production is of models that are approaching the end of their lives – such

as the Juke and the Qashqai. However, that does not account for all of the decline.

CONSUMER CONFIDENCE ON THE SLIDE

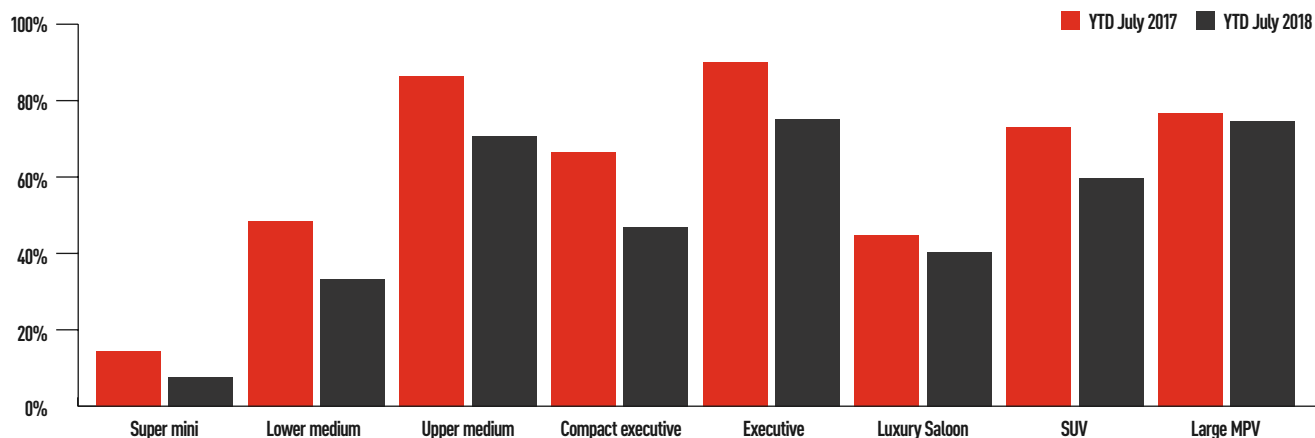
Diesel continues its plummet to earth – it has fallen by 29.6% YTD, and by 37.4% compared to the same period of 2016. Another big change has been the sales pattern of premium cars. Some have said that premium brands are falling because of the move away from diesel, but that is not quite true. A closer analysis of premium brands in the relevant sectors (see table) shows that premium brands are still slightly out-performing the overall market with an overall decline of only 0.54%. But performance

varies wildly across the segments. In the compact executive market (down 20.0%), every model except for the Volvo S60/V60 has fallen, with the Jaguar XE being the worst performer (down 63.3% YTD). Executive saloons and estates are doing slightly better than the overall market (down 0.74%), as are premium sports cars (down 2.3%), but luxury saloons are suffering (down 15.1%). The one part of the premium market that is still doing very well is luxury SUVs, which are up 13.3% in a falling market. All the major models saw volume increases, except for the Discovery which is down 33.8% YTD – a lot of buyers seem to be heading to the Velar instead. Positioned as the “designer” Range Rover, was the Velar really intended to outsell the stalwart Discovery by 29% YTD?

The economic background to the car market is certainly not encouraging. In July the GfK consumer confidence index fell to a score of -10 (the percentage of people feeling optimistic about their economic situation minus the percentage feeling pessimistic), and the overall figure for people's expectations of the UK economy over the next 12 months was -26. For reference, the worst recorded score was -39 in 2008, so consumers think we are heading for a

GIVEN ITS TWO BEST-SELLING MODELS (THE 500 AND THE 124) LOOK LIKE CLASSICS FROM THE 1950s AND 60s, IS FIAT NOW PRINCIPALLY A RETRO BRAND?

DIETAL SHARE BY SEGMENT



SPONSOR'S COMMENT



By Richard Jones,
managing director,
Black Horse

The Government recently published its Road to Zero strategy – it is a good document and much more

balanced than some of the focus and messaging we have seen on the subject.

It's realistic in that it recognises the important role that petrol, diesel and hybrid vehicles will continue to play in the next 15 years or so. This is a point often missed in public debate on the future of fuel technology, so it was refreshing that this acknowledgement was made. Of course, if we have more stability for traditional fuels in this time, this means manufacturers can continue to invest in their improvement, which is for the benefit of us all.

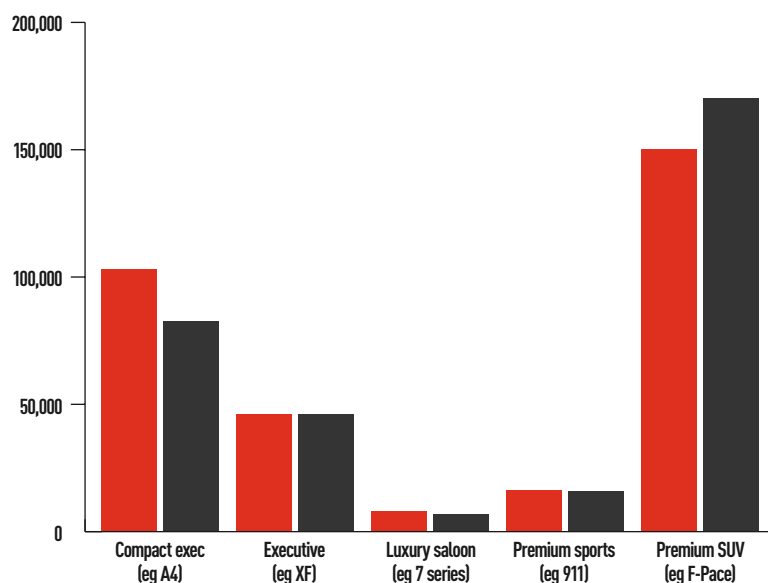
The point on balance, though, is that this is combined with a clear drive to get the country truly ready for the inevitable long-term shift to electric vehicles. By that, I mean proper recognition of the scale of infrastructure and corresponding investment that is needed before we can confidently expect wide-scale adoption.

I believe the target dates in the paper are generally fair, but to achieve them, we need three key elements to align. Infrastructure, consumer demand and vehicle supply must all progress at a similar pace or, at the very least, arrive at the right destination at the right time. None of these will just happen, nor will they do so overnight.

While the Road to Zero strategy confirms that the wheels are in motion in addressing these, we know all are a long way off. Take consumer demand, for example – Norway has been investing in and heavily incentivising electric vehicles for almost a decade, but EVs still only make up about 25% of its new car sales market. To me, this suggests that even if the UK offers grants, free parking, use of bus lanes and so on for EVs, it will still take time for everyone to make the switch. For now though, we should welcome this important step forward.

We should also remember that the most effective way to reduce emissions in the next five years is to get older vehicles off the roads, replaced by newer Euro 6 vehicles, whether they are petrol, diesel, hybrid or EV.

PREMIUM SEGMENT SALES YTD JULY 2017 VS 2018



situation two-thirds as bad as the worst post-war recession we've seen.

That might imply that consumers will be more modest in their car-buying habits, but the data is mixed on that score. Registrations of city cars have fallen by 14% YTD, which might seem odd – if people are short of money and confidence, won't they buy the smallest and cheapest car? In fact, city cars are often second cars, so sales can suffer when confidence falls: if consumers can only afford one car, they probably want something bigger than a Toyota Aygo. Superminis (down 3.3%) and lower medium cars (down 4.8%) both out-performed the market, which is what one would have expected – sensible, affordable cars will do better when confidence is low. However, the reason for their robust performance was the rise in crossovers – up 19.7% YTD in the case of superminis and a whopping 32.2% YTD in the case of lower medium cars (the biggest winner being the new VW T-Roc). Is this a case of the crossover being the affordable treat for car buyers? Their costs on a PCP are barely higher than an equivalent hatchback, and they give the impression of being out of the ordinary – although with crossovers now taking 29.4% of all lower medium sales, how much longer crossovers will stand out is an open question.

As we have seen, there still seems to be plenty of confidence at the top of the market. As well as booming sales of luxury SUVs, there is plenty of demand for supercars. Lamborghini

is enjoying the fastest growth of any brand, with sales up by 298% to 342 cars YTD (it wasn't that many years ago that 100 cars a year was a distant dream for the company), while McLaren is up by 42% to 458 units YTD. Unfortunately, no one appears to have told Maserati – sales were down by 20.8% to 847 units. Fiat's hope of positioning Maserati as a mainstream premium brand against the top half of the Audi, BMW and Mercedes ranges is looking increasingly forlorn.

POOR YEAR FOR MAINSTREAM BRANDS

Meanwhile, back in the real world, it is turning into a poor year for traditional UK mainstream brands. Ford has lost 0.9 percentage points, Vauxhall 0.5 points and Nissan 1.6 points. There are no prizes for guessing who picked up sales – VW grew by 1 percentage point, and Audi, BMW and Mercedes are all neck-and-neck in fourth place, just 0.5 percentage points behind Vauxhall. While unlikely, it is conceivable that Vauxhall could be down in sixth place in the sales chart next year. However the company in the most serious situation is Fiat. The 500 now takes 70.6% of sales, and all the remaining models (500L, 500X, Panda, Tigo, 124, Qubo, Doblo and even a few Puntos) accounted for a total of 7,500 registrations YTD – fewer than Porsche or Lexus. Given that its two best-selling models (the 500 and the 124) are designed to look like classics from the 1950s and 1960s, is Fiat now principally a retro brand? **DAVID FRANCIS**

NEW CAR REGISTRATIONS

Consumers hunt deals ahead of September

Strong manufacturer support for new car offers ahead of the September introduction of WLTP and RDE emissions and fuel consumption tests was credited for a 1.2% rise in registrations during July.

Another 163,898 cars joined the UK's roads during the month. Registrations to businesses fell by -10.2%, but sales to private buyers rose 0.1% on the same month in 2017. Fleet demand grew 2.6%. Year to date, the market remains down on 2017 by 5.5%, which the SMMT said is "broadly in line with expectations". It predicts a 2.436 million new car market for 2018.

Sue Robinson, director of the National Franchised Dealers Association, was in no doubt July's strong showing had resulted from a push on vehicle stock tested under the previous NEDC regime. She said: "With the introduction of Worldwide Light Vehicles Test Procedure (WLTP) in September, we expect a strong month for new and nearly new vehicle sales in August as consumers will have the opportunity to find good deals in the sector."

"It is important to consider a number of factors such as WLTP and VED have been affecting the market this year and will continue to do so over the next few months."

1 PEUGEOT

Registrations were 14.4% or 700 units up on July 2017. Demand rose for the 308 and 2008 in fleet by 103% and 49%, and in retail the 3008 and 2008 performed strongly with 37% and 58% growth.

2 SUZUKI

A 61.9% rise year-on-year in July has pulled Suzuki into the black with 1.5% growth year to date. July's best performers were Swift in retail and in fleet, up 94% and 325% respectively, while Vitara also increased fleet orders by 63%.



3 LAND ROVER

With a network packed with pre-registered stock, and reliant on diesel SUV demand, its registrations slumped 27% from July 2017. Discovery Sport was the culprit, down 60%.

Marque	July					Year-to-date				
	2018	% market share	2017	% market share	% change	2018	% market share	2017	% market share	% change
Volkswagen	16,761	10.23	14,094	8.70	18.92	130,147	8.81	122,121	7.81	6.57
Ford	16,028	9.78	16,934	10.45	-5.35	161,569	10.93	185,250	11.85	-12.78
Audi	13,460	8.21	12,896	7.96	4.37	102,723	6.95	102,615	6.56	0.11
Vauxhall	11,781	7.19	11,528	7.12	2.19	109,731	7.42	124,015	7.93	-11.52
Mercedes-Benz	11,395	6.95	11,617	7.17	-1.91	102,737	6.95	110,174	7.05	-6.75
BMW	9,978	6.09	9,083	5.61	9.85	102,374	6.93	101,721	6.50	0.64
Kia	7,369	4.50	7,155	4.42	2.99	58,875	3.98	57,805	3.70	1.85
Toyota	6,632	4.05	6,410	3.96	3.46	63,031	4.26	62,838	4.02	0.31
Nissan	6,312	3.85	9,786	6.04	-35.50	65,893	4.46	94,871	6.07	-30.54
Hyundai	5,966	3.64	6,187	3.82	-3.57	57,007	3.86	56,287	3.60	1.28
Seat	5,689	3.47	4,171	2.57	36.39	41,585	2.81	33,662	2.15	23.54
1 Peugeot	5,561	3.39	4,861	3.00	14.40	50,550	3.42	52,407	3.35	-3.54
Škoda	5,546	3.38	7,031	4.34	-21.12	47,943	3.24	49,589	3.17	-3.32
2 Suzuki	4,519	2.76	2,791	1.72	61.91	24,983	1.69	24,608	1.57	1.52
Volvo	4,381	2.67	3,404	2.10	28.70	27,986	1.89	27,923	1.79	0.23
3 Land Rover	3,843	2.34	5,265	3.25	-27.01	45,275	3.06	50,940	3.26	-11.12
Honda	3,636	2.22	3,840	2.37	-5.31	33,293	2.25	33,067	2.11	0.68
Citroën	3,431	2.09	3,206	1.98	7.02	31,678	2.14	33,055	2.11	-4.17
Mini	3,351	2.04	3,007	1.86	11.44	37,476	2.54	37,995	2.43	-1.37
Renault	3,196	1.95	3,592	2.22	-11.02	37,832	2.56	44,416	2.84	-14.82
Mazda	2,522	1.54	2,477	1.53	1.82	24,403	1.65	25,038	1.60	-2.54
Fiat	2,286	1.39	1,935	1.19	18.14	22,232	1.50	30,630	1.96	-27.42
Jaguar	2,234	1.36	2,200	1.36	1.55	20,386	1.38	22,590	1.44	-9.76
Mitsubishi	1,513	0.92	1,035	0.64	46.18	11,644	0.79	9,951	0.64	17.01
Dacia	1,366	0.83	1,460	0.90	-6.44	14,983	1.01	15,847	1.01	-5.45
MG	813	0.50	305	0.19	166.56	5,099	0.35	2,298	0.15	121.89
Lexus	784	0.48	843	0.52	-7.00	7,692	0.52	7,285	0.47	5.59
Porsche	758	0.46	1,048	0.65	-27.67	9,632	0.65	8,605	0.55	11.93
smart	535	0.33	769	0.47	-30.43	4,366	0.30	6,756	0.43	-35.38
Abarth	305	0.19	275	0.17	10.91	3,344	0.23	2,568	0.16	30.22
Jeep	299	0.18	434	0.27	-31.11	3,800	0.26	4,226	0.27	-10.08
Alfa Romeo	261	0.16	324	0.20	-19.44	2,798	0.19	3,025	0.19	-7.50
Bentley	246	0.15	121	0.07	103.31	1,079	0.07	1,089	0.07	-0.92
DS	216	0.13	523	0.32	-58.70	4,112	0.28	5,669	0.36	-27.47
SsangYong	132	0.08	175	0.11	-24.57	1,757	0.12	2,451	0.16	-28.31
Aston Martin	121	0.07	84	0.05	44.05	810	0.05	1,066	0.07	-24.02
Maserati	117	0.07	106	0.07	10.38	847	0.06	1,069	0.07	-20.77
Subaru	112	0.07	152	0.09	-26.32	1,739	0.12	1,564	0.10	11.19
McLaren	68	0.04	57	0.04	19.30	458	0.03	321	0.02	42.68
Infiniti	28	0.02	340	0.21	-91.76	579	0.04	2,472	0.16	-76.58
Lotus	13	0.01	28	0.02	-53.57	145	0.01	193	0.01	-24.87
Chevrolet	0	0.00	7	0.00	0.00	28	0.00	49	0.00	-42.86
Other British	51	0.03	91	0.06	-43.96	439	0.03	452	0.03	-2.88
Other Imports	272	0.17	350	0.22	-22.29	2,821	0.19	3,235	0.21	-12.80
Total	163,898		161,997		1.17	1,477,892		1,563,808		-5.49

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FINANCE OFFERS

Improved offers mean stronger Jul-Aug figures

Dealers are expecting a lopsided Q3 this year as a result of ramped up demand in July and August, rather than the traditional plate-change month of September.

This is a result of manufacturers looking to dispose of stock tested under the previous NEDC regime ahead of the new Worldwide harmonised Light vehicles Test Procedure (WLTP) next month.

While many consumers would normally hold off their Q3 purchase for a new plate, manufacturers have been tempting customers with strong incentives to shift numbers.

The representative example statistics AM has put together for Q3 show there has been an improvement in offers quarter-on-quarter.

The average monthly payment across all offers collated has gone from £333.10 in Q2 down to £308.85 this quarter.

Average deposit levels have also dropped from £6,156.33 to £5,760.18 and the average balloon payment has also dropped from £12,706.29 to £11,951.13.

There is a slight trade-off, however, to tempt more customers into cars.

The average APR percentage has increased slightly from 3.97% to 4.07%, so finance houses are making a greater margin overall.

The Suzuki Ignis is the most affordable car on sale in Q3, with the combination of a low deposit of £578.77 and low monthly payment of £125, although another, the Celerio, continues to have the lowest monthly payment overall at just £89.

Mitsubishi's new Eclipse Cross compact SUV, which went on sale at the start of this year, is in the second spot in terms of lowest monthly price point at £114.53. When factoring in the higher deposit level, this places it as the entry point to the Mitsubishi range, even before the Mirage city car.

Dacia makes up almost half of the top 10 places on lowest monthly payment list with its Sandero, Sandero Stepway, Duster and Logan MCV.

Seat, Mitsubishi and Suzuki are the three

“NISSAN'S PUSH IS ON LEAF THIS YEAR AND WHILE ITS EV SALES ARE UP GLOBALLY BY 10%, THAT DOESN'T HELP UK DEALERS LOOKING TO HIT TARGETS

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Top 10 lowest monthly payments							
Suzuki Celerio SZ2 5dr	PCP	£1,558.63	49	£89.00	£2,694.00	5.70%	30/09/2018
Mitsubishi Eclipse Cross 2 petrol manual	PCP	£7,016.00	36	£114.53	£10,734.00	5.90%	26/09/2018
Mitsubishi Mirage Juro petrol manual	PCP	£4,220.00	37	£115.65	£4,253.00	5.90%	26/09/2018
Peugeot 108 Active 1.0L 72 5dr	PCP	£2,827.00	48	£118.98	£3,413.00	4.90%	01/10/2018
Dacia Sandero Comfort 5dr TCe 90	PCP	£2,276.00	37	£119.00	£3,577.00	4.90%	01/10/2018
Suzuki Ignis SZ3	PCP	£578.77	49	£125.00	£5,145.00	5.90%	30/09/2018
Dacia Sandero Stepway Comfort TCe 90 5dr	PCP	£2,658.00	37	£129.00	£3,904.00	4.90%	01/10/2018
Dacia Duster Access SCe 115 4x2	PCP	£612.00	37	£129.00	£5,819.00	5.90%	01/10/2018
Dacia Logan MCV Stepway Comfort 5dr TCe 90	PCP	£3,668.00	37	£139.00	£4,374.00	4.90%	01/10/2018
Seat Mii Design 5dr 1.0 12V 60PS	PCP	£1,569.00	47	£139.00	£3,048.54	6.80%	01/10/2018
Top 10 lowest deposit							
Smart Fortwo coupé passion 71 hp (52 kW)	PCP	£159.00	48	£159.00	£3,620.00	2.00%	30/09/2018
Smart Forfour passion 71 hp (52 kW)	PCP	£159.00	48	£159.00	£3,640.00	2.00%	30/09/2018
Smart Fortwo cabrio passion 71 hp (52 kW)	PCP	£189.00	48	£189.00	£4,860.00	2.00%	30/09/2018
Renault Clio Iconic TCe 75	PCP	£199.00	48	£199.00	£4,929.00	4.90%	01/10/2018
Renault Captur PLayer TCe 90	PCP	£199.00	48	£199.00	£5,416.00	0.00%	01/10/2018
Smart Fortwo EQ coupé prime 82hp (60kW)	PCP	£219.00	36	£219.00	£6,375.00	5.30%	30/09/2018
Mini Cooper Convertible 3dr hatch	PCP	£295.00	48	£295.00	£7,664.99	2.90%	30/09/2018
Suzuki Ignis SZ3	PCP	£578.77	49	£125.00	£5,145.00	5.90%	30/09/2018
Dacia Duster Access SCe 115 4x2	PCP	£612.00	37	£129.00	£5,819.00	5.90%	01/10/2018
Škoda Citigo 3dr Colour Edition 1.0 MPI 60PS	PCP	£675.28	48	£155.00	£3,021.30	6.70%	01/10/2018
Top 10 0% offers with lowest monthly payment							
Nissan Micra Acenta Limited 1.0 petrol 71ps with optional metallic paint	PCP	£3,194.38	37	£149.00	£5,466.62	0.00%	30/09/2018
Suzuki Swift 1.0 Boosterjet SZ-T	PCP	£718.00	49	£159.00	£5,149.00	0%	30/09/2018
Ford Fiesta Zetec 1.0 EcoBoost 100PS 3dr	PCP	£4,529.00	36	£160.00	£6,831.00	0.00%	30/09/2018
Fiat 500L 1.4 Mirror 5dr	PCP	£4,265.00	37	£178.00	£6,327.00	0.00%	30/09/2018
Nissan Juke Bose Personal Edition DIG-T 115	PCP	£5,753.84	37	£179.00	£6,792.16	0%	30/09/2018
Toyota Yaris Hybrid Icon Tech 5dr 1.5 VVT-i Auto	PCP	£3,279.00	42	£189.00	£6,997.50	0.00%	30/09/2018
Nissan Qashqai Acenta Tech Pack 1.2 DIG-T	PCP	£5,499.03	37	£189.00	£10,176.97	0.00%	30/09/2018
Fiat 500X 1.6 E-torQ Mirror 5dr	PCP	£4,611.00	37	£192.00	£6,422.00	0.00%	30/09/2018
Renault Captur PLayer TCe 90	PCP	£199.00	48	£199.00	£5,416.00	0.00%	01/10/2018
Seat Arona SE Technology 1.6 TDI 115PS	PCP	£1,359.00	48	£199.00	£8,703.00	0%	01/10/2018

manufacturers that have seen the most growth in 2018 year-to-date and they're all represented in lowest monthly payment data.

Renault is down 14.8% year-to-date but it is looking to tempt customers with low deposit offers on the Clio and Captur in Q3. The French manufacturer is also sweetening the deal with an additional discount of £1,000 against a part-exchange to get stock moving.

Mini may also be looking to cash in on the hot weather with a £295 deposit on the Cooper Convertible, although that's unlikely to drive registrations beyond the flat performance the brand has seen so far this year (down 1.37% year-to-date).

Ford is continuing its strategy of 0% offers and the most popular model in the UK, the Fiesta, is

there in third place for vehicles with the lowest monthly payments with no APR.

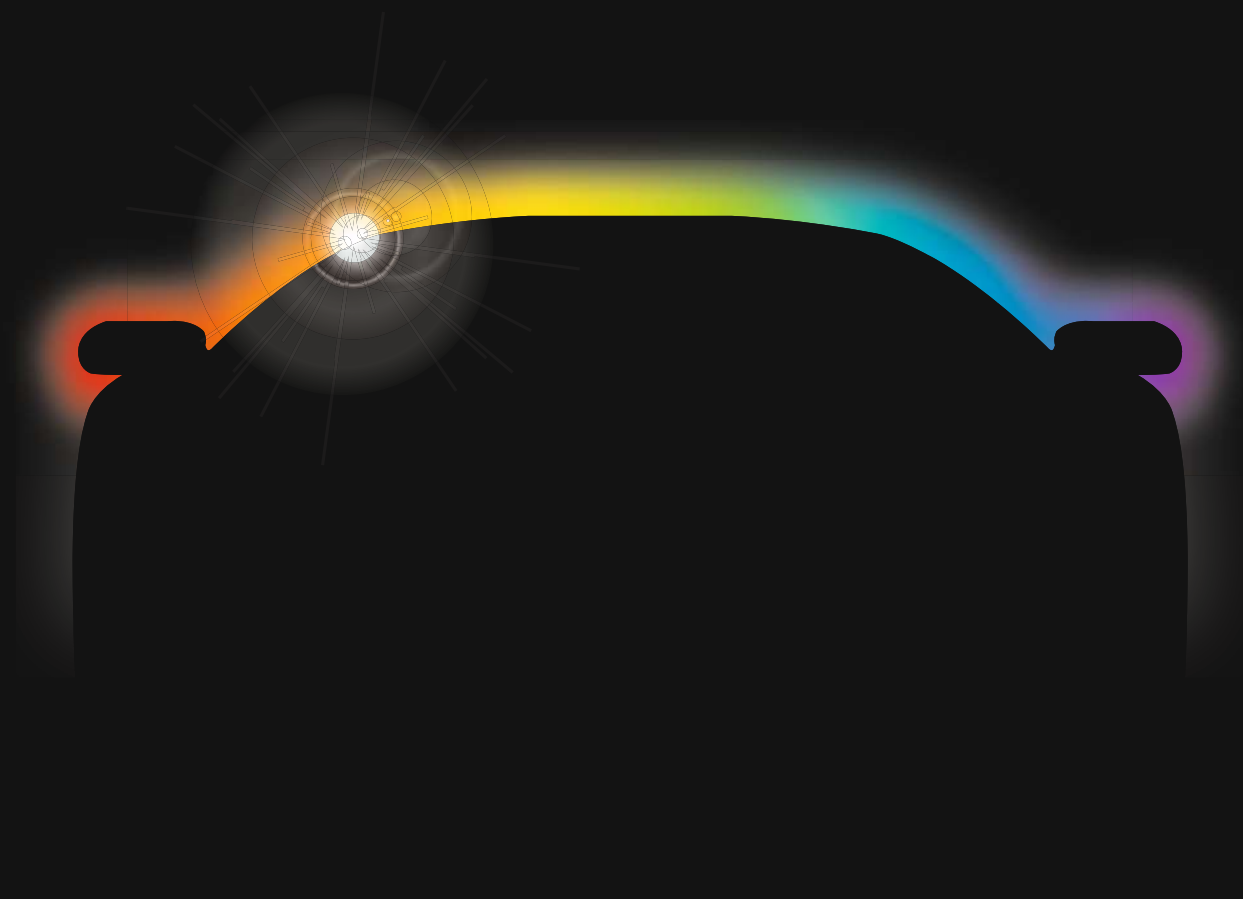
Smart has seen a 35.4% decline in registrations this year and low monthly deposits across its entire range haven't helped so far.

Nissan is the biggest volume player with the greatest drop in new car registrations this year, but its volume models are being supported with 0% offers on the Micra, Juke and Qashqai. The Japanese brand's product push is on Leaf this year and while its EV sales are up globally by 10%, that doesn't help UK dealers looking to hit their quarterly volume targets.



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VIEWPOINT



WILL SHOWROOMS IN SHOPPING CENTRES PROVE A WINNER?

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



Innovation has been part of our sector for the past hundred years and when, in 2012, Simon Dixon and Hyundai partnered to deliver the Rockar outlets in the Westfield (Stratford) and Bluewater shopping centres the industry started to take note.

In April the arrangement ended with Motorline taking over the running of the two stores.

It is difficult to work out exactly why the experiment came to an end as little information has come into the public domain.

As a means of brand exposure, having a display of vehicles in an area of high footfall makes some sense, if the financial underpinning of the process is sustainable.

This is not a new concept. For decades companies have had brand showrooms on roads such as Paris's Champs Elysees and in other major cities. These have been primarily funded by the manufacturers and, until recently, have not had a sales operation in place at these locations.

Rockar was based on providing an online platform that facilitated the customer through the buying process which was then supported by staff in the retail outlet.

It has been argued that Rockar enhanced Hyundai's brand awareness but as the manufacturer's research indicated 95% of the sales were from people who lived within 10 miles of the outlet and therefore, from their view, it made more sense for the stores to be operated by local dealers.

"AS A MEANS OF BRAND EXPOSURE, HAVING A DISPLAY OF VEHICLES IN AN AREA OF HIGH FOOTFALL MAKES SOME SENSE"

The debate regarding this format has taken a further step with the recent opening of the Rockar, Next, Ford collaboration at Manchester's Arndale Centre.

This has generated some comment in the automotive arena, but I can find little in the fashion press to suggest there is a synergistic relationship between cars and mid-priced fashion retailing.

There is some acknowledgement that the Ford initiative is taking up spare capacity Next had at the store which at least suggests that the underpinning cost of running the operation will be minimised.

There appears to be an underpinning logic for this move with Ford launching its online sales pilot with customers being able to specify, finance and order a new car for delivery to participating dealers, the Arndale Centre or to any home address in the country.

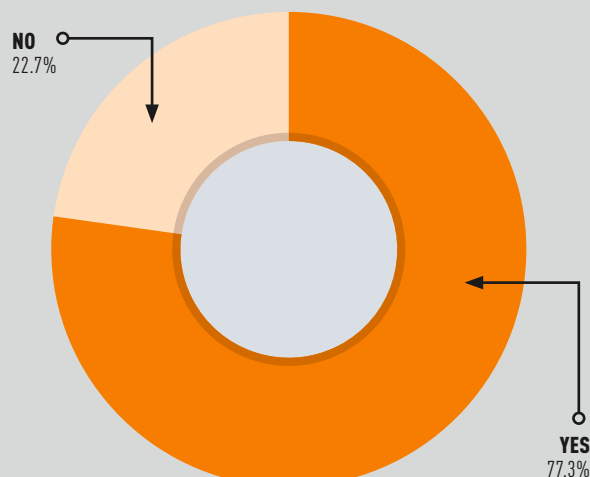
Undoubtedly, different retail formats will emerge, but there has been insufficient work done on whether having a shopping mall presence will actually drive enough sales to justify the expense and change in the supply chain.

A few years back we did some research into the brand showrooms in Paris. By far the most popular one was Renault not because it was French or the exhibits on show were great, but the fact that it had a fantastic restaurant. Could the car industry save the failing restaurant chains on the High Street. Definitely food for thought (apologies)!

AMPOLL

THREE-QUARTERS OF RETAILERS EXPECT LEASING TO OVERTAKE CAR OWNERSHIP

DO YOU EXPECT MOST CONSUMERS TO BE LEASING (CONTRACT HIRING) THEIR CAR IN 10 YEARS' TIME?



Three in four motor retail executives expect the majority of motorists to lease their cars in the long term due to a variety of factors including affordability and work trends.

One voter stated: "Already, there is significant demand for PCH (personal contract hire) and that is without it getting pushed or marketed heavily by the industry. With circa 80% of new retail cars sold on finance and predominantly via PCP (personal contract purchase), PCH is sure to take over."

Another said: "Because the job market is never a lifetime thing anymore, you are really employed on a short contract these days. Therefore, it makes no economic sense to buy your car. It is advisable to lease rather than buy your car over the next 10 years."

A third suggested the move to leasing will be concurrent with the increased move towards electric vehicles, as most private buyers would not consider an EV purchase due to initial cost and residual values being unknown, he said.

However, the remainder believe consumers will still perceive a value in ownership, particularly with buyers of older cars.

"In 10 years' time I still expect most car sales will be used vehicles where contract hire is not typically available," said one. Another added: "I don't think many will choose to buy, but I suspect a new product will be available for the retail customer in 10 years' time."

NEXT MONTH: IN FIVE YEARS' TIME WHAT SHARE OF NEW CAR RETAIL REGISTRATIONS WILL BE ACCOUNTED FOR BY MANUFACTURERS' ONLINE DIRECT SALES CHANNELS?

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BARCLAYS



FACE TO FACE: JCT600

'FAITH IN THE FUTURE'

John Tordoff had no intention of working in the family firm – but a love of business rather than cars led him to the hotseat. **Tom Sharpe** reports

You could be forgiven for thinking that the 'car bug' skipped a generation in JCT600 chief executive John Tordoff.

Son of Jack Tordoff, the founder of JCT600 and a keen rally driver, and father of Sam Tordoff, who drives in the British Touring Car Championships, John admits that he once actively avoided involvement in his father's business.

In stark contrast to older brother Ian, now the director in charge of JCT600's Trade Vehicles Division, who readily asserted, "I hated school – all I wanted to do was come and work in the garage", the group's current chief executive admitted to *AM*: "I spent the first 24 years of my life having little or no interest in the business. It didn't excite me, it didn't interest me, it didn't really do anything for me if I'm being honest – but one thing I always had was an interest in business."

Sitting in a glass-sided meeting room overlooking a range of Porsche sports cars that spans a collection of 356s from the mid-1950s to two £1.4 million 918 Spyder hybrid supercars, it is hard to believe that Tordoff finds it so easy to separate cars from business now.

The man born in a flat above the original Brooklands Garage founded by his grandfather, Edward, back in 1946, and raised in a family consumed by car sales and rally driving, said: "I'm not my dad. I went in another direction and really came back to the business by chance. I like to plough my own furrow."

Jack Crossley Tordoff, now 83, founded the JCT600 business in 1961, naming it after the registration plate on his Mercedes 600 at the time, and received a standing ovation at the *AM* Awards 2018 when he became the latest inductee to the *AM* Hall of Fame.

John Tordoff left school at the age of 18 and went to work for a firm of chartered accountants in Bradford before being

drawn into the fold back in 1987, as a newly-married 24-year-old, by the lure of a well-paid job as a project accountant working for then finance director Brian Crowther amid plans to float the business on the Stock Market.

Ultimately, JCT600 would call time on the project "made fashionable by the likes of DC Cook", after implementing processes and reporting systems that brought its operations into the 21st century.

"That left me without a job really, but I'd already made the leap into the business by then," said Tordoff.

He was soon promoted to the post of dealership accountant within the Porsche and Specialist Cars business and progressed to the position of general manager, a post he held for a decade.

Tordoff oversaw the opening of JCT600's Brooklands Ferrari dealership in Leeds in 1998, and became the group's first general manager to make £1million net profit.

"I think it's only when you sit here today and look back that you see that those were the best days of your life," he said. "As a 'head of business' you get a really good mixture of interaction with the staff and the customers and the manufacturers."

Tordoff speculates that he was seen to be a 'better fit' than older brother Ian when the time came to appoint a new chief executive in 2000. Ian is now tasked with ensuring the smooth operation of a 100% auction policy, which puts 200 to 300 cars under the hammer each month at BCA's Brighouse and Leeds auction centres.

"I had never wanted to spend my life being an accountant, I just saw it as a way of learning about and getting into business," said.

DRIVING GROWTH

When John Tordoff took the helm of JCT600 he was steering a £400 million turnover business with fewer than half of the current 2,250 headcount and 52 dealerships.

He insists that the rapid growth was not something he drove from the start. Rather, he was guided through his first few years by finance director Brian Crowther and former managing director Harry Taylor.

The real changes started to happen after the experienced pair took retirement and Tordoff established an operations board to make key strategic decisions about the business in 2006 as part of a restructure which saw the group appoint a team of brand directors.

Soon the target of becoming a £1 billion business was set.

The chief executive is the only family member to sit on JCT600's operations board, which also includes group operations director Richard Hargreaves, finance director Nigel Shaw and HR director Katie Saunders.

What Tordoff describes as "fairly piecemeal" acquisitions have seen the group grow to a point where its annual results to December 31, 2017, revealed a 2% rise in turnover to £1.25 billion (2016: £1.23 billion) and the reversal of a decline in profits experienced a year earlier, when operating profit before exceptionals dipped 26.9% from £18.6m to £13.6m.

In 2017 the group credited a refusal to chase manufacturers' "unrealistic new vehicle sales targets" and a withdrawal from more expensive fleet channels for a recovery of its operating margin – from the 10.6% of 2016 back to the 11.4% of 2015 – and a 26% increase in operating profit before exceptionals, from £13.6m to £17.1m.

FACTFILE

TURNOVER £1.25 billion
PROFIT BEFORE TAX £17.1m (2017)
NEW CAR SALES 17,400
NEW FLEET SALES 10,600
USED CAR SALES 21,600
STAFF 2,250



C New car volumes in retail and fleet fell by a combined 9.6% during the 12-month period but JCT600 managed to grow its used car volumes by 4.4%.

The period has also seen it “cover-off” a trend towards leasing, said Tordoff, with the launch of JCT600 Vehicle Leasing Solutions (formerly JCT600 Contracts).

“There is a shift towards leasing, but it’s a very small one at this stage,” said Tordoff. “As a business we have set up our own PCH and brokerage division to try to counteract that threat.”

“Since February it has gone from nothing to five to ten deals a week and it will grow and grow.”

The JCT600 business is not yet ready to follow others in to the world of used car supermarket growth with its PriceRight brand, however, and will maintain the single site at Rawdon, between Leeds and Bradford.

Tordoff also suggested that the Tordoff Collection luxury used car brand, which operates out of a site at Wallsend, near North Shields, would not be replicated.

He said: “That business will grow but it’s not part of our strategy, though selling 70 to 90 high margin luxury cars a year on top of our other operations is good to have.”

SO HOW WILL JCT600 GROW?

It seems unlikely that JCT600 will buy its way to greater scale.

Tordoff describes the experience of adding an immediate £200 million to the business’s turnover with the acquisition of 10 dealership and 450 staff of the Gilder Group in 2013 as “a real headache”, adding

ACQUIRING A BUSINESS SEES YOU SPINNING A LOT OF PLATES AND IT’S HARD TO NOTICE IF YOU LOSE A FEW

JOHN TORDOFF, JCT600

that it is not something he would be keen to repeat.

He said: “No sooner had we acquired the business than the Office of Fair Trading started to investigate and that set everything back six months.”

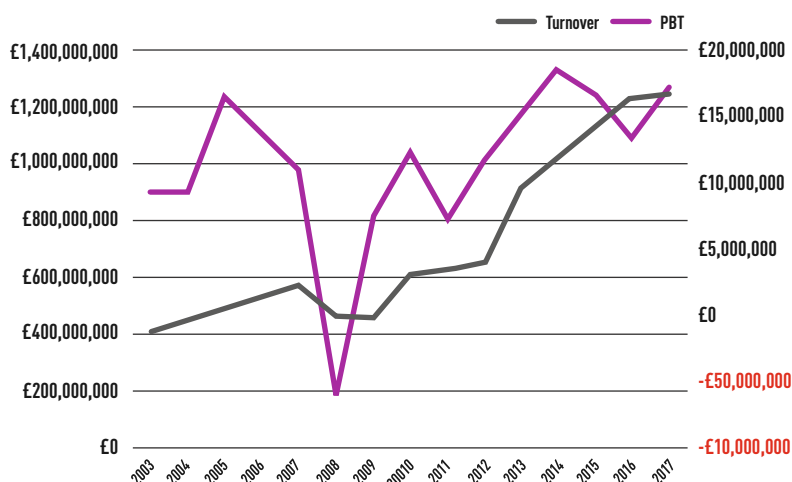
“Although we’d prepared for the acquisition it didn’t half cause some indigestion. Acquiring a business of that scale sees you spinning a lot of plates and it’s hard to notice if you lose a few.”

“As a result we had a disappointing year in 2016, and that came as a shock to the system, but we learned from it, shook ourselves down, and the business is in a much better position now.”

Another recent shock to the system came when BMW UK served JCT600 with 12 months’ notice that it would not renew its franchised contract for Bradford. Discussions are ongoing with potential additions to the portfolio to “fill in the gaps” in the group’s franchise portfolio as it nears the end of its contract on October 1. But Tordoff insisted trading from the facility on Sticker Lane would not end abruptly, .



▽ JCT600 PROFITABILITY



Evidence that JCT600’s high margin luxury car business has been hit by economic downturns in the past can be seen in the recession of the mid-2000s. Tordoff attributed a “disappointing 2016” to the effects of integrating the £200m turnover Gilder Group business.

“JCT600 will continue with a BMW aftersales operation and we’ll be selling used cars from the site,” he said.

“We own the land and the facility and we have the customer database for the area, so we’re in a very strong position from that point of view.”

Tordoff claimed that the BMW Bradford franchise had been the German brand’s best performing site in Yorkshire in 2017, but asserts that the site’s profitability will rise following the loss of the franchise and a shift to premium used cars.

JCT600’s list of franchise partners grew in July with the acquisition of Jaguar and Land Rover dealerships in Doncaster from Pendragon, prompting a new wave of investment, which will include further developments with a Porsche brand which has seen sales rise 17.4% to 8,874 to the end of July.

In the past eight months JCT600 has spent over £7m on retail property with the opening of its Porsche Centre Teeside, a redeveloped Peugeot Bradford dealership



and the £1m refurbishment of its Sheffield Mercedes-Benz site.

Redevelopment is about to get under way at the Porsche Centre Sheffield, with a nine-month programme of works also delivering the expansion of the Porsche Centre Newcastle.

The two new JLR sites will also need to be brought together under the brands' Arch Concept retail standards.

Tordoff added: "For some time Jaguar and Land Rover have been the most obvious brands missing from our portfolio and it's good to finally have them. They are two brands of which we have faith in the future."

Although Tordoff conceded that discussions were ongoing about the future of the group's Vauxhall franchises in Bradford, Castleford and Shipley, he suggested that its volume brands – Kia, Mazda, Mini, Peugeot, Seat, Smart, Volkswagen and Vauxhall – were still realising good profits, despite the uncertainty of the current economic climate.

Reflecting on a wider group portfolio, he said that Maserati was proving "a challenge" after it decided to go head-to-head with the likes of BMW and Mercedes-Benz, but added: "Brands such as Aston Martin, Bentley, Ferrari and Porsche are flying at the moment and that has been great for us, but the volume brands have continued to do good numbers.

"We have a few gaps to fill and we are in discussion with two or three manufacturers that would be a good fit. As with every brand – luxury, premium or volume – you have to weigh up the pros and cons of investment and return.

"There are certain brands that you look at and it's very difficult to see how the levels of investment demanded will be justified."

BEST PLACE TO SHOP AND WORK

Despite a decline in new car sales in 2017, there are few signs that demand for JCT600's current brand partners is on the wane, according to Tordoff, who claims the group is "overrun with customer enquiries".

A fear of missing out on potential leads has led to growth of the group's operations in Chesterfield, where it opened an Audi and Mercedes-Benz car PDI centre in June last year.

Along with the facility, which can process 3,500 fleet vehicles annually at the former Volkswagen franchised site on Sheepbridge industrial estate, is a new contact centre opened earlier this year.

Tordoff said: "There are jobs in the industry now that just didn't exist 10 years ago and these are an example of that. I can see the number of staff at the centre growing from the current 20 to 25 quickly to 70 or 75.

"Customer expectations are changing every day and where the expectation was that you could respond in 24 hours, it now needs to be 10 minutes."

JCT600's desire to remain accessible to its customers also extends to the digital side of the business. Investment in this area increased 13% in 2017 as the group's website visitor numbers

rose by 22% and online leads rose by 38%.

The group spends 90% of its marketing budget on digital solutions and has been working with Manchester-based SEO specialist Code Computer Love to run A/B testing to improve the performance of its website.

Tordoff said that he is satisfied that it now "punches above its weight".

In April JCT600 finished above OEMs and other retailers in the Equator digital marketing agency's survey of automotive sector websites, joining Sandiccliffe Motor Group in scoring 25 out of a possible 35 points.

Industry leaders such as Mercedes-Benz Retail Group, Renault Retail Group (both scoring 17) and Porsche Retail Group (scoring 13) ranked lower.

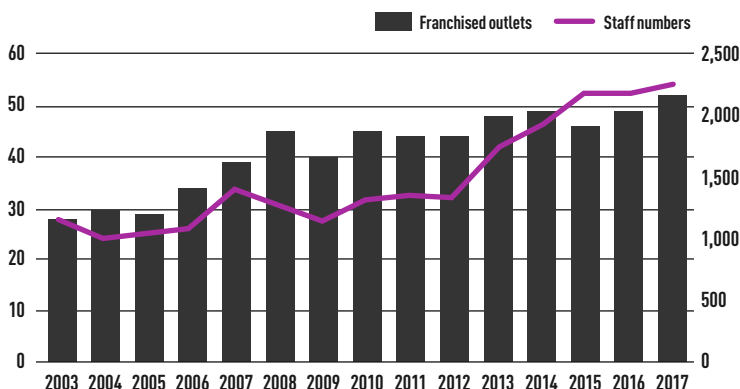
Tordoff said: "Speed of response is a constant frustration to me and is one area where we need to operate far better to ensure good coverage across the group between 7am and 10pm.

"We also have to offer an experiential shopping experience. It's my belief that many car retailers are struggling to get a grip of that and evolve. They are still dealing with customers in a way that's best for the management of the business, not best for the customer."

Two years ago JCT600 set out on a mission to be known as "the best place to work and best place to shop".

While Tordoff concedes that many PLCs will beat his business on basic wage, he

STAFFING OF SITES



While JCT600 claims to have a low staff churn, it has reflected the automotive sector's ability to cut its cloth to suit the market in terms of headcount. Tordoff claims that the business now runs a tight ship, although the ratio of staff to outlets has risen since 2015.

still contests that many are attracted and retained by high levels of commission and a comprehensive training offering.

Annual staff churn stands at around 25% and in 2016 JCT600 was named among the Sunday Times' Best Companies to Work For, before rising 27 places into 57th in 2017.

Group HR director Katie Saunders helped deliver the listing and has since driven the group's recruitment strategy, which is led by social media channels and development of the 'Wired' staff development programme, started in 2013.

The clearly defined career path has seen internal appointments for managerial roles increase from about 30% to around 70%.

Saunders told AM that the group now rarely fills positions, such as a new head of business, from outside the business.

THE TORDOFF SUCCESSION

While Tordoff is far from ready to hang up his keys to JCT600's head office near Bradford, it is clear that there are options to ensure that the business remains in the family.

Tordoff's nephew Jack works alongside his father Ian in the trade centre, while his other nephew, James, is showroom manager at Bradford Vauxhall.

His middle son, Joe, is sales manager at Kia Castleford, while youngest Elliott works in JCT600's property department.

It is his oldest son, Sam, who appears to be leading the race to succeed his dad, however.

Known to many as an accomplished campaigner in the British Touring Car Championships, he is a qualified accountant, works as a financial analyst in the business, and is "very much plugged into sales director Graeme Thacker", according to his father.

However, in contrast to his father, the eldest sibling must at least partly overcome his love of cars to be in a chance of becoming chief executive.

Tordoff stressed: "Sam's got his own ambitions. Yes, he wants the job but he knows that won't happen while he's spending 15 weekends a year at a racetrack.

"He's 30 now and he knows that, at some point, something's got to give."



SPEED OF RESPONSE IS A CONSTANT FRUSTRATION TO ME AND IS ONE AREA WHERE WE NEED TO OPERATE FAR BETTER

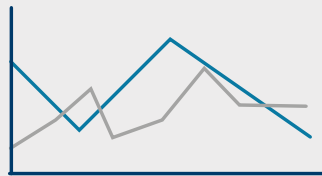
JOHN TORDOFF, JCT600



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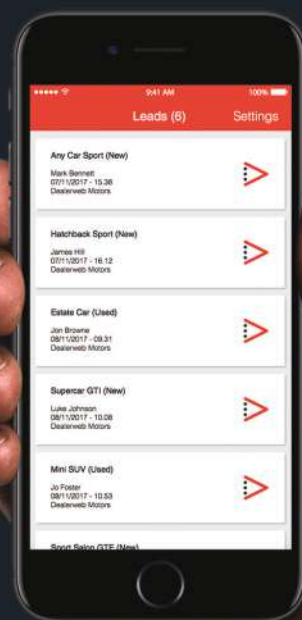
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Marshall Motor Group

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MINUTES WITH...

Sean Kent,
RAC Dealer Network



Five years on from the launch of RAC Dealer Network, how would you reflect on the business's development?

I have been involved from the start, with The Warranty Group for the past 10 years, and the RAC brand licensing agreement started in August 2008. Back then, we were offering branded warranties and it was a good fit in many ways, and fit for purpose.

We knew that the used car programme was what we wanted to do, though. We carried on in the same vein until 2013, when we launched the RAC Dealer Network. On day one, back in March 2013, we launched with no approved dealers. At that time, we were working with 400 dealers on a warranty basis, but none of them was approved. This year, we hope to reach a stage where we have 1,400 to 1,500 dealers in the network. Of those, we would like to see about 400 fully approved, second-tier dealers. Within the next three years, we'd like to think our number of dealers could rise to 1,800 to 2,000, with 600 of those fully approved. The shift in what we offer has been considerable and the size of the network really does put us in a market-leading position. There's nothing else like us out there.

What do you mean by a 'second-tier dealer'?

Our second-tier, or fully approved, dealers have access to a wider range of warranty products and assets, but are subject to regular audits carried out by our team of 40 inspectors. We also keep close tabs on review ratings and email customers to encourage them to leave a review of the service they received. Generally, our approved dealers don't

**DEALERS
BENEFIT
FROM BEING
ASSOCIATED WITH THE
RAC BRAND BUT,
EQUALLY, IT'S VITAL
FOR THEM TO UPHOLD
THAT REPUTATION**

SEAN KENT, RAC DEALER NETWORK

necessarily have to retail a certain number of cars, but they must obviously have a permanent, car sales-specific premises, a stock profile above £3,500, be VAT-registered and, ultimately, meet our standards for 82-point pre-sale vehicle checks, car data checks and deliver the three-month warranty and 12 months' RAC breakdown cover as part of their package.

How strictly do you police the standards that the RAC Dealer Network demands of its fully accredited dealers?

Wherever possible, we will work with a dealer if something is flagged up during an audit or they receive a particularly negative review. We have a 47-strong regional management team and they are there to offer support with a range of things, including marketing. The positive thing is that dealers tend to react when we go to them with something.

Independent retailers' levels of service and customer care are very much up

there with the best in the sector in my experience, but they may not be used to having their business audited or the same level of scrutiny that a franchised retailer might get from a manufacturer.

When we flag something, it often results in an immediate response. These are dealers who live and breathe the business and it's a matter of pride to them to provide a good service. The RAC Dealer Network has an overall Net Promoter Score of 78.8. I'm no expert in that area, but I believe that is up there with the likes of Apple.

What is the most important aspect of such strict criteria?

The RAC always wanted a network of approved dealers for its customers that they could trust. Dealers benefit from being associated with the RAC brand but, equally, it's vital for them to uphold that reputation. It's a reciprocal relationship. I think many independent dealers already have standards that compare very well to those of franchised dealers, but we are recognising and ensuring that, while promoting the fact to customers. We currently have 200 dealers fully accredited – that's bigger than many manufacturer networks – and ultimately we would like to be seen as the voice of a very good-sized independent dealer network.

Are there other incentives – alongside the wider product range and kudos of RAC branding – that the Dealer Network delivers to partner dealers?

I've already mentioned the support from our field team, but increasingly we are promoting our digital assets as a way for dealers to benefit from the shared





knowledge and data that is generated by sales through the entire network.

We launched an online resource centre, The Engine, last year, which dealers can use to receive insight on a range of things. One of the biggest problems we faced was communication of market trends and things like that between our dealers.

The days of sticking a few flags on your forecourt and leaving it at that are gone. Digital resources are where we have placed a lot of our efforts. Depending on what tier you are in, you get access to some or all of the resource. Claims records, warranty stats with ranking of the most and least reliable cars and common reasons for failure in certain cars, market pricing, and customer reviews all sit on The Engine. It's not that we're trying to run dealers' businesses, we just want to help them make informed decisions. The data we hold is comprehensive. For example, the average price of a vehicle sold within the network this year was £9,500, with an age of five years and six months. I think customers spending that much like the assurance that our dealers' quality checks, provenance checks, warranty packages and roadside assistance provide.

There has been a major development in the ownership of The Warranty Group. How will that affect the way the RAC Dealer Network operates?

Back in June, Assurant bought The Warranty Group for \$2.5 billion (£1.9bn). That tells you all you need to know about how much they value the business and how big an organisation Assurant is. It is a huge business, which operates in very similar areas to The Warranty Group and that makes for a very good fit.

The way the RAC Dealer Network operates will not be affected. There are new areas of development, but I think we are in a good place. The Warranty Group is in a strong position. It is its own underwriter and that will

MOST CUSTOMERS OPT FOR SIX MONTHS AND SOME ARE STARTING TO OPT FOR WARRANTIES THAT LAST FOR THE LIFETIME OF THEIR VEHICLE

continue. The relationship with the RAC is strong, too. In essence, the RAC element is a licensing agreement and, despite there being three years left on the agreement, that has recently been extended for an additional three years.

What volume of warranty business does the RAC Dealer Network now generate?

In 2013, we dealt with about 100,000 units a year. This year, that will have grown to about 300,000. The total number of claims received so far in 2018 is just under 30,000, with an average pay-out of about £400. Our growth has been both organic, as we have grown with many of our dealers, and subject to market forces.

Our dealers range from Mark Berwick Motors in Perth, which probably sells about 30 vehicles a month, to the Carbase used car supermarket, which has been with us from the very start and we have grown with from two to four sites. We have also shed some dealers and added dealers of a higher standard, retailing greater numbers of cars in many cases.

Have you seen any change in customer demand during the past five years?

Absolutely, and that has contributed to our growth, too. We have seen a shift in consumer demand for longer warranties. When we started out, we required dealers to offer a three-month warranty, but most customers opt for six months

and some are starting to opt for warranties that last for the lifetime of their vehicle. Over the past 12 months, we have seen a 10% drop in sales of three-month warranties and a corresponding 10% increase in six-month versions. We are about to launch a new, 10-month warranty product, which allows customers to pay monthly on an interest-free basis. There's also a demand from customers to respond to enquiries much faster. Once, you might have had 10 hours to respond to a call. Now our average call answer time is 23 seconds.

What is the cost of the RAC Dealer Network warranties?

Most dealers will bundle the warranties into the sale, adding value for the customer. The average price for a dealer, for your average car – perhaps a Vauxhall Astra or Ford Focus – will be less than £100. That allows them to sell the vehicle as an approved car and I think that is a very realistic reflection of the cost pressure that they may face in the market. The level of support and peace of mind that provides to dealers is clear. Last year we honoured £8 million worth of claims. There's also evidence of incremental sales growth as a result of being part of the network. One survey showed that the RAC name had an impact on 71.7% of customers' purchasing decisions.

Are there plans to branch out further with the range of products offered to customers, in line with the one-stop-shop approach that seems to be gaining traction in the automotive sector?

We have just introduced a GAP product, which is Defaqto five-star rated. That has been in place for three months now, and uptake has been pretty good. As with the other products, it is interesting to see that trust that consumers place in the familiar RAC brand. We're offering a product that people trust and we prize that. **TOM SHARPE**

FACT
FILE

COMPANY:
RAC

HEADQUARTERS:
MITCHELDEAN,
GLOUCESTERSHIRE

EMPLOYEES: c.30
CLAIMS AND ADMIN,
FIVE FUNCTIONAL
SUPPORT, c.60
FIELD

**FULLY-APPROVED
DEALERS:** 200
(OF CIRCA 1,300)

**ANNUAL
WARRANTY
SALES:** 300,000

**Automotive
management
LIVE**

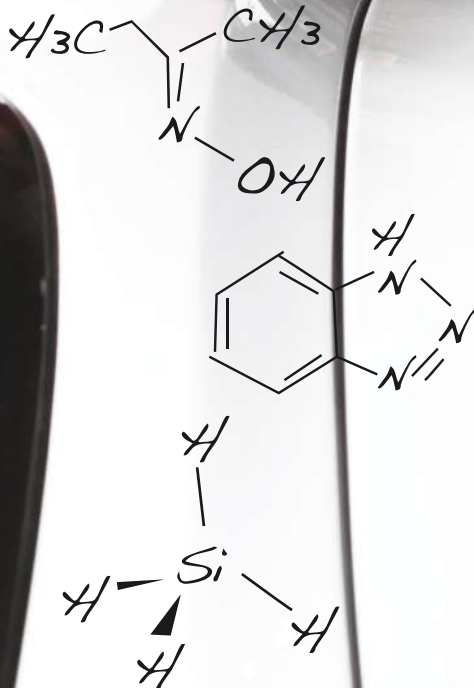
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VAUXHALL

No-nonsense boss Stephen Norman has a clear strategy to get his brand back where it belongs, reports **Tim Rose**

In the next decade Vauxhall will trade with a dealer network almost a third smaller than it had at the start of 2018.

Its market share ambitions should bring a steady resurgence in sales of cars and vans from the lows the brand currently endures, helping to restore franchisees' profitability.

And as PSA Group makes savings in its manufacturing and sales operations across the group's brands, in the long term some dealers might bring the brands together to retail efficiently at shared locations.

PSA Group's takeover of Vauxhall/Opel completed in August last year, and in November its chief executive Michael Lohscheller announced a plan, branded PACE, to restore the business to profitability by 2020 through savings and efficiencies, including job cuts.

This month the group announced Vauxhall/Opel is already back in the black, with a half-year operating profit of €502m. The plan continues – from 2024 PSA will launch Vauxhall vehicles based on platforms shared across group brands.

Closer to home, Vauxhall's ageing Griffin House headquarters in Luton will close in 2019, and the freehold is likely to be sold for redevelopment. Back office jobs will move to PSA UK's Coventry base and other staff will relocate to offices at its parts distribution centre beside the M1 outside Luton.

In March, *AM* revealed the brand planned to cut around one in three dealerships, leaving thousands of jobs at risk; the subsequent media storm was not the discreet start that new managing director Stephen Norman would have wanted. *AM* visited Griffin House to meet Norman six months after he stepped up from his previous role as PSA's chief sales and marketing officer to lead Vauxhall's recovery.



“WE DO KNOW WHERE WE ARE AND WE DO HAVE AN IDEA OF WHERE WE NEED TO GO AND HOW TO DO IT”
STEPHEN NORMAN, VAUXHALL

But Norman told *AM*: “It’s nothing like as Machiavellian and devious as some people would have us believe.” With the reduction in the size of the franchised dealer network to around 250 outlets from the current 326, and a plan to halt the fall in market share and improve profitability, Norman expects the new car retail sales throughput per Vauxhall dealership to rise by more than 40% to more than 400 units.

Come 2020, the average return on sales for a Vauxhall outlet should climb to around the current UK industry average of 1% according to ASE, from its 2017 base of 0.4%.

Setting the strategy

Vauxhall has identified the dealers that will continue its representation by examining each of its 220 market areas in depth. It has considered the likely evolution of all the brands in the whole market, as well as the likely evolution of Vauxhall, and the profitability outlook for each and every single market area.

Norman said: “We do know where we are, and we do have an idea of where we need to go and how to do it. That’s not to say we know everything.”

Franchisees were shown the plan on May 1 at Vauxhall’s retailer conference in Birmingham. The onus is now on Vauxhall to deliver the plan, to show dealers who’ve seen other managing directors come and go after making promises.

“This is my strategy, which is designed to solve the problems I see here. I will hang my hat on the results of that. It’s not a unique strategy. I think it’s a problem that probably needs simple solutions that must be coherent and consistent. We must stick to our guns.”

Norman, who turned 64 in August, said he will see his plan through and added he has no intention to stop working until he’s 70.



He said he isn’t sure that the role of managing director of a national sales company should be given to executives who are still climbing their career ladder. That executives come in to quickly make a mark and move on is understandable, but unacceptable, he added. “This is not a job for bullsh*tters,” he explained.

“We’re not wasting time on superfluous strategies to chase mirages. We’re chasing something that is very practical. Yes vehicle sales need to become more profitable, yes we need to dial down on pre-registrations. But I’m not going to do that until I can see incremental sales coming from our new product. Why aren’t incremental sales coming quickly enough? Because the

KEY PRODUCTS



<< Corsa

Due for replacement in late 2019, Corsa is the brand’s biggest seller. It accounts for around one in every four sales.



<< Mokka X

With 37,585 registrations in 2017, Mokka X is crucial for Vauxhall in the popular B-Segment SUV market.



Vauxhall dealers' sales and profits should improve by 2020

marketing is not quite good enough. So I'm not laying the blame on the network."

New contracts will be sent out to the retained dealers by the end of 2018, and will come into effect on May 1, 2020. The new agreement includes a higher variable margin element, to give higher rewards to dealer performance across customer service quality in sales and aftersales as well as sales volume and retained margin.

And whereas GM Europe included all core conditions within its contracts which were last created in 2013, under PSA the new Vauxhall contract has conditions within annexes which will be published annually, to allow for some flexibility. Norman said input is sought from the Vauxhall franchise board.

He added the plan has been developed with the other PSA brands' networks in mind, and in the long term, as the industry rationalises, he does expect some chances for shared representation. But this is not planned for the short term.

"Over time, as the British motor industry inevitably rationalises, we will be in a stronger position than most because we have four brands. Is there a plan today that says in any particular town it will be he who lives and he who doesn't? Certainly not. Is there going to be a plan like that in the next two years? Certainly not. But I do think in the future (there will be some shared representation). But I don't think it will be a plan from us; I think it will be very much an

obvious thing that will be seen first by the dealers themselves."

The majority of the dealerships which will lose the Vauxhall franchise by 2020 are satellite operations within dealer groups, and 12 are solus Vauxhall investors, he said.

Norman said that having identified sites that are unlikely to be viable in the medium term, Vauxhall has a responsibility to give these dealerships the notice that they need to consider other brands and options rather than to wait for them to suddenly fail.

Norman believes people should not get hung up on Vauxhall's past market share, which has been in double-digits since the conservative Vauxhall Cavalier stole company car drivers away from the



◀ Astra

Second to the Corsa in sales, Astra is Vauxhall's company car contender. Two in three registered in 2017 were to fleet customers.



◀ Vivaro

In a segment dominated by Ford Transit, Vauxhall's panel van is now offered with four years' warranty, servicing and 0% APR finance. Registrations totalled 18,808 in 2017.

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initially too-radical Ford Sierra. Until then, Vauxhall was barely bigger than it is today, he said.

"When people say 'Vauxhall today is a shadow of what it was', I insist it's a shadow of what it became almost overnight through the most brilliant piece of engineering and marketing that was the Cavalier," he said. While General Motors fought to preserve that market share, under pressure from company car drivers' shift towards premium brands, doing so has proved costly and PSA is picking up the pieces.

Marketing is key

In the medium term Vauxhall's share of the new car market will regain some lost ground – around 9% by 2020 is the plan.

Asked whether Vauxhall has pushed its network too hard to pre-register, Norman said it has, but "the market is so overcooked" because many other brands are doing so too. He said seeing 30% of registrations in the last three days is a sign of "more than overheating".

"This is what is differentiating the UK car market from the markets in Europe. This has nothing to do with Brexit," he said. "One of the worries we should have is if we do go into a hard Brexit, and there is a massive correction in the UK market, people will say 'well that's Brexit for you'. But believe me: that correction is coming anyway."

He said tactical registrations "have become very much the norm in the UK market over the past 15 years", which is something he is very concerned about. Pre-registrations would have killed Vauxhall had it been alone in doing so, he said, "but it isn't a Vauxhall thing, it's an industry thing".

In future the brand will remain biased towards fleet sales. It's where the market is at, due to demand for contract hire and PCP, he said. After the new generation Corsa arrives at the end of 2019, that will be followed by a whole range of hybrid and pure electric vehicles.

Norman, with his strong marketing background, said a key driver for Vauxhall's future prosperity will be "the quality of the new car marketing we're going to be able to do". To that end he has hired a new marketing director, Patrick Fourniol, who has experience in brand enhancement, customer-centric innovation and accelerating digitalisation, gained from senior marketing and sales roles with Toyota, Renault and Volkswagen.

Norman said: "Having started his marketing career in sales forecasting

CHANGING THE PATHWAYS FOR PARTS AND VANS

In the LCV market Vauxhall aims to double its market share over the next two years to around 15% (potentially more than 40,000 registrations), to become the second largest brand in the van market, through a combination of product and professionalism.

"It's a 350,000 vehicles market come rain or shine. That's bigger than the Dutch car market and the same as Belgium's, but few people even talk about vans. And we're taking a miserly share of it, so that's where the opportunity lies," said Norman.

Its light van sales are meagre currently but Norman wants more Combo Cargo vans on Britain's roads, and believes the Luton-built Vivaro panel van can more than double its current sales.

In 2017's 362,149 registration LCV market Vauxhall took a 7.8% share (28,368 units), placing it fifth in the sector behind Ford, Volkswagen, Peugeot and Mercedes-Benz.

The way it brings vans to market will change, to help achieve this. All Vauxhall retailers will offer LCVs, but Vauxhall will create 50 to 75 Van Business Centres (VBCs), which will engage with major fleets and provide the rest of the network with the vans they'll retail. Norman said this means that fleets benefit from a centre focused on vans, but small businesses will still be able to purchase from their local dealers.

There will be "simple standards" for the VBCs that won't include bricks and mortar. "In 2018 we're not asking dealers to put up signage or build exclusive showrooms to display vans. We're asking them to be trained and competent."

Norman said the VBCs do not need to already be Vauxhall dealers, nor PSA franchisees. The brand wants to recruit dealers with expertise in van sales – some may be from within the network, some not.

"I think it's time to think out of the box. People have criticised Vauxhall understandably for being a bit staid and not getting on with the job, so as we look to rebrand vans it would be a very funny thing if we just said to our 326 retailers, 'Which of you wants to be the 50 to 75 VBCs?'"

"Maybe there are some calls that we need to make to take us beyond that, into other areas of van sales and service we currently don't enjoy. I am thinking about competitor brands and about truck dealers," he said.

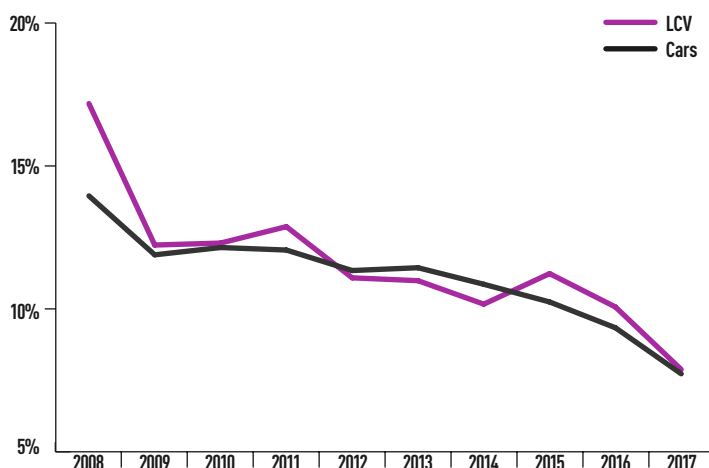
Vauxhall will make changes to how it sells trade parts too. As part of PSA Group, it will follow the group's aftermarket parts distribution model, branded Distrigo.

This means having 46 hubs which distribute firstly parts branded for the Peugeot, Citroen, DS and Vauxhall brands, secondly parts from PSA's Eurorepar all-makes operation, and thirdly OES (original equipment supplier) parts from manufacturers such as Bosch, SKF and Valeo.

"This will take Vauxhall, together with our sister brands, into parts distribution in a very different way from simply being receivers of parts from the Luton warehouse to being in the big time," he said. "We will become a significant force in the UK's parts distribution model. We're going to become independent distributors of not only our own parts but other people's parts. It's quite far-reaching."

PSA believes Distrigo will increase parts revenues for the group and its distribution hubs. It wants the Eurorepar and OES products to complement dealers' existing trade parts sales, securing sales from franchised dealers and independents who are servicing competitor marques. It is also a quarter of the way towards its ambitions for a network of 650 UK independent garages under the Eurorepar brand by 2021.

MARKET SHARE



Like its rival Ford also experienced, much of Vauxhall's share has been stolen by premium brands with attractive products on well-priced finance. Now Vauxhall must build from its low base, with vans and the next Corsa becoming linchpins of the plan.

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STEPHEN NORMAN, VAUXHALL



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ADVERTISING FEATURE

Use digital tools to save buyers showroom time

By James Tew, CEO, iVendi



Anyone who has bought a car knows that, once you have chosen the vehicle you want, a lengthy session sitting with the salesperson is likely to follow, taking you through everything from basics, such as your personal details, through to the part-exchange, finance and value-added products.

It's a way of doing business that customers find long-winded and time-consuming and, from a dealer point of view, ties up a member of staff for hours, sometimes. It is simply not very efficient and, often, not very effective – by the time you are half-way through, the customer is frequently bored and just wants to leave.

That's why we are increasingly seeing dealers use digital tools to minimise the time that is required to take a customer through the details of a deal. Instead of being seated at a desk, they are being given the option of completing as much of the process as possible online.

If correctly applied, this approach is likely to lead to increased penetration of motor finance and value-added products. For example, no one really likes buying finance on a face-to-face basis. Giving the customer the option of using online tools, such as finance calculators and pre-qualifiers, means these products can be browsed online in the customer's own time.

This can be done before they reach the showroom or, in some cases, dealers simply hand a tablet to the car buyer and let them do it in the showroom, which is an approach that can be surprisingly effective. In these situations, finance sales often increase.

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and research, and having taken responsibility for product marketing and marketing communications, Patrick is one of the few top-level automotive professionals who can genuinely claim 360-degree marketing management experience in our industry.

"I am sure that, with this experience and knowledge, he will make a significant contribution to our brand's renewal."

As consumer confidence began to recover after the recession it was slow to join the PCP surge, sticking instead with its Flexible Finance five-year hire purchase offering until finally bringing in PCP in 2014.

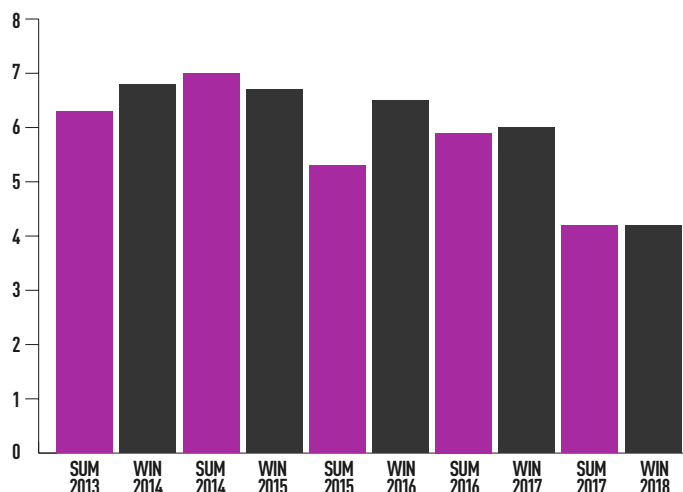
It attempted to win back conservative buyers from Kia, Hyundai and Toyota by launching a 'Lifetime Warranty' in 2010 which covered cars for up to 100,000 miles with the first owner, but reverted back to standard three-year warranties four years later in recognition that PCP customers expect to change car regularly.

Norman, who drives an Insignia company car, said Vauxhall must build on its current messaging, which uses statements such as 'True Brit' and 'Drool Britannia' to emphasise that Vauxhall has been a British brand since 1903. "During this transition we have to make a strong statement about what Vauxhall is," he said. It has no aspirations to be premium, but Norman sees a need to become what it was in decades past – a reference point, like Ford and Volkswagen are now. "I remember when Vauxhall was great, but the greatness it had is a greatness we're going to build back."

He said he needs Vauxhall to be attainable, progressive with technology, and ingenious. "There's no greater satisfaction for a motor trade individual than in selling a great product at a reasonable price to a modest person," he said.

Rebuilding the brand will take time, but Norman has a vision and determination. "I have no intention of cocking this up," he said.

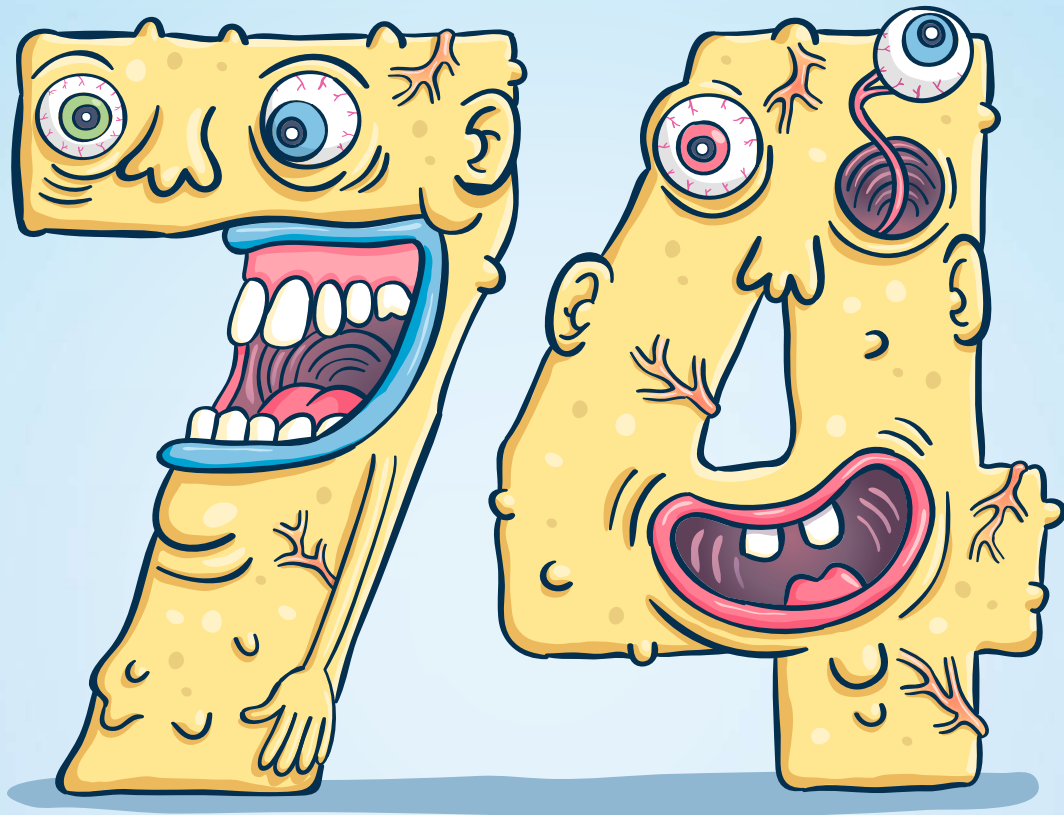
NFDA DEALER ATTITUDE SURVEY – OVERALL RATING OF THE FRANCHISE



Franchisees have generally viewed Vauxhall positively in recent years, but its takeover by PSA in 2017 sent a shock through the network as the new owner began to cut costs and sales volumes.



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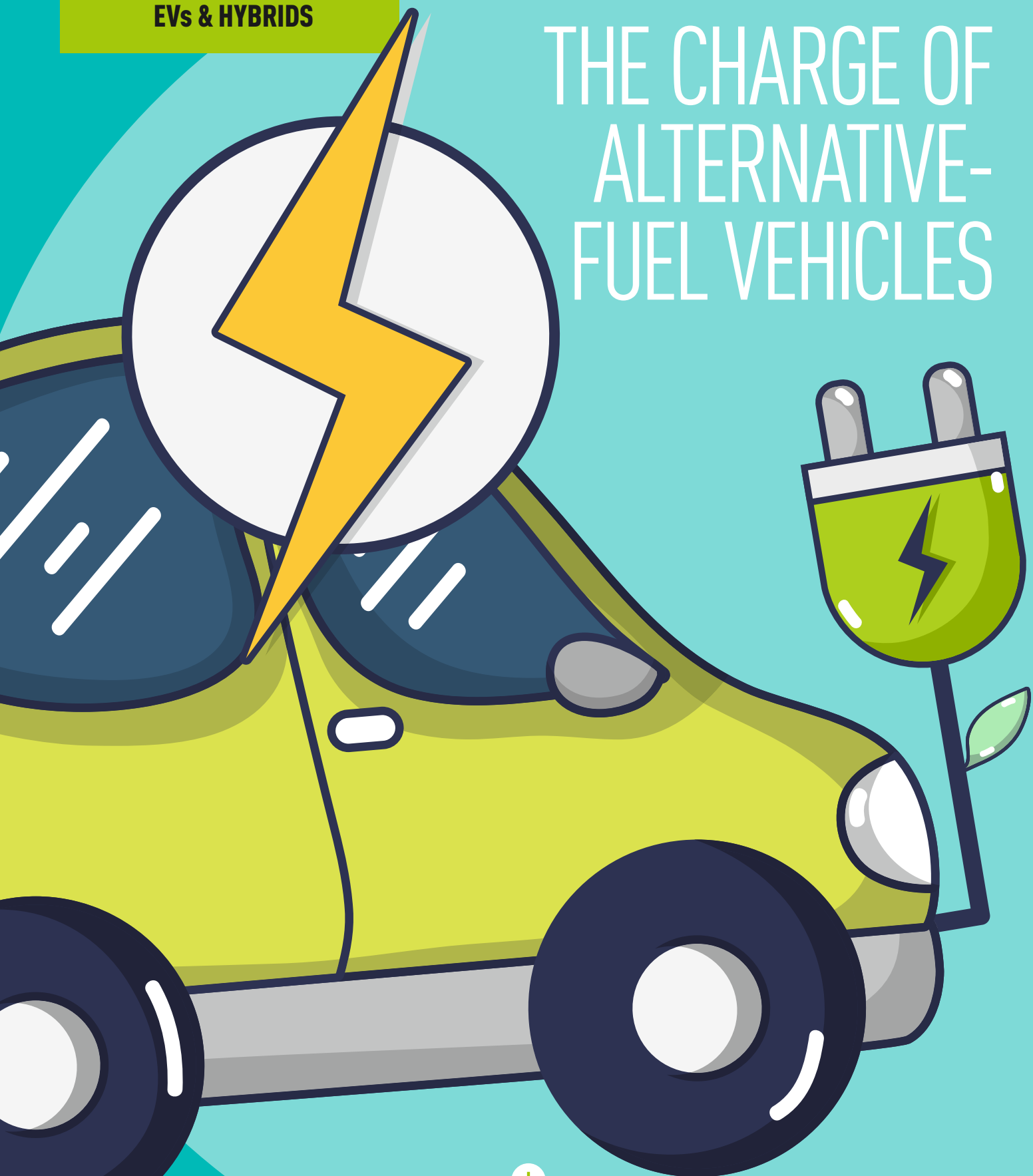
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SPOTLIGHT:

EVs & HYBRIDS

THE CHARGE OF ALTERNATIVE- FUEL VEHICLES



SUPPLY IS 'ONLY OBSTACLE'

SALES OF EVs AND HYBRIDS WOULD 'EXPLODE' IF SUPPLY WAS THERE, SAYS CHARGEMASTER STRATEGY DIRECTOR

PAGES 44-49

PLUG-IN GROWTH DRIVERS

REGISTRATIONS OF PLUG-IN VEHICLES ARE RISING, BUT CLEAN AIR INITIATIVES WILL HAVE A SIGNIFICANT IMPACT

PAGES 51-53

NOT PLAIN SELLING

THERE ARE SOME KEY DIFFERENCES IN APPROACH WHEN SELLING HYBRIDS AND 'PURE' EVs

PAGES 54-55

'The only obstacle to EV sales explosion is supply'

To meet rising demand for alternative-fuel vehicles, manufacturers' product pipelines are full of hybrids and pure EVs, but retailers need the right mindset and knowledge to sell them

As manufacturers outline their strategies to move to lower-emission motoring over the medium to long term, a range of new electric and hybrid vehicles are on their way to UK showrooms over the next five years.

More than 160,000 plug-in cars have been sold in the UK and registrations are on track to reach 60,000 this year alone, pointing towards a major change in the market.

According to Go Ultra Low, the Government and industry campaign to promote ultra-low emission vehicles (ULEVs) in the UK, the overall number of alternative fuel vehicles (AFVs) registered has risen every month so far this year, with one being registered every nine minutes in the UK, despite a 3% year-on-year decline in pure electric vehicle (EV) registrations (to 7,441) in the first half of 2018 when compared with the same period in 2017.

Chargemaster, the charging infrastructure company, has predicted there will be one million electric cars in the UK by the end of 2022, accounting for about 10% of all new car registrations. Tom Callow, its director of strategy, believes the only obstacle to an explosion in EV sales is supply, insisting that "there is no demand constraint at all".

The company's forecasts suggest that those

shortages will be met by an influx of new models.

Chargemaster believes nearly one in four new cars will be electric by 2025, with plug-in cars making up about 50% of new registrations by 2027 and 60% by 2030.

On the current trajectory, it is likely virtually every car on UK roads will be electric by 2040, it said.

The changing market has seen new entrants, such as Tesla in 2012 with the Model S, its first mainstream electric car, and Dyson, better known for making vacuum cleaners and fans, has confirmed an investment of £2 billion to produce an electric car by 2020.

However, the first traditional carmaker to commit comprehensively to an electrified future was Volvo. Its plans include electrified versions of all its models by 2019 and it expects half of its sales to be fully electric cars by 2025.

Volvo's performance arm, Polestar, has been re-invented, too, as an electric car brand. Its first model, the Polestar 1, is due on sale later this year.

Ford says 40% of its range will have electric models by 2020 and Volkswagen Group has stated that it will offer 30 fully electric cars by 2020, with a quarter of its line-up electrified by 2025.

BMW believes mass production of EVs is not viable until 2020. It says electric technology is not

currently profitable for mass production, but has promised 25 electric or plug-in cars by 2025.

Hyundai and Kia have stolen a march on their European rivals, offering vehicles with mild-hybrid, hybrid, plug-in hybrid and fully electric drivetrains across its model line-up (plus hydrogen fuel cell in the Hyundai ix35). By 2025, Kia will have 16 alternative power train vehicles, including five new hybrids, five plug-in hybrids and five battery-electric vehicles.

Callow said: "With the increasing number of plug-in EVs coming to market, dealers need to have the right support in place for both sales and servicing.

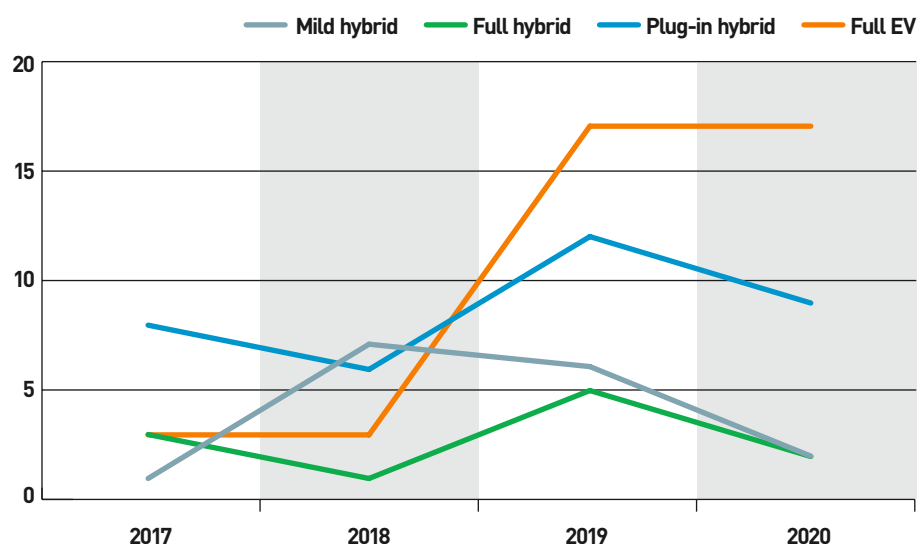
"Franchised dealers need to be developing an understanding of the EV market as a whole, including the fundamentals of how electric vehicles are used and charged, as well as their own brands' products.

"In many ways, dealers developing the right mindset towards EVs is more important than the relatively straightforward task of getting appropriate charging infrastructure installed."

MATT DE PREZ



VEHICLE LAUNCHES



2016

Ford Mondeo
Honda Insight*
Hyundai Ioniq
Infiniti Q50
Kia Niro
Lexus CT200h
Lexus GS
Lexus IS
Lexus NX
Lexus RC
Lexus RX
Mercedes C300h*
Mercedes E300*
Mercedes S400*
Range Rover*
Toyota Auris
Toyota Prius
Toyota RAV-4
Toyota Yaris



2017

Honda NSX
Lexus LC500h
Toyota CH-R



2016

Honda CR-Z*
Suzuki Baleno SVHS

2017

Suzuki Swift SVHS

2018

Audi A6
Audi A7
Audi A8
Hyundai Tucson
Mercedes C-Class
Renault Scenic
Suzuki Ignis

2019

Hyundai Santa Fe
Kia Ceed
Kia Sportage
Mercedes CLS53 AMG
Mercedes E53 AMG
VW Golf

2020

Alfa Romeo large SUV
Ford Focus

*no longer available

MILD HYBRID

Mild hybrid technology is a relative newcomer to the market, yet is also the one with most reliance on fossil fuels.

A mild hybrid cannot rely on electricity alone for propulsion. Instead, an electric motor-generator works alongside the engine.

Waste energy recovered by the generator is stored in a small battery pack and when the car is coasting or braking, this battery power boosts engine performance via the motor.

In some vehicles, the mild hybrid system operates alongside a higher-power 48-volt electric system, which allows the engine to switch off when the vehicle is coasting, as the stored energy provides enough power for all the vehicle control systems to operate as normal.

A number of carmakers have cited the use of 48-volt mild hybrid technology in future applications of conventional petrol and diesel engines, as it reduces fuel consumption and emissions while providing a small performance boost.

Evercore ISI, a consultancy company, believes mild hybrids will outgrow full hybrids (including plug-ins) by 2020. By 2025,

it predicts 48-volt mild hybrids will represent 55% of all new car sales.

Suzuki was the first manufacturer to introduce the technology across its model range and Kia will follow later this year.

Audi is also adopting the technology. All new A7 and A8 models feature a 48-volt mild hybrid system, as will the upcoming A6, while Mercedes-Benz's flagship S-Class introduced the technology earlier this year.

Volkswagen has confirmed it will launch a mild hybrid version of the Golf next year.

Renault already offers a mild hybrid engine in the Scenic, and the power train is expected to be introduced in other Renault Nissan Alliance models.



2018

Lexus LS500h

2019

Ford Mustang hybrid
Honda CR-V
Lynk & Co 01
Nissan Qashqai facelift
Volvo V40

2020

Cherry Xeed TX
Lynk & Co 02

*no longer available

FULL HYBRID

Currently the most popular form of electrification, hybrids have been in mass production since 1997.

An electric motor can power the car instead of the combustion engine in stop-start traffic and during very light throttle applications, providing fuel savings and less pollution.

Unlike a mild hybrid, the electric motor connects directly to the driveline and is able to provide momentum without assistance.

The Toyota Prius is the best-selling hybrid globally.

Toyota has invested heavily in hybrid technology, having been the first to market with the original Prius in 1997.

Now, almost all Toyota and Lexus models are available with a hybrid engine.

Hybrid technology was popular with vehicle manufacturers between 2012 and 2016, but now the ability to improve efficiency further is limited with only on-board charging. There is also no financial support for buyers.

In the shorter term, manufacturers are focusing their product launches on plug-in vehicles, although some have hybrids in the pipeline.

SPOTLIGHT:

EVs & HYBRIDS



2016

Audi A3 e-Tron
BMW 225xe
 BMW 330e*
BMW i8
 BMW X5
Kia Optima PHEV
 Mercedes C350e*
Mercedes GLE500e*
 Mercedes S500e*
Mitsubishi Outlander PHEV
 Porsche Cayenne E Hybrid
Porsche Panamera E Hybrid
 Volvo V60 D5*
Volvo XC90 T8
 VW Golf GTE*
VW Passat GTE*

2017

Audi Q7 e-tron
BMW 530e
 Hyundai Ioniq
Kia Niro Phev
 Mercedes E350e*
Mini Countryman
 Volvo S90/V90 T8
Volvo XC60 T8

2018

BMW 740e
Range Rover
 Range Rover Sport
Toyota Prius Plug-in
 Volvo V60
Volvo XC40

2019

Kia Stonic
Lynk & Co 01
 Mercedes A-Class plug-in
Mercedes C-Class plug-in
 Mercedes E-Class plug-in
Nissan Qashqai facelift
 Peugeot 3008
Polestar 1
 Range Rover Evoque
Škoda Superb
 Volvo S60
Volvo V40

2020

Cherry Xeed TX
Ford Kuga
 Hyundai Santa Fe
Lynk & Co 02
 Peugeot 5008
Peugeot 508
 Seat Leon
Tesla Model Y
 Vauxhall Grandland X

*no longer available

PLUG-IN HYBRID

The newest technology on the market is plug-in hybrid. With larger batteries, these vehicles can be recharged like a fully electric car and driven exclusively on battery power.

Zero-emission capability varies from model to model, but is currently limited to about 30 miles.

The motor works in conjunction with the engine to provide extra performance, but both can also operate independently.

A grant is available to cover up to £2,500 of the list price and more than 21,000 drivers

have taken advantage of it this year.

The most popular plug-in hybrid in the UK is the Mitsubishi Outlander, with more than 34,000 on the road.

BMW and Mercedes-Benz models have become particularly popular with company car drivers, as their CO₂ emissions are significantly lower than equivalent diesel or petrol versions.

All the major manufacturers are working on plug-in hybrid power trains for launch between now and 2025. Volvo already offers the technology on its 60 and 90 series cars and said it will feature on all newly launched models.

Mercedes-Benz discontinued its C350e and E350e models because it has a new range of

power trains launching next year. It is expected that the A-, C-, E- and S-Class will be offered with a choice of petrol and diesel plug-in hybrid engines.

Land Rover added plug-in options to the Range Rover this year and up to 50% of models across the Jaguar Land Rover group should be available as plug-in hybrids by 2020.

Next year will see the first plug-in hybrid Škoda model launched, as well as a range of vehicles from Peugeot Citroën.

The zero-emission range of a plug-in hybrid is expected to reach an average of 50 miles as the next generation of batteries is developed, meaning the majority of journeys should be achievable without the need to burn any fossil fuel.

CONSUMER CONFUSION

Car buyers have more choice than ever when they walk into a dealership, but the additional choices bring extra confusion, especially as manufacturers can have different labels for the same technology.

Andy Eastlake, managing director of LowCVP, the Low Carbon Vehicle Partnership, said: "Hybrid is a good example where the term can be applied to almost any scale of technology. A regular hybrid of any type should really be just regarded as another development of low emissions and

good fuel economy technology.

"We need to get people to realise that having a plug does not mean that range anxiety needs to be an issue, since a range extender gives zero-emissions driving, but removes the range concerns."

He also believes the use of 'electric vehicle' and 'electrified vehicle' can be misleading and said manufacturers should be aiming to characterise cars by capability and not by technology.

Callow added: "Consumers need to

understand that the Government's strategy is called Road to Zero for a reason and realise that the aim is for all of us to be driving cars with 'significant zero-emission capability', and for most of us to be driving cars that are 100% zero-emission.

"The only affordable vehicles currently capable of continuous zero-emission mileage are plug-in electric vehicles, and these are the models dominating manufacturers' new model announcements, rather than any other technology."

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SPOTLIGHT:

EVs & HYBRIDS



2016

BMW i3
Citroën C-Zero/Peugeot iOn
Ford Focus Electric*
Nissan E-NV200 Combi
Nissan Leaf*
Renault Twizy
Renault Zoe
Tesla Model S
Tesla Model X
VW E-Golf
VW E-Up



2017

Hyundai Ioniq electric
Smart ForFour EQ
Smart ForTwo EQ



2018

Hyundai Kona Electric
Jaguar I-Pace
Nissan Leaf mk2

2019

Audi E-Tron Quattro
Audi e-Tron Sportback
Bentley
BMW iX3
Honda Urban EV
Jaguar XJ
Kia Niro EV
Kia Soul EV
Mercedes EQA

Mercedes EQC
Mini E
Porsche Taycan
Tesla Model 3
Tesla Model Y
Vauxhall Corsa
Volvo XC40
VW Phaeton EV

2020

BMW i4
Cherry Xeed TX
Citroën small car
Dacia
Dyson
Lexus
McLaren
Peugeot 208
Polestar 2

Porsche Taycan
Seat
Škoda Vision E
Tesla Roadster
Toyota
VW ID Crozz
VW ID hatchback
VW ID Scirocco



FULLY ELECTRIC

Fully-electric cars are on the brink of a step change. Until last year, the cost and range of an electric car outweighed the savings but new additions to the market, such as the second-generation Nissan Leaf and Renault Zoe ZE40, can go much further on a single charge.

Buyers can receive a grant of up to £4,500 against the price of a new electric car and there is additional support for funding a home charger.

Of the plug-in vehicles registered to date, only 40,000 are fully electric. Demand is lower because the batteries needed to provide a long range are expensive.

“DEMAND (FOR FULLY ELECTRIC VEHICLES) IS LOWER BECAUSE THE BATTERIES NEEDED TO PROVIDE A LONG RANGE ARE EXPENSIVE

As manufacturers continue to develop the technology list prices will reduce.

Currently the battery cost accounts for 47% of the retail price of an electric car, according to research from Bloomberg.

By 2030, it is expected to have fallen to

18%, making electric cars 15% cheaper, on average, than a petrol or diesel equivalent.

The best-selling electric car is the Nissan Leaf, which was launched in second-generation guise earlier this year. It costs from £25,000 (including grant) and provides a 170-mile range.

Cheaper electric cars with longer ranges are already being developed across the world. By 2020 the market will see a number of major manufacturers enter the space, including new brands from China.

Next year should see the delayed launch of the Tesla Model 3, which can cover more than 200 miles and costs £35,000.

Jaguar has already joined Tesla in the premium sector with its I-Pace and Mercedes is on the brink of launching its own electric SUV, due next year.



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www.secureplc.com or www.autoimaging.co.uk

What are the growth drivers for plug-in sales?

Registrations of plug-in vehicles are rising, but the scale and timing of national emissions policy and local clean air initiatives will have a significant affect on retailers' PHEV fortunes

While overall plug-in vehicle sales are continuing to grow in the UK, it's still going to take some time for them to become the mainstream choice.

However, the combination of incentives, Clean Air Zones and Government policy may give sales a further push ahead of the 2040 deadline to switch all new car sales to plug-in alternatives.

Following the Government's Road to Zero strategy it is thought new hybrids will have to be capable of zero emissions for 50 miles as part of the 2040 deadline.

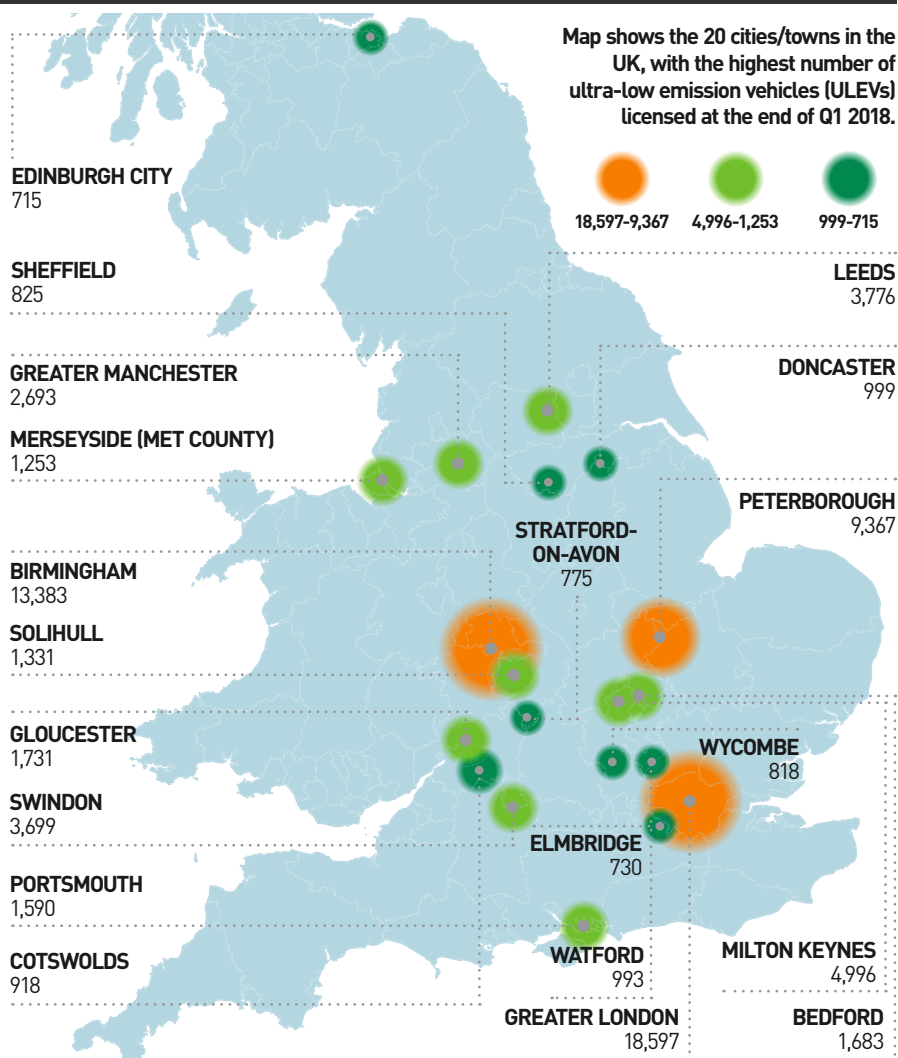
According to data from the Society of Motor Manufacturers and Traders (SMMT), registrations for cars eligible for the plug-in car grant in the first seven months of 2018 were up 26.4% year-on-year, to 30,195. However, from a total market of 1,477,892, that equates to just more than 2% of the market. This is up from a 1.8% market share in 2017, 1.2% in 2016 and 0.9% the year before that. To put that into perspective, year-to-date, total plug-ins would have a market share between Volvo (1.89%) and Citroën (2.14%).

According to the Department for Transport (DfT), the most common ultra-low emission vehicles (ULEVs – classed as vehicles with tail-pipe CO2 emissions below 75g/km) registered for the first time in the year to the end of March 2018 were the Mitsubishi Outlander PHEV with 7,567, followed by the BMW 330e with 5,638 and the Nissan Leaf with 5,132.

No.	UK region	ULEVs at end of Q1 2018 (DfT)	ULEVs per 100,000 people (Census 2011)
1	South East	31,294	362
2	East	22,005	376
3	West Midlands	21,893	391
4	London	18,597	228
5	South West	16,383	310
6	Yorks & Humber	9,828	186
7	North West	8,722	124
8	East Midlands	8,476	187
9	Scotland	8,404	159
10	Wales	3,275	107
11	North East	3,116	120
Total UK		157,304	249

ULTRA-LOW EMISSION VEHICLE REGISTRATIONS IN ENGLAND

Sources: Census 2011; DVLA/DfT



No.	Top 10 cities/towns	ULEVs licensed at the end of Q1 2018
1	Greater London	18,597
2	Birmingham	13,383
3	Peterborough	9,367
4	Milton Keynes	4,996
5	Leeds	3,776

No.	Bottom 10 cities/towns/areas	ULEVs licensed at the end of Q1 2018
1	Shetland Islands	43
2	West Somerset	39
3	Eilean Siar	23
4	Blaenau Gwent	22
5	Merthyr Tydfil	21



“UNREALISTIC TARGETS AND MISLEADING MESSAGING ON BANS WILL ONLY UNDERMINE OUR EFFORTS TO REALISE THIS FUTURE

MIKE HAWES, SMMT

At the end of 2017, 64% of licensed ULEV cars were petrol-hybrid and 35% were pure electric in the UK. The remaining 1% were diesel-hybrid and other technologies.

Scotland has pledged to make the switch to plug-ins by 2032 and there is increasing pressure on the Government to bring its deadline forward to match it, following calls that its own deadline is not ambitious enough.

The National Grid has already supported a 2030 deadline and city leaders, including areas covering Bradford, Bristol, Cardiff, Greater Manchester, Leeds, Leicester, Liverpool, London, Newcastle, Oxford, Sheffield, Southampton and the West Midlands, have also backed it.

Giving evidence to Parliament's business, energy and industrial strategy committee in March, Graham Cooper, project director electric vehicles with the National Grid, said: "A deadline of 2030 would still give us enough time to cope with any changes that need to be made."

"We would support a more ambitious target. It provides a clear focus and allows the networks industry to respond appropriately."

"Even if you left the 2040 target in place, I think the number of people still buying a conventional petrol or diesel car before that deadline will be a short list."

However, Mike Hawes, the chief executive of the SMMT, warned that "unrealistic targets and misleading messaging on bans will only undermine our efforts to realise this future, confusing consumers and wreaking havoc on the new car market and the thousands of jobs it supports".

"Vehicle manufacturers will increasingly offer electrified versions of their vehicles, giving consumers ever more choice, but industry cannot dictate the pace of change nor levels of consumer demand."

For many motor retailers, where ULEVs are adopted in the UK may matter to their planning almost as much as when.

Many major metropolitan areas are seeking to introduce clean air zones (CAZ) by April next year, in the case of London, or before 2020 in areas such as Birmingham, Derby, Leeds, Nottingham, Southampton, Bath, Bristol and Oxford. Leicester seeks to introduce its own CAZ before 2026 and a further 22 towns and councils are at least considering introducing similar measures (see map and panels, right).

Should these eight major towns and cities proceed on that timetable, they will become immediate hotspots for the sale of plug-in vehicles, as motorists look to avoid having to pay a daily charge to drive into certain areas.

DfT statistics analysed by click4reg.co.uk in June

showed that London and Birmingham are particularly good markets to target early adopters.

Greater London had 18,597 ULEVs licensed at the end of Q1 2018, while Birmingham, with its much smaller population, had 13,383.

The figures also reveal where there is less of an appetite for EVs. In Middlesbrough, just 51 ULEVs were licensed as of the end of Q1 2018, with Merthyr Tydfil coming bottom of the table on 21.

The impact of grants on sales

Most of the sales of plug-ins are helped along with grant funding.

Currently, the scheme is broken up into three categories:

Category 1 grants provide £4,500 for cars with CO₂ emissions of less than 50g/km and a zero-emissions range of more than 70 miles.

Category 2 provides £2,500 for cars with emissions of less than 50g/km, a zero-emissions range of between 10 and 69 miles and with an 'on the road' price of £60,000 or less.

Category 3 provides £2,500 for cars with CO₂ emissions of 50-75g/km, a zero-emissions range of at least 20 miles, and an OTR price of £60,000 or less.

Customers can also get £8,000 towards the cost of an eligible low-emission van and up to 75% of the cost of a charge point covered by the Government (capped at £500, inc. VAT) to make it easier to charge at home.

The Government has said the grants will remain in their current form until October 2018 and has committed to a grant of some form until at least 2020.

Go Ultra Low, the joint Government and industry campaign to promote plug-in vehicle adoption, also recommends that consumers look into local savings available for ULEVs, such as on parking or exemption from the London Congestion Charge.

There are now 16,738 public charging points available across the UK and BP's recent acquisition of Chargemaster will boost that by a further 1,200. It also hints at the oil industry giants looking to change gears to invest in EV infrastructure as consumers transition away from using fossil fuels.

The lack of clarity on what the future holds for grant funding was not resolved by the Road to Zero Strategy. It stated grants will be unviable as ULEV volume grows.

Birmingham will also host the world's first zero emission vehicle summit on September 11 this year. It's likely this will be the stage for the Government to set out the part the automotive industry will have to play in a zero-emissions future. **TOM SEYMOUR**

CLEAN AIR ZONE LOCATIONS UK

No.	Location	Date
1	London	April 2019
2	Birmingham	Before 2020
3	Derby	Before 2020
4	Leeds	Before 2020
5	Nottingham	Before 2020
6	Southampton	Before 2020
7	Bath	Before 2020
8	Bristol	Before 2020
9	Oxford	Before 2020
10	Leicester	Before 2026



WHAT INCENTIVES ARE IN PLACE TO HELP DEALERS PREPARE FOR PLUG-INS?

Dealers can apply for funding for charging points through the Workplace Charging Scheme. This comes in the form of £300 discount vouchers per charge point, up to a maximum of 20.

However, a spokesperson for the scheme confirmed to *AM* that these discounts can only be used if the chargepoint is for the business and employees, not for customers. It's an odd wrinkle, but the Office for Low Emission Vehicles (OLEV) carries out an audit on a percentage of installations, so if businesses are caught letting customers charge their cars with workplace points, the dealer could be fined and asked to return the money.

It's still a valid funding option for dealers that need charging points installed in workshop spaces and for those working at the dealership that have made the switch.

It's also unlikely many customers will be relying on dealers to charge their cars day-to-day, but if a customer's plug-in goes in for a service the expectation would be that the battery would be topped up, along with the service and wash and vac.

Other incentives available to businesses include enhanced capital allowances (ECAs) with a 100% first year allowance available for the installation of charging infrastructure. The allowance was announced in 2016 and will expire on March 31, 2019, for corporation tax and April 5, 2019, for income tax purposes – so motor retailers should act quickly to take advantage.

A spokesperson for Chargemaster said: "If any dealer – franchised or independent – wants to sell or service cars beyond the next five years, they will not only need to invest in training to work on electric vehicles, but also in charging equipment for their premises.

"Dealers will need charging points to support their new and used car sales operations, as well as their workshop activities."

Chargemaster's Powercharge unit is priced at £795 + VAT and provides two floor-standing or wall-mounted sockets with an output of up to 7kW per socket. These charging points won't allow a business to automatically charge for usage, but Chargemaster said the cost would be about £1 a day.

“[DEALERS] NOT ONLY NEED TO INVEST IN TRAINING TO WORK ON ELECTRIC VEHICLES, BUT ALSO IN CHARGING EQUIPMENT FOR THEIR PREMISES

CHARGEMASTER

Five differences in how to sell EVs and hybrids

Though volumes of all electric vehicles are likely to grow, there are some fundamental differences in selling hybrids and 'pure' EVs



1. EDUCATION

Tom Callow, the director of communications and strategy at charging infrastructure provider Chargemaster, believes dealers as well as consumers need more instruction on how electric vehicles (EVs) and plug-in electric hybrid vehicles (PHEVs) operate.

"It's a new world with new jargon. Dealers need to learn the difference between a kilowatt and a kilohertz – it's no different to explaining fuel economy and CO₂ emissions, just different acronyms and terms," said Callow.

Experienced dealers are already staking their claim. Nathan Tomlinson, Mitsubishi dealer principal at Devonshire Motors, has had early exposure to EV and PHEV technology through the Outlander PHEV, currently the world's bestselling PHEV.

He said: "A first-time buyer should always be looking to visit a dealership with a proven background in EV and PHEV sales so that they get a comprehensive product explanation and demonstration. To own, understand and get the full benefit of a PHEV, there is a lot to know and learn."

The Lexus RX 400h, the manufacturer's first hybrid, arrived in 2005 and Diana Mackinnon, the general manager at Lexus Edgware Road, said it did take an effort to get people on board with hybrid technology, but she believes that has eased more recently.

She said: "Five years ago, diesel was driving the market and customers couldn't get their heads around a petrol and electric combination. It required in-depth explanations, whereas consumers are much more informed today. However, educating people to adjust their driving style in a hybrid to maximise fuel economy is still required."

Toyota first introduced the hybrid to the UK in the shape of the Prius in 2000 and, including Lexus, has sold 11 million such vehicles globally. With hybrid sales up 25% year-on-year and many consumers new to the brands and the technology, retailer training is a priority.

Toyota introduced its mandatory Hybrid Accreditation Standard last year, which identified 1,851 customer-facing retail network staff to receive a deeper understanding of its hybrid technology.



2. LONGER SALES PROCESS

At Devonshire Motors, all sales, service and parts staff are fully manufacturer-trained and the business operates four full-time demonstrator vehicles, which also enables them to develop a wider understanding of the different scenarios customers encounter when using their vehicles.

Tomlinson said: "A PHEV purchase needs a longer time frame, along with more flexibility, lots of product knowledge and attention to the customer's circumstances. Typically, we see a longer enquiry and qualification period – to ensure the customer and the technology are a good fit – then an accompanied test drive, which is essential to demonstrate the nuances of PHEV technology."

Callow said: "Given that EVs make up around 3% of UK car sales, a lot of people going in [to showrooms] asking about EVs are already clued up, but that will change. It will be a longer process to give the consumer the background knowledge they need – whether they can use an EV day-to-day in their life as well as where they would charge it."

Paul Craven, the general manager of the Toyota Academy, said: "Toyota introduced Prius PHEV technology to the UK market in 2012 and understanding the key differences between the two technologies when quantifying a customer's needs is essential. Another challenge has been to establish the market differences between mild and full hybrid technology, as well as PHEV."





3. OPPORTUNITY

"Dealers need to look at EVs as an opportunity, not a threat. A big issue is that EVs will lead to lower aftersales revenue, but there will be new ways for dealers to support EVs," said Callow. He suggested offering public network access as part of a point-of-sale bundle and installing a public charging point on the forecourt to attract current EV drivers to the business.

Mackinnon is focused on meeting customer needs today. She said: "People who come into our showroom see self-charging hybrids as a benefit over full electric plug-in vehicles. They believe the hybrid is the car for the here and now."

For Mackinnon and Craven, hybrids can be sold with the same add-ons. Mackinnon said: "Most vehicles are funded by PCP, so our add-on products are selected with a view to maximising the car's residual value. We focus on paint and upholstery protection, SMART repair and GAP."

Craven added: "With no clutch, alternator, starter motor or timing belt fitted, servicing is very straightforward. In addition, there is less brake disc and pad wear due to the efficiency of regenerative braking."

Selling used EVs also offers an opportunity, with current demand for new EVs outstripping supply. Callow believes dealers should look at selling used EVs and highlighted the emergence of small independent EV specialists such as Eco Cars in Orkney already exploiting the gap in the market.

Mackinnon sells about 50 used hybrids a month at ages of up to 10 years old. She said: "The early CT has fast become an entry point for Lexus. I can't get enough of them."



4. EXPERIENCE THE CARS

To maximise the benefits of driving an EV, or even a hybrid, requires a different driving process to conventional vehicles.

Tomlinson advocates a longer, unaccompanied, second test drive. He said: "Decisions are never rushed. There is a lot of information to absorb and practicalities to consider, so the final part of the PHEV sales process is to be confident in the job you have done and allow the customer all the time they need to make a decision."

Mackinnon is a proponent of 24-hour test drives to ensure customers fully experience the vehicles, but with the right information provided beforehand. She said: "You will always get time wasters. In the past, we would try and swerve these people, but now we want as many people as possible to experience Lexus and hybrid driving."

The handover is even more involved, with customers encouraged to return after a few days to clarify any points they are struggling with. Tomlinson said: "Handovers are typically around twice or three times the length of a normal handover as technology, usage and ownership factors are covered again."

Following a Toyota test drive, the customer is emailed figures showing how much was completed using electric power alone – on average it equates to 55% of the journey.



5. PRACTICALITIES

Practical considerations for EVs include implementation of workshop equipment to manage service work, high-voltage training for technicians, and the installation of charge points on the forecourt.

Callow said: "The key thing for dealers to communicate relates to charging. They will need to know what kind of consumer is eligible for a home charging unit and take the consumer to a public charge point and explain about the network."

He identified rapid chargers as one example of a gap in dealer knowledge, with some advising PHEV drivers to use them. With the exception of the Mitsubishi PHEV, plug-ins

gain no benefit from rapid chargers, still taking four hours to charge, while taking up a space that could be used by an EV capable of charging in 20 minutes. "It's inappropriate use of the infrastructure," said Callow.

Craven said: "It is ensuring the owner understands basic hybrid system operation, how the system is designed to operate and the system parameters."

"With Prius Plug-in hybrid, it is key to understand from the customer exactly how the vehicle will be used and what charging facilities will be available at their home or work, for example. This is crucial to ensure fuel economy figures are maximised." **DEBBIE KIRLEW**

1

How analytics can help

The key to a successful website is understanding who uses it, how they get there and what they do when they get there. The tool that enables dealers to do that is Google Analytics.

Paul Hilton, retail director at web agency GForces, said: "Google Analytics is a really powerful tool for motor retailers to use when it comes to understanding how traffic gets to their website, what users do when they're in the website, what pages they come in on, what pages they leave on, etc. It's really powerful for them to use it for that purpose.

"For example, social media is now becoming a really important traffic driver for dealers and another trend we're seeing is that less traffic is being referred from portals such as AutoTrader and eBay Motors."

Ian Godbold, marketing director for Cambria Automobiles, is a fan of Google Analytics.

He said: "We completely transformed our marketing mix and campaigns on the back of what Google Analytics was telling us. And we set up a number of goals on our website. Did they reach the search results page? Did they reach the vehicle detail page? And then a number of goals of what they did on that vehicle detail page. Did they watch a video? Did they click on, to get a sale price? We were able to track all those, and track engagements and conversions."

Martin Dew, digital solutions director for web agency Autoweb Design, said: "The important thing is that dealers need to understand that people could potentially come to their website from a range of different search queries. So, for example, somebody searching for the dealership's name, or even the franchise and the location.

"The first thing is to have a proper Google Analytics set-up. If you have a dealership website, you need to invest some time, probably with an agency, to get things set up, like tracking of inquiries, grouping of audiences based on where they come from, and grouping of different content."

2

Ask your users

The best way of ensuring that your website is accessible and easy to use is to test it with the likes of user clinics or software that can track a user's journey.

Alex Humphries, from web agency My Social Agency, said: "User experience is an incredibly important part of a website, and it can make or break whether a customer comes to you or not when looking for a car. Tools such as Hotjar can generate heatmaps of where users have clicked, or where they have scrolled, so you can begin to get an idea of what is appealing to site visitors and what is not."

Dew added: "User testing, and user experience testing, is very important, because how your website works and feels will affect how somebody feels about your brand, and how likely they are to do business with you."

Hilton said: "My advice to dealers would be to just go through journeys yourself. There are so many examples where dealers just simply don't look at their website, particularly on mobile, because they'll tend to look at it on their work PC.

"Often, just looking at the way your site works and comparing your experience to the same experience you would get on consumer websites, such as John Lewis or Amazon, you can spot things that intuitively you know are not right for the customer experience."



COMMERCIAL PARTNER COMMENT

By Martin Dew, digital solutions director,
Autoweb Design



As an industry, we have worked our way into a templated method of presenting dealerships online through websites and other digital marketing activities.

At Autoweb Design, we are a team of talented marketers who are deeply passionate about the automotive industry, but also the digital marketing landscape as well as excellent customer care, of course. Our team have experience in industries ranging from technology to retail to travel. We all agree that the automotive sector represents an incredibly fast-paced environment with a forward-thinking culture. However, this is not represented in the way that the industry goes about digital marketing.

During our talk at the AM Digitech conference this year, we spoke about moving away from this templated approach and daring to be different. In our next talk at AM Live, we will discuss the next steps to generating more sales from online activity.

We have proven that taking a different approach can increase sales leads by three times or more. Looking to outside industries for inspiration in automotive retail can be very rewarding and also very exciting.

We have done some amazing things over the past year, but we are just getting started. Some areas that we see as being key over the next year are personalisation, data capture optimisation and user experience improvement.

Adopting change is a risk, particularly in a fast-paced environment like ours, which is why utilising the right web analytics technology and A/B testing is important, so that when a change is made, we have the data to show us that it was successful, or in some cases not.

We would love to hear from you if you would like a chat about how you can take your digital marketing to the next level, joining us on our journey by doing things differently.

To find out more, visit
AutowebDesign.co.uk,
email **marketing@**
autoweb.co.uk, or call
us on 01757 801 926



Autoweb Design 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: Aftersales

The mere existence of a website doesn't guarantee its effectiveness, so how can motor retailers ensure that the web is working for them? **Craig Thomas** sought the experts' best practice tips

BEST FROM YOUR WEBSITE

3

Always audit

The experts *AM* spoke to were unanimous about the need for dealers to audit their websites regularly.

Godbold said: "Every single month, we run through an audit – a full crawl on our site. We give the results to our technical guys and they just fix whatever needs to be made right."

Dew said: "Doing your own monthly audits in-house, and things like technical SEO housekeeping, that's just good practice. And if there's no resource to do it within the dealership, then you can normally find an agency that will do that housekeeping work."

Hilton added: "It's just using common sense. Look at the journey. If I want to land on your site to find your telephone number, how many clicks do I have to make before I see somebody's telephone number? If it's more than one, something needs to be done about it."

"A website is never finished, and we try and engender that spirit into our customers that whatever we do with this site, we have to continually look at it and evolve it."

Work Smarter

Data Driven Insights by Autoweb Design will

Lower



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4

The dark arts of SEO

Search engine optimisation (SEO) is the process of getting traffic from the results on search engines. It's the key to ensuring that consumers see your site ranked early among their search results.

Hilton explained why SEO is important: "It's for website providers to make sure that their platform is structurally sound to react to those algorithm changes. A lot of it can be content-orientated or things that dealers can control. And then a lot of it needs the technical implementation from the provider of that platform."

"A lot of SEO now is about content. The biggest thing we tell dealers is that they need authoritative content. You can't copy your new car pages from your manufacturer website. That is not content that Google will identify as being yours. You have to treat SEO as a channel for marketing, but you have to focus on your content and make sure your web provider is focusing on the technical things that are beyond your control."

Dew said: "Quite often, a lot of the organic search traffic on a dealer website comes from their dealership brand name. As search volumes vary through time, this means organic search traffic isn't always the right indicator of how well you are doing with SEO. It is important not only to look at traffic but to monitor your rankings for your target keywords using SEO tools, or an SEO agency. It's also a good idea to be plugged into the SEO community via an agency."

Humphries said a recent change in SEO algorithms was particularly significant: "In March, Google announced that the mobile-first index was being implemented. Being mobile-first means that dealer websites work effectively on mobile devices, by designing it for mobile before designing it for the desktop. It's about keeping in touch with changes in technology and consumer behaviour, to ensure that you don't miss a potential test drive or sale."

5

Informing customers



**YOU HAVE TO
FOCUS ON YOUR
CONTENT AND
MAKE SURE
YOUR WEB
PROVIDER IS
FOCUSING ON
THE TECHNICAL
THINGS**

**PAUL HILTON,
GFORCES**

It is vital that motor retailers use their websites to keep customers informed about important regulatory issues, such as the change to published fuel economy figures after the switch to WLTP testing.

Hilton said: "It's important to provide content within your website to make sure consumers understand that you are taking these things seriously."

"For WLTP, we'll be creating sections within dealer websites. Infographics are a great way of doing that – if you look on WLTPFacts.eu, there's a really good infographic there. [We are] creating content that breaks down barriers between what the consumer sees in the news about WLTP and dealers being able to explain simply what it is."

Dew said providing this information in a clear way also helps a dealership's credibility with consumers: "It impacts on things like inquiry rates from the website, which is our ultimate goal, in practice – and looking professional and trustworthy, and building trust with people."

"I think with anything like WLTP, where it is a big news story, it's important to think about how you present things, from a branding perspective. But clearly transparency, honesty and helpfulness all help to build trust, which is important when it comes to turning a visitor into an inquiry."



Ford expects total Focus volumes to remain broadly level with the outgoing model's 70,000 annual sales



FORD FOCUS: THE FLEET-FRIENDLY MK4 FILLS SOME PRETTY BIG BOOTS

This is the best car we've ever built" is a headline-grabbing claim.

It was Ford of Europe vice-president, product development, Joseph Bakaj's view of the new Focus, but can the car live up to such a grand billing?

In many ways, it can, but it does depend on the criteria used to judge it and the potential buyer's priorities. It's certainly the best Ford for connectivity, technology and safety. Arguably, it also offers the best overall package.

Handling, as with all Focuses since the original in 1998, is crisp and precise, ride is smooth and grip is outstanding. The Fiesta ST is probably a better driver's car, though. Nevertheless, the Focus is agile and responsive, equally at home around town, on motorways or zipping around rural roads.

Styling, as with each previous generation, has undergone a revolution. Some love it, some don't. We think it looks great from the front three-quarters, but much less so from the rear.

Interior quality is good – a mix of smooth/hard plastics and soft materials, and an improved layout with half the number of physical buttons. It's up there with the best in its class.

The Focus makes outstanding use of its space, with greater room for front and rear passengers (and boot space) thanks to a longer wheelbase. Shorter overhangs

mean exterior dimensions are unchanged.

Away from the passionate proclamations, something more tangible has happened. Ford has reduced the price of key models – by more than £2,200 on the (reintroduced) entry level Style, now from £17,930, and by £840 on the fleet favourite Zetec, at £19,300. The move has positive implications for company car drivers on benefit-in-kind (BIK) tax and fleets for national insurance/corporate tax.

The Titanium remains the same (£21,550), but higher levels of standard equipment offer greater value, says Ford.

All models come as standard with emergency and post-collision braking, lane-keeping warning/aid, intelligent speed assist, hill start assist, electronic stability control and 4.2-inch colour display.

Zetec adds Ford Sync 3 digital radio with 6.5-inch touchscreen, cruise control and front fog lamps with cornering function. Titanium adds LED rear lights, folding door mirrors, front/rear parking sensors, rain sensing wipers, heated front seats, dual-zone aircon, sat-nav and keyless entry/start.

In addition to the two key fleet trims, the £21,370 ST-Line, with its 10mm lowered sports-tuned chassis, unique grille and body styling kit, will appeal to retail and company drivers looking for a sportier model and will be the best seller. It is also the residuals champion, resulting in competitive finance deals.



£17,930 –
£25,250



1.0, 1.5,
2.0-LITRE



0-62MPH
8.3-12.0 SECONDS;
TOP SPEED
110-137MPH



6SP/8SP AUTO



47.1-78.5MPG



96-138G/KM CO₂

≡ REVIEW RATINGS

AUTO EXPRESS



TOP GEAR



WHAT CAR?



≡ KEY RIVALS



Seat Leon



**SPORTY DYNAMICS,
WIDE RANGE OF
ENGINE OPTIONS**



**INTERIOR QUALITY
FALLS SHORT OF
VW GROUP'S BEST**



Kia Cee'd



**50-LITRE BOOST
CAPACITY ADVANTAGE,
STANDARD SAFETY TECH**



**FORTHCOMING
ECO OPTION A 48V
'MILD' HYBRID**



Vauxhall Astra



**VAST ARRAY OF TRIM/
ENGINE OPTIONS**



**THE HIGHEST 'OTR'
PRICE ON THIS PAGE**



CONSUMERS DO THEIR RESEARCH ONLINE, BUT THE SALESPERSON IS STILL AN IMPORTANT PART OF THE PROCESS AND THEY HAVE TO SUCCINCTLY CONVEY THE KEY POINTS

LISA BRANKIN, FORD MOTOR COMPANY



Ford plans to cut the volume of new Focus going to rental, from 23% to just 8%



The simplified interior layout makes good use of quality materials

➤ Topping the range is the £25,250 Vignale, which comes with a head-up display for the first time on a Ford in Europe, plus active park assist which can now handle gradients up to 12 degrees and accommodate kerb parking where allowed.

As well as price reductions, updated and new engines have lower CO₂ emissions/better fuel efficiency than those they replace – even when comparing their WLTP CO₂MPASS rating to the old engines' NEDC – while residuals are up 25% over three years/60,000 miles (on average from £6,000 to £7,500).

This triple whammy will result in a sizeable reduction in whole life costs, making the car attractive to fleets, which will account for half of sales.

Pricing guides usually give new cars an RV boost, but underpinning this is the fact that Ford plans to dramatically cut the volume going to rental, from 23% to just 8%.

However, it expects total volumes to remain broadly level with the outgoing model, which means more cars going to true fleet and retail.

The Focus was launched as a five-door hatchback in July, with the new 1.5-litre EcoBlue diesel (70% of corporate sales) and the upgraded 1.0-litre EcoBoost (30%).

The 95PS diesel emits 91g/km, the 120PS 94g/km, both on 16-inch wheels. The petrol (offered with 85PS, 100PS and 125PS) with cylinder deactivation emits from 107g/km. Ford claims the engines are 10-12% more

Q&A



LISA BRANKIN,
MARKETING DIRECTOR,
FORD MOTOR COMPANY

The Focus is such a well known brand in the UK, what challenges do you face with version four?

The biggest challenge is that there's a lot of new technology. People are familiar with the Focus, so we have to let them know that it's all-new – we started with a clean sheet of paper – and get across all the new technology, the safety, the new engines and all the other improvements we have made.

We put all our knowledge into this car and we feel it's our best car yet in terms of competence, technology, functionality and style.

What role will dealers play in the marketing process?

They face the same challenges as us over the newness of the car. Consumers do their research online, but the salesperson is still an important part of the process and they have to

succinctly convey the key points and also the elements that are most relevant to the customer. Dealers saw the car in April at a preview event and in July they will drive it and be trained on it.

What response have you had from dealers?

We've had really positive feedback so far – they are impressed with the step forward in the new technology, the new styling and the new opportunity offered by the Active.

Why did you decide to reduce the price and reintroduce the entry-level Style?

The price reductions make it closer to the real-life price, so there will be less discounting versus the old car. We looked at all the specifications and felt that the Style was the best entry point into the market.

We are also restricting the rental volumes (from 23% on the current model to 8% on the new car). This signals to user-choosers that we are a credible product so the whole-life cost position will be improved. And we have leveraged our residual value efficiencies.

The Focus is a once-in-a-lifetime opportunity to go to the market with a proposition that challenges the premium brands.

“PEOPLE ARE FAMILIAR WITH THE FOCUS, SO WE HAVE TO LET THEM KNOW THAT IT'S ALL-NEW AND GET ACROSS ALL THE NEW TECHNOLOGY, THE SAFETY, THE NEW ENGINES”
LISA BRANKIN, FORD MOTOR COMPANY

efficient during its own real-world testing – they are certainly far more efficient than its closest rivals.

Both offer an excellent driving experience. The 125PS petrol has bags of power, particularly at higher revs, while the 120PS diesel is punchy at low revs and remains the best option for higher mileage drivers.

Noise levels – engine, road and wind – are noticeably reduced, thanks to improved damping and a stiffer body.

About 20% of the model mix will be the new eight-speed automatic transmission with rotary dial and paddles, a £1,350 premium – the balance will be the six-speed manual.

Phase two, in October, will bring the Wagon (estate), which will account for 10-12% of total sales, plus the higher performance 2.0-litre diesel (112g/km CO₂) and 1.5-litre petrol (121g/km). The Focus Active, 30mm higher than the standard car with its own grille style, will arrive at the start of 2019 with sales evenly split between hatch and wagon.

Ford will introduce a mild hybrid next year, with plug-in hybrid and electric versions likely to follow from 2020.

The best Ford ever? That may be a touch hyperbolic, but it is undeniably the best Focus ever. **STEPHEN BRIERS**

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KIA CEED: SPORTIER, SHARPER AND READ



Kia expects registrations of the new Ceed to help it reach its 95,000-unit target

Kia has been on a bit of a winning streak recently. It is launching new models to compete with class leaders and in a market down 5.5% to the end of July, it is bucking the trend with a 1.85% year-on-year registrations increase.

The latest in the new breed of Kias, the third-generation Ceed is intended to compete directly with the Volkswagen Golf and Ford Focus – an intention that would have seemed laughable five years ago.

It is more refined, more technologically advanced and better to drive compared with its second version.

Albert Biermann, the former boss of BMW M, BMW's performance car division, now heads the equivalent division at Hyundai and Kia. Biermann oversaw the chassis development, with a view to ensuring the Ceed drives like the very best European hatchbacks.

That more nimble chassis is signalled by sharper lines and shorter overhangs, which help the new sportier Ceed shrug off its previous value-focused image.

Inside, the cabin quality is up there with the best in the class and there is no shortage of toys, either.

Prices for the entry-level Ceed start at £18,295 and all models receive a seven-year/100,000 mile warranty.

This may be almost £3,000 more than the old model, but Kia is dropping the base trim and only selling the Ceed in grade 2 and above, for now. This represents a like-for-like price cut of £365 compared with the old grade 2 car.

Standard specification includes cruise control, air conditioning, an alarm, and automatic headlight activation. A seven-inch touchscreen infotainment system provides digital radio, Bluetooth and smartphone integration, plus a reversing camera.



**WE HAVE A
TARGET TO
INCREASE OUR
SALES THIS
YEAR... SO THE
CEED WILL
HAVE TO
DELIVER
MODEST
GROWTH**

**PAUL PHILPOTT,
KIA UK**

Safety has been given a high priority too, with lane-keeping assist, high-beam assist and autonomous emergency braking all included as standard.

Stepping up to grade 3 introduces privacy glass, rain-sensing front wipers, an eight-inch touchscreen sat-nav system, climate control, electrically folding door mirrors and rear parking sensors.

The range-topping First Edition costs from £25,750 and includes leather seats, keyless entry/start, automated parking, a sunroof, LED headlights and a JBL audio system.

Kia is also offering a special launch model (see panel, right). The Blue Edition is based on grade 2, but includes sat-nav, LED headlights and half-leather upholstery to boost its showroom appeal. It has a list price of £21,095.

Power comes from a suite of turbo-charged petrol – a 120PS 1.0-litre and a 140PS 1.4-litre – and diesel engines. A new

Y TO TAKE ON THE GOLF AND FOCUS



Cabin quality is equal to the best in class



The new Ceed has sharper lines and shorter overhangs



£18,295 -
£26,850



120PS 1.0 T-GDI;
140PS 1.4 T-GDI;
1.6 CRDI



0-62MPH
8.6-10.9 SECONDS;
TOP SPEED
116-130MPH



6SP MANUAL;
7SP AUTOMATIC



48.7-74.9MPG



99-132G/KM CO₂

1.6-litre diesel engine is also offered, with 115PS and CO₂ emissions from 99g/km.

Buyers can choose from a six-speed manual or seven-speed dual-clutch automatic gearbox.

The 1.4-litre offers the best performance and delivers it in a smooth and relaxed way. The 1.0 has to be worked harder and feels a little lacking at motorway speeds.

We found minimal difference in fuel economy during our testing, although official figures suggest the smaller unit has a 4mpg advantage.

The diesel is quiet, refined and capable of up to 74mpg. Performance is brisk, with 0-62mph time of 10.6 seconds. Kia expects it to account for up to 40% of total sales.

A mild-hybrid diesel will launch next year with even lower emissions and better performance.

With any power train, the Ceed is civilised at motorway speeds, and covers miles with little effort. **MATT DE PREZ**

Q&A



PAUL PHILPOTT,
PRESIDENT AND
CEO OF KIA UK

How important is the new Ceed for Kia UK?

More than half of our total sales come from Ceed and Sportage, so we absolutely have to get it right. We have a target to increase our sales this year to more than 95,000 units, despite the market being in decline, so the Ceed will have to deliver modest growth.

This segment is dominated by VW and Ford, but we believe we have a product that can challenge them head-on. The new Ceed is now more sophisticated and better to drive than before, but still great value for money.

Do you expect the fleet/retail split to change with the new model?

Retail sales currently account for 25% of total sales. We do expect growth from the new Ceed, but the mix should stay the same.

The new car will have stronger residuals and we will be focusing on increasing our leasing and outright purchase activity with fleets, rather than chasing volume.

We won't do any rental in the first year, to protect the residuals.

What are you doing to support dealers with the launch of the car?

There will be two special edition models at launch – the Blue Edition and the First Edition, offering great opportunities to upsell. The Blue Edition is designed for maximum showroom appeal and The First Edition comes loaded with extras.

We have planned a range of activities to engage dealers with the new Ceed, including a full day of training. We want to focus on the driving experience and give potential customers the best possible test drive.

Will dealers be expected to do anything differently?

Drivability is a big step change in our new product portfolio.

The new car, along with the new Stinger, is designed to be a driver's car. The dealer has to get the customer out in the car so they can experience it on the road. We have also introduced new technology for the brand – including advanced driver assistance systems – and it is important that the customer understands how this technology will add value.

Which model and engine do you expect to be the best-seller?

The 1.4-litre petrol is the one we expect to see the highest volumes of, although the diesels will still account for around 40% of total sales.

≡ REVIEW RATINGS

AUTO EXPRESS



AUTOCAR



PARKERS



≡ KEY RIVALS



Ford Focus



HANDLING AND FUEL
EFFICIENCY



SPECIFICATION ON
BASE MODEL



Volkswagen Golf



REFINEMENT AND
POWER TRAIN CHOICE



BLAND LOOKS



Peugeot 308



STYLING AND
COMFORT



REAR SEAT SPACE

VOLKSWAGEN E-GOLF

REPORT
PROGRESS



E-GOLF WELL-PLACED TO FEND OFF RIVALS

How much value do customers attach to Volkswagen's oft-lauded build quality and dynamic polish? In the e-Golf's case, the answer is likely to be delivered very soon as other volume brands start to enter the EV segment.

Hyundai's £33,995 (excl. £4,500 Government grant) Kona EV features a 64kWh battery, which delivers 204PS and a claimed range of 300 miles. Despite the price, the range could see Hyundai steal a march on the Nissan Leaf's 3,511 H1 registrations (9.1% down on 2017's 3,863).

Volkswagen retailers' trump card is that the e-Golf delivers on the brand's familiar levels of interior quality and dynamic prowess. It features Normal, Eco and Eco+ modes which temper power to 95PS and 75PS – and top speed to 71mph and 56mph – and adjust the air conditioning to deliver maximum economy.

In 'Normal', the e-Golf is smooth and impressively swift. Volkswagen claims 9.3-second acceleration to 62mph and a 93mph top speed, the single-speed gearbox adding pace in an effortless surge. The e-Golf's gear selector accesses five levels of on-the-go battery regeneration and accompanying 'engine braking' effect – D, D1, D2, D3 and B.

Narrow tyres with tall sidewalls make for a comfortable ride but suggestions that EVs might deliver aftersales potential to retailers through higher tyre wear may hold water. The e-Golf's low centre of gravity and an absence of roll in corners accentuates the sense of its 1,615kg kerb weight leaning on those sidewalls. **TOM SHARPE**



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CURRENT MILEAGE 0 2 6 2 3

START MILEAGE 0 0 1 0 0

HONDA CIVIC 1.0 VTEC TURBO SR

REPORT
PROGRESS



CIVIC KEEPS PACE WITH ITS COMPETITIVE SET

The Civic comes in a long way short of selling the same volumes as the Ford Focus and Volkswagen Golf in the C-segment retail market, with their market shares at 24% and 21% respectively in the January to July period this year. With a 6.4% share it is wrestling with the Vauxhall Astra and Toyota Auris at positions three to five in the Society of Motor Manufacturers and Traders' latest figures. The Astra has a share of 6.8% and the Auris 5.9%.

So if this is the realistic three-way tussle in the market how does the Civic compare? I looked at the Auris 1.2T VVT-i Icon Tech and the Astra 1.0i SRI Nav 105PS Turbo S/S ecoTEC, similarly powered and priced cars. The smallest engine in the Auris range is a 1.2 and the Civic sits between the Auris at £20,755 and the Astra at £21,910.

But while it's in VED band C, costing the same as the Auris in D (£165), the Astra wins at £145 in band B. Its mpg figure is better than the Auris's, (55.4 compared to 52.3), but behind the Vauxhall at 58.9. It's also in the highest insurance group of the trio.

But when you move away from the small print, the Civic comes to life. Its standard safety and security spec (such as traffic sign recognition and whiplash lessening front headrests), leads the pack, for example. And it has the biggest boot by a considerable amount – 190 litres more than the Auris and 180 than the Astra – so there is plenty of ammo for showroom sales execs fighting their corner. (Data sourced from comcar.co.uk) **JEREMY BENNETT**



REGISTRATIONS YTD
9,089
(SOURCE: SMMT)



SEGMENT SHARE
4.84%
(SOURCE: SMMT)



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START MILEAGE 0 1 2 7 9

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Lisa Hilferty, commercial sales executive at Mercedes-Benz East London Van Centre, identified the Lotus Cortina in last month's issue.

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



ADVERTISING FEATURE

EXECUTIVE PANEL

Industry professionals share their best advice on motor retail issues

VALETING

Improve customer journey and retention

By Martin Peters, sales director, Autoclenz Group



Why do customers choose your dealership? Is it location, ease of booking, staff attitude, quality of service wash, pricing, etc.? The answer is it's all of these and more, but it is certainly true that the aftersales customer journey will significantly help to retain customers, for both sales and aftersales, while encouraging repeat business.

You need to differentiate your business by delivering a great customer experience that will drive customer numbers, spend and customer service index (CSI) scores.

Autoclenz can improve customer experience in aftersales in three main areas.

Firstly, the ease of booking – we can offer a fully insured collection and delivery solution, so your customer doesn't need to leave their home or workplace. This is very popular with fleet users. This also keeps lead times down and releases pressure on the courtesy cars.

Secondly, we can improve the "free" service wash, which is a great opportunity to wow the customer. Small low-cost improvements, such as dressing tyres, striping carpets and installing "new car" essence air freshener in addition to the usual wash, leather and vac, can really enhance customer perception.

Thirdly, the upsell. Offer a full valet or Smart repair while the car is on-site, again improving customer perception and, ultimately, profit.

These are all either self-funding or low-cost initiatives to improve aftersales customer experience, customer retention and, therefore, profitability.

■ **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**



AUCTIONS

Profit springs from accurate appraisal

By Stuart Pearson, COO, BCA UK Remarketing



As sourcing good stock becomes ever more competitive for dealers, identifying and retaining those retail-quality part-exchange cars is essential.

In the September plate-change period, dealers will see increasing numbers of part-ex vehicles and sorting the wheat from the chaff will be critical to

trading profitably.

BCA Dealer Pro allows dealers to appraise, value and remarket part-ex vehicles and maintain inventory at the touch of a screen, with the freedom to see what is available across the entire dealer group where applicable.

Available now as a fully functioning app, BCA Dealer Pro allows for the part-ex process to be managed quickly and easily, helping dealers to appraise, value and retain or remarket vehicles with the minimum fuss and maximum efficiency.

In partnership with BCA Partner Finance, the part-ex itself can be funded, helping cash flow and freeing up capital. Operating within the Dealer Pro platform, it allows dealers to appraise the vehicle and then apply for funding based on the BCA valuation.

It creates a unique stock management solution for the market. The Dealer Pro platform enables dealers to monitor stock levels, refresh valuations and decide which vehicles to remarket through BCA, while BCA Partner Finance offers dealers secure funding to purchase used cars at BCA and through part-exchange.

Together, Dealer Pro and Partner Finance create a stock management solution that is flexible and scalable, allowing dealers to react quickly to market conditions and make the most of any profit opportunities that arise.



WHEN 'BANTER' IN THE WORKPLACE GOES TOO FAR

It's an HR grey area but one that can be very costly to employers

The dismissal of two volunteers by the RNLI over a sexually explicit mug which they defended as a "light hearted joke between the crew" has highlighted the need for businesses to have clear policies about 'banter'.

The pair were initially suspended, then dismissed, after a manager found one had "produced a hardcore pornographic image of a fellow crew member on a mug" and the other had produced graphic images of a crew member without their knowledge.

In their defence, the two claimed the organisation had overreacted to what was meant as "a light-hearted joke".

Joel Combes, Lawgistics sales and marketing director, said: "Banter is prevalent in the industry and it is certainly something we give advice on. Around half of our calls are employee-related these days and we now have three employment-related specialists as a result.

"Precautions can be taken by offering employee awareness courses and diligence can be shown by having a clause in contracts or relevant policy handbook."

The Institute of Leadership and Management's head of research, policy and standards Kate Cooper said the rule should be that if banter makes someone feel uncomfortable, their discomfort should always eclipse the speaker's own assessment of what they have said.

Cooper said: "Often, a speaker who has caused visible offence in an inappropriate context will try to play down the effects of their words. But that whole, 'oh don't be so silly' mentality is unequal to the offence itself. People are entitled to feel discomfited."

The Equality Act 2010 allows employees to bring claims of discrimination and harassment against their employer in circumstances where they have been on



SOME EMPLOYEES MAY PLAY PRANKS. DO YOU NEED TO INTERVENE?

ROXANNE BRADLEY, LAWGISTICS

the receiving end of, or have even simply overheard, 'banter' which they consider has overstepped the mark.

If a claim is successful, it can result in a big bill for the employer, as well as reputational damage.

Listers Group has found itself in a legal battle recently with former used car sales executive L Bali who took action after being dismissed from its Audi Coventry dealership.

Among Bali's allegations were claims colleagues had made racial jokes, gestures and accents when speaking to or near Bali, and passed offensive remarks in Urdu and Hindi.

Bali claimed the comments had been dismissed as "banter" by his colleagues.

The Birmingham Employment Tribunal rejected many of Bali's claims but decided he had suffered victimisation because of failings in the grievance process, while Listers Group had breached the implied term of trust and confidence in employment with a number of inappropriate actions.

Judge Broughton's judgment states Listers' internal process had considered the remarks made in other languages offensive but no different to other forms of banter and unacceptable swearing in the

workplace and thought the remarks had no racial significance, which was "almost wilful blindness".

Listers did dismiss the protagonist, Craig Jenkinson.

The tribunal concluded the only possible award could be for injury to feelings. This means the claimant could receive compensation for the upset, hurt and distress from the discrimination that has been caused.

The top band can award between £25,700 and £42,900, the middle band between £8,600 and £25,700 and the lower band between £900 and £8,600.

A provisional remedy hearing has been scheduled in case the two parties cannot come to an agreement on their own.

Roxanne Bradley, Lawgistics legal advisor, said: "Most employers would prefer their employees to get on well, but some employees may regularly play pranks on each other. Do you need to intervene?"

"Horseplay which causes harm could also mean there is a risk to the company, either by a criminal prosecution under the Health and Safety Work Act 1974 or by a civil case."

Bradley said one of the factors that will be considered in such cases is whether the acts of the staff are something which that employer should have anticipated. If there is evidence of similar events in the past, it is likely the employer will be held responsible.

Bradley said: "It's worthwhile ensuring within the terms and conditions of employment, horseplay is banned and it will be regarded as a disciplinary offence.

"If any complaint of bullying, assault, horseplay or harassment arises, ensure this is investigated and dealt with appropriately." **TOM SEYMOUR**

RESOURCES

WHAT GOOGLE LEARNED FROM ITS QUEST TO BUILD THE PERFECT TEAM

Google analysed all aspects of its teams to see if the assumptions it held about putting the right people together actually held true.
www.am-online.com/r/aRrqbKy3



EQUALITY ACT 2010 GUIDANCE

Information and guidance on the Equality Act 2010, including public sector Equality Duty and age discrimination.
www.am-online.com/r/5R7JZ079

CITIZENS ADVICE ON CALCULATING COMPENSATION FOR INJURY TO FEELINGS

Details on what dealerships could face in terms of compensation if a discrimination ruling goes against them.
www.am-online.com/r/nMyPpyg

ADVERTISING FEATURE

Aston Barclay to open new Mega Centre in Q4

By Neil Hodson, group CEO, Aston Barclay



Aston Barclay has announced plans to open a new 18-acre Mega Centre in Wakefield in Q4 2018, with capacity to sell 50,000 vehicles physically and online each year.

With 70,000 square feet of space, it will become a northern powerhouse

and the most modern and technologically advanced auction facility anywhere in Europe.

Following the successful blueprint of Donington Park, which we opened in September 2017, the site will bridge the gap between a digital and physical auction environment. This remains our group's unique proposition in the UK, offering leading customer service coupled with cutting-edge technology.

Banks of video screens throughout the Wakefield Mega Centre and a high-specification internal finish mean it will be a dynamic retail environment.

Interactive screens, apps and artificial intelligence (AI) will further transform the experience both physically and online, turning our northern powerhouse into a destination of choice for buying and selling used cars. The announcement also signals more technology being introduced across the group during the summer.

The new site will feature two glass-fronted auction halls, and first-class road and rail links will help it to become the ultimate destination for buyers, with leisure facilities, a gourmet restaurant and meeting rooms freely available for them to use.

Our current Leeds auction will be relocated to Wakefield, which has internal storage for more than 200 cars in a fully lit, air-conditioned, dust-free environment.

The five-star building supports our ambition of revolutionising the UK remarketing sector and we are due to announce hard-hat tours of the site very soon. If you are a local or national buyer or seller and would like to experience the new site for yourselves, email us at hardhats@astonbarclay.net



TALENT ON THE MOVE



MIKE MANLEY,
FCA GROUP

Mike Manley has been appointed as chief executive of Fiat Chrysler Automobiles (FCA Group), with immediate effect.

He replaces Sergio Marchionne, who died suddenly in July after complications from surgery.

Marchionne – who is widely credited for rescuing Fiat from the brink of collapse – had led the Fiat business since 2004 and oversaw the creation of the FCA Group when Fiat bought Chrysler in 2014.

He had been expected to retire next year.

Manley joined DaimlerChrysler UK in 2000 as network development manager, having previously held roles in Peugeot and Renault dealerships and at Nissan.

He has been at the helm of FCA Group brand Jeep since June 2009 and the Ram brand since October 2015. In that period, Jeep sales quadrupled.

The progress of Jeep had led Marchionne to place it at the centre of the group's strategic plans last month, when he announced that he wanted the brand to account for one in every 12 utility vehicles sold by the industry.



ROB THOMAS, PSA

DS Automobiles has appointed former PSA sales director Rob Thomas as its new UK sales director.

Thomas joined Groupe PSA in 2008 where he held roles as used vehicle operations manager for Robins and Day, and head of regional operations for Citroën UK before moving to PSA Finance UK.

In his new role, Thomas will be based at the DS headquarters in Coventry.



IAIN MONTGOMERY,
FCA GROUP

Fiat Chrysler Automobiles UK has named Iain Montgomery as its new sales director for Alfa Romeo and Jeep.

Montgomery gained extensive experience in sales, aftersales and sales planning during his time at the Volkswagen Group and with BMW.

Among other changes at the FCA Group, Lisa Ford has been appointed as managing director of Motor Village UK and Andrew Tracey becomes marketing director for Alfa Romeo and Jeep.



DAVID CRANE,
VERTU MOTORS

David Crane, Vertu Motors' chief operations director, has taken an additional role as a group executive director.

He joined Vertu at its inception in 2007 and has 25 years of experience in the automotive sector, both with manufacturers and retailers.

Prior to joining Vertu, Crane was commercial director of Reg Vardy.

In his position at Vertu, Crane is responsible for the management and running of the group's operations infrastructure.



MATT GALVIN,
VOLVO CAR UK

Volvo Car UK has promoted Matt Galvin to the position of sales director from head of retail sales.

As part of his new role, Galvin has also become a member of the company's executive management group.

He joined three years ago from Mercedes-Benz, initially as head of dealer operations. With his latest promotion, he will oversee all of Volvo's new and used car sales channels as the company embarks on its next growth phase.

EIGHT QUESTIONS TO...

A DEALER DEVELOPMENT MANAGER

Peter Johnson, LDV UK, on why a coffee can beat social media for getting new brand information to customers



What are the main responsibilities of your role?

JOHNSON: To provide support to our existing, growing dealer network, including ensuring they are up to speed with vehicle specifications, legislation, our marketing campaigns and what's next for the LDV brand in terms of innovation and new vehicle launches.

It also involves being available for all of the varied, interesting, sometimes challenging and often unexpected questions that come to you. I am involved with and really focused on the recruitment of new dealers. We have strong geographical representation, but are continually expanding our dealer network and are particularly keen to get representation in the Bristol area and further down into the south-west.

What are the most significant challenges ahead?

JOHNSON: The more significant of these include re-establishing the LDV brand into a crowded marketplace that offers significant choice. It is an ambitious mission, but we have a great team, a dynamic dealer network and a product that combines quality and value, which is what every commercial driver is looking for.

Everyone in the industry is looking at new fuels and greener motoring – we have to keep pace with the low- or zero-emission movement, which is evolving at speed and is a relatively new area for everyone in the motor sector.

Understanding how and where fleet buyers and drivers get their information is a really interesting challenge. The world has changed considerably in the past few years and while most of our customers are digital natives, there's still a really large cohort that is more traditional and will never engage with social or digital platforms. We have to ensure we understand our customer and that we are engaging with them when and where they are most receptive.

How may these challenges be overcome?

JOHNSON: We need to continue introducing our brand, and indeed ourselves, to customers and potential buyers. In addition, it is crucial that we provide timely and relevant information and treat the customer fairly. These are old-school values, but are proven to work. Social media enables us to get

messages out quicker than in the past and this is helping us to overcome a lot of challenges in terms of brand awareness and specific messages in relation to, for example, scrappage deals, finance deals and the LDV range. But, as I mentioned, not everyone is on social media and you cannot underestimate the importance or effectiveness of picking up the phone or meeting up for a coffee.

We are in a really fortunate position in that the combined resources of SAIC – our manufacturer in China – and The Harris Group, the distributor of LDV, mean we can deliver real quality products such as the EV80 full electric vans and chassis, the first viable 3.5-tonne GVW vehicles in the UK market.

What attracted you to this area of expertise?

JOHNSON: I think it must be in my blood. I have sold new and used cars. I have sold new and used commercials. I ran a rental fleet, worked in finance and insurance, led sales teams, supervised administration and I have been involved in aftersales.

This new position of dealer development manager at LDV utilises all those skills, but fortunately, not all at the same time or that would be yet another challenge I'd have to overcome.

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

JOHNSON: Do what you say you will and do it before the deadline. That's the abiding rule and I have always stuck to it, at every company with which I've worked.

MATT DE PREZ

QUICK-FIRE QUESTIONS

What drives you? Variety – no two days are ever the same.

What's your favourite app? WhatsApp, as my children are overseas.

How do you relax? Travelling and staying in contact with old friends.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What was the last photograph you took?

EDITORIAL

Editor Tim Rose 01733 468266
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► **Project EAK (Extension for Awesome Kitchen) at the back of my house**

News and features editor Tom Sharpe
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► **Data from the Volkswagen e-Golf's trip computer. Sad, I know**

Web producer Elizabeth Howlett 01733 468655
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► **A book called *The Perfectly Tossed Salad***

PRODUCTION

Head of publishing Luke Neal 01733 468262

► **A pair of glasses to see if I could buy them cheaper online**

Production editor Finbarr O'Reilly 01733 468267

► **A recipe for home-made Marmite (not for me – it's vile)**

Senior designer Erika Small 01733 468312

► **A cliff-edge bar to visit in Dubrovnik**

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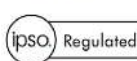
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(independent non-franchised)
Best Used Car Dealer (franchised)
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New Car of the Year
Franchise Partner of the Year
Best New Dealership
Best Dealership
Best Dealer Group (up to 10)
Best Dealer Group (more than 10)
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Dealer Group of the Year
Dealer Principal /
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The AM People Investor Award
Manufacturer of the Year
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Busting myths surrounding the future of automotive retail

THE VISION OF THE FUTURE



New for AML 2018 is The Vision Of The Future strategic seminar, where expert speakers will give the industry's senior leaders insights into how the sector and their businesses will evolve next decade.

Research body the ICDP has published its European Dealer of Tomorrow report, and managing director Steve Young will present the in-depth findings in the seminar, highlighting the need to prepare for a changing retail environment but also busting several myths:

Myth 1: Dealers will become obsolete.

Myth 2: The impossibility of a single customer record.

Myth 3: Motorists will want to use rather than own their own car.

Myth 4: Fewer revenue streams are on the horizon.

Myth 5: Short term targets and bonuses will always feature.

Other speakers during this seminar at the insight theatre will include Tony Whitehorn, chief executive of Hyundai Motor UK, which was one of the first in the UK to trial shopping centre stores and online new car sales.

There will also be insights from global auto industry supplier Cox Automotive, technology experts from CDK Global and alternative reality specialist ZeroLight, which counts Audi, BMW and Porsche among its clients. And yet more speakers are yet to be revealed.

AML 2018 is also host to a Future Dealerships zone. This will be home to exhibits from suppliers who have been selected by the AM editorial team due to their innovative products and services which will support dealers through the next decade. Displays will include property solutions, operating systems, EV charging stations, hybrid vehicles, automated technology and much more.



*Steve Young,
managing director, ICDP*



*Tony Whitehorn,
chief executive, Hyundai
Motor UK*

IMI PEOPLE THEATRE



*Steve Nash, CEO,
Institute of the Motor Industry*

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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 make 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 acquiring accreditation

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BEST-PRACTICE MASTERCLASSES

VIDEO



How video has evolved the vehicle sales process

Alistair Horsburgh, CEO, CitNOW



This session identifies what customers do after watching a video, the

customer experience of the new car purchase process and the part played by digital communications, particularly video. Video has changed the car-buying and -owning process and will continue to evolve this space. In addition, CitNOW will reveal findings from latest consumer research undertaken in 2018.

CUSTOMER REVIEWS



Use authentic reviews to drive more business

Neil Addley, managing director, JudgeService



Today's consumers are sharers. They are also truth-seekers. JudgeService

can reveal new factual data about how authentic feedback at the most critical micro-moments in the user journey can help you to drive more business. This applies in both the sales process and the ongoing relationship with the customer. It believes this will help dealers secure more sales and more repeat business.

LEAD MANAGEMENT



Using data to build a high-performance sales culture

David Boyce, managing director, enquiryMAX



This session explores how data can help to build a high-performance

sales culture and how simple changes can make a big difference to sales conversion. Sales data should be used every day 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.

LIVE CHAT



How to best connect with more of today's shoppers

Thom Coupar-Evans, UK sales director, Contact At Once!



To give consumers a better experience, you need a smart,

seamless route through the car shopping and buying process. This session explores how messaging (chat, SMS, Facebook Messenger) can help. Coupar-Evans will walk attendees through an approach – the Automotive Tango – that has helped dealers almost double connections with online shoppers.

SOCIAL MEDIA

Marketing Delivery

DATA
DRIVEN
MARKETING

Why your dealership can't ignore social media any more

Jeremy Evans, managing director, Marketing Delivery



This session will show how Facebook advertising is an essential

part of dealer marketing. In this masterclass, Evans will showcase some of the methods and tools used to reach an ever-increasing number of consumers. With real-world examples of campaigns and content that have driven sales, this session will show how to build campaigns that will last.

WEBSITES & DIGITAL



The website as the heart of dealer digital comms

Martin Dew, digital solutions director, Autoweb Design



Harnessing the data generated by your 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 the latest developments and user behaviour to help dealers fine-tune their digital strategy.

ONLINE RETAILING



Preparing to deliver online vehicle sales

James Tew, CEO, iVendi



Dealers and manufacturers are both investigating and investing in ways to

deliver end-to-end online purchases. Tew will draw on iVendi's recent Report on Online Motor Retailing, which explores the attitudes of consumers, dealers and manufacturers to online retailing. With the overarching message that online motor retail is to grow, this session explores some of the likely changes.

USED CARS



Part of Autovista Group

An overview of the used car market and how the top 100 dealers performed

Anthony Machin, head of content, Glass's



Using its Live Retail Pricing and trade valuations, Glass's will provide an

overview of 2018 and talk about how the UK's used car market has performed at overall and segmented levels. Machin will discuss how Glass's list of the UK's top 100 dealerships have performed against each other in terms of used car sales.

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