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**SCRAPPAGE / P6**

Are manufacturers' schemes a sign of a shaky September?

**PEUGEOT UK / P32**

MD David Peel: "Our first priority is dealer profits"

**FIESTA AT 40 / P74**

Latest generation of Ford's best-seller looks safe in the top spot

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*Richard Cuerden,  
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*Darren Jukes, leader of  
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# EDITOR'S LETTER

**R**emember all those media reports earlier this year that the Government was considering launching a new scrappage scheme as part of its attempt to clean up the UK's air quality?

It lacked the will, it seems. So now the industry has done it itself, in a clever marketing campaign that should grab some consumers' attention until the end of the year.

Except consumers whittling down their shortlist of brands may be left scratching their heads at the variety of discounts they will find, and which ones their ageing runabout will qualify for, and even whether the cancer-causing old smoker they will trade in will really end up on the scrapheap. For example, if they're buying a BMW, Mini, Mercedes-Benz or a Nissan, it may not be scrapped.

To be fair to those brands, they don't actually call their programmes scrappage. BMW and Mini's is a "lower emissions allowance", while Mercedes has a "diesel changeover bonus" and Nissan's is branded "The Switch Scheme". But a glance at social media and new car deal sites shows not all are differentiating.

In any case, such initiatives should rid the UK of some inefficient old cars, bring a trading boost through the next few months, and hopefully restore some of the dealer profits that have been lost since March.

Isn't it kind of carmakers to be so altruistic?



#### CORRECTION

Used car market data from the Society of Motor Manufacturers and Traders, which we included in last issue's Market Intel article on p10 'Sales down, stock turn down, footfall down', was incorrect. Used car sales in Q2 were actually down 0.7%, not 13.5% as the SMMT originally reported.

## MEET THE TEAM



**Tim Rose**  
Editor



**Tom Sharpe**  
News and  
features editor



**Stephen Briers**  
Editor-in-chief



**Jeremy Bennett**  
Head of digital/  
associate editor

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Peugeot

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# ARE CAR MANUFACTURERS SCHEMING WITH SCRAPPAGE?

Is the 'scrappage scheme' fever spreading through UK showrooms more about carmakers trying to rescue a lacklustre September than an honest attempt to cut emissions?

**E**very summer for the past three years, Vauxhall has run a scrappage scheme offering customers £2,000 off a new car. It usually has the scrappage market to itself, but this year it has been joined by no fewer than 22 car manufacturers

Many of these schemes have started since the beginning of September and it has not taken industry commentators long to question the motives of manufacturers amid faltering UK car sales.

James Dower, senior editor of Cap HPI's Black Book, said the manufacturer incentive schemes were succeeding in taking older, more polluting vehicles off the roads, but described the scrappage schemes as "a marketing plan which is striking a chord".

ASE chairman Mike Jones said registrations in the first third of September were down 14% year-on-year, but added that scrappage was driving showroom traffic.

Dower said: "When you look at changes to new car market share so far this year, the scrappage schemes are a much-needed fillip to boost the fortunes of manufacturers and retailers' numbers in Q3. It really does feel like the last push, a last hurrah to try and salvage something from the year."

Dower said the real hope was that the growth the schemes provide in private, retail sales would lessen the burden on retailers to pre-register cars during what may be a tough end to 2017.

Jayson Whittington, chief car editor at Glass's, said: "What we are seeing is just a different way of promoting and selling cars instead of manufacturers putting cash in front of an attractive PCP deal.

"It's a very positive spin on presenting offers that were probably available in other months, but in a different form."

## HOW THE DEALS COMPARE

Manufacturer	Fuel	EU1-EU4	Owned for	Allowance	All models?	True scrappage	Vans	Valid with other offers
BMW/Mini	Diesel	Y	>12 mths	£2,000	<130g/km	case-by-case	N/A	Yes
Fiat/Alfa/Abarth	All	Y	>180 days	Variable	Selected	Yes	Yes	No
Ford	All	Y	>3 mths	Variable	Selected	Yes	Yes	No
Hyundai	All	Y	>3 mths	Variable	Yes	Yes	N/A	No
Kia	All	Y	No Limit	£2,000	Selected	Yes	N/A	No
Mazda	All	Y	>60 days	Variable	Selected	Yes	N/A	No
Mercedes-Benz	Diesel	Y	>6 mths	£2,000	Selected	No	No	Yes
MG	All	No Limit	No limit	£1,500	MG3 only	Yes	N/A	Yes
Nissan	All	>EU5	No Limit	Variable	Selected	No	No	Yes
Peugeot/Citroën	All	Y	>90 days	Variable	Selected	Yes	Yes	No
Renault	All	Y	>3 mths	Variable	Selected	Yes	Yes	Yes
Suzuki	All	Y	>90 days	Variable	<130g/km	Yes	N/A	Yes
Toyota	All	Y	>6 mths	Variable	Selected	Yes	Yes	No
Vauxhall	All	No Limit	>3 mths	£2,000	Selected	value >£2,000	No	Yes
VW/Audi/Seat/Škoda	Diesel	Y	>6 mths	Variable	Selected	Yes	Yes	No







# “THE SCRAPPAGE SCHEMES ARE A MUCH-NEEDED FILLIP TO BOOST... RETAILERS' NUMBERS IN Q3. IT REALLY DOES FEEL LIKE THE LAST PUSH, A LAST HURRAH TO TRY AND SALVAGE SOMETHING FROM THE YEAR

**JAMES DOWER, CAP HPI**

## The deals

Regardless of whether the prevalent car scrappage schemes are driven by a desire to reduce NOx emissions and meet the EU-imposed targets already missed by the UK Government, they will not be the same wholesale success of the nationwide initiative of 2009, which cost the government £300 million as it supported the replacement of 300,000 cars.

The government's draft Air Quality Plan for Nitrogen Dioxide, published in May, did contain muted details of a national scrappage scheme that would have converted 15,000 UK motorists into EV drivers, but the plans were ultimately deemed to be an “inefficient” use of public funds.

This year's manufacturer-backed incentives generally demand the trade-in of a Euro 4-compliant (or earlier) vehicle registered before December 31, 2009, which has been registered to the owner for about three months and offer between £1,350 and £7,000 to ‘scrappage’ customers.

BMW's scheme, like those of Nissan and Mercedes-Benz, is not strictly ‘scrappage’ as the franchises will not actually be scrapping the pre-2010 vehicles taken in exchange for £2,000 discounts (on vehicles emitting less than 130g/km of CO2).

PSA Group and Ford offer their largest incentives on their vans, with Peugeot and Citroën following Ford's earlier offer of a £7,000 incentive to Transit customers.

Vauxhall claims to have the most successful scrappage scheme by virtue of the fact that it has run such a promotion every May for the past three years. It has extended 2017's scheme to the end of September.

It claims to have taken more than 20,000 high-emitting older vehicles off the roads.

In London, mobility provider Uber is taking advantage of the scrappage trend in an attempt to lure 1,000 of

London's motorists away from cars altogether, posing a potential threat to retailers inside the M25.

Introduced as part of a £150m clean air fund, Uber's scrappage scheme offers £1,500 credit in return for proof of scrappage of a pre-Euro 4 diesel.

The offer comes as part of Uber's offers to its drivers of up to £5,000 to upgrade their vehicles. It plans to make its London fleet of 40,000 operators 100% hybrid or EV by the end of 2019 – a policy it will introduce UK-wide by 2022.

## The impact

Dower said Cap HPI's feedback from retailers had indicated that scrappage schemes were having a positive impact on sales, but it may be difficult to extract their effects on the normal uplift experience in a plate-change month.



Jones echoed Dower's comment that the main benefit of such schemes would be to reduce motor retailers' need to pre-register to meet manufacturer targets for the plate-change month.

Jones said: “Be in no doubt, the volume always ends up being exactly where the manufacturers want it.”

Whittington believes the effects of the scrappage schemes may not be felt in time to arrest the sales decline.

He said: “As it stands, many of the offers have been introduced a little late in the day to have any great effect on the September registrations.

“Most people scrapping cars and ordering a new one as part of the schemes might not actually get their new car before the end of the month.”

Data released by Carwow suggested that some brands had

seen a spike in interest of as much as 75% since their schemes were announced. The week of August 28 to September 3 was the online listings website's busiest ever.

During the five days following a scrappage announcement, configurations for leading brands increased by an overall average of 28%, with the largest jump in searches experienced by Volkswagen (up 75%), followed by Ford (70%), Škoda (44%), Toyota (39%), Hyundai (33%), Seat (31%) and Audi (26%).

Alex Rose, head of trading at Carwow, said volume manufacturers whose incentives contributed a larger portion of a vehicle's purchase price enjoyed the biggest rises: “It's the volume brands which come out best: Volkswagen, Ford, Škoda, Toyota, Hyundai and Seat.”

Independent car retailer Umesh Samani, owner of Stoke-based Specialist Cars, took to Twitter to gauge the response to the manufacturer-led scrappage schemes. In an impromptu poll, he asked “have you been tempted or bought because of” a scrappage scheme.

Perhaps as a result of Samani's independent clientele and internet followers, just 18% were “possibly thinking” of taking advantage of a scrappage scheme, while 37% said that it was “not even worth thinking” about and 45% said “no”. Nobody voted “yes”. **TOM SHARPE**

## ≡ ALTERNATIVE FUEL FLURRY AT FRANKFURT

Car manufacturers made a flurry of declarations about a move away from diesel and petrol towards AFVs at the 2017 Frankfurt Motor Show.

Jaguar Land Rover announced its intention to make electric drivetrains an option on all model lines launched after 2020 at its inaugural Tech Fest, ahead of the show.

Much of the coverage echoed the confusion that followed an announcement by Volvo at the start of July, with much of the national press interpreting the moves as manufacturers abandoning the internal combustion engine.

However, A JLR spokesman confirmed to AM that: “We will deliver battery-electric vehicles, plug-in hybrid vehicles, mild hybrid electric vehicles, ultra-

clean diesel and petrol – whatever our customers want”.

The spokesman said that, by 2020, 50% of the Jaguar and Land Rover model ranges will be available with a drivetrain that is electrified in some way.

At Frankfurt, the Volkswagen Group announced plans to offer its 300-model range with the option of an electric or hybrid drivetrain by 2030.

The group plans to bring more than 80 new electrified models to customers by 2025, including 50 purely battery-powered vehicles and 30 plug-in hybrids, as it doubles its investment in ZE vehicles to €20 billion (£18bn).

Mercedes-Benz chief Dieter Zetsche said Smart would be the first manufacturer to go EV-only from 2020, while

Mercedes' entire range would have electric or hybrid versions by 2022.

BMW announced intentions to build 25 models with some form of electrification by 2025.

Following the German brands' early EV announcements, Honda announced at the show that it would feature the option of an electric drivetrain element in all of its future vehicles in Europe while Toyota unveiled an ambition to provide a choice of two hybrid powertrains in its core models, one providing efficiency, a second adding power and a more dynamic driving character.

■ Are UK franchised dealers' workshops ready for a surge in electric vehicles? Read the results of AM's survey on page 8.

# ONE IN THREE DEALERS HAS NO EV-TRAINED TECHNICIANS

While franchised dealers hope investment and training requirements will deter independents, AM's reader survey suggests that most workshops are unprepared for boom in AFVs

**T**he quiet demise of plans for a Government-backed scrappage scheme that would drive 15,000 UK motorists into EVs may have been positive news for many car retailers.

While manufacturers continue to set target dates for their hybrid and EV product ranges, AM's latest survey of its readers suggested that the industry's workshops are ill-equipped to deal with any wholesale adoption of alternative fuel vehicles (AFVs).

Almost a third (31.67%) of respondents to our 'EV workshops' survey revealed that they currently had no technicians trained or qualified to work on EVs and hybrids.

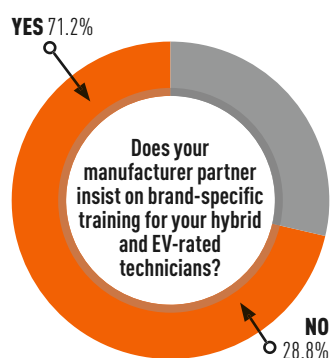
Remarkably, at the other end of the spectrum, 10% said all of their technicians were up to speed, while a further 10% said half were ready for AFV maintenance, with just over 13% stating that about a third of their techs were qualified and 16.7% stating that 20% were ready.

More than three fifths (61.7%) of respondents said they intended to increase the number of EV/hybrid-trained techs in their workshops, with 77.8% of those hoping to achieve the rise through training existing staff.

With the IMI claiming that just 1% of all UK technicians have been trained to work safely on the high-voltage technology, the cost of training and/or wages could be prohibitive, however.

The IMI has asked the Government to contribute £30 million to support the uptake of the necessary training. IMI chief executive Steve Nash said: "Much more needs to be done if the UK is to realise the £51 billion contribution from new vehicle technologies that the Government is pursuing by 2030."

One retailer who replied to the survey was in no doubt about the

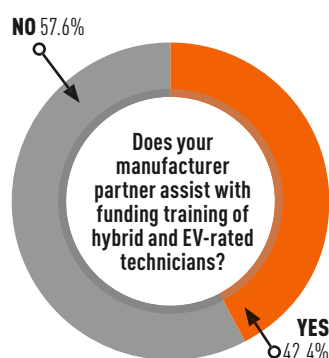


risks of not pursuing change and the potential benefits of EVs for franchised dealers.

He said: "The main benefit of this plan for main dealers is that it is highly unlikely that independents will want to invest in the training/equipment required to work on these vehicles, so customer retention rates should be higher."

"Change is unstoppable. EV is here to stay, so train for it or be left behind long-term," he added.

Manufacturers do seem to be forcing the move towards EVs, with 71.2% of survey respondents stating that their manufacturer partner had



insisted on brand-specific training for AFVs.

Worryingly, however, 57.6% of respondents said no financial assistance was forthcoming to help implement technician training, as 54.2% prepared to invest, and only a third (33.3%) had received help to fund changes to their facilities.

More than half (55.7%) of AM's respondents said they had equipped just one workshop bay for servicing AFVs, with 32.7% stating that they had two bays ready for such work.

EV customers are benefiting from dealers' investment. While 50% of respondents did not have a charge

point installed, 8.3% had one and 26.7% had two. Less than 15% had three or more. However, almost all respondents with charging points said they offered customers free charging.

Despite the associated costs of readying their workshops for a new generation of AFVs, just 19.3% said they actually charged more for servicing a conventional internal combustion engine (ICE) vehicle, which has more moving parts and an oil change to take into account.

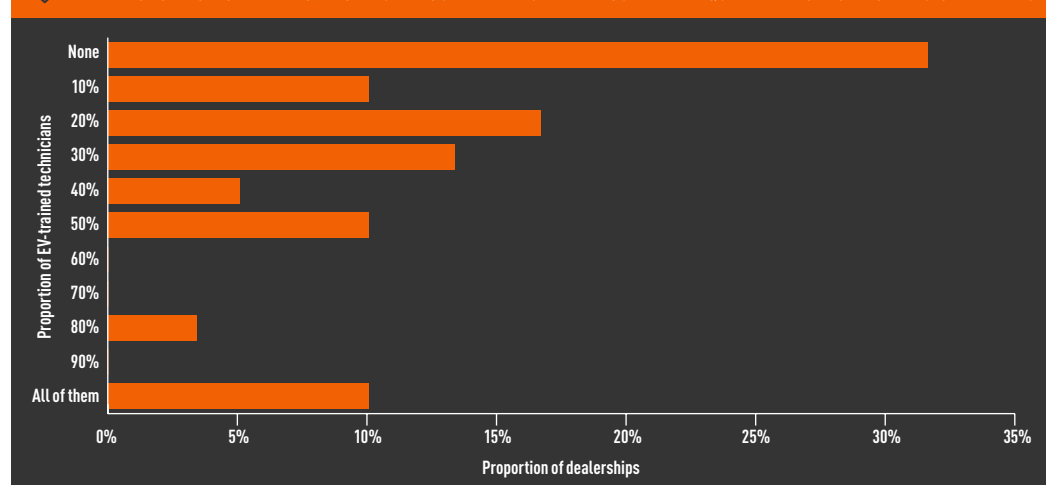
This discrepancy may be balanced by that reduction in moving parts generating time efficiencies, of course, but 76.7% of respondents said their recovery rate was no greater for EVs and hybrids than it was for ICEs.

At the heart of most comments received in AM's survey was the issue of cost. Perhaps summing up the mood best, one said: "We are currently on the back foot and need help and advice from the manufacturers and Government."

"Any help or direction for funding, grants, brand tie-ups, trade shows, etc. would be a great help as we get ready for the inevitable."

**TOM SHARPE**

## WHAT PROPORTION OF THE TECHNICIANS IN YOUR DEALERSHIP ARE CURRENTLY QUALIFIED TO WORK ON EVS OR HYBRIDS?





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## ADVERTISING FEATURE

# Donington Mega Centre open for business



**By Neil Hodson, CEO, Aston Barclay**

The next exciting chapter in our promise to revolutionise the UK remarketing industry goes live on September 28 with the opening of our new Donington Park Mega Centre.

Andrew Bridgen, the local

Donington MP, will open our new 18-acre site, where more than 300 fleet vehicles will go under the hammer from blue-chip vendors including Zenith, MotoNovo Finance, PSA, Motability and Hertz.

Formula E and Heart FM presenter Sian Welby will be our resident VIP auctioneer on the day and a round of golf with lady professional Carly Booth is up for grabs when buyers pit their skills against her on a golf simulator.

Our friends at Donington are also due to announce some surprise motorsport VIP visitors as our new auction signals the next stage in the redevelopment of this world-class motor racing complex.

Situated next door to the Donington motor racing circuit and East Midlands Airport – minutes from the M1 – our new Donington Mega Centre is easy to get to and the fifth site in our group's auction network.

Buyers and vendors attending our inaugural sale will get to sample our two glazed auction halls, our roomy auction building with undercover storage for 400 cars, plus our new digital technology, in the form of Mega-screens and digital pods, which make identifying and buying stock at auction much easier.

After the launch sale on September 28, we will be hosting a weekly dealer sale on Tuesdays at 10am and a weekly fleet and leasing sale each Thursday, starting at 10am.

General manager Zaiga Jinkinson and her team are offering buyers and vendors an open invitation to pop in for a coffee, or to attend a sale and see the new site for themselves over the coming months.

■ **To register your interest as a vendor or buyer, go to [astonbarclay.net/about/donington-park/](http://astonbarclay.net/about/donington-park/)**



AUG

22nd



**MOTOR RETAILERS RING IN THE CHANGES WITH SMALL SITES**  
MG opened the first in a trio of alternative retail sites announced in the past month, with its second concept store in Cardiff's St David's Dewi Sant shopping centre. Group 1 also opened a store, for Seat UK at Westfield, London. However, Peugeot claims its latest dealership (above) is the world's smallest – an Order Online-driven converted phone box in London's Russell Square.

### FORMER LOOKERS BOARD MEMBER MARK KASS DIES AFTER SHORT ILLNESS

Former Lookers board member Mark Kass died at the age of 52 following a short illness. The founder of the Mark Kass Toyota and Nissan franchise group, Kass had been working as chief executive of Ford distributor Al-Jazirah Vehicles Agencies in Saudi Arabia.



29th



**SNOWS PAYS TRIBUTE TO GEOFF SNOW**  
Snows Motor Group has paid tribute to its founder, Geoff Snow, following his death in hospital, at the age of 85. Snow launched Snows as an office supplies business in Southampton in 1962 before moving into motor retail with Toyota. His son, Stephen, said: "My father's legacy very much lives on in the company name."

31st

### DEALERS GROW USED CAR OUTLETS

Lookers, Pendragon and Arnold Clark have all progressed plans to grow their used car representation. Lookers opened its second Outlet site in Motherwell (general manager John Gavin, pictured) on September 1 as Pendragon planned the opening of a new Car Store at Dartford. Arnold Clark is recruiting 57 members of staff for its Motorstore in Wakefield.



SEP

1st

### CHARLES HURST ORDERED TO PAY £11,840 IN DISABILITY CASE

An industrial tribunal in Northern Ireland ordered Charles Hurst to pay £11,840 to former service adviser Marie-Claire McLaughlin for discrimination under the Disability Act. McLaughlin, 31, from Dundrum in Co Down, suffered absences due to depression and panic attacks, but her requests to reduce her hours were "not appropriately considered", the *Belfast Telegraph* reported.





## 'TOUGHEST-EVER' UK EMISSIONS TEST COMES INTO FORCE

The Worldwide Harmonised Light Vehicle Test Procedure (WLTP), which measures all regulated emissions, as well as CO<sub>2</sub> and fuel economy, came into effect on September 1. Comprised of two tests and replacing the 20-year-old EU regime, the new format aims to provide more accurate data.



## JLR ADDS ELECTRIC OPTION TO EVERY NEW LINE AFTER 2020

Jaguar Land Rover has committed to offering an electric element to the drivetrain of all model lines launched after 2020 – but will continue to offer diesel and petrol variants. Dr Ralf Speth, JLR's chief executive, said: "Every new Jaguar Land Rover model line will be electrified from 2020", but a spokesman told *AM* that the brand would continue to offer "ultra-clean diesel and petrol".

## PSA DENIES 'DIESELGATE' ALLEGATIONS

PSA Group's share prices fell after French newspaper *Le Monde* reported allegations that the manufacturer had used an emissions "defeat device" on two million diesel vehicles sold between 2013 and 2015. Reuters reported that the group's stock fell 4.4%, to €17.78, on the news. PSA said its vehicles had "never been equipped" with a device to foil compliance tests.

■ Read *AM*'s interview with Peugeot UK managing director David Peel on Page 32.



## NEW SITES FOR JENNINGS AND LISTERS

Listers Group added Volvo to its franchise portfolio with the opening of a site in Worcester. Listers takes over from a previous franchisee at a site in Much Cowarne, Hereford, ahead of the opening of a new permanent facility. In August, Jennings Motor Group (MD Nas Khan, pictured above) announced that it would gain new Kia and Mazda dealerships adjacent to Sunderland Football Club's Stadium of Light.

## ROBINS AND DAY OPENS TRI-BRAND SITE IN MANCHESTER

Robins and Day has opened a flagship showroom in Manchester after adding DS and Citroën dealerships to its existing Peugeot site.

The 2.25-acre site, at the end of the M602, has undergone a £3 million redevelopment. The three-showroom facility has a 17-bay workshop, supported by an off-site PDI centre and parts hub.

The PSA Group-owned retail group achieved over 6,500 Peugeot sales from the site in 2016, with an additional 2,000 units sold from the previous Citroën site.

1st

7th

8th

11th

13th

## ADVERTISING FEATURE

# The consumer vision of video

By Andrew Howells, founder, CitNOW



We know videos of used cars on websites and personal video messages result in more lead conversions, but we didn't have insights into customer perceptions of videos from automotive retailers. So we decided to ask UK motorists – 2,000 of them, in fact.

Combining that with data from leading UK groups and brands, we have produced the sector's first report that tracks the progression of video in motor retail and identifies both consumer demand for video when making purchases and opportunities to increase engagement.

The initial findings from the CitNOW Vision Report 2017 make for interesting reading:

- A fifth of those people who purchased a new car in the past 12 months used video
- Almost three quarters (73.71%) of those who had received a video presentation of the car felt more confident about buying
- Almost half (49.45%) regularly use video presentations to support purchasing choices
- Over-55s are the most open to receiving a personalised video, with 78% having already used or willing to receive one to help choose their next car or approve work
- 52% of 18- to 24-year-olds would use video for their next car purchase.

Underlining the power of video communications, the research highlights opportunities such as the willingness of over-55s to embrace video. Don't be tempted to give video a miss thinking older customers would not be open to receiving it when they are likely to be the most impressed.

While 18- to 24 year-olds are least engaged by personalised video, the sector could use video to highlight lease, a growing trend in this age group.

We will reveal more of the report in coming weeks.

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## NFDA DEALER ATTITUDE SURVEY

# DEALER SATISFACTION COOLS IN

Kia knocks Mercedes-Benz off the top spot in the latest NFDA data, but overall franchisee satisfaction

**D**ealers' satisfaction with their carmaker partners has suffered a drop since the winter, according to data published by the National Franchised Dealers Association in its twice-yearly Dealer Attitude Survey.

But the results bring good news for Kia, which has topped the survey for the first time, ending the long reign of Mercedes-Benz. The same cannot be said for Nissan, which came bottom.

"The overall relationship between franchised car dealers and manufacturers recorded an average score of 5.6 in the Summer 2017 Dealer Attitude Survey, which is -0.5 points down from the last survey and -0.6 lower than the same time last year", said Sue Robinson, director of the NFDA.

Robinson said that despite the substantial decline in the average score of the manufacturer rating question, more than 60% of the dealer networks surveyed returned a score above the neutral point of 5.0.

"In a period of uncertainty where a coordinated and combined approach is needed to deal with a number of important issues currently facing the industry, it is vital that manufacturers and dealers continue to work together to safeguard the interests of the automotive sector."

Here we present the podium positions per market and the bottom of the pile. **TIM ROSE**

**IT IS VITAL THAT MANUFACTURERS AND DEALERS CONTINUE TO WORK TOGETHER TO SAFEGUARD THE INTERESTS OF THE SECTOR**

**SUE ROBINSON, NFDA**

## HOW FRANCHISEES RATE THEIR MANUFACTURER OVERALL & GRAPH OF TOTAL MOVEMENT ACROSS ALL

### HIGHEST-RATED PREMIUM PERFORMERS

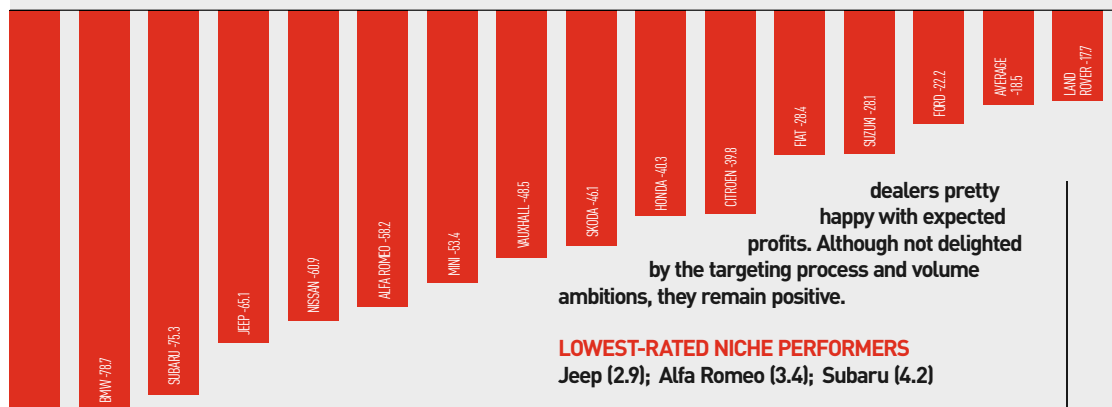
Mercedes-Benz (9.0); Lexus (8.4); Audi (6.8)

The top two are now consistently well regarded by franchisees, across profitability, dealer standards and communication with the brand. Audi is climbing back after suffering some negativity in previous surveys surrounding low profitability, over-ambitious new car volume targets and dealers' struggle to get their voice heard, but the new results suggest these and other issues are improving. Progress still needs to be made on the new car targeting process, however, as dealers rate it middle of the road.

### LOWEST-RATED PREMIUM PERFORMERS

Jaguar (4.7); Volvo (5.6); BMW (5.8)

It's often been said that Jaguar is the bitter pill many dealers have to swallow, washed down with a Land Rover business. It certainly lags well behind (2.5 points) its 4x4 specialist sibling's overall rating, although it is slowly improving. Current profit return from Jaguar is dissatisfactory, as is the level of capital expenditure required, but franchisees are more optimistic about its earnings potential coming through and don't regard its volume aspirations as impossible.



dealers pretty happy with expected profits. Although not delighted by the targeting process and volume ambitions, they remain positive.

### LOWEST-RATED NICHE PERFORMERS

Jeep (2.9); Alfa Romeo (3.4); Subaru (4.2)

Jeep made hay after launching the cut-priced Renegade SUV, with registrations soaring past 14,000 units in 2016. However, volumes are down 52% year-on-year, mirrored by dealer sentiment. Franchisees, already dissatisfied with current and expected profitability are also upset about Jeep's volume target aspirations and bonus scheme.

It's a similar picture for Alfa Romeo. Its dealers, having prepared for higher volume, are not confident in their return on capital invested, nor current or future profitability. Target-setting and bonuses need improvement, and dealers feel management is not listening to their views.

Subaru dealers, in contrast, do feel listened to, and believe franchise standards and capital investment demands are fair. However, they are negative about profitability and feel new car margins and bonuses are inadequate.

### HIGHEST-RATED NICHE PERFORMERS

Suzuki (8.0); Mazda (7.7); Seat (7.4)

Suzuki has long had a happy dealer network, and that has continued. With its strong retail bias, it has maintained good network profitability and franchisees don't expect that to deteriorate soon. Dealers are satisfied with communications and day-to-day management.

A similar story emerges from Mazda's results. Franchisees are happy with profitability, margins, new car targets and its day-to-day management. Satisfaction with its incentives has declined slightly, however it remains on the good side of neutral.

Seat dealers are enjoying the SUV effect. What was a marginal franchise with lots of pre-reg in recent years appears to be strengthening, with

# WE'LL HELP YOU GET THERE

## SPONSOR'S COMMENT



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

I was recently asked my views on what the rest of 2017 may hold in store for

our industry. I commented that I believe regulatory change and media attention will continue to play a big part in the industry's direction, though how these play out remains to be seen.

I also believe significant opportunities exist for dealers and finance providers to continue to support customers and demonstrate their professionalism and expertise in doing so. However, the one real certainty is that we will continue to face change. This is both exciting and challenging, and it emphasises the continued need for us all to concentrate on our agility and flexibility.

Many of the changes we will face will be instigated by dynamic customer needs and expectations, which will impact the way we develop our business strategies and technologies. Reflect back only a few years and you can see how differently things look now – customer preferences, sales processes and financial product offerings have all changed dramatically.

Change won't stop, so it should be embraced. All of us need to focus on becoming agile workforces, and develop our strategies and systems in a way that enables flexibility and adaptability in response to the ongoing evolution we will see. Also, it is the speed at which we can respond to these changes that will determine our success – market leaders and early adopters on things such as regulatory change and key customer preferences will command a respect from the industry, regulators and consumers. This will likely see them flourish, while those resistant to change may fall by the wayside.

With continued focus in these areas, we are sure to provide an excellent customer experience, which is key to our industry's success.

# I SUMMER SURVEY

ion scores are down for 22 out of 29 manufacturers

## QUESTIONS

(SOURCE: NFDA DAS SUMMER 2017)

Nor are Volvo's franchisees unhappy with its volume aspirations and profitability, although they feel the new car targeting process could be improved. Satisfaction with new car margins, bonuses and capital investment has taken a knock, however.

BMW's overall score also puts it in the 'neither satisfied nor dissatisfied' bracket. However, the brand should feel concerned that it has lost 78.7 points across all questions, a fall only exceeded by Subaru and Peugeot. BMW dealers are unhappy about skinny margins and current

and future profitability – our analysis of the AM100 has identified several franchisees achieving less than 1% return on sales. Yet they are not unhappy about the capital investment the franchise demands, despite being in a CI programme update, and rate the franchise standards and performance measures as OK.



### HIGHEST-RATED MAINSTREAM PERFORMERS

Kia (9.2) Toyota (7.8) Ford (6.1)

Kia has gained a reputation for having a strong, respected management team and for being a franchise that delivers and is only as demanding as it needs to be. These results reiterate this, putting Kia at the top of the market. Franchisees rate profitability, return on capital, the working relationship and dealer standards especially highly.

Paul Philpott, president and CEO, said he was immensely proud at taking the top spot: "We have been close to Mercedes-Benz for some time and to overtake them is a clear statement that our strategy of building a sustainable, profitable partnership with our dealers is the right one.

"Avoiding short-term actions that undermine a dealer's ability to make a realistic profit and seeking to work together in a way that delivers sustainable growth is clearly the right way forward."

Toyota's profitability rating has gone from neutral to positive, day-to-day management and communication have improved, while its dealers show more faith in its new car volume ambitions and targeting process.

Although Ford dealers show falling

satisfaction with current profitability, and aren't convinced its volume target is realistic, they are fairly happy with franchise standards and its day-to-day management.

### LOWEST-RATED MAINSTREAM PERFORMERS

Nissan (2.6) Citroen (2.8) Vauxhall (4.2)

Franchisees are dissatisfied with Nissan. They feel management is not listening, that targets and inducements to pre-register are unreasonable, and profitability is poor. Problem areas include dealer standards.

Alex Smith, managing director, Nissan Motor GB, said: "This is a disappointing result. However, we are aware of the issues and continue to work with our dealer partners to address them."

Nissan's slide lifted Citroën off the floor, even though its rating has declined further since winter. Franchisees are particularly unhappy about poor profitability, capital investments, performance measures, bonus structure and day-to-day working relationship.

Vauxhall's decline from a 6.0 overall rating in the winter is due to particular dissatisfaction with new car targets and bonuses, forced registrations and poor profitability.



## NEW CAR REGISTRATIONS

# August marks fifth month of falling registrations

The UK new car market reported its fifth consecutive month of decline in August, according to figures from the Society of Motor Manufacturers and Traders (SMMT). Registrations fell 6.4%, after a record August in 2016.

The SMMT pointed out that the performance still represented the third-biggest August in 10 years. Year-to-date, the market remained broadly in line with expectations, down 2.4%, it said.

Mike Hawes, SMMT chief executive, said: "August is typically a quiet month for the new car market as consumers and businesses delay purchases until the arrival of the new number plate in September. With the new 67-plate now available and a range of new models in showrooms, we anticipate the continuation of what are historically high levels of demand."

## 1 VOLKSWAGEN

Its C-segment Golf was the most popular new car of August. With 2,279 registrations, it nudged ahead of the UK's perennial favourite, the Ford Fiesta, which had 2,236 registrations.



## 2 TOYOTA

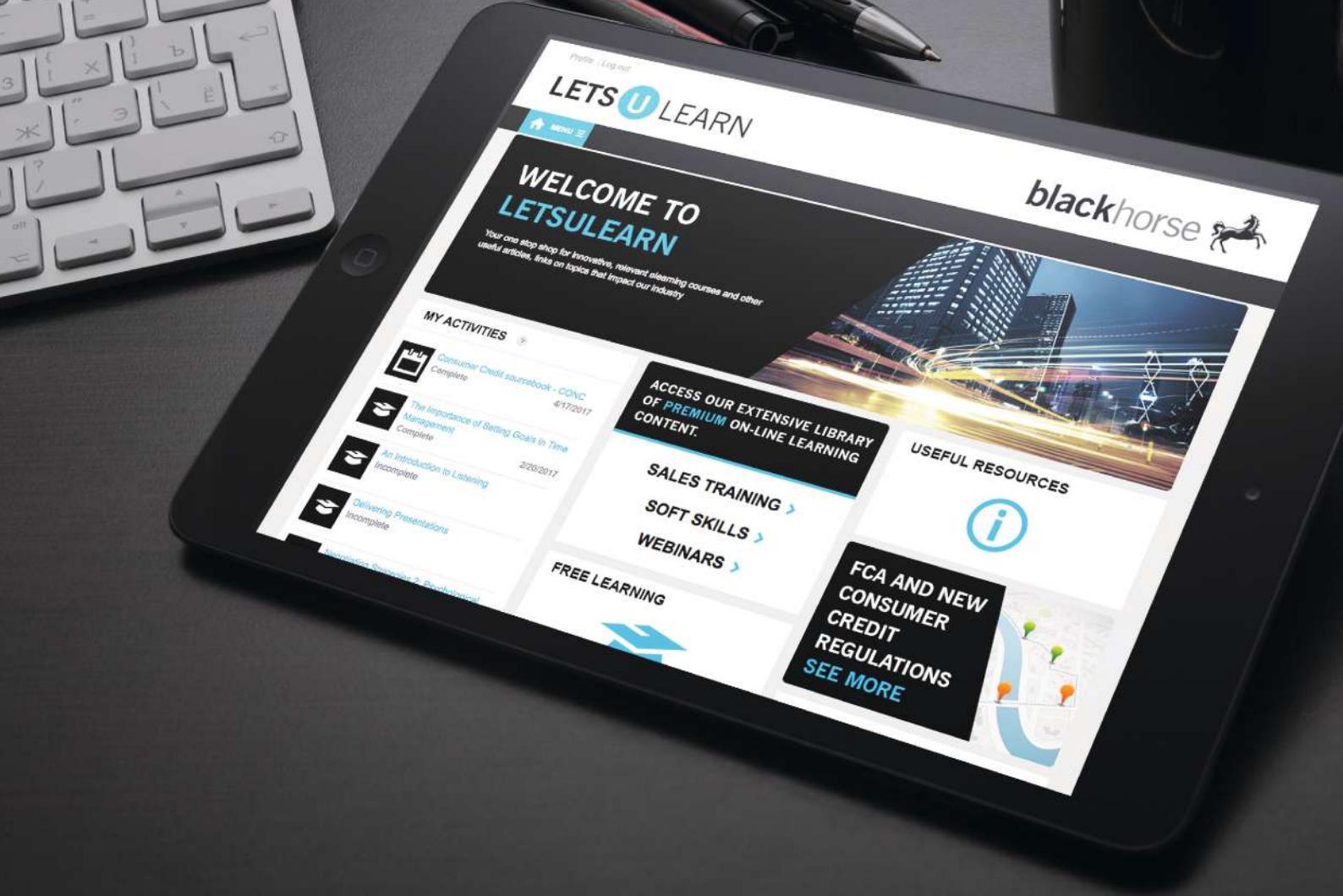
A strong August, with volume up 25%, or 549 units. Key to its growth was the new C-HR crossover, which is fast becoming its fourth-best seller after Yaris, Auris and Avensis.

## 3 FIAT

Fiat was down 25% in August. Despite the UK's love of crossovers, demand for its 500X appears to have fallen off a cliff, down 60%, or 5,704 units, by the end of August. Maybe a £2,500 'scrappage' incentive in September will reverse its slump.



Marque	August					Year-to-date				
	2017	% market share	2016	% market share	% change	2017	% market share	2016	% market share	% change
Ford	9,234	12.08	11,703	14.33	-21.10	194,484	11.86	205,142	12.21	-5.20
1 Volkswagen	6,923	9.06	5,694	6.97	21.58	129,044	7.87	129,298	7.69	-0.20
Vauxhall	6,678	8.74	8,579	10.51	-22.16	130,693	7.97	161,259	9.59	-18.95
Audi	6,301	8.24	6,195	7.59	1.71	108,916	6.64	107,298	6.38	1.51
Mercedes-Benz	4,738	6.20	4,651	5.70	1.87	114,912	7.01	104,904	6.24	9.54
BMW	4,607	6.03	4,752	5.82	-3.05	106,328	6.48	106,061	6.31	0.25
Nissan	3,710	4.85	3,503	4.29	5.91	98,581	6.01	92,029	5.48	7.12
Kia	3,060	4.00	3,849	4.71	-20.50	60,865	3.71	57,609	3.43	5.65
Škoda	2,918	3.82	2,687	3.29	8.60	52,507	3.20	50,745	3.02	3.47
2 Toyota	2,742	3.59	2,193	2.69	25.03	65,580	4.00	62,030	3.69	5.72
Peugeot	2,601	3.40	3,164	3.88	-17.79	55,008	3.35	64,856	3.86	-15.18
Hyundai	2,441	3.19	2,440	2.99	0.04	58,728	3.58	56,610	3.37	3.74
Seat	2,232	2.92	1,816	2.22	22.91	35,894	2.19	29,604	1.76	21.25
Citroën	2,054	2.69	2,593	3.18	-20.79	35,109	2.14	44,685	2.66	-21.43
Honda	1,886	2.47	1,826	2.24	3.29	34,953	2.13	38,161	2.27	-8.41
Renault	1,852	2.42	2,485	3.04	-25.47	46,268	2.82	50,837	3.02	-8.99
Suzuki	1,758	2.30	1,384	1.70	27.02	26,366	1.61	24,213	1.44	8.89
Mini	1,524	1.99	1,608	1.97	-5.22	39,519	2.41	38,597	2.30	2.39
Land Rover	1,512	1.98	1,574	1.93	-3.94	52,452	3.20	49,015	2.92	7.01
3 Fiat	1,283	1.68	1,719	2.11	-25.36	31,913	1.95	38,549	2.29	-17.21
Mazda	1,209	1.58	1,269	1.55	-4.73	26,247	1.60	30,342	1.81	-13.50
Volvo	786	1.03	776	0.95	1.29	28,709	1.75	27,034	1.61	6.20
Dacia	769	1.01	845	1.04	-8.99	16,616	1.01	15,676	0.93	6.00
Jaguar	565	0.74	722	0.88	-21.75	23,155	1.41	19,958	1.19	16.02
Mitsubishi	436	0.57	367	0.45	18.80	10,387	0.63	12,097	0.72	-14.14
DS	312	0.41	504	0.62	-38.10	5,981	0.36	11,151	0.66	-46.36
Smart	303	0.40	352	0.43	-13.92	7,059	0.43	6,968	0.41	1.31
Porsche	294	0.38	299	0.37	-1.67	8,899	0.54	7,647	0.45	16.37
Infiniti	216	0.28	280	0.34	-22.86	2,688	0.16	2,244	0.13	19.79
Jeep	207	0.27	488	0.60	-57.58	4,433	0.27	9,270	0.55	-52.18
Lexus	205	0.27	234	0.29	-12.39	7,490	0.46	8,424	0.50	-11.09
MG	181	0.24	99	0.12	82.83	2,479	0.15	2,300	0.14	7.78
Abarth	152	0.20	135	0.17	12.59	2,720	0.17	2,320	0.14	17.24
Alfa Romeo	143	0.19	148	0.18	-3.38	3,168	0.19	3,286	0.20	-3.59
SsangYong	100	0.13	219	0.27	-54.34	2,551	0.16	2,854	0.17	-10.62
Bentley	75	0.10	69	0.08	8.70	1,164	0.07	1,218	0.07	-4.43
Maserati	53	0.07	70	0.09	-24.29	1,122	0.07	913	0.05	22.89
Subaru	44	0.06	69	0.08	-36.23	1,608	0.10	2,045	0.12	-21.37
Aston Martin	21	0.03	15	0.02	40.00	1,087	0.07	527	0.03	106.26
Lotus	15	0.02	90	0.11	-83.33	208	0.01	231	0.01	-9.96
McLaren	6	0.01	0	0.00	0.00	327	0.02	0	0.00	0.00
Chevrolet	4	0.01	0	0.00	0.00	53	0.00	3	0.00	1,666.67
Other British	19	0.02	43	0.05	-55.81	471	0.03	522	0.03	-9.77
Other imports	264	0.35	132	0.16	100.00	3,499	0.21	2,267	0.13	54.34
Total	76,433		81,640		-6.38	1,640,241		1,680,799		-2.41



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## FINANCE OFFERS

# Will scrappage scramble save dealers' Q3?

**S**eptember's plate change may be more aggressive than usual due to manufacturers scrambling to drive sales with scrappage schemes.

Some of these offers can be stacked atop existing retail deals and it will be interesting to see what sort of effect they will have. September 2016's private registrations were down 1.7% year-on-year.

Mike Jones, ASE chairman, said the impact of these offers on dealers will depend on whether money has been reallocated from existing offers.

He said: "Where brands are requiring a contribution from dealers, this will be a profit-and-loss hit, but again this may just replace money they were giving away already."

The trade-off for dealers could be that higher volumes from this activity will result in them hitting Q3 volume targets, and the bonus money to see them through to the end of this year.

Vauxhall, BMW and Ford were some of the first out of the gate with scrappage deals, but most other manufacturers jumped on the bandwagon. Some manufacturers even told *AM* that they had no intention of following Ford after it launched its scrappage scheme on August 22. This position changed days later.

Will the September figures show these manufacturers ahead of competitors due to that early lead?

Vauxhall has been combining its £2,000 scrap-offer with PCP and deposit contributions. This would mean a Vauxhall customer could get up to £4,400 in support towards a new Mokka X, which is available for £279 a month. Vauxhall has already boosted sales by 20,000 across its two scrappage promotions, with a 5,500-unit boost this year. Vauxhall dealers will have to register more than 8,579 units to beat 2016 figures.

Ford's offers in September look particularly aggressive when you factor in monthly payments of below £300 on all cars, 0% deals on the majority of its cars and discounts of between £2,000 and £7,000 through scrappage. If the September figures show registrations below last year's 11,703 units for Ford, it will be a massive indicator that consumer confidence levels are badly damaged.

Audi had a better September than both BMW and Mercedes-Benz last year, but BMW was the first German premium manufacturer to launch its £2,000 scrappage offer, on August 9.

BMW has a good mix of deals for Q3, with 0% offers on 6 and 7 Series, 1.3% APR on its i-model range and 2.9% deals on core models such as the 3 Series. **TOM SEYMOUR**

## TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
<b>BMW</b>							
118d Sport 5-door	PCP	£4,570.55	48	£199	£8,694.08	4.90%	30/09/2017
216d Sport Gran Tourer	PCP	£4,769.21	48	£279	£9,818.88	4.90%	30/09/2017
216d Sport Active Tourer	PCP	£4,715.15	48	£289	£9,225.03	4.90%	30/09/2017
218d M Sport Coupe	PCP	£4,823.21	48	£289	£11,078.73	4.90%	30/09/2017
218d M Sport Convertible	PCP	£5,333.75	48	£329	£12,069.40	4.90%	30/09/2017
320d M Sport Saloon	PCP	£6,211.26	48	£239	£10,998.25	2.90%	30/09/2017
320d M Sport Touring	PCP	£6,105.46	48	£289	£11,295.18	2.90%	30/09/2017
420d M Sport Coupe	PCP	£6,262	48	£319	£12,366.33	2.90%	30/09/2017
520d M Sport Saloon	PCP	£6,823.09	48	£359	£15,633.43	3.90%	30/09/2017
520d M Sport Touring	PCP	£7,377.57	48	£379	£16,406.73	3.90%	30/09/2017
640d M Sport Gran Coupe	PCP	£11,101.07	48	£499	£18,278.93	0.00%	30/09/2017
730d M Sport Saloon	PCP	£9,574.40	48	£499	£26,336.60	0.00%	30/09/2017
730Ld M Sport Saloon	PCP	£9,706.05	48	£499	£27,799.95	0%	30/09/2017
X3 xDrive20d M Sport	PCP	£6,827.23	48	£319	£16,847.95	5.90%	30/09/2017
X1 sDrive18d Sport	PCP	£5,020.81	48	£339	£12,330.25	5.90%	30/09/2017
X4 xDrive20d M Sport	PCP	£7,761.14	48	£399	£18,063.40	5.90%	30/09/2017
X6 xDrive30d M Sport	PCP	£9,969.73	48	£569	£24,021.33	5.90%	30/09/2017
X5 xDrive30d M Sport	PCP	£8,983.34	48	£629	£24,147.13	5.90%	30/09/2017
X5 M	PCP	£14,527.15	48	£849	£31,518.45	2.90%	30/09/2017
X6 M	PCP	£14,672.49	48	£879	£30,708.15	2.90%	30/09/2017
M3 Saloon	PCP	£10,047.26	48	£689	£22,446.05	5.90%	30/09/2017
M4 Coupe	PCP	£9,203.98	48	£709	£23,058.40	5.90%	30/09/2017
M6 Coupe	PCP	£13,263.34	48	£799	£25,290.43	2.90%	30/09/2017
<b>Ford</b>							
Fiesta Zetec 1.0 EcoBoost 100PS 3 Door	PCP	£3,814.69	36	£160	£5,955	2.90%	30/09/2017
Fiesta Zetec 1.0 EcoBoost 100PS 5 Door	PCP	£3,840	36	£160	N/A	N/A	30/09/2017
Fiesta Titanium 1.0 EcoBoost 100PS 5 Door	PCP	£3,814.02	36	£205	£6,820	2.90%	30/09/2017
B-MAX Titanium Navigator 1.0 EcoBoost 100PS	PCP	£5,733	36	£169	£5,423	0.00%	30/09/2017
EcoSport Titanium S 1.0 EcoBoost 125PS	PCP	£4,738	36	£169	£7,118	0.00%	30/09/2017
Focus Titanium 1.0 EcoBoost 100PS	PCP	£4,774	36	£199	£6,672	0.00%	30/09/2017
Focus ST-3 2.0 EcoBoost 250PS Petrol	PCP	£6,958	36	£229	£11,788	0.00%	30/09/2017
C-MAX Zetec 1.5 TDCi 120PS	PCP	£6,911	36	£199	£6,974	0.00%	30/09/2017
Grand C-MAX Zetec 1.0 EcoBoost 125PS Petrol	PCP	£6,940	36	£209	£7,155	0.00%	30/09/2017
Tourneo Connect Zetec 1.5 TDCi 100PS	PCP	£6,161	36	£179	£5,700	0.00%	30/09/2017
Kuga Titanium 2.0 TDCi 150PS FWD	PCP	£8,209	36	£219	£10,246	0.00%	30/09/2017
Mondeo Titanium 2.0 TDCi 150PS	PCP	£7,878	36	£209	£8,538	0.00%	30/09/2017
S-MAX Titanium 2.0 TDCi 150PS	PCP	£8,076	36	£219	£11,435	0%	30/09/2017
Galaxy Titanium X 2.0 TDCi 150PS	PCP	£11,471	36	£229	£13,125	0.00%	30/09/2017
<b>Vauxhall</b>							
New Crossland X SE 1.2 (81 PS) in Summit White	PCP	£2,999	36	£245	£6,295	4.2%	2/10/2017
New Mokka X Active 1.4i Turbo (140PS) Start/Stop FWD in Amber Orange	PCP	£2,199	36	£279	£6,969	4.2%	2/10/2017
Adam Energised 1.2i (70PS) in Mint my Mind	PCP	£2,099	36	£199	£4,524	4.2%	2/10/2017
Corsa 3-door Limited Edition 1.4i (75PS) ecoFLEX in Lava Red	PCP	£1,999	36	£225	£4,242	5.5%	2/10/2017
Corsa 5-door Limited Edition 1.4i (75PS) ecoFLEX in Summit White	PCP	£1,999	36	£235	£4,396	5.40%	2/10/2017
Astra SRI 1.4i Turbo (150PS) in Lava Red	PCP	£2,999	36	£238	£6,836	4.2%	2/10/2017
Astra Sports Tourer SRI 1.4i (100PS) in Lava Red	PCP	£2,999	36	£249	£6,756	4.2%	2/10/2017
New Insignia Grand Sport Design 1.5 (165PS) Turbo in Lava Red	PCP	£4,099	36	£199	£7,519	4.2%	2/10/2017
New Insignia Sports Tourer SRI NAV 1.5 (165PS) Turbo in Summit White	PCP	£4,299	36	£289	£8,239	4.2%	2/10/2017
Zafira Tourer SRI 1.4i Turbo (140PS) in Summit White	PCP	£4,499	36	£325	£6,532	4.2%	2/10/2017
Cascada SE 1.4i Turbo (140PS) S/S in Summit White	PCP	£3,999	36	£399	£6,816	4.2%	2/10/2017



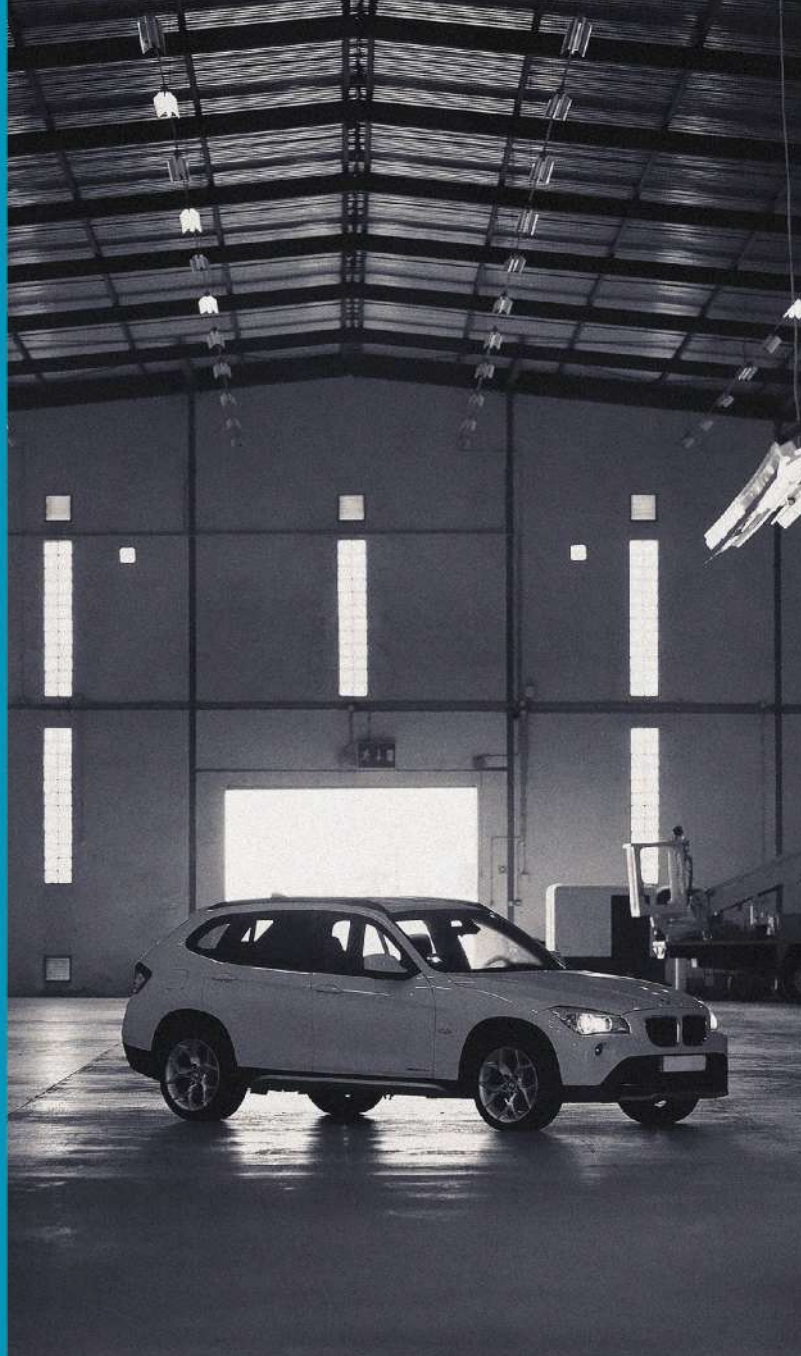
### SEARCH FOR FINANCE OFFERS

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



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# VIEWPOINT



## MOTOR RETAIL NEEDS A NEW BREED OF DEALER PRINCIPAL

**DOREEN YARNOLD** is the director of Leading Results, a professional development company



## YOU DON'T HAVE TO BE MAD TO WORK HERE AND IT DOESN'T HELP

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

→ There has never been a more important time for automotive groups to ensure their dealer principals (DPs) are up to the job of managing and leading their retail businesses. High-calibre people, efficient processes and modern technology all make the difference in the race to stay ahead in the retailing game.

When groups appoint DPs to run multi-million-pound retail businesses, mediocrity can no longer be tolerated.

Nor should the out-dated 'tap on the shoulder' or 'nod and a wink' to the best-performing sales manager be the route to the job. Sadly, even today, these practices are not uncommon.

The more progressive groups are promoting and recruiting to a core set of DP competencies and capabilities, using psychometrics to support the process.

Some are widening their scope of potential candidates to include those from finance, banking and other similar service industries.

With our industry getting to grips with embracing a combined customer and employee-centric culture, our DP community must step up to the plate.

There is no other way. Gone should be the days when:

■ DPs sit in their office all day

acting as a figurehead for all to behold

■ DPs spend the majority of their time meddling in sales

■ Line managers and staff are not proactively developed for role progression/expansion

■ Feedback happens by exception – and only when things go wrong

■ Giving praise is regarded as being weak

■ Involving the team in business issues and problems is not even considered

■ Employees are told what to do, but rarely why or how

■ Departments work against each other, as if on opposing sides of a game.

We are all familiar with that particular breed of DP, which is thankfully on its way to extinction. We hope.

The good news for all of us is that the new breed of DP that the automotive industry so badly needs is within reach.

It's not only boy bands and hit records that can be manufactured – our industry is experiencing a period of change not seen for decades.

The skills, knowledge, competencies and mental strength required to successfully manage our retail businesses are all learnable. Personality, however, cannot be learned – this is innate.

Recruiting, promoting and developing our community of DPs has never been more important than it is today.

If groups are not developing their DPs in the new and exciting skills required of modern leaders, they are missing a significant trick that may not harm their business in a relatively buoyant market, but most definitely will when the next recession hits.

→ Over the years, I have often been left confused by the actions of some of the people in our sector.

For many years, I blamed myself – I believed I must have missed a piece of information or that I didn't understand the nuances of the industry. However, I have reached the conclusion that often people act in a way that is simply irrational. And there is a thin line between irrationality and what most people would regard as insanity.

An example came to my notice recently. A daughter of one of my colleagues was attempting to buy a Suzuki from a dealership in the north-west. Having researched the competition and the offers that were available, the negotiation process started. The customer had a price in mind and they were not prepared to move upwards from it.

At the end of the discussion, the dealership stated that this deal was not possible and both sides parted company.

Later that day, the customer went to Carwow's website and asked for offers on the aforementioned vehicle. Ironically, the best offer came from the dealership that the customer had walked away from earlier in the day. But the dealer was offering exactly the same terms that it had rejected previously.

The customer dutifully went back to the dealership and said they would like the car on those

terms either direct or via Carwow. There was no explanation of the change of heart from the dealer.

The problem this creates is that the buyer now knows not to believe what is being said in the face-to-face interaction. In future, they will always seek some other form of verification.

From my view as a researcher and observer of the industry, this type of behaviour is irrational and damaging. It reinforces the view that what is said by us cannot be trusted. Whether it be the falsification of emission test results or going back on your word, this type of behaviour is untenable in a world that is becoming increasingly transparent.

As a marketing academic, I still smile at a situation I came across a few years ago, where a well known French car manufacturer used to apportion its marketing budget in a country in proportion to its market share. If the market share fell, the marketing budget was reduced in line with this figure, encouraging a spiral downwards. I understand the concept of a lean operation and working smarter, but have yet to understand the marketing philosophy that suggests you arrest a downward trend by spending less.

You still occasionally see signs and mugs on desks that read: 'You don't have to be mad to work here, but it helps'. I am coming around to the conclusion that motor retail often places a little too much faith in those words.

**“THE BUYER NOW KNOWS NOT TO BELIEVE WHAT IS BEING SAID IN THE FACE-TO-FACE INTERACTION”**

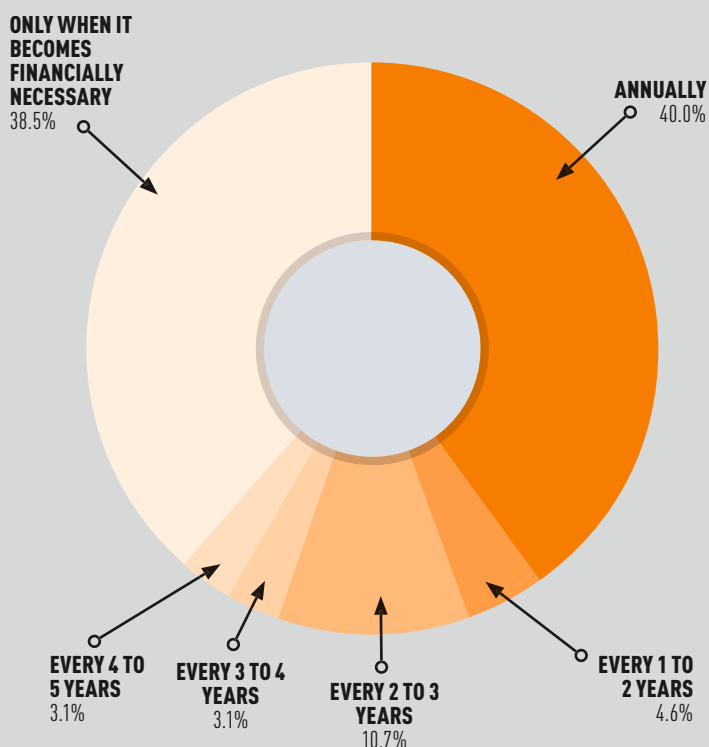
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The UK's franchised dealer networks have been in a state of flux for decades, yet there has certainly been a flurry of dealership acquisitions and disposals in the past five years. One factor behind that is the changing fortunes of manufacturers. Some have seen their market share steadily deteriorate from where it stood at the start of the century, as others have fought to win car buyers' attention.

In the face of such change, and the emergence of manufacturers' own online retailing initiatives, it is surely good business sense to regularly review the business opportunities, as more than half our poll respondents do at least every three years.

What is more alarming is that four in 10 review their franchises only when it becomes financially necessary. Perhaps it can be forgiven, given the levels of investment these franchisees are likely to have made, that they will stick with brands through good times and bad. Yet the next recession, whenever it comes, may be a catalyst for dramatic change that they should prepare for.

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### ADVERTISING FEATURE

## More about measuring motor finance online

By James Tew, CEO, iVendi



Earlier this year, we revealed details about our work towards creating an industry-standard method of measuring online motor finance. We are pleased to report this is continuing with the release this month of our second generation online retailing report.

For the first time, it uses the number of page views for finance-specific web pages as a key measurement, which we believe should become the fundamental metric of value for dealers, lenders and manufacturers.

Through our conversations with these parties, this seems to be the measurement that has most meaning for them. Simply, it provides evidence that visitors to a web site are taking the online motor finance option being provided seriously enough to find out more information and try the online tools that are on offer.

Other key metrics in the second generation report include a map showing where customers are viewing the web site from, most popular finance products, busiest time of day, a monthly traffic view and the average number of finance quotes per vehicle.

All of this effort is underway because we believe that part of the maturing of online motor finance will be broad agreement about the measurements that show its impact.

Initial feedback to the new report has been strong and it is currently being trialled with a number of dealers. And, as part of the process of creating a widely-accepted industry standard for online motor finance, it is important that we engage in as much dialogue as possible across the industry, so we'd also very much value your views on this subject.

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# FACE TO FACE: PENDRAGON

## FOLLOWING FAST

Chief executive Trevor Finn is confident that his PLC's growth lies in consumer-focused technology, a more flexible business model and used car sales, reports **Tim Rose**

**T**he future of motor retailing will be shaped by emerging technology, so carmakers and franchised dealers will need to adapt fast.

When *AM* catches up with Pendragon chief executive Trevor Finn, the role of technology and innovation seems to be a recurring theme.

The last time we met at the group's Annesley headquarters, Finn spoke about some of the scale benefits that software was providing, such as call management solutions that identified the customer before staff even answered the call, and remote access security systems which alerted staff at HQ and enabled them to immediately access CCTV cameras at any of its sites nationwide and alert police or security contractors if required.

This time, it is the digitalisation of the industry that takes up much of his thoughts. And he said the stock market-listed dealer group was "changing" from the company that spent the first decade of this millennium buying up major rivals such as Reg Vardy and CD Brammall, and which prior to the 2008 recession had a portfolio of around 300 dealerships.

It currently has about 185 franchised dealerships in the UK and its focus is more on organic growth – it has bought little in the past five years, except Leeds BMW and Mini in 2011, and three Jaguar sites plus Hyundai Newcastle and Leeds in 2016.

Used car sales and aftersales are a huge opportunity for the business, and its own software business, Pinewood Technologies, is playing a vital part. Although Pendragon's reign as the UK's largest dealer group ended after 19 years at the top when Sytner Group expanded this year, its strategy to double used car revenues by 2021 looks likely to restore it to the throne.

Finn remained guarded about giving away the detail, and said the whole group is working on hundreds of small improvements, with teams in each area of focus. Its

management team has emphasised that if something being trialled is to fail, it needs to fail fast and try something else.

### INVESTING IN INNOVATION

Pendragon does not see its role as a driver of dramatic change in the motor industry.

"I think we'd like to be a fast follower," said Finn. The group's corporate website is less modest, however, proclaiming that it is "leading the change in the automotive online retail sector" in response to changing customer needs.

Certainly, the group has been pretty innovative of late. Its Evans Halshaw mainstream brand division launched a Sell Your Car initiative during 2014 in response to the success of WeBuyAnyCar, which guarantees to better the latter's online valuation.

It launched Move Me Closer in 2015, a service that allows online consumers to select any vehicle from the group's 21,000-strong used car and LCV stock and have it moved to their nearest group dealership for a £200 refundable reservation fee.

Later that year, it began a programme of opening 40 Evans Halshaw Car Stores, used car supermarkets that fill in the group's geographic gaps in order to give it a better national footprint. Each participates in Move Me Closer, thereby providing Pendragon with a UK network of car handover points ready

for when online car-buying takes off. As well as displaying several hundred cars ranging from £3,000 to £30,000, each Car Store has technology to allow customers to search a 'virtual store' of the whole group's stock.

It also offers an Evans Halshaw price guarantee, which promises to refund the difference if a buyer finds a similar car cheaper at another dealer within 40 miles within five days of purchasing.

Finn said Car Store's role is to compete strongly with independents, and take a sizeable chunk of the UK's used car market, which is about three times the size of the new car market.

"The margins are better than new cars. The level of investment is lower. So you invest less, make more, and it's a bigger market opportunity," he said.

"The used car market is massive, and nobody is big in it, including ourselves. So it's still a very diverse pond to fish in."

Pendragon has told the stock market that it aims to double its used car revenues by 2022, from the £1.9 billion turnover it recorded in 2016 from 159,000 used vehicles.

The group's main source of stock is sales-generated part-exchanges, plus the leasing industry, including its own Pendragon Vehicle Management operation, and auctions.

"There's a spectrum which you have to have because you want the diversity of stock," said Finn.

The group also wants growth in aftersales, which should follow naturally from rising used car sales – Car Store sites have service workshops as well as forecourts – due to the benefits brought in by service plans, online booking and vehicle health checks. It has already launched a campaign to recruit 300 extra technicians.

Finn said online service booking, with a consumer web portal truly connected to the Pinnacle dealer management system, is an example of the benefits of owning Pinewood Technologies. Finn also pointed out that whereas video health checks

### FACTFILE

**TURNOVER** £4.54 billion (2016)

**PROFIT BEFORE TAX** £75.4 million (2016)

#### FRANCHISES:

(Evans Halshaw division) Citroën, DS, Ford, Honda, Hyundai, Kia, Nissan, Peugeot, Renault/Dacia, Seat, Vauxhall  
(Stratstone division) Aston Martin, BMW/Mini, Ferrari, Harley Davidson, Jaguar, Land Rover, Mercedes-Benz/Smart, Morgan, Porsche, Rolls-Royce

**NUMBER OF STAFF** 9,700

have grown in popularity lately, Pinewood enabled it a decade ago, and Pendragon salespeople were interacting with customers through video 15 years ago.

More recently, the system has incorporated SMS 'push' notifications, which are sent automatically to a customer's smartphone to keep them informed of how their car's service is progressing and when it will be ready.

"We used to receive 1.2m calls a year into our contact centre asking the same question: 'Is my car ready?'"

Finn said each call cost "maybe 30p", but that was not the only drawback of such a system: "It's inconvenient for customers. So we spoke to the guys in Pinewood."

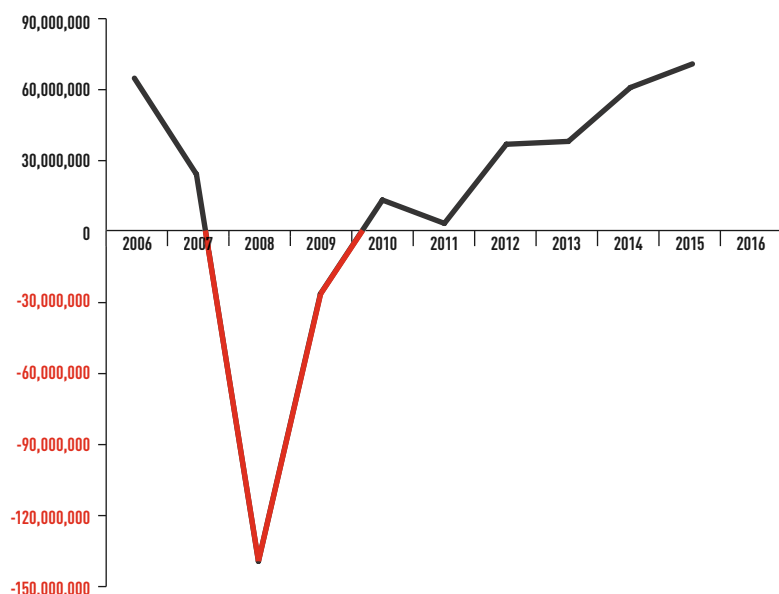
Their solution was inspired by pizza company Domino's, whose app keeps a customer updated on when their pizza is made, cooked and on the way to them.

"Pinewood is a different business (to dealers). It has its own culture, which we encourage, because its people are software people, and we have 20 nationalities there. Having a bunch of people who look at the world differently, but who are part of the team, is a huge advantage. We can ask a question about something we have no knowledge of, and get an answer from somebody who is on our side," said Finn.

Pinewood has almost 25% of the UK's DMS market, but its growth potential is limited for two reasons – the dominance of market leader CDK Global, and the



## PROFIT BEFORE TAX (£)



Pendragon grew fast through acquisitions last decade, but a streamlined group (headcount is a third lower than 2007) focused on building from within is now making more profit than it did pre-recession.

reluctance of some dealers to use it simply because it is owned by a rival group.

Pendragon believes there are more opportunities overseas for Pinewood. It announced its intention to explore them last year and won a contract to supply a commercial vehicle dealer group in the Netherlands. It has also gained contracts in Germany and Finn has hosted visits from Chinese dealers.

## MAKING TECHNOLOGY MEANINGFUL

Pendragon wants technology to make motor retail more efficient, and Finn concedes that generally there are moves towards the online retailing of new cars. However, he warned that the industry must not waste resources on technology that is not meaningful or lacks a defined purpose.

"Technology is more and more of a driver and an enabler, but if customers don't actually want a lot of what is served up, they will choose only what they want and we won't make them come round to our way of thinking.

"A lot of people use 'monster' deployment of systems. The NHS tried to do it and failed miserably. If a major piece of software takes [longer than] a certain period of time to





**THE USED CAR MARKET IS MASSIVE, AND NOBODY IS BIG IN IT. SO IT'S STILL A VERY DIVERSE POND TO FISH IN**

**TREVOR FINN, PENDRAGON**



deliver, it never gets done, because by the time you've got to where you thought the objective was, your objective has moved because the world has changed. Something that's a plausible objective today has to be constantly re-evaluated.

"That applies to a lot of things. When you want to change this or that, you have to constantly change your expectations and aspirations at the same time."

Despite its technological success, Pendragon's financial investment is still heaviest in traditional areas – people and property. Finn said dealers under-invest in technology relative to the value they can get from it.

He believes it is difficult for the automotive industry to change, and that while car plants and component manufacturers have taken out a level of cost by improving their efficiency, car dealerships have not really moved on that much.

"All that is competitive force. The industry has had a boom for five years, maybe eight, and therefore that covers up a lot of cracks," Finn added. He agreed that another economic crisis would be a catalyst for an efficiency drive in motor retail.

The reality, he said, is that more and



## ADVERTISING FEATURE

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By Michaela Gunney,  
UK sales director Secure Group



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more of the workforce needs to be digitally minded, which is simply a reflection of how customers and the ways they communicate have changed.

Finn said dealer groups must work hard to stay current, to engage people, whether customers or staff. Some of Pendragon's teams have set up groups on the WhatsApp messaging service to run and communicate sales incentives.

"It's obvious, isn't it? But it wouldn't necessarily be obvious to people who are not into that," he added.

The Car Store business allows Pendragon to "make the rules up yourself", Finn said, and develop a more flexible business model. Its trading hours are slightly longer than a franchised dealership, it offers servicing appointments all weekend, and its stocking policy has fewer constraints.

Considering the future for franchised dealers, Finn said there is now a comparable diversity of business models that was missing in the past. Some are still centred around products, others are experiences, and some brands are trying new channels – Fiat selling cars on Amazon in Italy is one example – while others still build to order and sell through a very traditional model.

"It's good in the sense that, if there is fundamental change taking place, it shouldn't have to be somebody from outside the industry to make that happen. The best chance of delivering that is probably with someone inside the industry."

"Ultimately, the economics of it all have to work because a dealer that doesn't make any money isn't going to be around very long. You've only so many opportunities to make money, and if it's new vehicles, used vehicles, service and repair, any one of those being throttled off means you haven't got a dealer."

## ▼ CULTURES AND MEGA-CORPS – FINN'S VIEW OF BUSINESS

Finn believes cultures – emphasising the plural – apply in business, but questions what the point of defining a company culture is if it does not benefit customers. He said it is fair that companies want their workers to feel proud to associate with different levels within the business – their department, their dealership, their division and the group as a whole.

"People used to talk about a need to wear a badge so they know who they work for, and that's a ridiculous concept. In a business sense, a lot of the culture wells up from different pieces of the whole, and in our set-up we have lots of cultures, different sub-sets which are shaped by what they do and who the group is made up of. Obviously, leadership sets a tone, but you can get a very strong culture in its own right from pieces of the business.

"You can have elements of being tribal. It's okay. People will choose what they want to be associated with. Everybody gravitates towards success, don't they?"

He admires how a business such as Google can remain so dominant without losing sight of its customers.

"Because they are so powerful they could make it difficult for people to get what they want, because what are the alternatives? But they are still continuously customer-focused.

"You can't be [purely customer-focused] because you'd gift them everything.

"Being commercial, you're able to serve your customers. But you can get to the point where you lose sight of the fact that it's about your customers."

"You've got to respect some of these mega-corps that can trade with small companies without crushing them. But as a business they're in a different league."

Finn said one of the biggest obstacles to putting customers first is the industry's target- and incentive-driven model of reward and recognition. Yet dealers mirror that model with their own staff's pay plans, to drive a behaviour that they say is not adding any value, "because if we're going to get forced, then we have to force our people". He said taking a different route is impossible in many respects, because the industry is so trapped in short-termism.

## CHANGE 'IS BUSINESS AS USUAL'

Asked whether franchised dealer profitability is under threat – from manufacturers turning the taps off or regulation increasing the costs of doing business – Finn questioned if there has ever been a time dealer profitability was not under threat.

"You could start off every year with a list

of how it's tough. You could have rates going up, the apprentice levy coming in, minimum wages coming in, threat of this and that, and you start with 'X' on your bottom line every year as a result. In a way, mitigating the cost of change is just a piece of business as usual," he said.

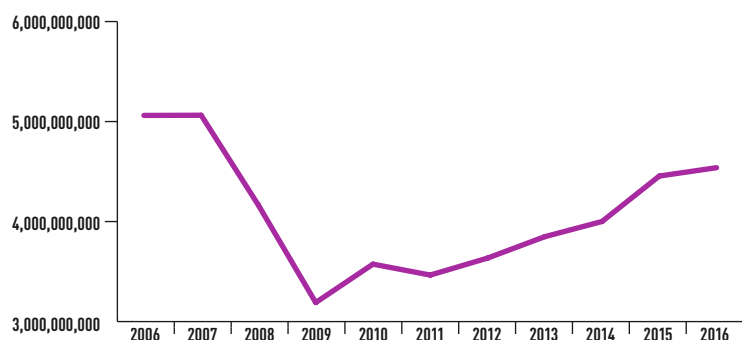
A benefit of a business the size of Pendragon is having resources to apply to new threats – such as GDPR, which it has been tackling early. Yet Finn suggested small independents have their own advantages, including the notional option of non-compliance and hoping they don't get caught.

"Being big, it's just business as usual every year. So is regulation more and more burdensome? I don't think so. You just have to get geared up and resourced to do what you have to do. If it's something that's expensive you can amortise that over the network."

He believes a business the size of Pendragon has inherent checks and controls to minimise bad practice that may not be present in a small independent.

"In an independent, bad practice can be the practice," he said.

## ▼ TURNOVER (£)



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# MINUTES WITH...

Neil Packham,  
president, CDK Global



## Where does the UK sit in terms of scale for CDK?

The UK is our second biggest market outside of North America, behind China, which is one of our biggest areas of opportunity given it is by far the world's largest car market with something like 27 million annual new car sales.

The UK is the fifth largest car market, so from CDK's standpoint the UK punches above its weight. It's an important market for us.

## What do you see, in your global perspective, that UK dealers need to be aware of?

That whole global view and reach is useful, because one of the things we're trying to do is to become 'One CDK'.

That's about how we leverage our global scale more effectively. We've 550 R&D people, that's coders and developers, in the UK; globally we have more than 2,000. So if we can start to leverage that scale we've an advantage, as there aren't many organisations which have that many R&D people developing software and products.

## So dealers will get what they want faster?

Historically the industry has wanted answers now rather than when systems providers can get around to it. We've probably not been as fast as people wanted, and there are a number of reasons for that, predominantly internally-focused. This comes back to that One CDK mindset. The reason why it has historically taken such a long time to develop things is that we tended to have a silo approach with R&D, product and individual market. So if you wanted to do

“AN ELEMENT  
IN DOING THAT  
(IMPROVING  
STOCK TURN) MIGHT BE  
ADVERTISING THE USED  
CAR AT DAY MINUS 15  
RATHER THAN AT DAY  
PLUS 15

NEIL PACKHAM, CDK GLOBAL

something specific for the UK it was difficult. Now we're using an agile development methodology, and we're leveraging our scale. Before if you wanted a product for the Spanish market it was developed in Spain or in the UK using that fixed resource. Now we know we have more than 2,000 developers, and we can, for example, create one sprint in the UK, three sprints in India, and one sprint in Spain, with all of those sprint teams working independently, yet together, to complete their own portion of the development.

You can potentially have things done in a much shorter period. And we're looking at how we build things that are reusable, developing functionality for a particular market, but which might be usable in other markets.

## Will that have any impact on specific demands from the UK?

At a simplistic level, what a dealer does in the UK isn't too dissimilar to what one

does in the US. There are some differences. For example, US cars are largely sold from stock, but the underlying processes are the same – you need to interact with your manufacturer so you need interfaces within the database management system (DMS). So we can leverage global scale to do those things more effectively and efficiently for the UK automotive industry, and then we know there are areas in which the US is more advanced, so we can bring over some of the thinking and processes. Marketing is probably a good example – US dealers tend to be better at marketing, but they're much more readily driving enquiries into their dealerships.

Another thing some other markets perhaps do better is to turn used cars more quickly.

Here, with a client who has ordered a new vehicle and is waiting for it to arrive, not many dealers try to market or pre-sell the part-exchange car before it comes in. They'll know the exact age of it, they'll know its approximate mileage, they'll know all the details of the vehicle because they probably sold it originally so the information is in the DMS. They've appraised it as part of the sales process so, potentially, they may have some images of it.

Therefore, if one of the things dealers can do to improve profitability is improve stock turn, then an element in doing that might be advertising the used car at day minus 15 rather than at day plus 15.

If you want to turn that into profit quickly, the best way is to start advertising it. At any one time you'll have fleet cars, courtesy cars, PCP cars all coming back, and there is a logic in using some systems thinking to speed that up and make you more efficient in turning stock faster.





**What changes are ahead in the short term for CDK and dealers?**

There are three things: systems, people and process. I can build you a brilliant IT system, but if you don't have the right people or the appropriate process within the dealership it will only be so good. That whole piece about sales people needing to be personable is still relevant. Systems can only take you so far, at least in the offline environment.

One of the big areas we see is the seamless flow of online to offline. Omnichannel retailing becomes more important, and it's about how people do that more efficiently and effectively. We term it a frictionless sales process. The customer should find it fairly frictionless, going in store should be just another part of the purchase journey.

You potentially need different people – some who are more customer-focused. You need process, because there's no point training all the sales people to do exactly what they've always done because that won't work for all your customers. And you need the appropriate systems to cope with that.

It's about workflows. We're going to de-content the monolithic DMS, to enable us to make it market-focused and flexible.

Then we can focus on providing parts of the whole, or all of it, thus creating an open-ended platform that enables people to choose what they take from us and what they take from others.

As we move forward, it's about creating that much more open platform.

**It has historically been a criticism of major DMS providers that they want to keep everything for themselves and aren't keen to integrate with other systems, hasn't it?**

Yes. That's very much where we're moving – from a monolithic software provider to enabling workflows. We'll develop a different approach and a blend of strategic initiatives, and in the end, that

**IT'S ABOUT WORKFLOWS. WE'RE GOING TO DE-CONTENT THE MONOLITHIC DMS, TO ENABLE US TO MAKE IT MARKET-FOCUSED AND FLEXIBLE**

**NEIL PACKHAM, CDK GLOBAL**

takes us to a whole end-to-end platform that enables automotive commerce.

Even today the DMS is a platform rather than a software application, but increasingly tomorrow it needs to be a platform. With Autoline Drive now we can give a set of APIs which a dealer's website provider can use to enable seamless booking of a service into their workshop loading application in their DMS.

That's a good example of a workflow – we don't provide your website. We don't define how you choose to use that as an app or whatever, but we make it easier for the dealer to know who the customer is, what car it is, what parts and hours it needs, what slots are free in the workshop, so it enables a seamless workflow.

**How quickly will we see the benefits of this new strategy?**

Reasonably quickly. Having talked about APIs, in Denmark we've developed a Smartpay application which lets people pay by mobile phone.

In Italy we have a new analytics tool. In the UK we've much deeper integration with CitNow in our VHC product. So we've already started on the journey. The much deeper level is something that will come clear in the medium term.

Much of it is about us being market, rather than product, led.

**How do you get that market insight?**

We have focus groups, forums, and user groups, some on a franchise basis, or the major groups feed back to their account manager, and we're very engaged with the OEMs so we understand what's driving them forward.

All of these things are about how we act and react differently, and how we do things in a way that solves issues our customers have.

**The industry often sees the people aspect as a challenge, and seeks to minimise the risk of that human interaction. Do you see more dealer processes being automated in the future?**

There are absolutely some areas where you provide a better customer experience and generate efficiencies by systemising things.

And there are others that probably don't because people want one-to-one interaction.

Sales administration, for example, has a whole degree of inefficiency which doesn't need to be there, and we can start to automate that out.

And in service reception, there's a line of customers all waiting to drop their keys off, and chances are they've already been through all the checks either on the phone or online when booking, so why must they queue?

Telematics will let the dealer know they've arrived, if there's any fault codes, and all that will help to provide a better experience. In China, we have systems linked to automatic number plate recognition, which tell the arriving driver to leave their car in a particular bay and head to another bay for their courtesy car.

The reason you want to do this as a dealer is it potentially lets you reduce your overheads in terms of people, lets you provide a memorable consumer experience, and lets you build in customer loyalty.

**TIM ROSE**

**FACT FILE**

**TURNOVER:**  
£78.2M (2016  
ACCOUNTS, CDK  
GLOBAL UK)

**PROFIT BEFORE TAX:**  
£12.8M

**UK HEADQUARTERS:**  
HUNGERFORD

**STAFF:**  
750

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# PEUGEOT

Peugeot UK is shrinking its network, shedding volume and insisting on a new CI, but it is all to boost dealer profits  
MD David Peel tells **Tim Rose**

**I**t doesn't take a lot of common sense to predict that if a car manufacturer introduces a corporate identity upgrade in a year when its dealers' average return on sales is just 0.6%, it will get a hard time.

Peugeot UK did just that in 2015 and it was duly hammered in the Winter 2016 NFDA Dealer Attitude Survey, rated third from bottom of the 28 brands involved for franchise value, with a score of 4.3 out of 10.

When David Peel stepped in as managing director in March 2016, it was clear to him that fixes were required. A motor retailer more than a distributor, he had spent the previous seven years as chief executive of Peugeot Citroën Retail Group, taking the manufacturer-owned group from a €25 million loss to a €10m profit.

When *AM* spoke to Peel in May, Peugeot had rebounded to seventh in the Winter 2017 NFDA survey (7.6), and dealer RoS was up to 0.8% – still below the industry's average, but at least headed in the right direction.

While dealer satisfaction has again dipped in the latest NFDA survey (5.2), Peugeot's position on the franchise value question had again climbed relative to the other brands, finishing joint ninth from bottom (with Hyundai).

Under Peel's leadership, the process for dealer targeting has changed, last-minute pre-registrations have reduced, one tenth of the network has been terminated and Peugeot has cut back on short-termist tactical registrations, such as in the rental channel, that hurt residual values and the competitiveness of its PCPs.

Peugeot's overall position in the latest

**“IT'S NOT ABOUT BEING NICE, BUT BEING FAIR AND TRANSPARENT AND TAKING THE APPROACH THAT 'SIMPLE SELLS'”**  
**DAVID PEEL, PEUGEOT UK**



NFDA survey dropped to 18th. The carmaker said this was “particularly disappointing” but blamed it on the terminations and the deadline for its new CI, adding that it doesn't believe it's a true reflection of Peugeot's engagement with franchisees. “These factors combined have created a 12-month period of intense pressure on the Peugeot franchised network,” it said.

Peel was unapologetic about the changes: “We're talking the language of the network. It's not about being nice, but being fair and transparent and taking the approach that 'simple sells'.

“Our industry is very good at over-complicating what we do, and, from my experience, I know that if you keep things simple,

dealers will embrace it better,” he said.

The brand's ambition is to be the best “high-end generalist” in 2020, so its emphasis is on residual value (RV) protection and profitable business that is not damaging for the future.

One example was the launch of the new 3008 in the spring. The carmaker wanted to avoid dealers ordering demonstrators of its high-demand SUV in similar specification and colour, and then selling them all off simultaneously six months later and depressing the market price. Peugeot ordered a mixture and allocated demonstrators to dealers on a contract hire basis, ensuring that it has retained control of how they will be remarketed.

## KEY PRODUCTS



208

The brand's best-seller, with 28,146 registrations in 2016, of which 15,139 were in retail. Recent variants include a Black Edition three-door, with a low entry cost to try to draw in young drivers.



308

In France, the 308 is a strong seller, but it lags behind the Ford Focus, Vauxhall Astra and VW Golf in the UK, with 16,591 registrations. Peel said it wasn't priced competitively at launch.





David Peel, managing director, Peugeot UK: 'For the first time ever, our first priority is dealer profitability, not market share, not volume'

### Looking to a future with less volume

The future is a recurrent theme for Peel, who said he wants to remain in the role for at least five years "so there is consistency". He believes the brand has suffered from a lack of consistency in its recent past, which has not been helped by having four chiefs (Peel, Tim Zimmerman, Stephan Le Guevel, and Neil Moscrop) in eight years.

Peel takes pride in his communication with the network. He hosts regular forums and expects dealers to speak their mind, and afterwards he writes back to the network with details of the key points for action. Many of those were points of severe criticism in the previous NFDA survey.

"This year, predicting the market has been

more challenging than ever. We all knew Q1 was going to be strong because of the VED changes, so we wrote our plans to be strong in Q1.

"But we wrote a budget this year to do less volume. That said, our plans are written to increase retail sales by 5% in a retail market that's predicted to be down 5% or 6%. Our loss of volume is in tactical fleet and pre-registration. Last year we did 6,000 less than the previous year, and that was tactical."

Peel added: "Of course we're focused on volume. We don't have a plan to reduce our volumes significantly. But we have acceptance from Paris (Peugeot's headquarters) that the reduction in volume is putting in the foundation for tomorrow. One

of the advantages I have got is that in my last four years running the retail group, my boss in Paris was Jean-Philippe Imparato, who is now the chief executive for the Peugeot brand worldwide, so he's as close as you could call a friend in business.

"It's quite unusual for a Brit to have strong trust from Paris, but that's the benefit I've got and that's why we've seen the reduction in volume being accepted and understood."

That decline in volume is evident from SMMT statistics. Peugeot's new car registrations were down 8.4% in Q1, compared with a year earlier, and the decline had deepened to 13.2% halfway through 2017. In the eight months to the end of August, Peugeot registrations, at just more than 55,000, were down 15.2% year-on-year, in an overall market that was down 2.4%. However, its LCVs were up 13.4%, to 23,013, over the same period.

The brand is predicting a total industry volume (TIV), including LCVs, of about 2.9m to 3m, which would be down about 3%-4% on 2016. Its ambition is to take a 4.4% share of TIV, which breaks down to a 3.6% share of the new car market (2016: 3.6%) and 8.5% in LCV (2016: 8.8%).

### Product problems and protecting RVs

Those falling car registrations are unlikely to be helped by allegations that Peugeot's parent, PSA Peugeot Citroën, installed emissions-cheating 'defeat devices' in its diesel cars.

Similar to the Volkswagen 'dieselgate' scandal, an investigation by the French consumer and fraud watchdog claims that PSA installed suspect software in 1.9m vehicles. If found guilty, PSA could face fines of up to €5 billion. PSA denied the allegations, saying it "complies with regulations in every country where it operates".

The brand also faces a challenge on product. The 208, its most popular model, is still two years from replacement while direct competitors such as the Ford Fiesta are fresher, and the larger 308 has never enjoyed the success in the UK that it has had on mainland Europe.

However, SUVs are helping. Demand for the 3008 is high, helped by PCPs underpinned by a guaranteed future value (GFV) some 20 percentage points stronger than the previous model's. The facelift on the 2008 has been well received and a seven-seat SUV, the 5008, takes Peugeot into a new segment when it arrives in October (the old 5008 was an MPV).

Peel said: "Where we're going to find challenges over the next two years is



### 2008

A facelift in 2016 has helped boost the attraction of this small crossover SUV, which became the brand's second-biggest seller in 2016, with 19,794 registrations.



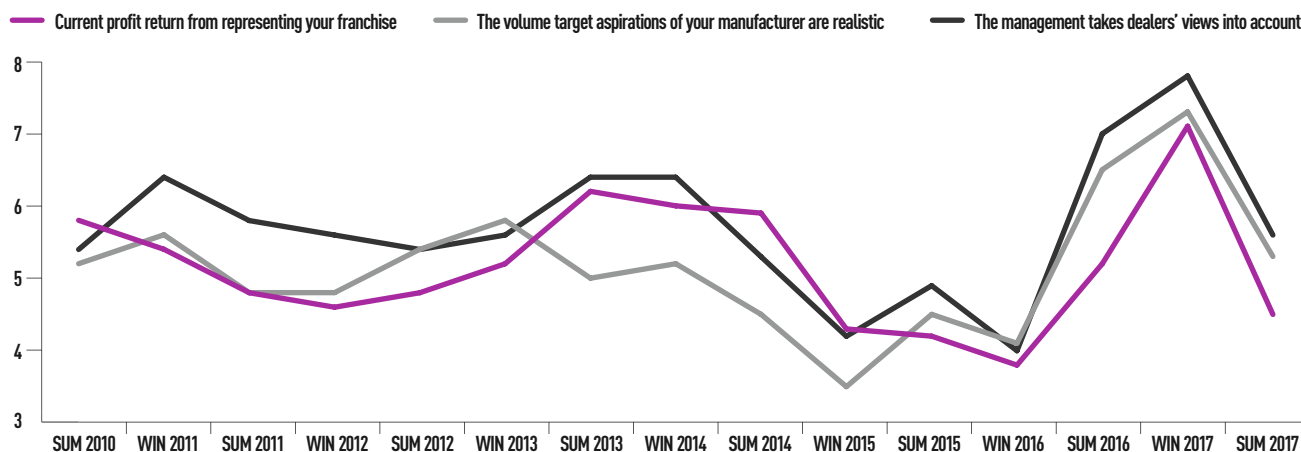
### 3008

The old model achieved 7,224 registrations in 2016. Peugeot forecasts 22,000 registrations of the new one this year. The waiting time to delivery has been up to three months.



## PEUGEOT'S NFDA DEALER ATTITUDE SURVEY RESULTS

(SOURCE: NFDA)



Profitability and manufacturer relations were barely average prior to the new managing director's arrival in early 2016, but after a year of boosted morale the latest data from the National Franchised Dealer Association's twice-yearly survey suggests David Peel's honeymoon period may be over.

Getting the conquest customer, when there is newer product on the market to take from 208. With our loyal customer base, we're very good at making sure we renew them into 208."

In the past, he said Peugeot tended to push tactical actions and packs of the 208 during the final week of the month. The dealer network was flooded with the same car, in the same spec, at the same time and RVs suffered as a consequence.

However, since he took over, Peel has operated an 'always-on' pack programme, which has terms on every model range for the whole of the month. The result has been a reduction to an average of 20 pre-registrations per dealer per year, and it is a mix of products.

As part of his focus on restoring franchisees' faith in the national sales company, Peel introduced the slogan "we're stronger together", and said everything being done is to ensure that it benefits both the network and Peugeot.

"My view is that we have to have a network that can generate 1.5% RoS to be sustainable for the future, sustainable in a way that investors remain engaged with us and have enough return to be able to re-invest in the brand. So 1.5% RoS is a key priority for us this year.

"At our business conference with the dealers in January, for the first time ever we said that our first priority is dealer profitability, not market share, not volume."

According to Peel, improving profitability means putting more volume through fewer dealers. Peugeot has worked with Experian on a new network plan based on an expected 6% share by 2020 and 1.5% RoS. That network would be 185 locations rather than the 211 it has currently. That led to two-year termination notices being served on 22 dealers in Q4 2016, to reduce the network by the end of 2018.

"We'll have the right number of outlets to give us the market share, but with a scale to the business that works for both the investor and for us," he said.

In addition, seven dealers have been terminated on the basis of poor performance. Traditionally, a quarter of Peugeot's network has lost money, said Peel. In 2015, only 50% of the network were achieving their sales targets.

### Getting tough on CI upgrades

At the start of 2016, three quarters of the Peugeot network was not compliant with its latest corporate identity refurbishment, which entails the latest Blue Box exterior and interior. Peel has issued an ultimatum to the network – on January 1, 2018, non-compliant dealers will be terminated.

"It's never been done before. We've been traditionally quite soft in not implementing a rule robustly," he said.

The latest CI was introduced two years ago, with 2% margin attached for dealers who had it. Peel said Peugeot relaxed its rules, and paid the margin anyway to support dealer profitability. That attitude has ended.

"This is a very important year for the brand, because every investor has to make a decision whether to invest £150,000, knowing if they don't there is now a definitive

deadline. We expect 95% to do so.

"We are being a lot more robust and professional in the way we are operating. Fair, open and transparent, but demanding as well."

When Peel took over, 80% of Peugeot's own used cars were sold through 30% of the network. He wanted to address two issues – a large portion of dealers were not taking cars from Peugeot and it was selling 20% of its cars to independents, which meant they could compete with the network.

He has spent a year telling every dealer in the network that it needs to participate in Peugeot's used car programme.

"My ambition is that, this year, we get to the point where we do not need to sell a used car outside the network," said Peel.

The brand is working on establishing a national 'Peugeot Direct' programme, similar to the Ford Direct initiative. This would give consumers guaranteed quality, warranties and other enhancements, with Peugeot controlling the marketing and pricing of stock in the programme.

Peel said its aim is to influence the market price of used Peugeots, by advertising those cars potentially £200 to £300 higher than the current market price.

"The quality has to match the perceived value. This isn't just a used car, it's a manufacturer used car, which most people would naturally expect to be higher quality."

A customer seeing a Peugeot Direct car online would contact their local dealer, that dealer would buy the car immediately from Peugeot through an internal system, and sell it to the customer.

Up to the sale, Peugeot retains the risk, so there would be no stocking costs for the dealer. The programme would be for a maximum of 25% of Peugeot's own used car volume, from captive fleet and rental buy-backs, which tends to be about 2,000 cars a month.

**WE HAVE TO HAVE A NETWORK THAT CAN GENERATE 1.5% ROS TO BE SUSTAINABLE FOR THE FUTURE, SUSTAINABLE IN A WAY THAT INVESTORS REMAIN ENGAGED WITH US**

DAVID PEEL, PEUGEOT UK





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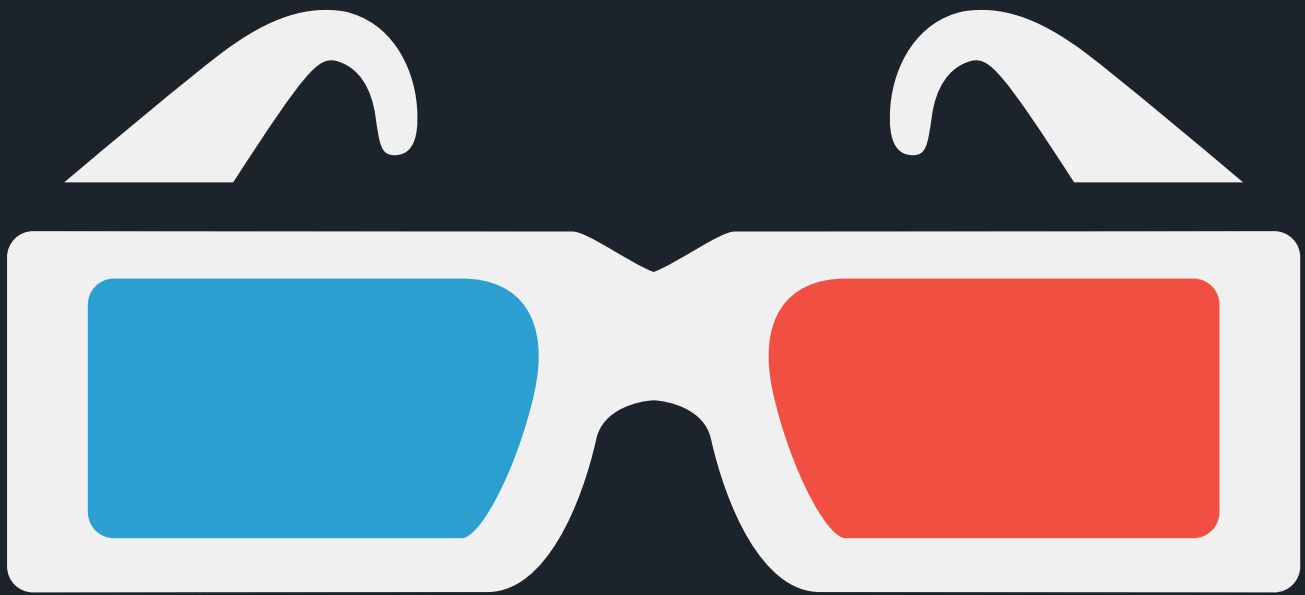
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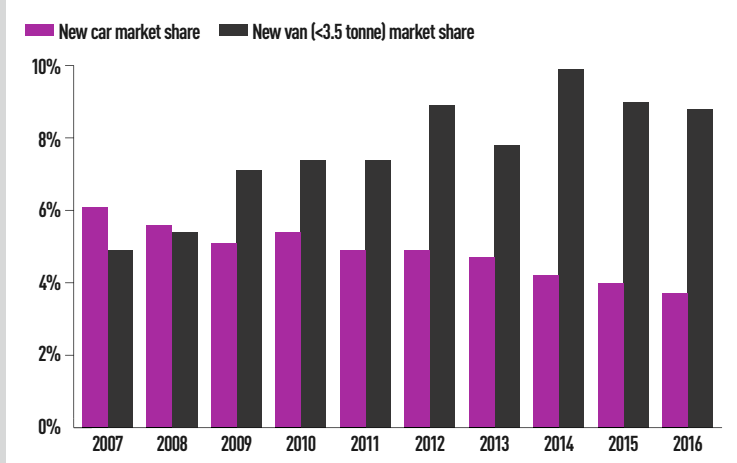
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## PEUGEOT NEW CAR MARKET SHARE VS LCV MARKET SHARE



Faced with diminishing demand for cars, Peel's call for all dealers to take an interest in van sales appears justified. It has taken 4th position in the LCV market, almost doubling its share in a decade.

“Today, whereas all the internet search engines are driving price down, we will try to progressively influence the price moving forward,” said Peel.

“Our online platform proves that people do pay more for the confidence of buying direct. So many people don't like the haggling that they would be happy to pay a few hundred pounds more to avoid that situation.”

Order Online by Peugeot launched in February, and is achieving an average one or two new car orders daily. Among its key findings are that consumers will confidently transact online for a £30,000 car such as a 3008, and that they add an average three or four options, more than in face-to-face showroom transactions.

In April, Peugeot funded a two-week marketing campaign for used cars, with a £500,000 investment which included deposit contributions for consumers and radio and print marketing. Peel said Peugeot understands the need to assist dealer profitability after the plate-change month, so such campaigns help the network push out their used cars quickly and support cashflow.

### Engaging dealers in selling LCVs

Another change Peel is driving has followed the realisation that barely a third of the network is regularly engaged in LCV sales.

“My commitment to the network is that we will be profitable and we won't have loss-making dealers, but I'm not prepared to talk to you unless you're participating in every channel.”

Since Peel's appointment, Peugeot has worked on engaging every dealer to sell LCVs. “It's like having a sweet shop and only offering half the sweets,” said Peel.

All franchisees are able to sell LCVs. In addition, about 70 franchisees belong to a dedicated business centre network.

**“WE WILL BE PROFITABLE AND WE WON'T HAVE LOSS-MAKING DEALERS, BUT I'M NOT PREPARED TO TALK TO YOU UNLESS YOU'RE PARTICIPATING IN EVERY CHANNEL”**

DAVID PEEL, PEUGEOT UK

Peel said the Peugeot Professional vans within its LCV range are ideal for smaller dealers to present, because they target independent traders in need of a ready-to-run vehicle.

The focus has led to some success: from only 25% of dealers selling LCVs when Peel took over as managing director, in Q1 2017 91% of the network sold at least one van.

### Areas of influence

The dealer targeting process has changed, as part of Peugeot's work with Experian. It identified that 50% of Peugeot sales came from within 16 minutes drive-time of a sales point on average, and 80% came from within 30 minutes drive-time. On that basis, Peugeot developed an ideal network plan.

Having decided which 185 dealers were in the plan, it mapped a 16-minute drive time from their centre, which was the ‘area of influence’, and the 30-minute drive time, which is their ‘area of opportunity’. Targets are now set every four months rather than monthly, and on the basis of the area of influence.

Peugeot asks for a 9% generalist market share (it excludes premium brands) from every dealer within their area of influence. Currently, 80% of the network is achieving target, said Peel.

## ADVERTISING FEATURE

# Taking used car telephone calls

How do you deal with callers who just want to talk about price? Simon Bowkett of Symco Training suggests a solution or two.



Last issue I wrote about how to deal with customers who call your dealership to find out the price of a new car. This time, I want to focus on the used car price enquiry, because there are some important differences.

When a potential used car buyer calls about the best price you can give on a particular vehicle, try saying something along these lines: “Getting the figures right is the easiest part of my job, because in the age of the internet we have to price our cars very competitively, just to get an enquiry. If we're not competitive, we don't get any enquiries!”

“But unless the car is exactly right for you, no price is going to be good enough.”

“So when's a good time for us to get together and make sure it is the right one? Is that going to be more Saturday, or Sunday? Sunday? Great, morning or afternoon? About 2pm, OK, let me have a look in my diary...”

“Any chance you could make it 2.15? Just to make sure I'm available for you? Splendid, thanks.”

### Use the trade-in to your advantage

Now, you might be thinking that in the real world it isn't quite so easy!

A lot of customers will insist they only want to know your best price and aren't at all interested in a showroom appointment right now.

That's when you can start talking about the part-exchange – and this applies to new and used car buyers equally.

So when a customer won't budge from the ‘best price’ line, try something like this: “Well, the best price is going to be the amount coming out of your pocket. So what we need to do is have a look at your part-exchange, to find out what we can give you for it and to give you the best monthly payments.”

“When's a good time for us to do that? Later on this afternoon, or maybe tomorrow morning?...”

Notice that I'm not asking if they actually have a trade-in – to find out why, and for more tips on handling this vital source of vehicle sales, watch my new sales training video on the AM website ([www.am-online.com/symcotraining](http://www.am-online.com/symcotraining)), or at [www.symcotraining.co.uk](http://www.symcotraining.co.uk).

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# AM AWARDS: 2018

**D**on't you and your team deserve independent recognition of your strengths? The AM Awards, the UK motor retail industry's most credible accolades, are now open for entries. The AM Awards 2018 will be held at the ICC in Birmingham on February 8, 2018, and will acknowledge high achievers in 23 categories. New awards include Best Social Media Strategy, Best Digital Campaign, New Retailer of the

Year and Digital Retailer of the Year.

Entrants can include companies and individuals and previous winners range from single-site operators to the biggest national dealer groups.

So, are you in it to win it? The AM Awards judges, plus BDO, which audits our retailing categories, look forward to reading your entries.

Categories are outlined right, but for full details go to [am-awards.co.uk](http://am-awards.co.uk).

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**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



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### Best Dealer Website

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### Best Aftersales Performance

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Our judges seek entries from companies driving forward the digital agenda and truly retailing cars online.

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*Perfect Placement Automotive Recruitment*

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### Retailer of the Year

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### Business Leader of the Year

The recipient is decided by the editor-in-chief of AM, Stephen Briers, in consultation with the AM Awards judges.

### AM Hall of Fame

Each year the 'AM Hall of Fame' recognises someone who has made an outstanding contribution to the automotive industry during their career. The recipient is decided by AM's editor-in-chief, Stephen Briers.

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## THE ONLINE ENTRY SYSTEM

To familiarise yourself with our online awards entry system, go to [am-awards.co.uk](http://am-awards.co.uk) and click on the masthead link, 'Award categories and entry process'. Here you will see the list of categories that are open to entries.

Begin by registering, providing some basic information about yourself and your company and then set your password to create your awards account. Once this is complete, you can move on to making your first entry. Each time you select an awards category, you will be given a description of the criteria and our entry requirements – everything you will need to supply so that AM can judge the entry fairly.

Your entry requires details such as the company on

behalf of which you are entering and who will collect the awards should you win (if you know at this stage), plus answers to specific category questions. You can also then upload attachments, typically material supporting your entry, in PDF and image form, plus links to your digital channels when relevant.

You can save your information at any stage, in a 'My Awards' area, and return to it later to continue adding information, before submitting it when you are finally satisfied with your entry. If you decide later that you need to add more information ahead of the entry deadline or you simply want to review your entry after you have submitted it, you can do so via your 'My awards' area.

## BDO AUDITORS

This will be our fourth 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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elcome to The Franchise Guide 2017, sponsored by carwow and Call It Automotive.

The AM poll in this issue (page 21) shows that half of all franchised dealers do not review their franchise portfolio until it becomes a financial necessity. Now that the total new car market appears to have peaked, and dealer average profitability has come under pressure, AM has certainly seen some of the major groups review their position. Here we outline the manufacturer brands, their network changes and the opportunities they present in the near future.

With the support of MG and SsangYong, more detailed reports show the specific opportunities with those brands.

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## WORDS FROM OUR SPONSORS



By Andrew Hooks,  
chief operating  
officer, carwow

carwow is proud to partner with AM once more to present this guide to franchises in the UK.

Partnership is really important to us. We are just as focused on improving the value we offer our dealer partners as we are on enhancing the car-buying experience for consumers. That value ranges from increasing the volume of well-qualified leads we send our dealer partners (30% of our calls convert to a sale) to assisting with additional marketing at a brand or dealership level.

Our aim is to help you be successful and we take this very seriously. That's why our whole business model is based around your success – we do everything

we can to help you sell more, and that is the only time we ask for something in return.

In this guide, you can review the offering of each manufacturer and what a partnership with them would be like. carwow has added to this with information on recent consumer behaviour at every stage of the sales funnel – from research phase, to consideration phase via our online car-chooser and then on to the final purchase decision.

With unparalleled and unbiased access to this consumer behaviour, we have a unique opportunity to provide a lens on the mind of the modern car-buyer.

The data insights included on page 49 are just a few examples of what we can provide. Further examples include, but are not limited to, the brands and models that are being considered and purchased in your area, models that are successful when in stock but less so if they come with a long lead time, and the most popular options and colours, all of which could help to inform your stock ordering.

We hope you find this useful and, if you have any questions, please get in touch.

**carwow**



By Nick Reisinger,  
managing director,  
Call-It Automotive

We are delighted to be sponsoring the Franchise Guide 2017.

It's a critical time for the UK automotive industry, with Brexit, the shift towards alternative fuels and electric vehicles, as well as the impending implementation of the forthcoming General Data Protection Regulation.

Coupled with rapidly advancing technology, greater connectivity and changing consumer habits, it is now more vital than ever to have access to real-time market intelligence that allows you to understand your consumers, their needs and expectations in order to maximise customer acquisition and retention.

Since 2010, we have grown by developing a range of solutions for motor dealers and manufacturers that enable you to put consumers truly at the heart of your business, delivering bespoke integrated multi-channel contact strategies throughout the customer lifecycle.

We combine software development and IT solutions, cloud-based technology, automotive trained specialists, and dealer network expertise to offer personalised automotive solutions.

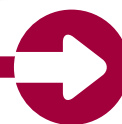
We work in partnership with clients targeting improved sales, aftersales, parts and finance at manufacturer, national sales company and dealer level.

With our considerable automotive experience, both at manufacturer and dealership level, as well as in the latest technologies, we are able to deliver solutions that add significant value and return on investment for our clients.

The automotive sector faces the start of a period of significant change in 2018, so it is important to act with speed and accuracy on your customers' needs and expectations.

**CALL-IT  
AUTOMOTIVE**





# ABARTH

**B**enefiting from the addition of the Abarth 124 Spider and new versions of the Fiat 500-based 595 and 695 superminis this year, Abarth has never had a greater breadth of product.

The latest addition to its range is the all-new 595 Trofeo, introduced in March, which delivers customers a race-inspired feel thanks to downloadable maps of Europe's most famous circuits, a lap timer and a 160PS 1.4-litre TJet petrol engine.

Prices start at £17,290 for the hatchback and £19,290 for the convertible.

A total of 73 UK franchised sites across the UK – 14 of which are operated by Arnold Clark – also means that the brand is

more widely represented than it has been in the past.

In September last year, Fiat Chrysler Automobiles UK appointed Sebastiano Fedrigo to the post of Fiat and Abarth country manager.

He will probably see Abarth as a lesser challenge than stablemate Fiat.

Sales of 2,293 vehicles in the first half of 2017 were 12.6% above the 2,005 registered during the same period of 2016, in contrast to Fiat's 21.4% decline.

In the NFDA's Winter 2017 Dealer Attitude Survey, Abarth dealers scored the brand 6.7 when asked to rate its appeal overall, above the average 6.1 and far exceeding Fiat's disappointing 4.5.



# ALFA ROMEO

**A**lfa Romeo looks a far stronger proposition after its range was bolstered by the addition of the Giulia saloon and Stelvio SUV.

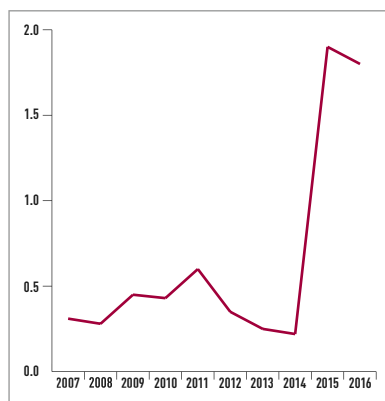
The motoring press has given a warm reception to the two newcomers and outgoing company director Damien Dally suggested that the Giulia would deliver around 3,900 sales this year. With prices starting at £29,190 and topping out at £59,000 for the 189mph, 510PS Quadrifoglio, it should add considerable gains in volume and profit.

The Stelvio could offer greater gains. Making the brand's debut in the burgeoning SUV segment, it undercuts the Jaguar F-Pace, BMW X3 and Volvo XC60 with prices starting from £33,990.

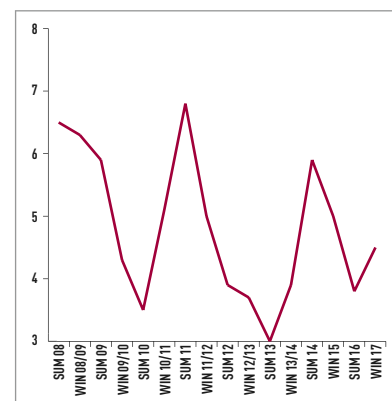
Leading the sales charge, which follows a 2017 H1 which saw the brand level-pegging with last year's 2,701 registrations (2016: 2,705), will be former Seat UK head of marketing Andrew Tracey.

He became country manager for Alfa Romeo and Jeep brands in May, succeeding Dally.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# ASTON MARTIN

**T**he British luxury carmaker is bidding to double its global sales to 7,000 by the end of 2018 as part of its Second Century plan.

A makeover of its network has reflected its volume ambitions. Dick Lovett's opening of an Aston Martin franchise at Cribbs Causeway, near Bristol, last September was the first in a series of high-profile openings.

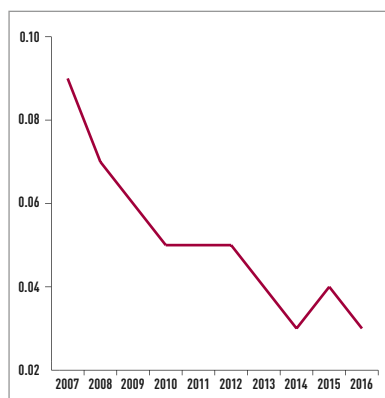
This year Stoneacre and Sytner have been added to the brand's list of AM100 dealer group partners with new facilities in Newcastle and Nottingham.

Aston Martin's UK sales have soared in 2017, registering 982 vehicles to the end of June, 47.6% up on the same point a year earlier and 7.7% above the brand's 2016 year-end tally.

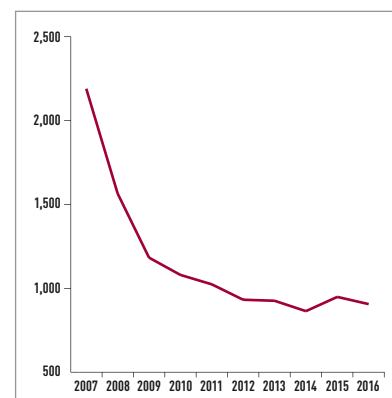
The success of the 5.2-litre twin-turbocharged V12-engined DB 11 2+2 has been bolstered by the addition of V8 version, with a convertible Volante version and a new Vantage arriving in 2018.

In 2019 the DBX, Aston Martin's first SUV, will go on sale.

≡ MARKET SHARE PERCENTAGE



≡ TOTAL SALES



# AUDI

**D**espite announcing a voluntary recall of 850,000 of its V6 and V8 turbodiesel engines in a bid to cut NOx emissions via a software update in July, Audi has so far maintained stable sales.

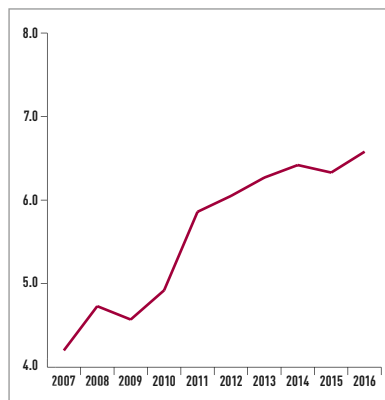
By the end of H1 2017, the brand was marginally (0.22%) up on last year's registrations tally at the same point (89,521) with 89,719 registrations taking its market share up from 6.3% to 6.4%.

But dealers rated the brand just 5.3 overall (average 6.1) in the NFDA's Winter 2017 Dealer Attitude Survey, well behind its German premium rivals.

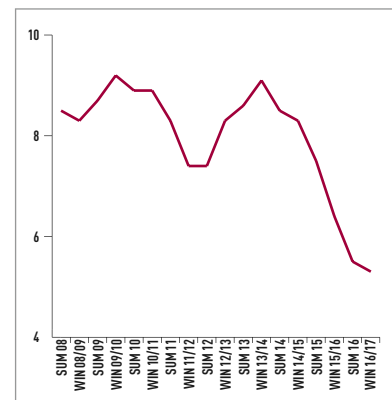
Its most damning scores came in the form of a 3.2 (average 5.2) in relation to its inducement to self-register vehicles, a 4.5 (average of 6.2) rating of its dealer council/franchise board and a 4.6 (average 6.1) when asked if its management takes dealers views and opinions into account.

A number of high-margin additions join next year in the shape of the all-new Q8 SUV and new versions of the A6 and A7.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# BMW

**B**MW might have secured a digital initiative of the year accolade at the AM Awards 2016 for its pioneering online retail offering, but evidence suggests it still values bricks and mortar.

In April, Cotswold Motor Group opened its £19 million multi-brand showroom housing BMW, Mini and BMW Motorrad in Cheltenham.

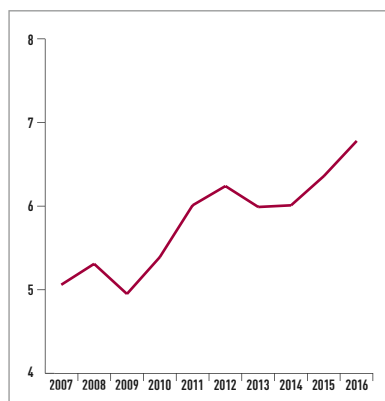
Sytner is poised to follow suit by opening a sprawling £20m BMW/Mini site to replace its land-locked Sheffield city centre location in September.

Ocean Group, meanwhile, is following its new Falmouth facility with a BMW/Mini showroom off Torquay Road, Kingskerswell.

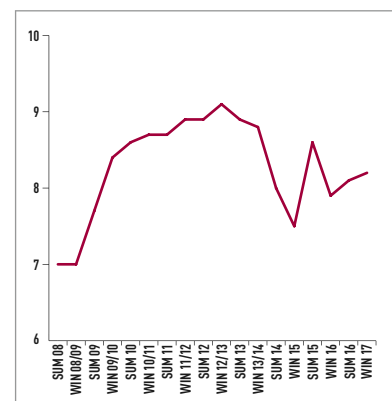
Investment in the brand comes to fruition after it recorded 92,638 registrations in the first half of the year, up 1.12% on the 91,610 achieved a year earlier.

A new 5 Series and a facelifted version of the 2 Series coupé and convertible were both additions to the line-up in 2017.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# BENTLEY MOTORS

**B**entley's sales were holding level at the halfway point of 2017 as the brand looked to broaden its appeal in marketing and product terms.

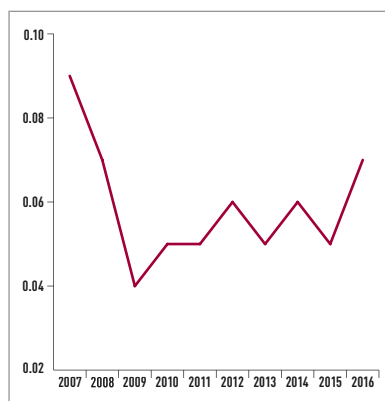
The opening of a new 'luxury personalisation studio' at London's Westfield shopping centre in October last year introduced technology to the sales process, being introduced alongside a new configurator app.

Bentley Studio London is located in The Village and provides a glimpse behind the walls of the luxury car brand's factory in Crewe, with the emphasis on the craftsmanship displayed there.

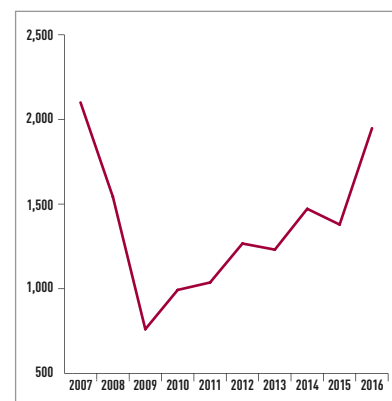
In H1 2017, Bentley sales have remained virtually flat year-on-year, with 368 registrations only marginally up on the 361 achieved by the same time in 2016. Total annual sales were 1,948, the highest since 2007's 2,100.

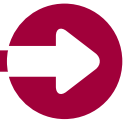
Bentley's retailers benefit from their first full year of Bentayga SUV sales in 2017 and the introduction of a four-litre V8 turbodiesel to the line-up.

≡ MARKET SHARE PERCENTAGE



≡ TOTAL SALES





# CITROËN/DS AUTOMOBILES

**C**itroën dealers still reeling from the separation of the DS Automobiles brand appeared to make their feelings known when they made Citroën the lowest scoring manufacturer in the NFDA's Winter 2017 Dealer Attitude Survey.

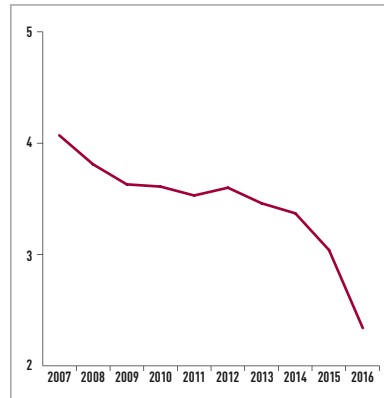
The French brand stayed rooted to the bottom of the overall ratings with a 3.8 score (average 6.1), despite an improvement over its Summer 2016 score of 3.6.

The addition of the new C3 hatchback did little to encourage dealers who rated the brand 2.9 (average 5.5) when asked to rate current profit return it presented and 3.2 (average 5.9) for its prospect of future profit return.

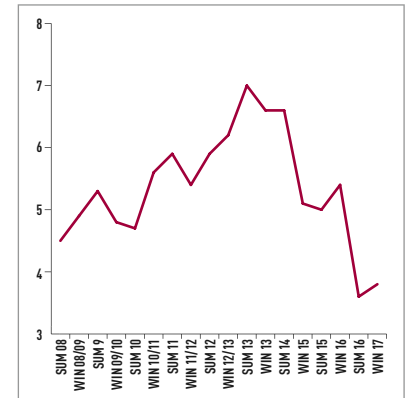
Citroën is set to launch its new C3 Aircross SUV in November, with prices starting from £13,995, and an all-new C4 hatchback in 2018.

DS will make its SUV debut later this year with the launch of the DS 7.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# FIAT

**F**ellow FCA Group brand Alfa Romeo was one of just three brands to finish below Fiat in the overall ratings of the NFDA Winter 2017 Dealer Attitude Survey.

Last summer the brand added the Tipo hatchback and 124 Spider but registration figures for the first half of 2017 show a brand 13.89% down at 28,695 (2016: 33,324).

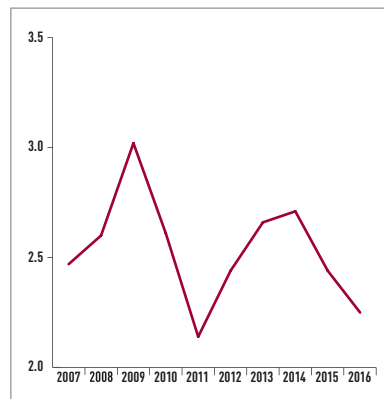
While the 124 Spider sells in relatively small numbers, the Tipo fails to compete in volume terms with the likes of the Ford Focus and Vauxhall Astra. The Nissan Juke rival, the 500X, saw its sales plummet 56.41% to 3,470 (7,690) at the half-year stage.

This year brought a rugged update to the 500L MPV and the introduction of the Panda City Cross.

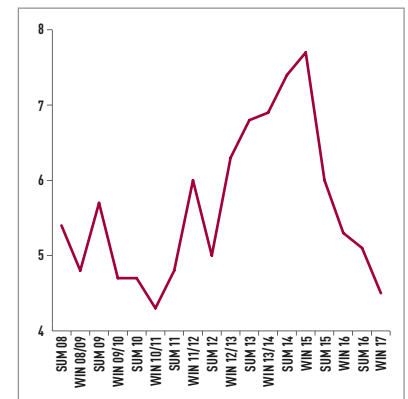
But 104 of 157 Fiat dealers rated the brand at 4.5 overall (average 6.1) in the NFDA survey, scoring it 2.9 (average 5.2) for its sales target aspirations and 3.8 (average 6.3) for the manufacturer's response to your communications.

The result came on the back of a 5.1 overall rating last summer.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# FORD

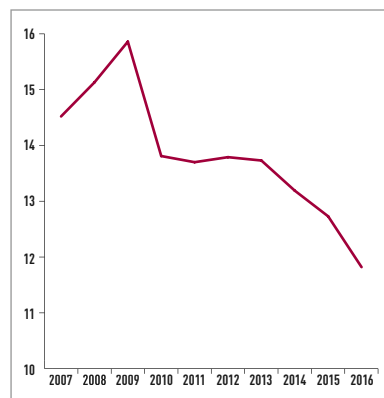
**F**ord's recent model offensive and an update of the brand's corporate identity with the introduction of the Vignale premium brand across the network has kept its dealers busy.

Until now, the Vignale brand has remained the preserve of the 70-strong FordStore network which reserved an area for the brand's sporty Mustang and RS models and a lounge to retail the Mondeo, Edge, Kuga and S-Max Vignale models.

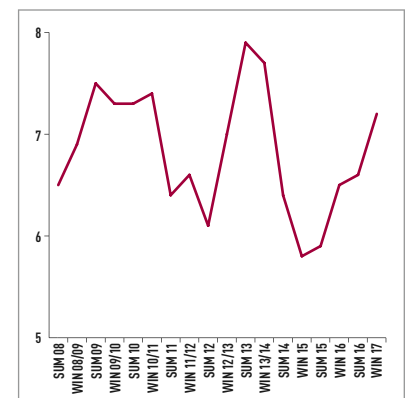
With the launch of the all-new Fiesta, which includes a £19,345 Vignale model, comes the opportunity for all 466 Ford retailers to benefit from Vignale's higher margins. Around 10% of all new Fiesta sales are expected to be Vignale trim level.

In the first half of 2017, Ford saw its sales figures maintain clear air between itself and the rest of the pack, topping UK sales charts with 168,316 registrations. That figure marks a decline of 1.68% on H1 2016 (171,192), a 35% fall in Mondeo sales being the worst-hit as consumers continue to opt-out of saloons in favour of SUVs.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING





# HONDA

**A** change at the top of Honda in January was followed by news of "major, major" network changes as the brand attempts to realise a future with more AFVs.

Honda Motor Europe's president and chief operating officer, Katsushi Inoue, unveiled the brand's 'Electric Vision' at the 2017 Geneva Motor Show, outlining a commitment to deliver some kind of electric propulsion in two-thirds of cars sold in Europe by 2025.

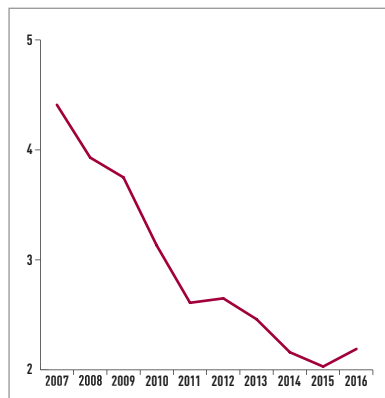
The plan would utilise fuel cell, plug-in hybrid and full EVs from 2018, when a two-motor electric hybrid will be introduced.

Honda UK managing director Dave Hodgetts said: "Dealerships are part of the changes that we need to progress. What this does to maintenance strategy in the future is a major, major change."

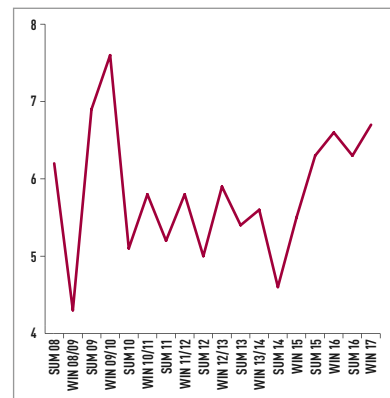
Honda will look to arrest a 9.93% H1 2017 decline in sales – from 32,449 to 29,227 – with the new strategy.

It scored a 6.7 rating from its dealers overall in the last NFDA dealer attitude survey (average 6.1).

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# HYUNDAI

**H**undai's offering of a new Click to Buy online sales facility and its Rockar-partnered stores have shown that it is keen to innovate in the sales arena.

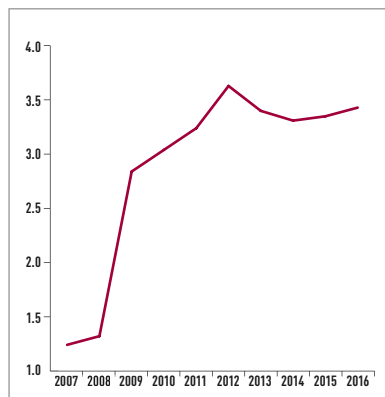
While the brand is eager to offer choice and transparency to consumers, UK managing director Tony Whitehorn indicated that his 158 franchised sites might have to operate their workshops in a far more intensive fashion in the search for profit.

Return on sales had fallen to 1% at the end of August last year. Whitehorn said: "I can see a time when workshops are required to open all day on a Saturday and a Sunday."

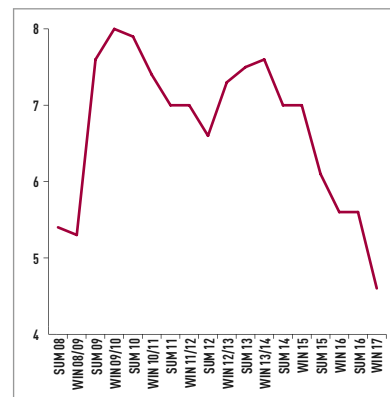
Dealers rated Hyundai just 4.6 overall (average 6.1) in the NFDA's Winter 2017 Dealer Attitude Survey, registering a 3.7 (average 5.2) for its assistance with their websites, a 3.6 (average 6.5) for the quality of its technical support and 3.6 (average 5.7) for its bonus regime.

Hyundai's registrations last year were up 4.88% to 92,419 and the brand is targeting a ninth successive year of growth in 2017.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# INFINITI

**I**nfiniti has grown its registrations thanks to sales of the Sunderland-built Q30 and QX30 hatchbacks over the past 12 months.

Bolstered by the models introduced early last year, Infiniti recorded a 145% increase in sales in Q1 2017 and a 26.6% rise to 2,132 (2016: 1,565) by the end of H1.

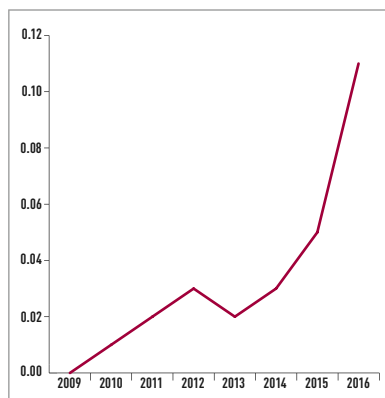
But the low profile of the brand in the UK – with just 12 retailers – means that it has struggled to gain traction against its established premium rivals.

UK regional director Barry Beeston said: "We remain a relatively young company in the UK and our continued growth is now more visible than ever."

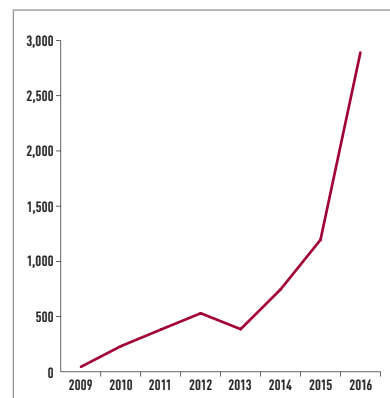
"Along with this increased volume, the widely praised, stand-out design of the Infiniti range is helping to raise public awareness of the brand."

Infiniti has established a network of aftersales partners to support Infiniti customers, with 11 currently in place.

≡ MARKET SHARE PERCENTAGE



≡ TOTAL SALES





# JAGUAR

**J**aguar continues to be the UK's growth brand and the promise of the new E-Pace SUV will only bolster the confidence of retailers who invested in the brand's Arch Concept CI makeover.

Jaguar registered a 18.6% rise in sales during H1 2017 – up from 16,597 to 20,390 – on the back of F-Pace sales.

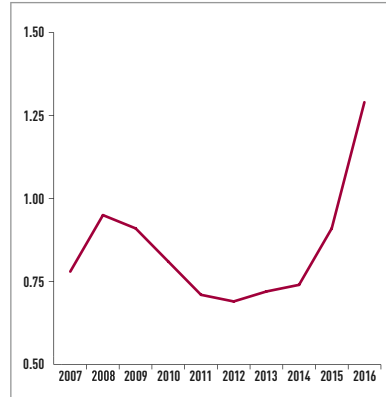
The brand's debut SUV, launched in May 2016, added 6,726 registrations to Jaguar's books in the period and was cited by Cambria Automobiles chief executive as having had "a transformative effect" on the AM100 group's start to the year, referring to the introduction of the F-Pace as Jaguar's "Evoque moment".

It is expected that the E-Pace will have a similarly transformative effect on sales within the 85-strong Jaguar network.

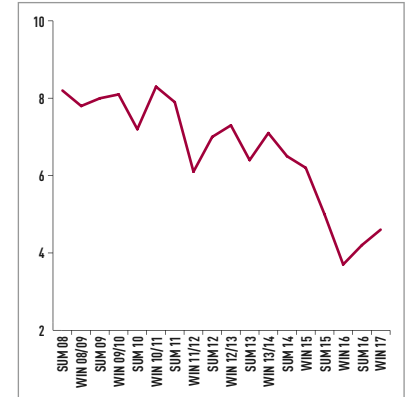
With prices starting at £28,500, it should appeal to a whole new customer base.

Jaguar's dealers are keen to return a profit after investing a combined £1 billion in Arch Concept CI showrooms.

## ≡ MARKET SHARE PERCENTAGE



## ≡ NFDA MANUFACTURER RATING



# JEEP

**A** drop off in sales of the popular Renegade SUV has hit the fortunes of Jeep in the first half of 2017.

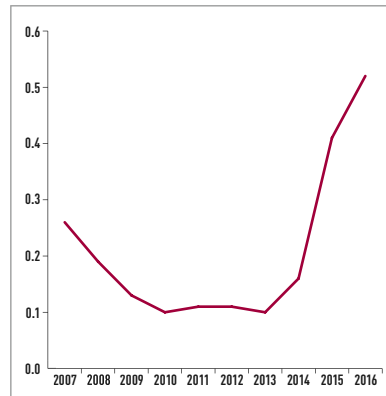
The FCA Group brand saw its registrations tumble more than 50% from 7,600 in 2016 to 3,792 a year later as Renegade sales slipped 47.3% from 5,773 in 2016 to 3,041 a year later, highlighting its reliance on the Nissan Juke rival.

New country manager Andrew Tracey, who took over from Damien Dally when he moved to a role with Fiat Chrysler Automobiles HQ, in Turin, hopes the introduction of a new Jeep Compass will help revive the brand's UK fortunes. Larger and plusher than the Renegade, the Compass will take on the likes of the Nissan Qashqai, Volkswagen Tiguan and Seat Ateca.

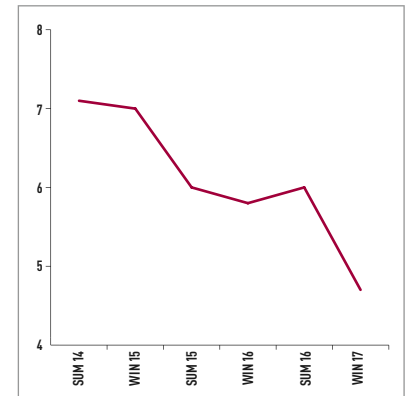
Jeep's 96 UK franchised sites will be hoping the newcomer adds real volume.

In the NFDA's Winter 2017 Dealer Attitude Survey, dealers scored the brand 3.4 (average 5.3) for the return on capital it represented and 2.5 (average 5.2) for its volume aspirations.

## ≡ MARKET SHARE PERCENTAGE



## ≡ NFDA MANUFACTURER RATING



# KIA

**M**aking its move into the AFV market with the unveiling of a string of new vehicles at this year's Geneva Motor Show, Kia continues to grow volumes for its retailers.

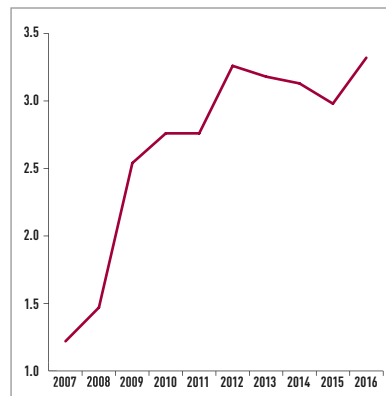
The showcase event in Switzerland in March saw the current holder of the AM Awards' Franchise of the Year accolade reveal its new Picanto city car alongside plug-in hybrid versions of its Optima Sportswagon and Niro SUV, vehicles with CO2 emissions of just 44g/km and 30g/km respectively.

Kia is also poised to launch its new Stinger performance coupé, taking on the likes of the BMW 3 Series, but it's the brand's AFV plans which look most promising for dealers amid Government plans to legislate against diesel vehicles.

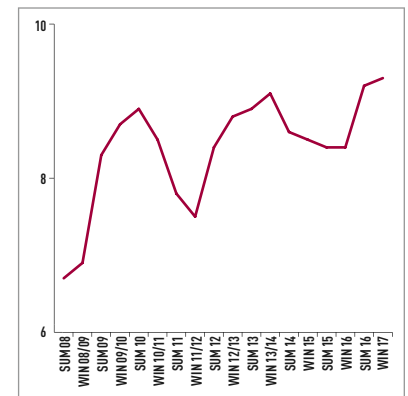
In H1 2017, Kia followed 3.7% full-year growth in 2016 (to 89,364) with a 9.29% rise in registrations to 50,650 (H1 2016: 46,343).

The brand scored 9.4 overall (average 6.1) in the NFDA's 2017 Winter Dealer Attitude Survey, just behind table-topping Mercedes-Benz's 9.6, with a key profitability score of 8.5 (average: 5.5).

## ≡ MARKET SHARE PERCENTAGE



## ≡ NFDA MANUFACTURER RATING



# carwow

## It's car selling with you in the driving seat.



Our multi-channel marketing puts your dealership in front of ready to buy customers



Pay per sale model means you only pay when you sell a car



Benefit from our market-wide data insights, showing current trends in consumer behaviour



Join us now to put your dealership in the driving seat:

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# carwow's market-wide data insights

Research-and-buy website is well placed to identify purchasing trends and advise dealers

**A**s car buyers increasingly start their purchase journey online rather than on the forecourt, dealers and manufacturers are racing to turn e-browsers into buyers.

Customers now demand the same slick journey they experience in other walks of life, meaning dealerships have to adapt their selling process, from who they recruit to the hours they operate.

carwow, the UK's biggest provider of in-market customers to franchised dealers, uses its wealth of insight to help its dealers meet the demands of the online consumer.

Generating thousands of leads every day, carwow has contributed to sales of more than £2bn worth of new and nearly new cars since 2013.

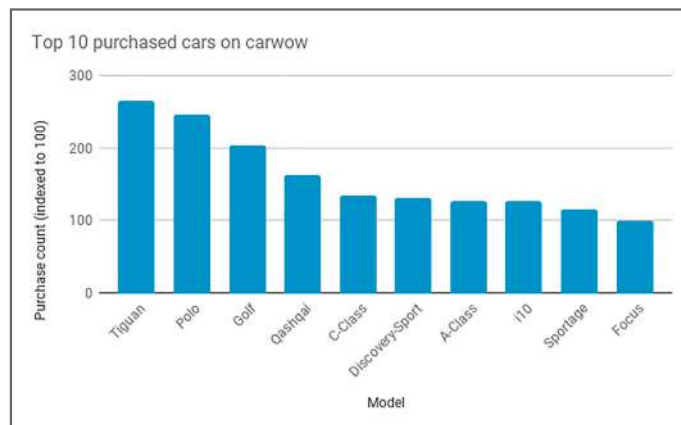
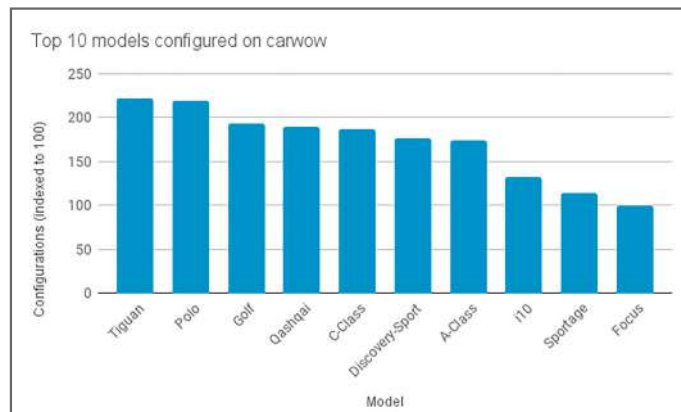
Site traffic has increased by 55% year-on-year as more customers learn about the proposition through targeted marketing activity.

carwow has already allocated £1.6m for advertising throughout quarter three to further bolster sales for its dealers.

With all of these customers visiting the site, carwow is well placed to provide a broad overview of customer behaviour within the automotive industry.

From consideration phase through to sale, carwow sees exactly what customers are researching and configuring online. But, more importantly, what they go on to enquire about and eventually buy.

At the research phase carwow provides editorial and video content to help customers decide which car will best suit their needs. With 9.1 million views in the past month it's clear there is a strong demand



**"With 9.1 million views in the past month it's clear there is a strong demand for unbiased and easy-to-understand car reviews. These reviews are built to serve a wide audience"**

for unbiased and easy-to-understand car reviews. Leaving behind all technical jargon and simply highlighting the positives and negatives, these reviews are built to serve a wide audience.

Editorial content serves as an excellent guide to what customers are researching and considering. carwow's most popular reviews in Q2 were:

- 1 Škoda Kodiaq
- 2 Nissan Qashqai

- 3 Volkswagen Tiguan
- 4 Volvo XC90
- 5 Seat Ateca
- 6 Volkswagen Golf
- 7 Volvo XC60
- 8 Alfa Romeo Stelvio
- 9 Land Rover Discovery
- 10 Suzuki Swift

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# MG MOTOR UK

**M**G Motor UK is starting to see a change in the kind of retailer it is attracting to the network as volumes steadily grow and existing operators eagerly await the arrival of the new XS SUV.

The brand started the year with a total of 76 sites and while five operators have left the franchise so far in 2017 a further five have been added and 10 are in the process of being recruited, putting it on course to a target of having 90 by the end of the year.

MG's head of sales and marketing, Matthew Cheyne, said: "We have gone from the sort of owner-driver or used vehicle operator looking to increase their portfolio to more established names such as Vic Young, Meadens, SERE Motors and Chorley Group.

"I think we have made the transition into being a franchise that retailers want to talk to."

MG is not included in the NFDA's Dealer Attitude Survey, but Cheyne said the ease of doing business and a realistic bonus structure garnered positive feedback in a recent survey of its operators.

"I believe that we need to work in partnership with our retailers. Our job is to help them sell cars. We don't force pre-reg onto them and we don't demand they have certain types of cups and saucers. The feedback we get is that our retailers appreciate that.

"It's rare these days to come across a brand where you can get straight through to the head of sales, but we pride ourselves on that ease of relationship."

Gone are the days when the brand appealed purely as a cheap add-on to an existing business. It now delivers an average return-on-sales of 1.3%, Cheyne said.

He said setting up remains cost-effective, with minimal corporate identity (CI) demands.

Signage is £10,000 to £15,000, special tools and diagnostic equipment offered on a £100-a-month lease and there is a £2,000 to £3,000 initial parts order to consider.

"We contribute to marketing costs, though we really do need dealers who are committed to the brand and will get out and showcase what they are offering to the local community. You can't just set up and expect customers to come to you."

MG's car parc stands at about 10,000 vehicles, according to Cheyne, and the introduction of service plans and a five-year warranty have sought to bolster retailers' aftersales profitability.

A training academy at MG's Longbridge headquarters is currently awaiting expansion and MG has a team of five regional managers, along with mobile technicians, to support its network.

The introduction of the GS SUV in mid-2016, which coincided with the decision to end sales of the MG 6 hatchback, has helped to boost sales.

In 2016, registrations of 4,192 were up 24.8% on 2015's 3,152. The first half of 2017 has yielded 1,993 registrations, meanwhile, 4.9% ahead of the 1,896 achieved by the same point in 2016.

The new XS arrives later this year and Cheyne believes the compact SUV will double MG's volumes in 2018. He said: "It really is that good."

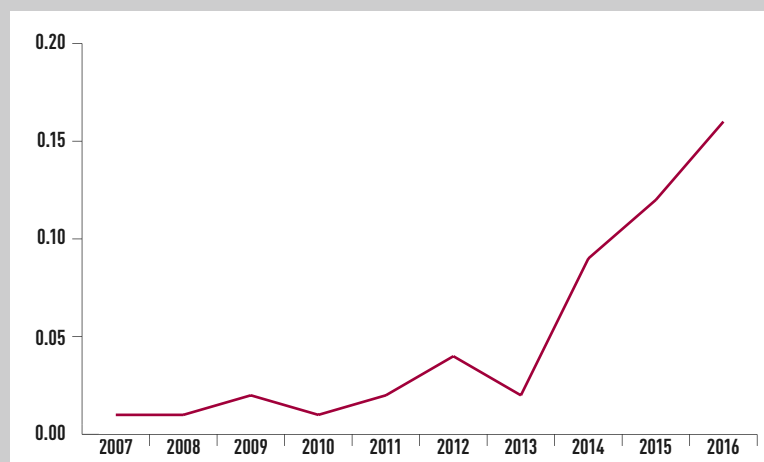
Next year will also bring a facelift to the MG 3 hatchback – which does battle with the Suzuki Swift and Kia Rio at a price of £8,695 to £11,695 – before revisions are made to the GS.

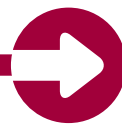
An electric version of the XS and the introduction of a flagship MG E-Motion sports car in 2020 also demonstrate that the brand is now eyeing long-term growth.

"We're doing well and heading right in the direction we need to be heading," said Cheyne.



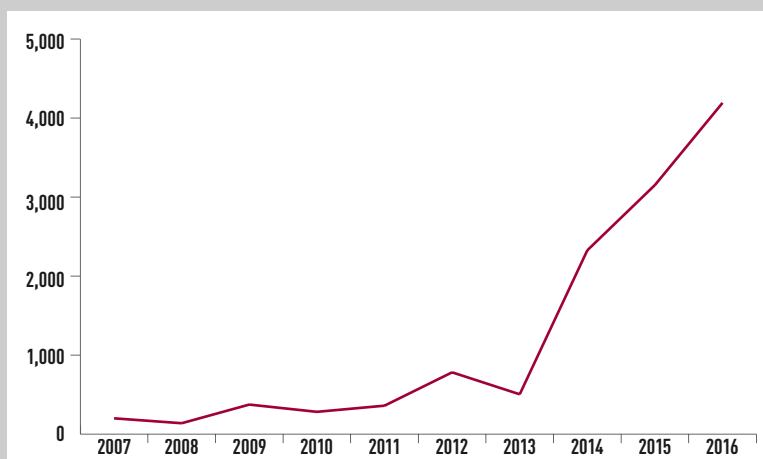
≡ MG MARKET SHARE PERCENTAGE





The MG XS being launched at the London Motor Show

#### MG TOTAL SALES



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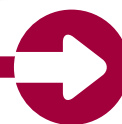
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# LAND ROVER

**R**etailers are keen to realise a profit from their Land Rover franchise after the £1 billion Arch Concept CI makeover which brought it together with Jaguar dealerships at the majority of UK sites.

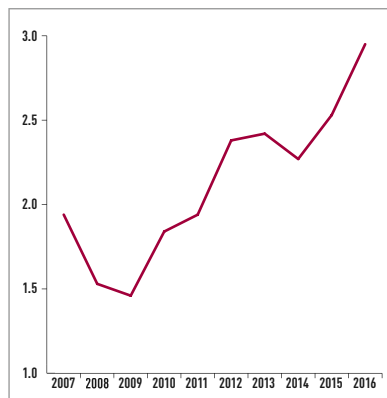
New product seems to be in place to make that happen, with the new Range Rover Velar following the introduction of a new Land Rover Discovery into showrooms so far this year.

The new Discovery, launched in February, accounted for 6,664 (2016: 5,817) of Land Rover's 45,675 sales during the first half of 2017.

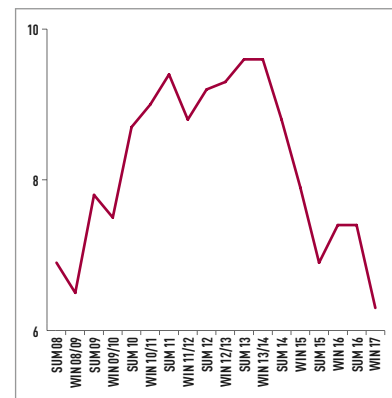
The manufacturer recorded 79,534 sales in 2016 and its growth in H1 of 2017 amounts to a 6.8% rise on the same period last year, with Evoque also growing its sales 2.9%, from 13,923 to 14,332.

Despite many retailers incurring CI-related costs through their partnership with Tata-owned JLR, Land Rover recorded a more favourable 6.3 overall rating (average 6.1) from dealers in the most recent NFDA survey, albeit down on last summer's 7.4.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# LEXUS UK

**L**exus is one of the leaders of the pack when it comes to generating satisfied customers and retailers if the results of NFDA Dealer Attitude Surveys are anything to go by.

But despite a creditable overall rating of 9 (average 6.1) in the NFDA survey, the brand, which performs well in annual JD Power surveys, still struggles to match its premium rivals in registrations.

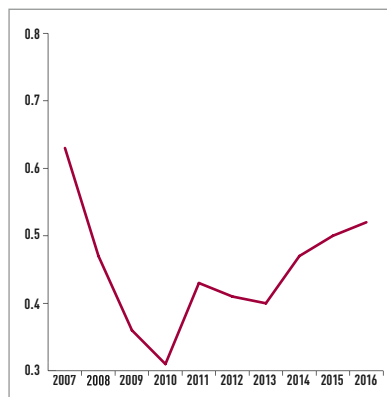
Jaguar outsold Lexus by two-to-one in 2016 as the brand recorded 13,915 registrations (up 0.52% year-on-year).

In H1 2017, the brand's 6,442 UK registrations were 13.13% down on 2016, a figure at odds with an aspiration to grow European sales volumes by more than 35% – from 74,000 to 100,000 units – with the UK expected to grow to 20,000 units by 2021.

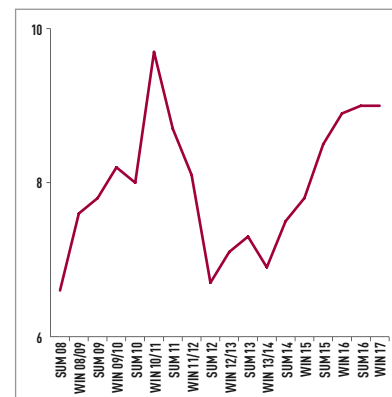
A third of Lexus's 42 UK dealers have undergone a corporate identity makeover and the network has seen growth in profits.

The average Lexus dealership made £207,000 profit in 2016, a 13% increase over 2015, equating to a return on sales of 1.4%.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# MASERATI UK

**T**he launch of Maserati's first-ever SUV in April has already bolstered the Italian brand's fortunes as it bids to compete with mainstream premium rivals to drive growth.

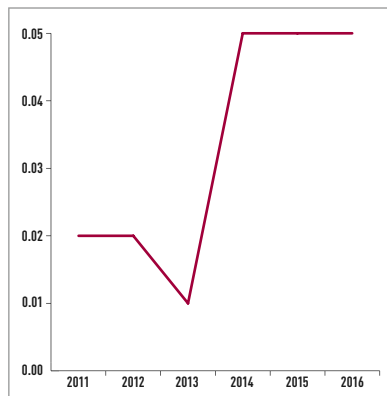
The first half of 2017 saw sales rise 26.1%, from 712 to 963, with the help of the £54,335 Porsche Cayenne and Jaguar F-Pace rival.

This follows the success of the Ghibli saloon – the brand's first diesel model and one that brought affordability with a £50,175 price tag – which helped Maserati from 309 sales in 2012 to 1,424 in 2015 and 1,435 last year.

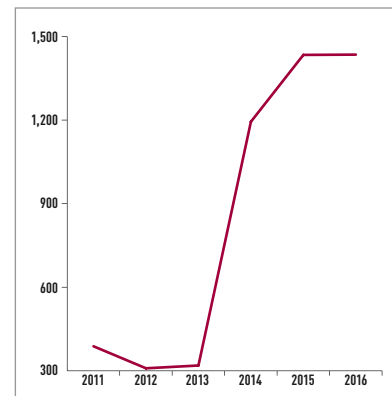
In 2012, Maserati had 12 UK showrooms, all of which were paired with a Ferrari sales operation, but new recruits such as Bowker, Marshall Motor Group, Motorline and Parks Motor Group and expansion by existing partners have taken the network to 19.

Peter Denton, general manager at Maserati North Europe, believes 26 retail locations would see Maserati fulfil its aim of being accessible to customers within a 45- to 50-minute drive.

≡ MARKET SHARE PERCENTAGE



≡ TOTAL SALES



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## MAZDA UK

**M**anufacturer of the year at the 2017 AM Awards, Mazda impressed judges with a range of cars which they hailed as "attractive, reliable and great to drive".

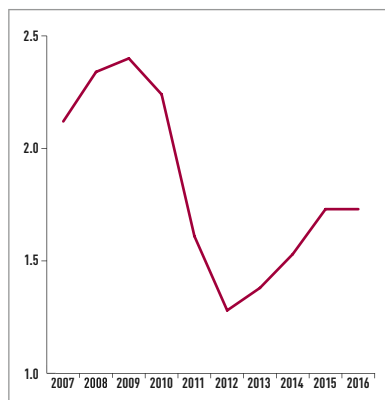
In 2016, new product boosted the brand to 43,609 registrations across the year, up 2.43% on 2015, but H1 2017 has proved tough with a 14.48% decline to 22,561 registrations.

During the past 12 months Mazda has moved to a new UK headquarters in Dartford and brought its customer service centre in-house as part of a bid to prioritise customer satisfaction.

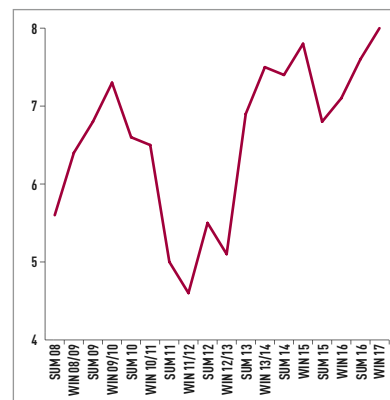
A £12 million CI upgrade of the 132-strong dealer network – designed to be "impactful" but also "cost efficient" – was completed in April and Mazda UK managing director Jeremy Thomson seems to have the support of his network.

Mazda was ranked sixth in the NFDA's Winter 2017 Dealer Attitude Survey with an overall rating of 8 (average 6.1), but Thomson conceded that his network's average 1.1% return on sales was "not good enough".

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



## MCLAREN AUTOMOTIVE

**M**cLaren Automotive is eyeing two franchise open points as it targets a further 20% growth in sales during 2017.

The British sports car manufacturer grew its global sales by 99% to 3,286 cars in 2016 (2015: 1,654), but is keen to increase its UK franchise representation from its current six sites in the search for greater performance in its home market.

Speaking to AM at the 2017 Geneva Motor Show, following the unveiling of the new 720S coupé – a replacement for the 650S in its Sports Series product line-up – the brand's executive director of global sales and marketing, Jolyon Nash, said: "Last year we fulfilled our goal of achieving almost 100% growth in sales and this year we anticipate we will close-in on 4,000 sales, which is a further 20% rise. That's not inconsiderable."

McLaren's recent rise in sales came as Rybrook added a sixth retail location near Bristol, as well as the introduction of new 540C and 570GT models.



McLaren 720S was unveiled at the Geneva Motor Show

## MERCEDES-BENZ/SMART

**T**he Mercedes-Benz network has proved to be one of the UK motor retail industry's most striking success stories in recent years – and retailers are enjoying it.

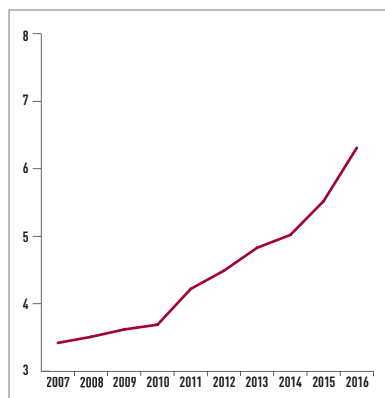
In the first half of 2017, the high-margin premium brand delivered 98,557 registrations, up 11.2% year-on-year (2016: 88,603) to continue a growth trajectory which saw it achieve 169,828 registrations in 2016, a 17% rise on the previous year.

The Smart brand, which recently introduced an EV derivative of its Fortwo and Forfour hatchbacks, achieved 12,020 registrations in 2016 and is 4.1% up in H1 2017 with 5,987 registrations (2016: 5,743).

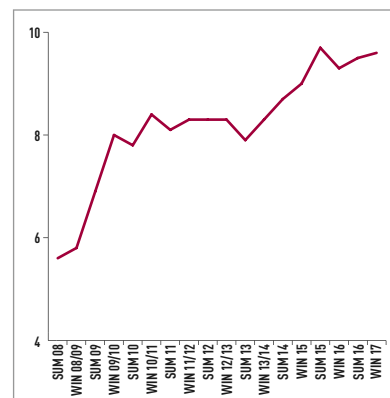
Retailers showed their appreciation of the strides taken by Mercedes-Benz in the form of a top-placed finish in the NFDA's Winter 2017 Dealer Attitude Survey, scoring a 9.6 overall rating (average 6.1).

Its 20 partners – operating 126 sites – made an average of about £1.1 million in profit last year, a 2.1% return on sales.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING

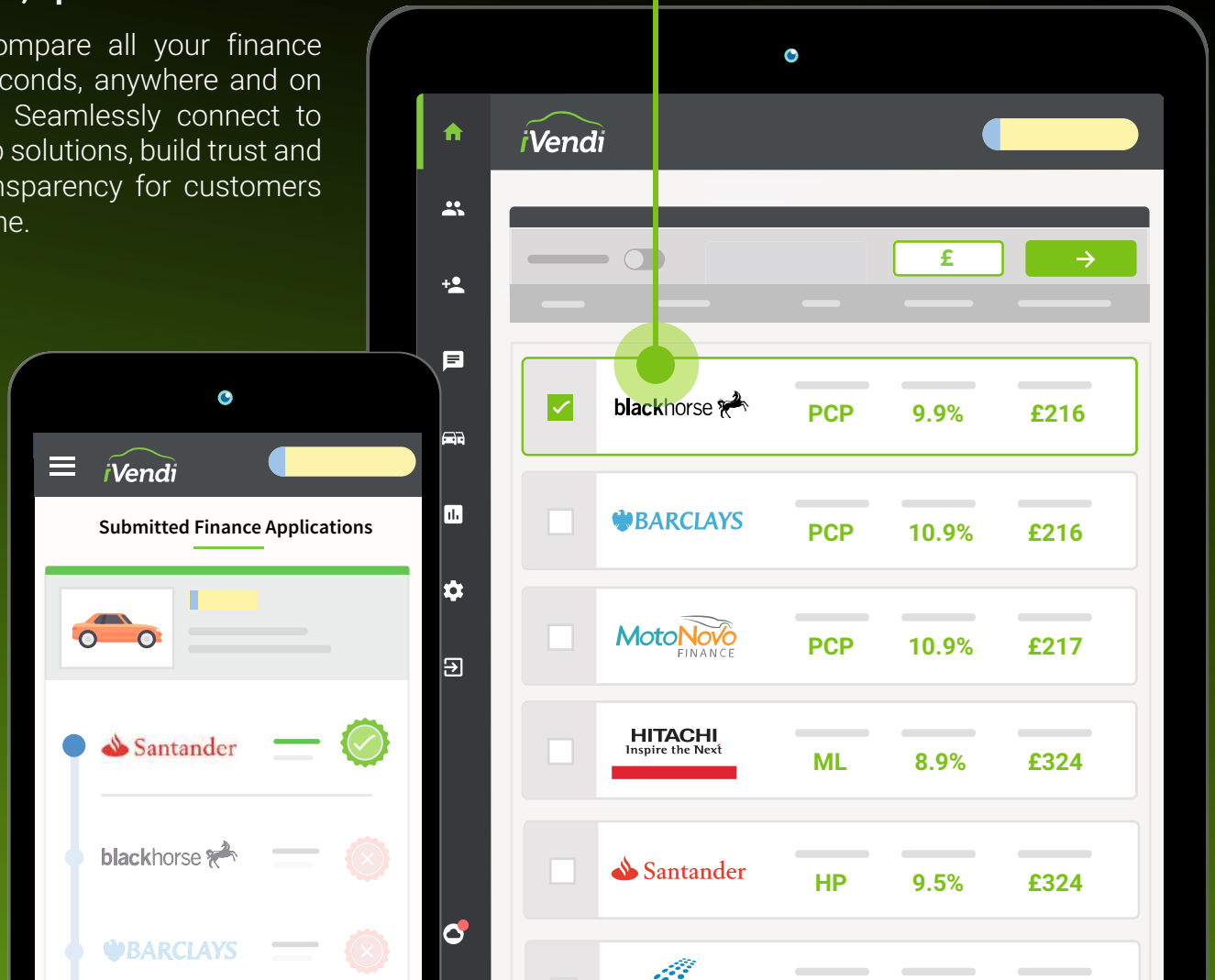




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## MINI UK

**M**ini's UK dealer network is being transformed on the back of a corporate identity update being carried out by parent company BMW.

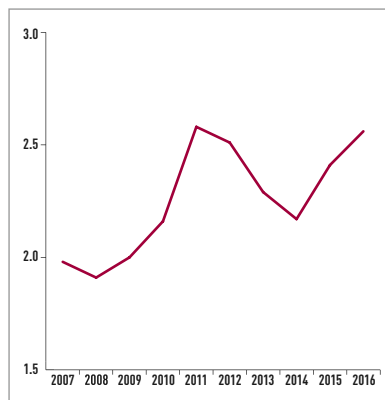
Cotswold Motor Group, Ocean Group and Sytner are among those investing in sprawling new facilities to house the brands under one roof.

The AM100's top group also invested in the acquisition of Swansea-based BMW and Mini retailer Trainer (Holdings) Limited in July and Rybrook Holdings acquired Mini franchise operators Paymill Motor Holdings Limited, of Wolverhampton, in June.

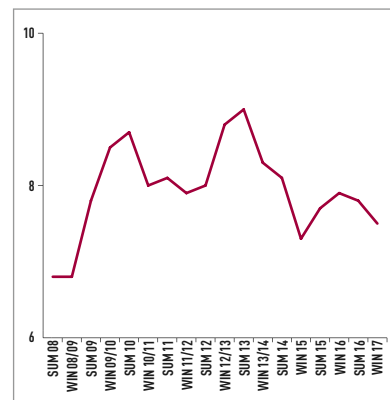
Investment in Mini facilities comes as both Mini and BMW brands continue to grow their UK sales, with Mini's 68,984 registrations in 2016 representing a rise of 2.56% over the prior year.

Registrations the H1 2017 were up 3.02% at 34,988 (2016: 33,963). Just 16 of the brand's 143 UK dealers responded to the NFDA's 2017 Winter Dealer Attitude Survey, scoring it a creditable 7.5 overall (average 6.1).

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



## MITSUBISHI MOTORS UK

**M**itsubishi is preparing to launch its own online retail platform as it looks to add convenience for customers.

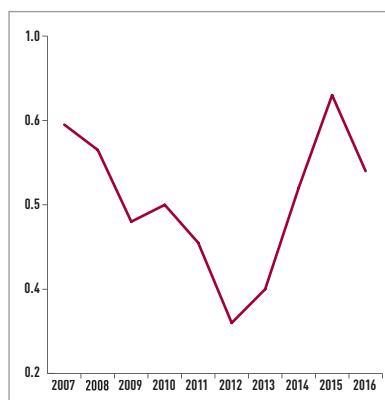
The brand's UK managing director Lance Bradley said dealer margins would be protected by the new platform which would be "market-leading" when launched later this year.

Fresh from partnering with Chargemaster in its multi-brand EV store at Milton Keynes' The Centre:MK shopping centre, Mitsubishi is looking at new ways to reach customers as its sales slip.

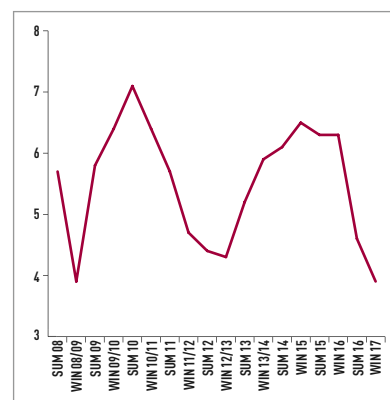
Following the initial success of the Outlander PHEV, Mitsubishi has struggled to maintain momentum, finishing 2016 with 18,237 registrations, 19.6% down on 2015's 22,693, 11,786 of which were accounted for by the PHEV. The first half of 2017 has seen sales dip a further 15.44% to 8,916 (2016: 10,544).

In the NFDA's Winter 2017 Dealer Attitude Survey, Mitsubishi scored a disappointing 3.9 (down from 4.6), against an average of 6.1, leaving the brand joint second-bottom alongside Volkswagen.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



## NISSAN GB

**N**issan was disappointed in its NFDA Winter 2017 Dealer Attitude Survey results which came in just six months after the arrival of new UK managing director Alex Smith.

The former director of commercial vehicles for Volkswagen UK joined the brand in September and faced an overall rating of 4 (average 6.1) in March, down on the summer's 5.3.

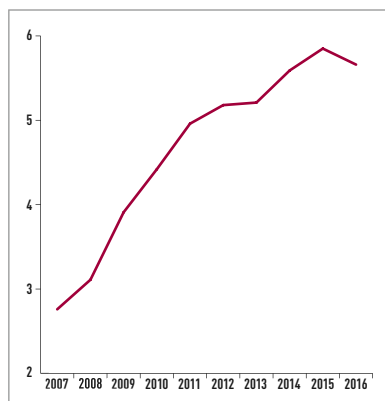
Dealers rated Nissan poorly for volume target aspirations, at 2.8 out of 10, and for dealers' ability to do business with their manufacturer on a day-to-day basis, at 3.7 out of 10.

A Nissan spokesman told AM that the brand was "working closely" with its 197 UK dealers to resolve any issues.

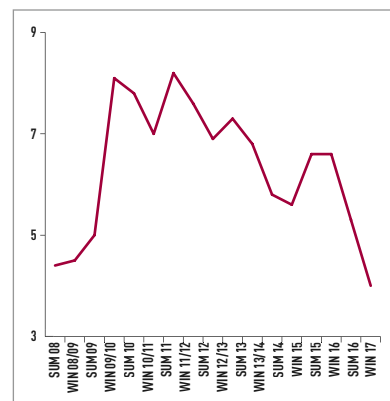
Nissan has grown its UK registrations from 66,336 in 2008 to 152,525 in 2016. The brand has continued its strong growth in H1 2017 with an 8.28% rise to 85,085 (2016: 78,582) during the period.

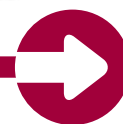
A new Micra was launched earlier this year while 2017 has also brought significant updates to Qashqai and X-Trail.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING





# PEUGEOT

**P**eugeot appeared to make a success of the recent push towards SUVs with the launch of its C-segment 3008 in January.

In September, the larger and equally striking seven-seat 5008 will join the range, completing the brand's '00' models' transition from that of crossover and MPV to more rugged-looking SUVs.

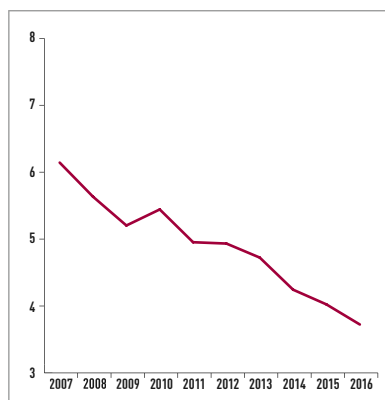
An updated 308 has now been launched, featuring a new 1.5-litre turbodiesel engine and better connectivity.

The new models cannot come soon enough for the brand's 179 UK dealers. In H1 2017, Peugeot delivered 47,546 registrations, 13.2% down on the 54,776 achieved at the same point in 2016.

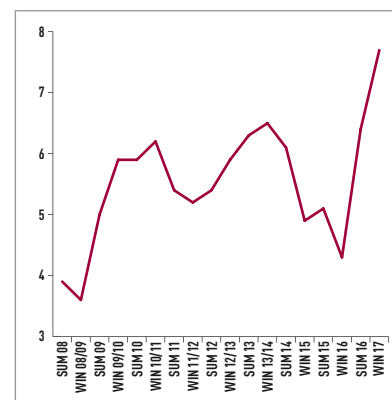
Peugeot UK brand director David Peel has led a move to reduce the number of pre-registrations within the brand's retailers in order to boost residuals, which could account for some slide.

■ **Read our interview with Peugeot UK managing director David Peel on Page 32.**

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# PORSCHE GB

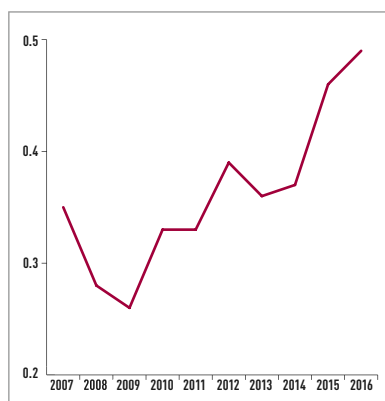
**J**CT600 completed an eight-month development to add a brand new Porsche showroom in Teesside and Peter Vardy is set to spend £5 million on Scotland's fourth franchise after securing planning permission for its Perth project.

Both JCT600 and Peter Vardy know the brand and have had experience of its recent growth, the former AM100 dealer group already operating existing sites in Leeds, Newcastle and Sheffield, the latter in Aberdeen.

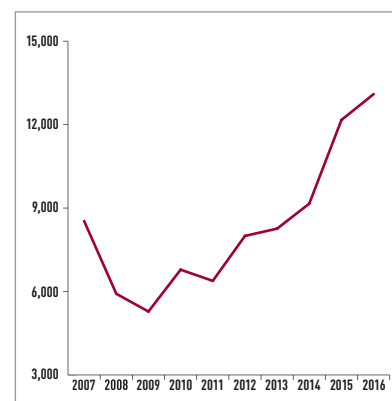
The German sports car specialist was hailed as Europe's most profitable car manufacturer after a burgeoning Q1 in which it saw sales revenue increase 3.6% to £19.6 billion and an impressive 13.9% rise in operating profits, to £3.4 billion.

And the brand's momentum has continued after a record 2016 in which it registered 13,097 vehicles in the UK, with H1 2017 delivering a total of 7,557 registrations, up 11.2% on 2016's H1 return of 6,712.

≡ MARKET SHARE PERCENTAGE



≡ TOTAL SALES



# RENAULT/DACIA

**R**enault awaits the arrival of its new premium Alpine sports car brand and the Koleos SUV to the UK as its registrations falter.

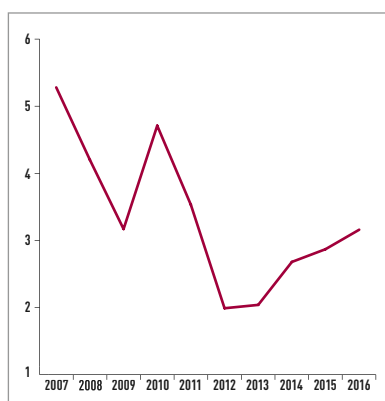
The French brand saw an 8.4% year-to-date fall in registrations in the first half of 2017, its numbers reaching 40,824 compared to last year's 44,570 for the same period.

A 62.8% rise in sales of the Megane (to 4,005), introduced last summer, was not enough to alleviate the effects of falling sales for all its other models, the rear-engined Twingo supermini declining 46.53% to just 902 sales (2016: 1,687).

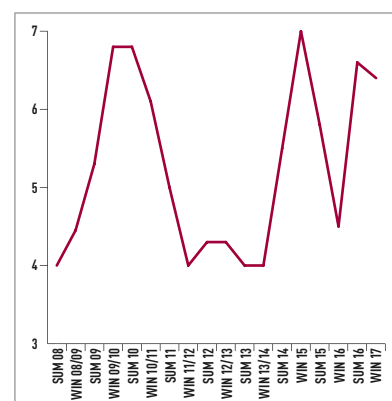
A new UK managing director and the addition of the Koleos and Alpine coupé – for certain retailers – could help reignite the fortunes of its 170-strong network.

Enjoying slightly better fortunes is Renault's budget brand, Dacia. The brand's H1 registrations rose 7.01%, outperforming the market with 14,387 sales. The 100,000th Dacia in the UK was sold by SJ Cook and Sons of Bristol.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING





# SSANGYONG

**S**sangYong expects to have grown its dealer network from 61 to 70 by the end of 2017 as awareness and registrations of the Korean brand continue to gain traction in the UK.

In June, the brand announced the appointment of five new franchisees – Canterbury SsangYong, Duthies of Montrose, FG Barnes Maidstone, Burrows Motor Company in Sheffield and SB Wakefield – but its UK chief executive, Paul Williams, insists that the growth's focus is on "quality, not quantity".

With the new Rexton SUV on the way and the promise of one new model each year, Williams believes the network's profitability is the main lure to prospective franchisees.

Williams told *AM*: "We can add a significant amount of gross profit to their businesses. The set-up cost remains around £20,000 and it takes very little time for a business to make their money back."

He claimed dealers make an average return-on-sales of 2%.

In 2016, the brand sold 4,444 vehicles in the UK – up on 1,739 in 2014 and 3,344 in 2015 – and Williams believes that will rise to about 5,500 in 2017 as he targets 10,000 registrations by 2020.

However, the first half of 2017 yielded 2,276 registrations, down 2.8% on 2016's H1 figure of 2,342.

The new Rexton SUV will be introduced this year, with prices from £27,500, rising to £37,500 for the highest-spec model. The Rexton has yielded a £2,500 margin (plus bonuses) for dealers in the past.

Williams said: "People coming out of the old Land Rover Discovery might see that they can have a new Rexton for the price of a used Discovery and make that move."

"It's a dying breed, the tough 4x4 on a strong ladder chassis that has great towing potential, and there are still people out there who need and want that."

SsangYong is also hoping see those dealers who bought into the franchise early continue to grow. It has developed an IML-accredited, 12-month training programme to assist the development of dealer principals, sales managers and aftersales managers.

Ssangyong Motor UK staff take part in the course, fostering a sense of team spirit and "common goals", according to Williams, who said: "Gaining IML accreditation as a training provider was a real vindication of what we are trying to achieve."

"The aim is to equip our retailers with the skills they need to come with us as we grow. We have ambitious plans and don't want to leave anyone behind."



## DEALER CASE STUDY

Sales executives at Charters SsangYong were central to the decision to bring the brand to Reading earlier this year, according to director Derek McQueen.

"The brand approached us in October and we didn't know a lot about the range, so we asked for some demonstrators. If the staff don't buy into it, you won't succeed," he said.

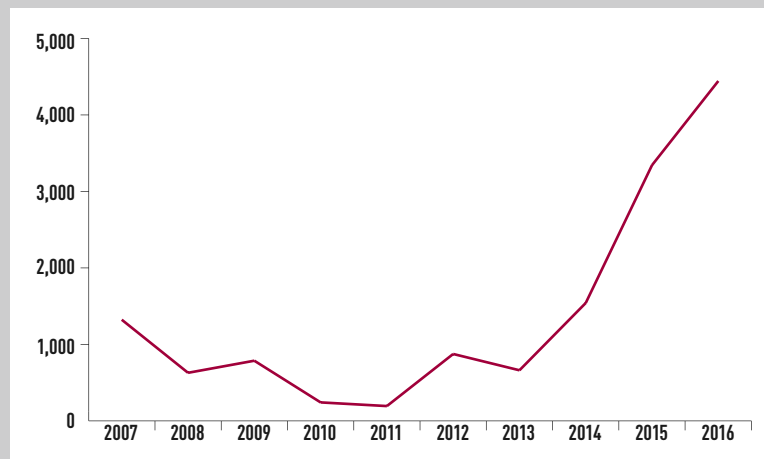
"We drove the entire range and we were really impressed and agreed to take the franchise in early 2017."

The site was formerly a Peugeot retailer, but is now an authorised repairer, having left the franchise five years ago. Taking on another franchise was a big decision.

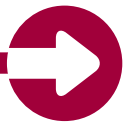
McQueen visited another SsangYong franchisee before signing up. He said: "He had been with the network three years and was as complimentary then as I would be now."

Since opening in March, the business has retailed 40 vehicles and is targeting 80 sales by the end of the year, growing to 100 in 2018. Return on sales is "over 1%", said McQueen.

## SSANGYONG TOTAL SALES







A new Rexton will be introduced this year. In the past, it has yielded impressive margins for dealers

## CARMAKER'S COMMENT

By Paul Williams, CEO, SsangYong Motor UK



The SsangYong franchise is a highly affordable opportunity to represent a range of cars that includes SUVs, four-wheel drives, a one-tonne pick-up and a large, seven-seater MPV.

The SsangYong brand is ideal for a business looking for a new car franchise, or looking to supplement an existing one. The growing vehicle parc generates a healthy revenue stream from sales, servicing and parts. There is a defined programme of new vehicle development with a new model every year to 2021.

SsangYong is a true value brand. Not only is the purchase price of its cars highly competitive, but even the entry models are comprehensively equipped and covered by an industry-leading five-year, limitless mileage warranty.

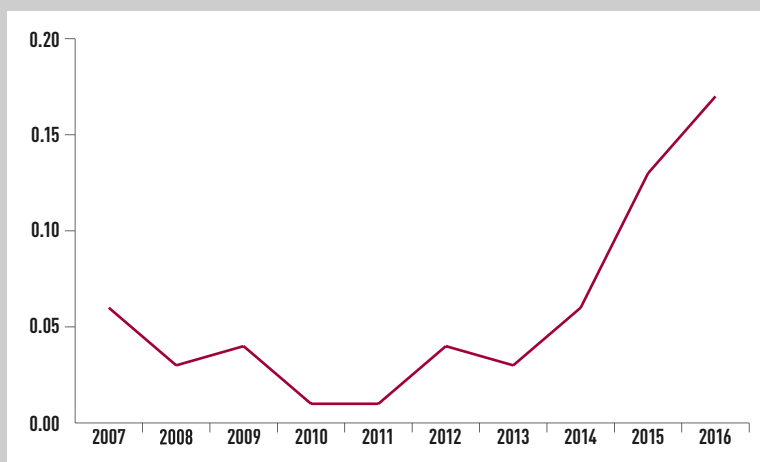
SsangYong Motor UK (SYMUK) offers comprehensive business, sales and marketing support, with financial packages available through GMAC Finance. Low start-up and ongoing costs represent a tremendous value-for-money proposition.

SYMUK operates in a no-nonsense manner, with a simple structure that enables our partners to concentrate on selling vehicles, parts and labour without the politics and time-consuming processes associated with other brands.

SsangYong cars are manufactured in South Korea by SsangYong Motor, 73% of which is owned by the Indian engineering conglomerate Mahindra & Mahindra, and imported into the UK by SsangYong Motor UK. Established in 1954, it is South Korea's oldest vehicle manufacturer and its only 4x4 and SUV specialist producer.

SsangYong is actively looking for potential partners with an entrepreneurial 'can-do' attitude to represent the brand, and assist in taking it to its full potential.

## SSANGYONG MARKET SHARE



If you're interested in becoming a SsangYong dealer or learning more please contact David Rose on 01582 488192 or 07964 806938. E-mail: david.rose@smotor.co.uk





# CALL-IT AUTOMOTIVE

Connecting Intelligent Automotive Solutions

## Sales Solutions

- Finance Renewals
- Equity / Parity Sales
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- Telephony / Dialler
- Live Chat
- Test Drive Campaigns  
& Special Sales Events

## After Sales Solutions

- Service & MOT Bookings
- Service Plan Sales
- Customer Satisfaction
- Health Checks Follow-up
- Warranty Recalls
- Parts Trade Sales



# Make your multi-channel marketing truly intelligent

A clear contact plan and clean data are the first steps to profitable customer communication

**I**n a world of constant communication, many consumers complain of 'over-communication'.

Receiving too much communication, with often inappropriate information, from businesses can drive customers to simply terminate any further contact, and worse still, hamper future business opportunities.

The buzz these days is around multi-channel marketing and while it is a cost-effective way for businesses to keep in touch with their customers and prospects, handled wrongly it can be a risky initiative that can damage relationships or reputation.

Did you know?

■ On average, it takes five call attempts to reach 75% of consumers

■ Emails can return up to 15% and SMS up to 20% of positive responses within 10 days

■ Mailing usually offers the lowest return, with up to just of 3% positive responses.

To be effective, a clear contact strategy is needed to accurately measure the effectiveness and performance of any activity.

Any effective contact strategy relies on five key aspects:

■ Attractiveness of your offer/message

■ Timing of your marketing activity

■ Accuracy of your data

■ Appropriate channel of communication

■ Strength and discipline of your delivery process.

The journey for any contact strategy begins with a clear understanding of the accuracy of the data available. Often these are gathered from various sources – such as your dealer management systems,



**"The journey for any contact strategy begins with a clear understanding of the accuracy of the data available"**

showroom systems, marketing database, web enquiry management portals, etc. – and sometimes offer conflicting and out of date information, which has to be cleansed.

However, once completed, it is possible to paint a clear picture of where consumers are in their relationship with the car. From this, it is possible to establish an efficient and relevant way of engaging with customers.

Once a strategy is defined, communication channels, such as email, SMS, mailing and call campaigns, can be selected according to the degree of urgency and

associated cost. It may also be necessary to prioritise channels to gather valuable marketing intelligence.

By integrating communication channels with data management, you can ensure consumers who have responded are removed from that communication list, minimising the risk of duplicated contacts and also ensuring you don't waste any time, money or resources. Importantly, it also minimises reputational risk caused by

disgruntled ex-customers.

Fortunately, here at Call-It-Automotive, we are on hand to help manage the process in an effective and seamless way.

We're able to provide a range of unique solutions for manufacturers and motor dealers that enable you to put your consumers truly at the heart of the business. With our 60 years of automotive experience, with both manufacturer and dealership, we can deliver solutions that add significant value.

Our services and expertise are based in:

#### Aftersales

Service & MOT Bookings ■  
Service plan sales ■ Health check follow-ups ■ Aftersales surveys ■ Warranty recalls ■ Parts trade sales.

#### Sales

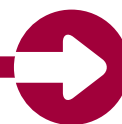
Lead qualification ■ Test drive campaigns ■ Sales surveys ■ Finance renewals ■ Equity / Parity sales ■ Lost sales recovery.

Our automotive expertise, combined with best-in-class technology and robust data management processes guarantee that we are able to deliver a strong and measurable return on investment.

This is where Call It Automotive's truly intelligent marketing campaigns offer a real alternative to the traditional contact centre.



**For more information, call Shaun Egan on + 44 (0) 1296 440 003,  
or email [enquiries@callitautomotive.com](mailto:enquiries@callitautomotive.com)**



# ROLLS-ROYCE MOTOR CARS

**R**olls-Royce will add an eighth dealer to its network next year when Pendragon-owned Stratstone will take the brand to Yorkshire for the first time with a new site in Leeds.

News of the site follows suggestions made by James Crichton, the ultra-premium brand's regional director for Europe and South Africa, more than a year ago that it could be destined for Yorkshire's 'Golden Triangle'.

Rolls-Royce attributes its growth to a reduction in the average age of its owners from 55 to 45 since the arrival of the smaller, more dynamic Ghost in 2009, followed by the Wraith in 2013.

January saw Rolls-Royce Motor Cars celebrate a record 4,011 annual sales across the globe in 2016, an increase of 6% on 2015.

In H1 2017, UK registrations fell 5.6%, from 216 to 204, following 2016 full-year registrations of 450 vehicles.

In July the brand unveiled the eighth generation of Phantom, the flagship super-luxury limousine.



The eighth generation of Phantom was unveiled in July

# SEAT UK

**T**his year could prove pivotal for the Catalonia-based Volkswagen Group brand as it looks to add sales on the back of recent launches of the Ateca, Leon and Ibiza as well as the forthcoming Arona SUV.

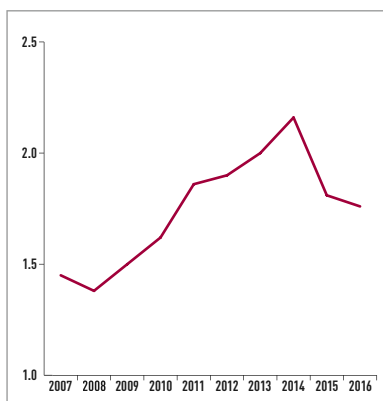
The Ateca SUV's introduction in September last year has transformed the fortunes of a brand which was looking down on its luck after sales stalled in 2014, falling from 53,512 – after six years of strong growth (2008: 29,397) – to 47,456 last year.

In the first half of 2017, sales were up 16.5% to 29,491 (2016: 24,634) as it grew its market share 0.37% from 1.73% to 2.10% with the help of 5,674 Ateca sales.

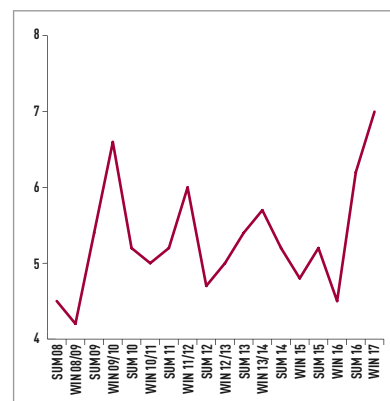
The new Arona compact SUV and a seven-seat SUV flagship are likely to further bolster sales for Seat's UK network of 131 dealers in 2018.

UK brand director Richard Harrison said: "Leon has been a great fleet success for us, but we could not continue to rely so heavily on one vehicle."

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# ŠKODA

**A** move upmarket with the addition of popular models including the new Superb saloon and Kodiaq SUV have helped Škoda maintain growth in H1 2017.

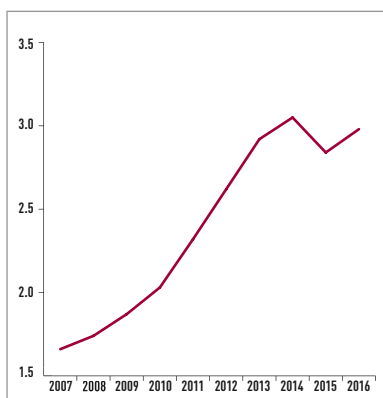
The brand managed a 0.77% increase in sales during the period (from 42,233 to 42,558) to grow its market share from 2.97% to 3.04% with the help of more than 1,700 rapid Kodiaq registrations following its May launch.

A revision of the Octavia hatchback failed to arrest the effects of a shift towards SUVs, however. Sales of the Octavia were down 10.88% to 10,545 (2016: 11,833) in H1.

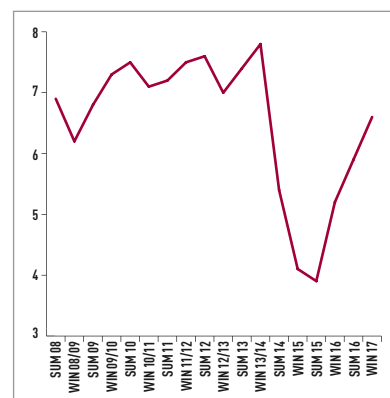
The success of Škoda's 79 UK dealers with the Kodiaq suggests that they will welcome the Yeti's replacement, the Karoq compact SUV, when it arrives later this year.

Škoda's sales growth, to a record 80,372 in 2016 (up 2.98% year-on-year), has bolstered the confidence of dealers. Their overall rating of the brand in the NFDA's Winter 2017 Dealer Attitude Survey rose from 3.9 in the summer of 2015 to 6.6.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING





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# SUBARU UK

**S**ubaru's network of 70 franchise operators have been boosted by the addition of upgrades to the brand's current range in 2017, but an all-new XV SUV and Impreza are set to follow.

The new XV was unveiled at March's Geneva Motor Show and the Impreza will be seen for the first time at September's Frankfurt Motor Show.

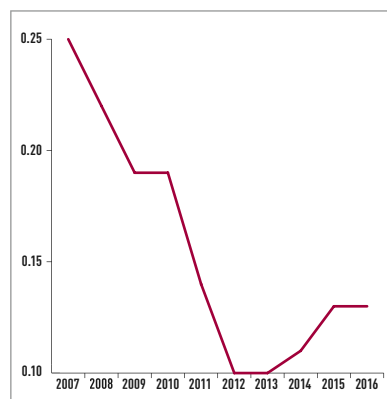
The new models' introduction in 2018 follows upgrades to the BRZ, Outback and Forrester in 2017.

In 2016, the brand recorded a total of 3,612 registrations, a figure which continued a five-year sales rise from a low of 2,023 in 2012.

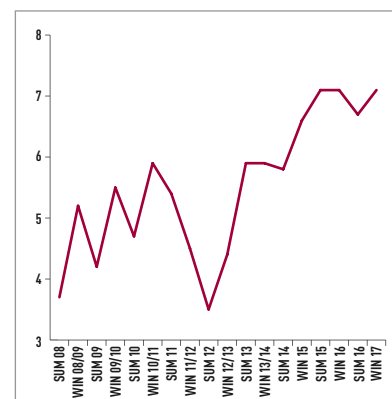
Sales suffered a 23% year-on-year decline from 1,828 to 1,412 in the first half of 2017, however, the current XV achieved 314 and Impreza 156.

Dealers delivered a 10th-placed finish to Subaru when asked to rate the brand overall in the NFDA's Winter 2017 Dealer Attitude Survey, recording a 7.1 score (average 6.1).

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# SUZUKI GB

**S**uzuki continues to feature highly in its dealers' estimations according to a positive result in the NFDA's Winter 2017 Dealer Attitude Survey.

It achieved an impressive fifth-place standing with a score of 8.6 (average 6.1) and gained high scores for its profitability and the fairness of its demonstrator policy.

A partnership with celebrities Ant and Dec to exploit YouTube and prime-time TV slots with adverts also won favour.

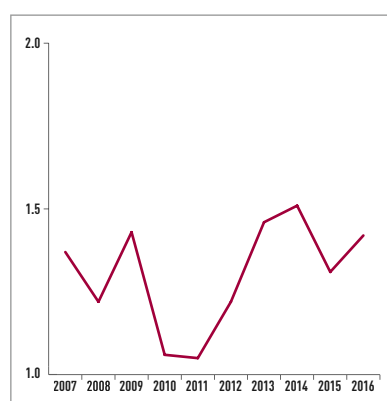
Dealers scored the brand 9.1 (average 6.2) for marketing and 8.4 (average 6.4) for its social media proposition.

In the first half of 2017, Suzuki has seen sales rise 9.39% (from 19,944 to 21,817) thanks to the recent addition of a facelifted S-Cross SUV and the introduction of the Celerio hatchback.

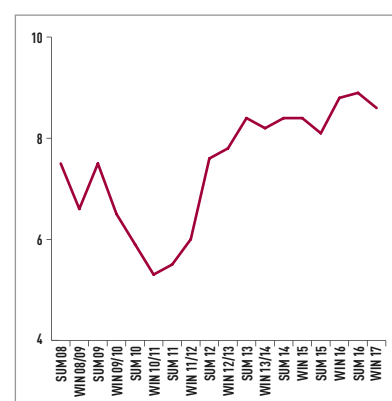
Suzuki hit 37,395 registrations in 2014 before falling almost 8% to 34,437 in 2015 but recovered its growth to 38,167 in 2016.

A new Swift, introduced to the range in June, is expected to continue the brand's momentum in H2 2017.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# TOYOTA GB

**T**oyota offered customers taking a test drive at UK dealerships a data-backed insight into their eco driving as part of a bid to promote its hybrid cars in July.

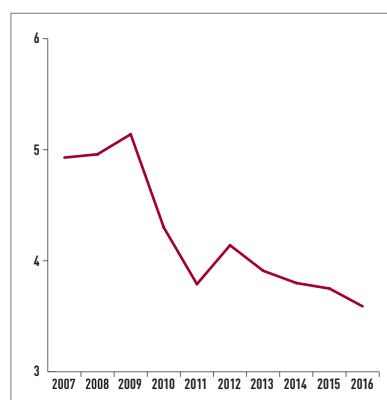
The tactic came at a time which sees negativity surrounding NOx emissions from diesel cars present an opportunity to benefit from the brand's investment in hybrids.

Toyota's hybrid range has grown in 2017 with the addition of a new Prius Plug-in, an innovative solar roof contributing energy to a claimed 30-mile EV range, and the new Yaris.

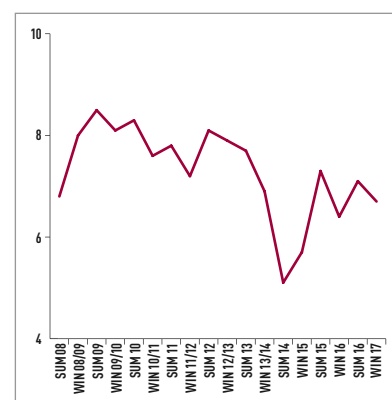
Backed by one of the biggest marketing campaigns in Toyota's history, the C-HR SUV has added 7,647 sales for Toyota in 2017 – off the pace of a target of 16,500 for the year – as all but the RAV4 (up 22.78%) recorded declines in H1 2017.

Overall, the brand achieved 56,428 registrations in the period, up 3.53% on H1 2016's 54,504 as it grew its market share from 3.88% in H1 2016 to 3.93% this year.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# VAUXHALL

**V**auxhall's dealers could be braced for change following the completion of PSA Group's acquisition of the brand.

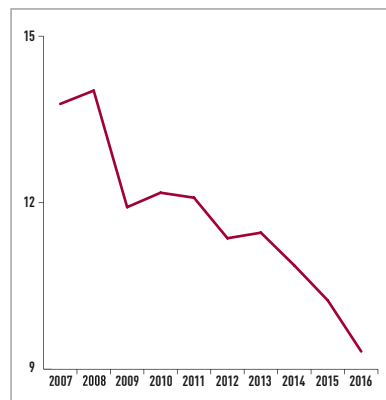
A new-look senior management team at Opel and Vauxhall will present details of its plan to return to profitability by 2020 in November, after PSA Group finalised its acquisition of the two brands on August 1.

Vauxhall looks increasingly in need of change after H1 2017 registration figures revealed a year-on-year fall of 15.39%, to 112,487 (2016:132,943), during the sixth-month period, its market share slipping from 9.36% to 8.02%.

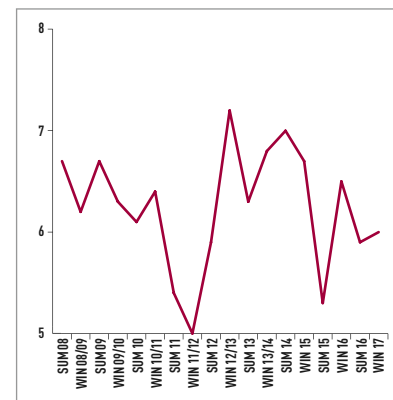
It was a further blow after 2016's full-year total of 250,951 was almost 7% down on the previous year.

The Crossland X SUV joined the range in May, following the introduction of the new Insignia Grand Sport and Sport Tourer models with the Insignia Country Tourer and Grandland X SUV yet to reach showrooms.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# VOLKSWAGEN UK

**S**weeping CI changes in Volkswagen showrooms have brought a widespread adoption of iPads and interactive screens to usher in a new pressure-free buying experience for customers.

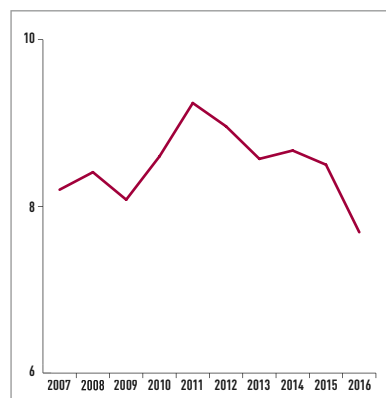
But a joint second-bottom overall rating in the NFDA's Winter 2017 Dealer Attitude Survey suggested that its network did not welcome the changes as dealers battled to achieve profitability in the wake of the dieselgate scandal.

Alison Jones, Volkswagen UK passenger cars brand director, conceded that "profitability and complexity" were both key issues for the brand's 196 UK retailers who showed their displeasure with a 3.8 out of 10 score (average 6.1).

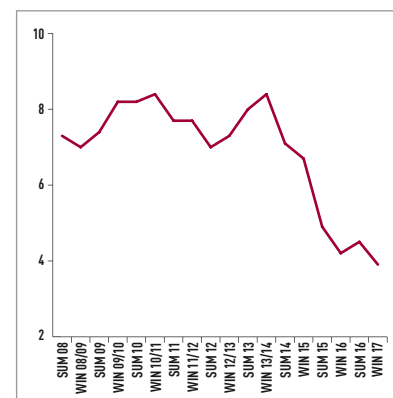
When asked how satisfied they were with the level of capital investment in the Volkswagen franchise, retailers scored Volkswagen just 3.2 out of 10 (average of 5.5).

In H1 2017 Volkswagen recorded 108,027 registrations, 1.4% down on the 109,566 of H1 2016.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# VOLVO CARS

**V**olvo grabbed the headlines by announcing that all its cars would include some element of EV technology from 2019 – targeting one million electrified car sales by 2025.

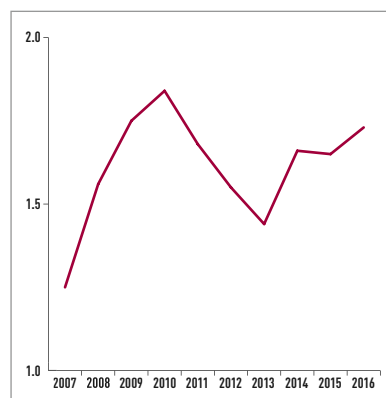
Following on from news that Polestar – which Volvo bought back in 2015 – will become a separately-branded entity focused on "world-beating electrified high-performance cars", the brand plans to launch five fully electric vehicles between 2019 and 2021.

Volvo currently offers its plug-in hybrid T8 drivetrain in its V60, XC90, XC60, S90 and V90 model lines.

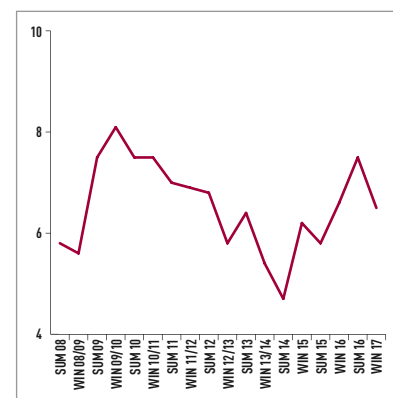
The brand's announcement has added exposure to a range which has already benefitted from a strong reception for the XC90 launched in 2014, last year's addition of the S90 and V90 and the recent addition of the new XC60.

Volvo is currently encouraging its 121 UK dealers to embrace aftersales as its UK car parc swells, launching an online recruitment resource to help them find 300 new technicians.

≡ MARKET SHARE PERCENTAGE



≡ NFDA MANUFACTURER RATING



# DEALERS WARNED TO TREAD CAREFULLY IN RUSH TO PREPARE FOR GDPR

Some companies breaching current data laws in efforts to comply with new EU data regulation

**C**ompanies are falling foul of current data protection law in their attempts to stay ahead of the forthcoming General Data Protection Regulation (GDPR), warned Jenai Nissim, legal director, data protection and privacy at UK law firm TLT.

As part of the data insight theatre at Automotive Management Live (being held on November 9 at Birmingham NEC), Nissim will highlight areas that car dealers should tackle before the new legislation comes into force on May 25, 2018.

She said: "The GDPR is one of the biggest changes in data legislation in decades, with all organisations being required to review the use of personal data for electronic marketing, how they interact with people and what privacy information they provide.

"Organisations are also required to review how they share personal data with other third parties and how they can monitor and demonstrate compliance with the GDPR. For many organisations, complying with the GDPR will be easier as they already comply with current data protection legislation. But, sadly, not all organisations are in that position and they face a challenging time ahead."



**“ORGANISATIONS ARE TAKING STEPS TO COMPLY WITH THE GDPR, BUT ARE INADVERTENTLY BREACHING CURRENT DATA PROTECTION LAWS**  
**JENAI NISSIM, TLT**

The GDPR introduces stricter requirements surrounding the processing of personal data, together with more powers for the regulator, the Information Commissioner's Office (ICO) in the UK. The ICO will be able to impose fines of more than £18 million (£20m) or 4% of global turnover for a breach of the GDPR.

Nissim said fining organisations will be the ICO's last resort, but she warned that organisations doing nothing to improve their information practices to comply with the GDPR could find themselves on the ICO's radar.

She also urged businesses to be cautious with how they approach compliance: "Recent ICO enforcement action has highlighted where organisations are taking steps to comply with the GDPR, but are inadvertently breaching current data protection legislation, resulting in large fines.

"Organisations are so intent on doing the right thing to ensure they

are compliant under the GDPR, that they sometimes take a riskier approach to compliance than they should."

She said businesses such as car dealers need to be careful how they approach their plan to be GDPR-compliant.

"The GDPR is more than just making sure that they have consent to send marketing. It is about reviewing all of their data-processing activities, not just one area," she added.

As a starting point, Nissim recommends that all dealers should think about the data they are processing, why they are processing it and with

whom it is being shared. They should also consider what internal data protection processes and procedures they have that relate to data protection, and identify any key gaps. This will help to inform dealers of the steps they should take next.

Marketing publication The Drum reported an ICO case in June in which Morrisons was fined £10,500 for breaking privacy and electronic communication regulations, after it emailed more than 130,000 people who had opted out of receiving marketing information.

Nissim will be joined in the data insight theatre by PKF Cooper Parry's director of IT consultancy, Dan Moore, who will also highlight key GDPR compliance issues as well as looking at how car dealers can improve their cybersecurity against criminal attack.

Automotive Management Live will also feature insight theatres on F&I and used cars.

DEBBIE KIRLEW

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# ENGINE AND AUTO TRANSMISSION DETOX MACHINES FROM EDT AUTOMOTIVE

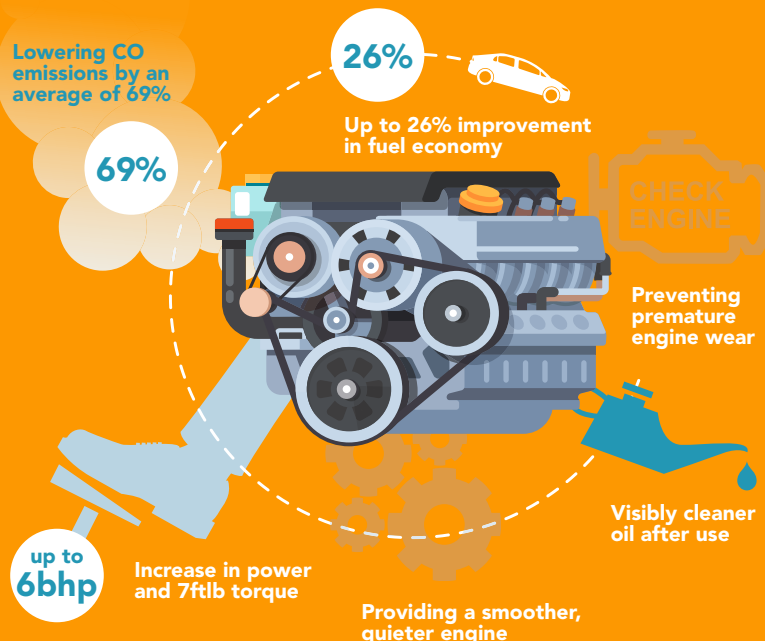
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"Fantastic product and service. Trusted company pleasure to deal with."

*Kevin Parkinson*

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 TRUSTPILOT



"Brilliant. EDT do everything as promised and their support is top class when needed."

*Dave M*

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1

## Service plans

Sean Booth, managing director of Volkswagen group Parkway, has used eDynamix to sell and manage service plans for seven years.

The Midlands-based group has 9,602 live eDynamix service plans across its four sites, which can be tailored to individual vehicles and driving style, incorporating additional items such as MOT or air conditioning service. The average price of Parkway's service plans is £922 over 43 months, or an average monthly payment of £22. However, its most expensive plan is currently £4,488. It has installed additional MOT bays in three of its sites to cope with the workload.

Booth said: "Service plan take-up has got better and better. Most people can afford £20 a month and are happy to pay that to cover the maintenance of their vehicle. The eDynamix system means we can

cater for every customer."

Karl Davis, managing director of Coachworks Consulting, which provides business improvement programmes for dealers and manufacturers, recommends selling service plans at vehicle collection, not at the point of sale.

He said: "The retailers that are most effective at selling service plans do so at the point of handover, but they are a minority. Yet it is the most effective time and, in our experience, dealers who do so can expect to double their penetration."

Steve Young, managing director, ICDP, automotive research consultancy, said: "A significant proportion of buyers say that they would have bought a service plan if it had been offered – but the dealer had not asked them. Well defined processes and incentives for sales executives can reduce this leakage."

More reliable cars and longer service intervals have seen visits fall, but the aftersales department can still provide the best opportunity to encourage customers to return, writes [Debbie Kirlew](#)

# SIX SECRETS TO

2

## Customer contact plan

Jeremy Evans, managing director of digital marketing agency Marketing Delivery, said: "By automating the contact process through an email-based communication programme, dealers can ensure consistent and informed targeting of customers, which can significantly improve conversion rates.

"Inevitably, improving data quality helps dealers reach more customers with more relevant reminders."

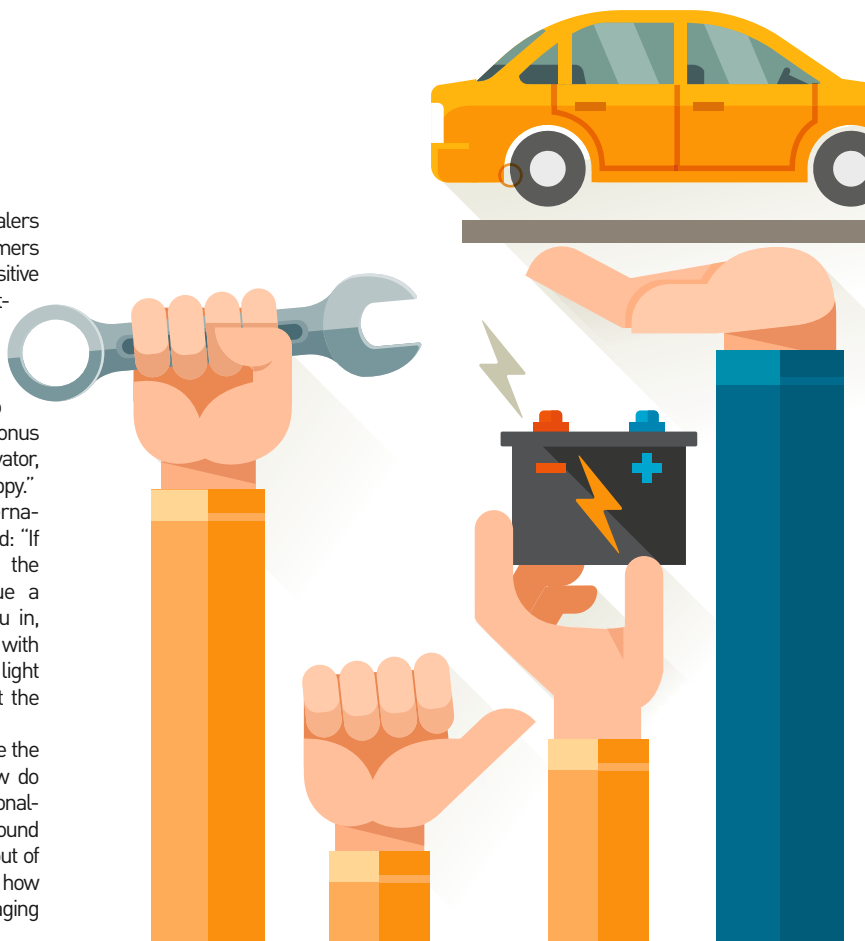
Marketing Delivery claims its email open rates regularly exceed 60%, compared with a typical retail industry rate of 20%, and it says click-through-rates of 30% are common. It said one Mercedes-Benz franchise in the south-east increased inbound call volumes from just more than 400 a month to a record of 4,000 in a month, increasing service and MOT bookings by more than 26% year-on-year.

Paul Turner, executive chairman, APD Global Research, said manufacturers and dealers should work together to deliver a co-ordinated customer contact and survey plan.

He said: "In some cases, dealers feel compelled to contact customers ahead of OEMs to encourage positive feedback, or in the event of dissatisfaction to try to fix it because meeting CSI (customer satisfaction index) and NPS (net promoter score) targets to release retrospective bonus payments is the primary motivator, not whether the customer is happy."

Neil Packham, president, international markets, CDK Global, said: "If you're contacted to tell you the dealer thinks your car is due a service, and can they book you in, you have a different relationship with that dealer than if your service light came on and you have to start the rigmarole of arranging it.

"It's about how do you leverage the information you've got, and how do you work to create a more personalised relationship? We know around 50% of a dealer's profit comes out of the aftersales department, but how hard do many of them try in managing that relationship?"



3

## 'One-stop shop'

"Tyres are the first point of exit from the franchised network for most customers," said Davis.

"Unless you are absolutely all over tyres, you are encouraging customers to visit a non-franchised repairer, who you can be sure will solicit your customer with other products and services.

"The best franchised tyre suppliers have their biggest competitor's icon on their device or desktop and openly reference their price in comparison."

Parkway uses eDynamix's electronic vehicle health check (eVHC) system, which it said

achieves 80% completion across its sites, resulting in additional work worth £63-£142 per check.

Davis believes a growing car parc has led to laziness among dealers in following up amber work: "It's a massive growth opportunity commercially and morally it's about duty of care."

Young said: "Make every visit count, and focus on offering the customer convenience – whether that is by addressing all their needs with one-stop shopping or by services such as courtesy cars, drop-off services, customer lounges, etc."

# AFTERSALES RETENTION



## COMMERCIAL PARTNER COMMENT

By Iain Nickalls, director, eDynamix



Most businesses are thinking about the forthcoming General Data Protection Regulation (GDPR) and those who aren't should be. It is the biggest change in data protection law for 20 years and it could have far-reaching and potentially damaging consequences for businesses.

The new set of rules come into force in May 2018 and govern the privacy and security of personal data laid down by the European Commission. It will regulate details such as the user data that companies are allowed to collect, how it is stored, how data breaches can be safeguarded, whose responsibility it is in the event of a breach, and also the inherent sanctions. These can be as much as €20 million or 4% of global turnover.

The GDPR is intended to give control back to people over the use of their personal data and strengthens the rules for obtaining consent for its use. This includes everything from service reminder calls and emails, to marketing SMS messages and sales flyers. Basically, any communication a company has or sends to a customer. If a customer has not agreed to receive the communication type in the format sent, then you are in breach of the regulation as a data controller.

It is important that all third-party suppliers are audited to ensure they are GDPR-compliant, as they may be sending communications to your customers as data processors.

Having one ISO 27001-accredited supplier for service plans, electronic vehicle health checks, sales videos and aftersales reminders and surveys can help alleviate some of the pressure. The unique eDynamix white-listing solution can also ensure that no communication is made to a customer without their explicit consent.

■ To read more on the GDPR and understand what you should be doing now, go to [www.edynamix.com/GDPR](http://www.edynamix.com/GDPR)

■ For more information, please contact eDynamix on 0845 413 0000 or email [enquiries@edynamix.com](mailto:enquiries@edynamix.com).



eDynamix is a commercial partner of our Dealer Masterclass programme, and will be sharing more inspiration at Automotive Management Live on November 9 at Birmingham's NEC.

Next issue's dealer masterclass: Video



# Are you ready for GDPR?

We are, and we can help your business with the GDPR compliance too. Through our unique whitelisting solution all customer consent and right of access can be centrally controlled for all core dealer solutions, including your DMS, service plan, marketing, vehicle health check and sales lead management systems.

Remember, the GDPR is not simply a tick box exercise. You must ensure that all your systems, processes and suppliers comply with the requirements now and in the future to avoid very large fines.

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## Online aftersales marketing

Davis advises looking at other sectors for inspiration and highlights online service booking as crucial, but: "The real opportunity online is with accessories and platforms like eBay need to be fully embraced."

Lauren Cooke, operations director at digital agency Bluesky Interactive, said: "Use social media to your best advantage by noting down customers' social handles at point of sale. Individual messages and following can go a huge way to keeping in touch with a customer in the digital age."

Bluesky has also simplified its online service booking form, which can now be completed in two steps.

"It delivered four times as many service booking leads, simply by putting the customer's needs above dealer convenience," said Cooke.

The connected car takes online marketing even further, according to Penny Searles, chief executive of smartdriverclub, which provides technology connecting dealers, customers and their vehicles.

She said: "The opportunity that the connected car brings is immense, the car communicates with the dealer and the relationship can be maintained."

Cars can communicate a service forecast date, exact mileage, faults, when a collision occurs and if the vehicle is stolen for assistance, while customers can access information including automated business mileage reporting and an alert if their vehicle moves. Exclusive offers can also be made.

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## The 'magic touches'

Coachworks has devised its own formula to enable dealers to deliver the magic touches – 'HI-1 P-2' – which Davis said means human interest first, process second.

He said: "Retailers are process-driven by many of their manufacturer partners, yet customers want to be treated like individuals."

Introduced in 2015, Volvo's Personal Service (VPS) now operates at more than 40% of its network. Technicians work in pairs and most services can be carried out within an hour, at an agreed time whilst technicians are the single point of contact with the customer.

David Baddeley, operations director at Volvo Car UK, said: "VPS has streamlined the aftersales process. The programme has created a more open relationship between aftersales teams and our customers, which, ultimately, is driving up customer satisfaction."

Young added: "With modern cars, the service itself often does not result in any noticeable difference to how the car performs or feels, so it's even more important to avoid negatives such as poor communications, queues or requested work not completed, and find ways to create positives such as a valet rather than a wash, or simple SMART repairs carried out."

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## Customer-focused facilities

At the 20 dealerships running the Volvo Retail Experience (VRE) corporate identity, Baddeley said there has been a significant increase in while-you-wait-servicing.

"For those who opt to wait, VRE creates the perfect environment. With access to Wi-Fi and refreshments, the customer can relax or work in a calming, Scandinavian-inspired comfortable lounge area."

However, Davis warned that such facilities can "amplify the perception that franchised dealers are expensive" and said dealers should highlight the benefits that add value.

Deborah Reeves, director of customer services at Jardine Motors Group, said: "The dealerships are all set up according to manufacturer standards, so they are to the highest specifications that make customers feel at ease. But we feel that it is our people that make the real difference in meeting the customer needs."



**THE OPPORTUNITY  
THAT THE CONNECTED  
CAR BRINGS IS  
IMMENSE, THE CAR  
COMMUNICATES  
WITH THE  
DEALER AND THE  
RELATIONSHIP CAN  
BE MAINTAINED**

**LAUREN COOKE,  
BLUESKY INTERACTIVE**



# Putting transparency into

**M**ystery and opacity surrounding digital marketing is being seen as an opportunity for Surrey-based Broadplace to help customers in motor retail.

The agency, which is part of the Logicserve group, has counted Mercedes-Benz Retail Group, Sandown Motors and Parkway Volkswagen among its clients in its 12 years of trading. It believes providing a full breakdown of how a client's budget is being spent – and giving the client ownership of the intellectual property (IP) – are some of the ways it can stand out and win trust.

"Our industry does have a lot of smoke and mirrors, with many agencies using a lack of (client) knowledge as a sales tool," said Ajay Syal, managing director.

"We aim to demystify digital marketing by keeping things clear and simple. Transparency is a major issue in the industry, but it is our biggest strength."

Syal says one dealer client was previously using another agency and, until it sought Broadplace's advice, it had no idea that 50% of its £10,000 monthly budget allocated to the agency was being taken as a management fee. In contrast, he says, Broadplace item-



**AUTO HAS GROWN NATURALLY AND ORGANICALLY FOR US, WE'VE NEVER TARGETED THE SECTOR BEFORE. IT'S SOMETHING WE'RE GOOD AT**

**AJAY SYAL, BROADPLACE**

ises its invoices so clients are clear what management fee is charged and what has actually been invested in Google AdWords and other digital channels.

Clients can even choose to pay their media spend direct to Google.

Many agencies view the work they do as being their own IP, meaning the client loses access to the assets and accounts if they change agency, which makes it a tough decision to jump ship.

Syal says Broadplace will grant clients access to their account, full downloads and

all KPIs and performance statistics – to ensure their campaigns continue to perform well with minimal disruption if they choose to leave – after they have been in business for 12 months. Not that this situation occurs regularly, says Syal, as the agency has very high client retention rates.

"With every auto client we've gained, the previous agency hasn't released its data. It's totally wrong. The good news is that Google algorithms have got much better at allowing you to regain the history and quality scores which in the old days would be very hard to get back."

The automotive sector now represents around 30% of Broadplace's business, and Syal wants that to increase steadily. It also operates in the general retail and travel industries, which means it can take learnings and best practice from those other sectors and apply them for dealer clients.

"Auto has grown naturally and organically for us, we've never really deliberately targeted the sector before. We've discovered auto is something we're good at, and we need to create a bit of noise about it," he says.

The technology Broadplace uses includes its own proprietary platforms, such as Campaign Hub, which it utilises to bring new customers on board, to manage campaigns and integrate call tracking.

Syal says that helps account managers work efficiently to give them more time to spend with customers learning about their business and their strategic objectives. In addition, its team are all Google-qualified and very experienced, he says.

Recently awarded Google's accolade of top performing Premier Partner in the UK, Broadplace has a strong relationship with the search engine giant and is able to facilitate three-way meetings between the client, the agency and Google directly.

In some instances it is involved in Google's Beta testing of developments – one recent example was a free Google campaign filming advertisement videos with a local



Broadplace was awarded Top Performing Google Premier Partner Agency earlier this year



Broadplace wins Best Use of Search award at Digital Agency Awards



# your digital marketing



feel for YouTube. It was designed to capitalise on local interest and get a strong message across quickly for one dealer client.

Another element in its portfolio is the dynamically-based campaign, which works off dealers' feeds. In this way, because the feed is automatically updated when a car is sold, a PPC campaign on a particular model will automatically stop, so the client's money is not wasted.

"That's a really good example of how ROI can improve quite significantly by committing that technology. It's quite specialist, but our level of experience means we're able to execute that technology. We're really trying to bridge the gap between the digital world and the automotive sector," Syal says.

"Involvement in Betas means we can be among the first to market with lots of things," he adds. "It's very easy to run a business and look very internally, but our partnership with Google has helped us to see more 360-degree and externally."

Broadplace has also implemented a way to measure the offline impact of online activity, such as identifying how many people actually visited a showroom after interacting with an online advert on any of a multitude of channels, including social media. It incorporates tracking mobile use of Google to do so.

"We can now run campaigns specifically

to entice people to come in and touch the car, and can accurately measure the results."

The automotive sector is good at segmenting its customer base, which Syal believes is a strength, as it allows agencies to target particular online audiences at a very granular level. Re-targeting those audiences which have already clicked on an ad is an important opportunity too, he says, although it must be done carefully so not to harm the customer experience by feeding them the same or irrelevant information.

The company has also begun working with Trustpilot to offer reputation management and reviews services for clients, after recognising that star ratings can impact the search performance of customer-facing businesses.

Syal says paid search campaigns on

Google or Youtube are essentially similar to setting up a sales funnel – with display advertising or videos at the top which allow you to reach broad search audience which doesn't yet know which cars to shortlist, then further down the funnel direct search or pay-per-click allows you to target people who've already a strong interest in those models. Both are important, because dealers need to get on a consumer's radar early in their shopping journey while they're open minded in order to catch their custom.

Broadplace can offer clients full service digital support, as they require it. "It's about flexibility. We think we should work with people in the way they want us to work. We don't tell them how they should work in our relationship," he said.

**For more information,  
please call 0207 993 9858,  
email [auto@broadplace.com](mailto:auto@broadplace.com)  
or visit [broadplace.com/auto](http://broadplace.com/auto)**

  
broadplace.com







A different front bumper design  
helps distinguish the latest Fiesta





# FORD FIESTA: SOUNDS (AND LOOKS) LIKE ITS TOP SPOT IS ASSURED

**T**he number of young people learning to drive might have slumped by 20% over the past decade but manufacturers are still doing their utmost to appeal to a tech-savvy audience for their small cars.

Earlier this year Nissan led the launch of their impressive new Micra hatchback with a focus on its introduction of a high-quality audio system produced in partnership with Bose.

Now Ford has taken similar steps to entice a younger audience to its Fiesta, with the latest generation of the UK's biggest-selling car available with Harman's B&O Play sound system.

Delivering 675 watts, the 10-speaker Bang & Olufsen system operates through a boot-mounted subwoofer and an amplifier positioned under the front passenger seat to create crisp sounds.

The system comes as standard in four of the Fiesta's nine trim grades – which include two B&O special editions featuring distinct trim and colour options – or as a £300 option which Ford expects 35% of customers to tick.

More important than the sound system, perhaps, will be the introduction of a new 6.5-inch or eight-inch touchscreen Sync 3 infotainment system.

The Fiesta has never lacked dynamic polish but the tiny, old fashioned-looking TFT screen that topped the dashboard of

this version's predecessor was overdue replacement.

Sync 3 is available in every specification from Zetec upwards – ST-Line apart – and comes with sat-nav from Zetec B&O Play level.

There are seven variants in the new Fiesta line-up from launch, starting with the Style, priced from £12,715, and spanning Zetec, Zetec B&O Play, Titanium, Titanium B&O Play, Titanium X and Vignale.

ST-Line and ST-Line X models will add a sporty option when they enter the market in October, with full-blown ST and rugged Active versions due next Spring.

All variants are available with three- or five-doors with the most expensive range-topping Vignale spec coming in at £21,225.










According to Ford, Zetec will account for 52.5% of sales, ST-Line 15%, Titanium 14.5% followed by Vignale with 6%.

The Fiesta Vignale features a different front bumper design, panoramic sunroof, unique 17-inch alloys and a leather-wrapped interior.

Ford has launched the Fiesta with a 2.9% APR, 36-month PCP offer which results in monthly payments from £116 for the Zetec and £150 for a Titanium spec after a £5,000 deposit.

Among the standard technology on all Fiestas is a lane-keeping monitor and automated steering assistance with Zetec adding that 6.5-inch touchscreen infotainment system which is equipped

## KEY RIVALS

Vauxhall Corsa	Volkswagen Polo	Nissan Micra
		
 BROAD RANGE, ONSTAR CONNECTIVITY	 INTERIOR TRIM QUALITY, PRESTIGE	 PERSONALISATION OPTIONS, TRICK BOSE STEREO
 UNYIELDING RIDE QUALITY	 NOT THE MOST DYNAMIC	 £11,995 START PRICE

## REVIEW RATINGS

AUTO EXPRESS	HONEST JOHN	WHAT CAR?
		



£12,715-£21,225



70PS AND 85PS 1.1-LITRE PETROL; 100PS, 125PS AND 140PS 1-LITRE ECOBOOST PETROL; 85PS AND 120PS 1.5-LITRE TDCI TURBODIESEL



0-62MPH 9-14.9 SECONDS; TOP SPEED 99-126MPH



SIX-SPEED MANUAL OR AUTOMATIC



45.2-73.5MPG



82-118G/KM CO2



THE LATEST GENERATION OF THE UK'S BEST-SELLING CAR IS AVAILABLE WITH HARMAN'S B&O PLAY SOUND SYSTEM





Accommodation in the rear is a shortcoming



New Fiestas come with either a 6.5- or eight-inch touchscreen

with Apple CarPlay and Android Auto smartphone connectivity, along with fog lights and 15-inch alloys.

The Zetec B&O Play upgrades to an eight-inch touchscreen and adds Bohal Bay Mint or Chrome Copper colours to the mix for an extra £950, with another Titanium spec adding traffic sign recognition, LED daytime running lights, keyless entry, cruise control and rain-sensing wipers among its highlights.

Ford's list of options packs for the Fiesta offer plentiful opportunity to up-sell. Clever 'pop-out' door protectors are a highlight for £85. Elsewhere there's a reversing camera, automated emergency braking coupled to pedestrian detection and autonomous parking.

On the UK launch event at Ford's Daventry training facility we got to drive Zetec and Titanium variants equipped with 100PS and 125PS versions of the one-litre Ecoboost petrol engine.

Ford predicts that just 9% of Fiestas will be diesel powered and it's easy to see why, despite the 85PS version of the TDCI's impressive 73.5mpg fuel economy claims.

The three-cylinder Ecoboost engine seems to have been refined still further in its latest guise.

Despite its small capacity and turbo-charging, power delivery is smooth and strong. It's a more satisfying engine to rev than the turbodiesels we've all grown used to, but still serves up decent urge low down in its range.

While 100PS feels more than ample performance for city and motorway use alike, the more powerful iteration offers a genuine dose of fun.

Ford claims an identical 54.7mpg fuel economy for the 100PS engine and 126PS version, with CO<sub>2</sub> emission scores of 97g/

## Q&A



LISA BRANKIN,  
MARKETING DIRECTOR,  
FORD MOTOR COMPANY

### What are the main improvements?

Some vehicles come along and it's clear straight away that they present a marked improvement. Fiesta was fantastic in its previous guise and customers loved it, so what we had to do was make it better. This car represents an evolution, but there are important changes, particularly in the technology and interior. Dealers need to get customers into the cars. Take the B&O Play sound system, for example. You can talk about the new sound system as much as you like, but it's pointless unless you get the customer into the car to experience it. It's the same with the automated perpendicular parking system.

### When did dealers first get to grips with the new Fiesta?

Many of our dealer partners joined us in Cologne for the Go Further 3 event and got a very early look at the new Fiesta. Between then and the car's arrival in showrooms we've had communications about pricing and spec and

digital training. Prior to the launch in July we also hosted a Fiesta immersion event for around 2,000 dealership staff at Millbrook Proving Ground. Our field team of 20 have been helping to support dealers with their launch campaigns, too.

### There's a diesel engine in the line-up. Did Ford consider dropping it in light of the current battle against NOx emissions?

It's still there for people who cover a higher mileage. We have given them the option. The diesel mix for Fiesta is tiny though. We believe it will be around 9% diesel, which is in line with the previous model. The B-segment is around 20% of the market and Fiesta is around 20-25% of that segment, so we sell Fiesta to a broad spectrum of customers and we must continue to offer them choice.

### What marketing tools must dealers embrace to get the most out of a new product launch?

Digital marketing is no longer a novelty. If you had asked me 20 years ago I'd have told you that we needed to be on television and in the press, but times have changed dramatically. Now the priority for us and our dealers has to be going to where the customer is, where they are buying and into their homes. That doesn't just mean digital advertising; it means an active, interactive presence on YouTube and on Facebook.

km and 98g/km, the former accelerating to the benchmark 62mph in 10.5 seconds, compared to the latter's 9.9.

Equally pleasing is the Fiesta's ride and handling.

At low speeds the balance is pliant and well mannered. As speeds rise, a supple feel to the suspension remains, but the hatchback maintains its class-leading composure, dealing with mid-corner bumps in an efficient fashion, troublesome undulations being dispatched without any shimmy off-line.

Ford has also managed to dial in steering feel that just can't be found in standard hatchbacks elsewhere in the sector.

Rear accommodation is a Fiesta shortcoming, however. The 280-litre boot might be on par with key rivals, but my initial attempt to jump in the back of the five-door Fiesta failed.

I ultimately slid my driver's seat forwards, but the new car's rising shoulder line and tinted glass (in the Titanium, at least) still meant the cabin's rear quarters feel confined and gloomy.

New technology, polished dynamics and a plush new premium specification mean the new Fiesta looks well equipped to continue its reign at the top of the sales charts, though. **TOM SHARPE**

**HATCHBACK MAINTAINS ITS CLASS-LEADING COMPOSURE, DEALING WITH MID-CORNER BUMPS IN AN EFFICIENT FASHION**

# Automotive snakes and ladders: the challenges and opportunities of today's car buying journey

The automotive retail market is a fast evolving one, with just about every aspect of the sector changing dramatically in recent years.

To help understand what impact these changes are having on the car buying journey, and, ultimately, on retailers, we commissioned our most comprehensive study into the consumer car buying journey to date.

The six-month study tracked every element of the buying process, from conversations with friends and online browsing behaviours, through to social media engagement and dealer forecourt visits. The result? The most accurate look at the modern car buying

journey and a clear picture of the challenges and opportunities facing today's automotive retail sector.

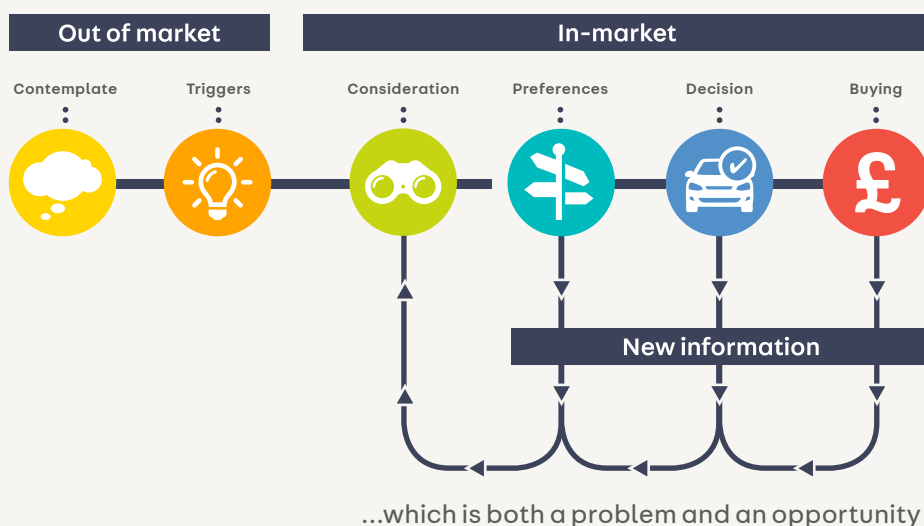
We've packaged up the findings in the Auto Trader Car Buyers Report, available to download for free, at <https://trade.autotrader.co.uk/car-buyers-report>

In the report we explore the six key stages of the car buying journey, the challenges buyers encounter at each, and look at the implications of what has become an automotive game of snakes and ladders – a non-linear process that, for many car buyers, has become complicated, challenging and stressful.

**85% of car buyers know they'll have to spend lots of time and effort in order to make a decision**

## Stage-by-stage overview of the car buying journey

'Progress' through the journey will often mean going backwards...



To read the findings in full, and to discover how you can capitalise on the evolving car buying journey, download the Car Buyers Report today: <https://trade.autotrader.co.uk/car-buyers-report>

### Key findings include:

**Trust and Transparency:** When car buyers enter the market, they do so with a number of pre-cast aspersions. Many feel intimidated at the prospect of buying a car and do not trust the industry to be open and honest.

**Simplicity:** The sheer volume of choice and personalisation available, is resulting in many consumers feeling overwhelmed. 85% of car buyers know they'll have to spend lots of time and effort in order to make a decision. The ability to simplify the process, the options available and offers are crucial.

**Reassurance:** Information-overload often leads to confusion, and in some cases 'analysis-paralysis'. Buyers seek sources of reassurance to guide them on their journey, no matter how confident the car buyer.

**Open to influence:** Car buyers were more open to influence throughout the journey than was expected, and perhaps more importantly, far later into it. Many were flipping between new/used, make/model and even car type throughout and were considering an average of three cars, even at the point of purchase.

**Mental fatigue:** Car buyers have a limited amount of mental effort they're prepared to invest and the fatigue created by the current process resulted in 60% of car buyers giving up their pursuit for the perfect car and making a purchase simply out of exhaustion. This was even more prevalent with younger buyers, with a significant 75% of 17-24 year olds stating they were 'tired of looking around'.

## MAZDA MX-5 RF 2.0-LITRE SPORT NAV

REPORT  
PROGRESS



## MX-5 IS A BETTER SALES BET THAN ITS FIAT FAMILY MEMBERS

**F**ollowing the launch of the then-new Fiat 124 Spider in North Wales 12 months ago, I questioned the potential effects of Mazda's tie-in with FCA Group.

It was clear the partnership would save money on the development of a new generation of roadsters, which yield relatively low registration figures, but how would it affect sales of the vehicle that has had the sector to itself for so long?

By the end of July, it was becoming apparent that Mazda had not lost out.

SMMT figures showed the new MX-5 is still growing in popularity, with 3,049 registrations to the end of July (up 7.32%, from 2,841, for the same period in 2016).

FCA Group's performance with its 124 Spider was somewhat less impressive.

The mid-1960s heritage of the Italian car's name appeared to have gained little traction, attracting just 447 registrations over the same period.

The more aggressive Abarth 124 Spider, meanwhile, attracted 228.

Whether this is down to brand perception, cost or a preference for the MX-5's normally aspirated 1.5-litre and two-litre engines, rather than the FCA Group's turbocharged 1.4-litre unit, remains to be seen.

Both manufacturers were offering strong PCP packages as summer drew to a close.

Mazda's 37-month 3.9% APR representative offer for an entry-level 1.5-litre SE (£19,465) results in £299 repayments following the payment of a £2,719 deposit.

Fiat will contribute £2,500 to its 4.8% APR PCP offer on the Classica 1.4 Multiair (£21,050), meanwhile, to deliver £249 monthly payments over the same period with a smaller, £2,330 customer deposit.

Maybe it is Fiat's lack of a folding hardtop option that has bolstered MX-5 sales so far in 2017.

If so, consumer preference must surely come down to styling. The hard-top really offers very little in the way of added refinement.

**TOM SHARPE**

ENGINE EFFECTIVELY COMBINES PERFORMANCE AND EFFICIENCY

NOISY, CRAMPED AND COULD BE A LITTLE BIT QUICKER

CURRENT MILEAGE 0 4 8 4 0

START MILEAGE 0 0 8 7 0

## SUZUKI VITARA

REPORT  
PROGRESS



## VITARA IS A VITAL PART OF SUZUKI DEALERS' PROFIT SURGE

**T**he Vitara and Vitara S have played an important part in Suzuki's 158-site franchised sales network achieving an average return on sale (RoS) of 2.1%. That is double its RoS last year and the upper quartile is achieving 4.9% so far in 2017.

Total Vitara registrations were 11,570 in 2016, according to figures from the Society of Motor Manufacturers and Traders (SMMT), which represented 30% of the sales mix. It outsold brand champion Swift – on run-out ahead of the new model in June – with 11,115 units, or 29% of Suzuki's sales mix.

The Vitara represents another 29% of the mix – of the 7,217 units registered, 16% are the 1.4-litre 'S' model.

To the end of July, the Vitara has a market share of 4.16% of the SUV B-segment, compared with 2.57% for the same period in 2016. It was fifth in the SMMT's 15-vehicle competitor set in July's sales, ahead of the likes of the Peugeot 2008, Ford EcoSport, Honda C-HR and HR-V, Citroën C4 Cactus, Fiat 500X and Kia Niro.

A Suzuki spokesman said: "Vitara stands out from the competition with its styling and high level of standard equipment. Our customers enjoy the extra performance of the Boosterjet S model with little or no penalty in average fuel consumption."

Among the target market of mature, post-family empty nesters the simplicity of four specification grades is proving easy for dealers to 'walk-through' – 65% of those that test drive a Vitara buy one. **JEREMY BENNETT**



REGISTRATIONS YTD  
7,217 (VITARA)  
(SOURCE: SMMT)



SEGMENT SHARE  
4.16% (SUV-B)  
(SOURCE: SMMT)



PCP PAYMENT  
42 MONTHLY  
PAYMENTS OF £199  
ON DEPOSIT OF  
£2,721 AND  
2.9% APR OR  
48 MONTHLY  
PAYMENTS OF £279  
ON A DEPOSIT OF  
£3,394, 2.9% APR  
(SOURCE: SUZUKI)

THE BOOSTERJET ENGINE WITH SMOOTH ACCELERATION

A FRIEND'S NEGATIVE COMMENT: 'IS IT A COLD WAR RUSSIAN ARMY STAFF CAR?'

CURRENT MILEAGE 0 8 2 1 6

START MILEAGE 0 4 5 3 8

## » GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



David Bernard,  
Motability  
specialist at  
Haddocks  
Hyundai in  
Colchester,  
identified last  
month's Fiat 124.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto:am@bauermedia.co.uk) with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, October 13.





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## ACCOUNTANCY

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12406	Financial Controller	Leicestershire	To £60k pa +
12402	Dealership Accountant	Hertfordshire	£40k pa +
12401	Management Accountant	Gtr London	£40k pa + + +
12400	Group Accountant	Wiltshire	£65k pa OTE
12396	Temp Assist Accountant	Berkshire	£30k pa Neg
12395	Temp Assist Accountant	W. Midlands	£Neg
12392	Dealership Accountant	Lancashire	£38k pa + +
12380	Accounts Administrator	Gtr Manchester	£22k pa
12379	Dealership Accountant	W Midlands	To £45k pa + Car
12376	Asst Accountant	Essex	£25k pa Neg
12370	Asst Accountant	W Midlands	£27k pa + +
12362	Dealership Accountant	W Midlands	£35kpa Neg

## OPERATIONAL

12403	Sales Executive	Bucks	To £40k OTE
12399	Workshop Controller	Surrey	To £36k OTE
12398	General Manager	Gtr London	To £80k OTE
12397	Vehicle Administrator	Hertfordshire	£27k
12394	MOT Tester/Tech.	Staffordshire	To £25k + OTE
12389	Parts Specialist	Bucks	£25k + OTE
12388	Panel Beater	Berkshire	£14 ph + OTE
12386	Used Car Sales Mgr	Beds	OTE £70k
12385	Technician	Notts	OTE £29k
12382	General Manager	N Lincs	OTE £95k
12381	Used Car Showroom Mgr	Beds	£50k OTE
12377	Vehicle Administrator	Cambs	To £25k
12368	General Sales Mgr	Bristol	To £60k + OTE

**Chris Eastwood Automotive Ltd**

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## ADVERTISING FEATURE

# EXECUTIVE PANEL

# Industry professionals share

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

## FINANCE

### Finance trends make interesting reading

By Shaun Harris, sales director, Codeweavers



Bank of England (BoE) consumer credit and Finance & Leasing Association (FLA) motor finance figures make for interesting reading. June data from the BoE reports a 10.6% year-on-year growth in non-credit card consumer borrowing; in the same period, the FLA reported a flat market for new car finance and a 12% uplift in used car values. The implication is that other consumer credit options are growing faster than dealer finance.

With this in mind, the latest snapshot of consumer activity on a Codeweavers' calculator on a dealer website over the past month in Manchester, provides some interesting insights to help dealers make the most of finance:

- 52.70% of potential car buyers personalised a PCP finance quote – the affordability appeal of PCPs is evident – yet car buyers played the HP video 23% more than the PCP video. We are keen to help increase video take-up because of the positive support it gives consumers.

- Some 64.2% of car buyers personalised a finance quote on a mobile or tablet, demonstrating the importance of having a responsive website and finance calculator that works on ANY device. Not having such a tool underserves more than half of all potential buyers.

- The most popular age range viewing a car finance quote was 45-54, however the most popular group personalising a quote was 25-34. We suggest monitoring age groups and their trends to tailor some eye-catching special finance offers to your calculator using Codeweavers used car offer tool.

Finally, average deposit entered £1,000; requested term 60 months; ideal monthly payment £100.

Affordability is what customers want – basing your website's calculators default parameters on your customers will prove hugely beneficial.



**CODEWEAVERS**

## VIDEO

### Simplicity drives technology adoption

By Adam Price, MD and founder, AutosOnShow.tv



Dealers recognise that new technology can drive sales and efficiency across car sales and servicing.

The key challenge with any new system is to ensure adoption and usage across a team. Many in the technology sector push this through face-to-face training, but this can build time and cost into

the process.

The AutosOnShow platform is built on the belief that innovation is a constant in technology as well as business and the best way to get people to use it every day is to make it easy to use.

This approach has enabled AutosOnShow to introduce the platform across one of the largest dealer groups in the UK in just three months. The benefits of the rapid implementation can already be seen on the dealer group's bottom line.

Often new technologies are not equally accepted or adopted by people. It is important that technology adoption is a consistent process to enable hesitant users to adopt any new system successfully. AutosOnShow supports users through the process with video tutorials to navigate the easy-to-use system.

The power of high-quality images and video to extend and enhance a retailer's brand across key social media platforms such as YouTube and Facebook is evident. Good images drive website traffic and increase the amount of time potential buyers spend on a dealer's site.

This approach is seeing the AutosOnShow platform rolled out across major dealer groups in the UK and now in Europe.

■ To find out how AutosOnShow can help you, visit [AutosOnShow.tv](http://AutosOnShow.tv).

**AutosOnShow.tv®**  
VIDEO IMAGERY PRODUCTS

# Give their best advice on motor retail issues

FOR THE LATEST INFORMATION FROM  
DEALER SUPPLIERS VISIT:  
[am-online.com/news/supplier-news/](http://am-online.com/news/supplier-news/)



## VALETING

### Cheap is not good, and good is not cheap

By Martin Peters, sales director, Autoclenz Group



Budgeting time of year is with us again and there are two main points to consider when setting your vehicle preparation costs for next year.

Firstly, the world and, more importantly, the UK are changing fast in terms of labour supply. Due to the uncertainty of Brexit, attracting legal and compliant

labour is proving more difficult, and therefore more costly. There are also cost challenges that come with the ever-increasing National Minimum Wage and National Living Wage.

Secondly, engaging with a valet supplier that does not adhere to legality checks, driving licence checks or pays fees below the NMW will cost you more in the long run due legislation such as the 2015 Modern Slavery Act.

All of our operators are put through a gruelling, industry-leading compliance-checking process to determine the status of their driving licences, their ability to legally work in the UK and that they are who they say they are.

More than 30% of operators we are asked to engage with when winning new contracts from competitors do not pass our compliance-checking process.

One thing is sure, rates are likely to increase to adhere to operator fees at NMW, with the next increase due in April 2018 potentially at £8 per hour (a 6% increase).

Autoclenz pricing supports all of the above, and more than that gives you complete peace of mind that you are engaging with a legitimate partner. A partner that not only safeguards your own interests, but delivers a robust, well managed service along with a portfolio of innovation to add to your bottom line.

■ To find out more about the difference at Autoclenz, please call Lucy on 01283 554 682.

## AUCTIONS

### Don't forget the paperwork

By Simon Henstock, BCA chief operating officer,  
UK remarketing



The plate-change period inevitably sees volumes soar in the wholesale markets and stock levels typically remain high into October. Any volume uplift can change the balance in supply and demand and can affect values, as buyers simply have more choice.

The wholesale markets naturally see a rise in part-exchange volumes, but in the rush to clear non-retail stock it is important to remember the basics of remarketing. Presentation and preparation are a given, but don't forget the paperwork when consigning vehicles for sale.

If the V5C, MOT and service history are available, make sure they are present at the point of remarketing. The presence of the V5C means no delays in onward selling if the vehicle goes back into the trade, while a service history shows the vehicle has been well maintained by the previous owner and confirms that a warranted mileage is correct as declared.

In fact, the service history can have a real, tangible effect on the prices vehicles may achieve. Building buyer confidence is immensely important and even hardened trade buyers value the knowledge that their judgement is supported by a comprehensive history file.

Missing manuals, radio/audio codes, spare wheels, tyre repair kits, or locking wheel-nut keys are an irritation for buyers and will almost certainly be reflected in the bidding. If they are present when the vehicle is part-exchanged, make sure your remarketing partner has them at the point of sale.

Think like a buyer when you are selling and make the most of your part-exchanges when you send vehicles for sale.





# AM PORTFOLIO

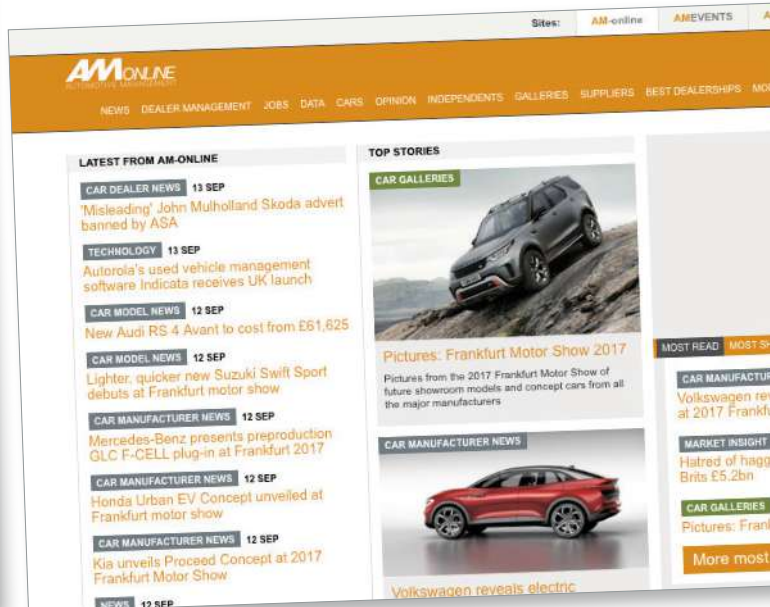
WHAT WE DO IN YOUR INDUSTRY

## AM magazine

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

## Independent Dealer magazine

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







## AM Awards

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

## AM EXECUTIVE BREAKFAST Club

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



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

## AM conferences

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

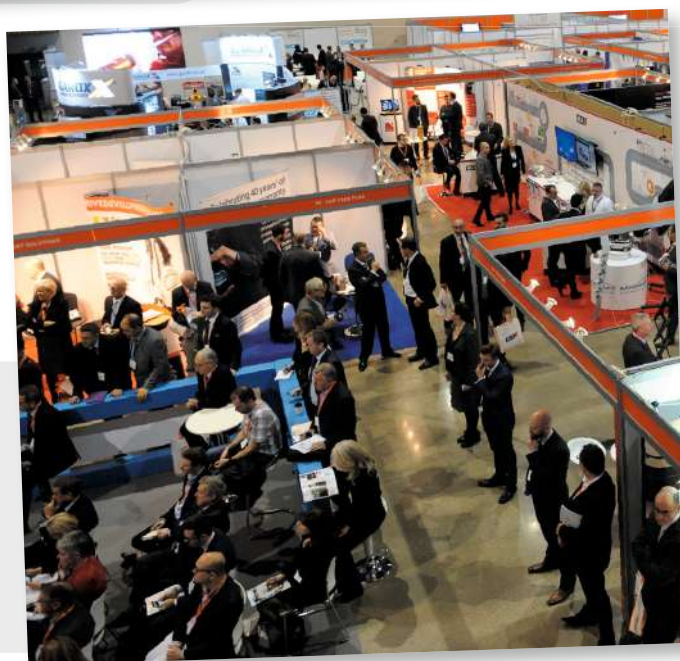


## AM-online

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

## Automotive Management Live

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



# WHAT CAR DEALERS NEED TO DO TO RECRUIT MILLENNIALS

Dealers struggling to attract 'junior workers' may need to change their ways

**M**ajor dealer groups may need to work on their business profiles if they are to successfully attract the number of new graduates and school leavers required for modern motor retailing.

A survey by recruitment website CV-Library found that vacancies in the automotive industry rose 12.3% in August compared with the same month a year earlier. However, the volume of job applicants declined by 8.4%, despite the summer bringing the latest crop of university leavers.

Managing director Lee Biggins said: "While application numbers are not meeting employer demand in the automotive sector, we hope to see these figures pick back up in September, which tends to be a much busier month for recruitment and job-hunting activity.

"The onus is now on businesses within the industry to ensure that they are marketing their jobs in the right way, and offering the most competitive packages in order to stay ahead."

This may challenge parts of the motor retail industry, where tradition, processes and manufacturer controls remain prevalent, and small family businesses are in decline.

## SME jobs are more in-demand

Research by Sodexo Engage, an employee and customer engagement consultancy, found 47% of millennials believe SMEs are the ideal-sized business to work for, more than double the 19% who believe larger companies are the right choice.

Iain McMath, chief executive of Sodexo Engage, said: "The results show that the demands of this generation match the expectations of what life in an SME is like.



THE ONUS IS NOW ON BUSINESSES TO ENSURE THAT THEY ARE MARKETING THEIR JOBS IN THE RIGHT WAY, AND OFFERING THE MOST COMPETITIVE PACKAGES

LEE BIGGINS, CV-LIBRARY

On the other hand, businesses face a reputational challenge to prove that those seeking a friendly company culture and ability to lead a more flexible lifestyle can do so in corporate giants."

## SMEs face tougher retention fight

However, the research also showed millennials are more likely to jump the SME ship after four years of service, due to limited opportunities for progression, while commitment to employers of bigger sizes stretches beyond the five-year mark. McMath added: "Although big businesses are having trouble attracting the best candidates, they are more likely to keep them once through the door."

In businesses of any scale, young workers respond best to managers and leaders who engage, challenge and inspire them at work, said James Callander, managing director at London-based recruitment agency Freshminds.

Its research has found 40% of junior employees rated transformational leaders as having the greatest impact on their motivation. These leaders work with their subordinates to identify changes, help shape the vision and inspire them to execute the changes.

A further 36.5% voted for a 'democratic' leadership style, with open communication and employee participation. Only 10% thought autocratic leaders were most effective in motivating junior employees.

Callander said: "Our findings demonstrate the need for leaders to take a transformational approach when it comes to managing and motivating graduate and early career talent – the so-called 'millennial' generation."

He added that the "top-down military style and rigid approach doesn't sit well with the overwhelming majority of junior workers". Nor is it very effective in the modern workplace – an environment that is often fast-paced and where change is not seen as a threat, but an opportunity, he said.

"Junior workers or millennials, whichever term of reference is favoured, embody a marked shift that is taking place. They are driven by the desire to make a real difference for themselves, their colleagues and the organisation they work for.

"The results of this survey confirm that junior graduate and entry-level talent respond and aspire to this type of transformational leadership. Those leaders who adopt this approach will make significant strides in creating better-engaged and more productive teams, which, by default, will positively impact the bottom line."

In dealers' favour is the earning potential that graduates have in sales and junior management roles within the dealership.

Research from Adzuna shows that graduate average starting salaries are up 3.6% from a year ago to £24,454, whereas BDO's data on the automotive sector shows a sales executive's average earnings are around £35,000, including bonuses. **TIM ROSE**

## RESOURCES

### HOW MILLENNIALS ARE CHANGING THE WORKPLACE

PwC report  
(PDF download):  
Millennials At Work – Reshaping The Workplace.  
[am-online.com/MillennialsAtWork](http://am-online.com/MillennialsAtWork)



### HOW TO MANAGE MILLENNIALS

Book: The Millennial Manual: The Complete How-To Guide To Manage, Develop, and Engage Millennials At Work.  
[am-online.com/MillennialManual](http://am-online.com/MillennialManual)



### THE TROUBLE WITH MILLENNIALS

Interview with author and marketing consultant Simon Sinek about the particular problems millennials face in the workplace.  
[am-online.com/SimonSinek](http://am-online.com/SimonSinek)





# TALENT ON THE MOVE

## ADVERTISING FEATURE

### Electric dreams

**By Neil Addley, managing director,  
NFDA Trusted Dealers**



Recent media coverage around diesels, PCPs, autonomous cars and Michael Gove's pronouncement on electric cars seems to me to be fuelled by a hard-to-comprehend hostility towards the sector.

Euro 6 diesels are much lower in emissions than previous engines and the whole switch in popularity from petrol to diesel is a direct result of government policy as a solution to CO2 emission targets.

PCPs are an extremely effective way for consumers to enjoy a better car than they could otherwise afford on a monthly budget. The risk, if there is any, lies with the finance company.

Autonomous cars will still need to be distributed, sold and prepared, and given that a large number of workshop jobs these days are for electrical repairs, this is unlikely to reduce sold hours.

A lack of understanding of the sector is no new thing, and I guess it is up to us to combat the ignorance of broadcasters and politicians and inform real customers one by one. At the same time, support for the NFDA and its initiatives (such as Trusted Dealers, informative collateral and the Get My First Job portal) will help attract customers in the short term and talent in the long term.

We are working with the Energy Saving Trust to provide consumers with good advice on the most appropriate vehicle for their needs.

As for the notion that we will all be driving electric cars in 23 years' time, when we do not know the advances in fuel technologies in that period, it seems more of a political distraction than a real plan. We all know what kind of dream that is... a pipe dream.



**STEVE ROWE,  
VERTU MOTORS**

Vertu Motors has appointed Steve Rowe as its new finance and insurance director.

He previously held the same role at Pendragon, one of Vertu's key competitors.

Rowe spent 17 years at Pendragon, starting as a business manager working across a number of dealerships. He eventually moved up the ranks to become group finance and insurance leader.

In his new role, Rowe will be responsible for ensuring both Vertu's customers and partners get the best possible outcome, in addition to supporting the strategic development of the group and its dealerships nationwide.

Rowe has a number of awards to his name, including the Judges Award for Outstanding Finance and Insurance Performance at the inaugural Car Finance Awards in 2016.

"I'm exceptionally pleased to join Vertu Motors," Rowe said. "It is an organisation on the up and its customer-centred approach struck a chord with me."

"Vertu also has a reputation in the industry as really valuing its colleagues and investing in their development, which is something I am also passionate about."

"I am looking forward to working with my fellow directors – several of whom I know from previous roles – and colleagues at a dealership level to develop our strategy and ensure that Vertu customers receive the very best possible retail experience."

Robert Forrester, chief executive at Vertu Motors, said: "Rowe is a welcome addition to the senior team at Vertu Motors. He is recognised as one of the best in the industry and a real expert."



**MARK JOHNSTONE,  
VOLVO, & SOUAD  
WRIXEN, CITROËN UK**

Volvo has appointed Mike Johnstone as marketing strategy director.

Johnstone worked at Harley-Davidson and will take responsibility for developing and implementing a strategy to help support Volvo's ambitious growth targets.

Similarly, Souad Wrixen has joined Citroën as its UK marketing director.

Wrixen joined PSA Group in 1988 and most recently held the role as director of new vehicle supply for Peugeot and Citroën in Italy.



**TIM WHITE,  
CARLISLE AUDI**

Tim White has been named the new head of business at Swansway Garages' Carlisle Audi.

He previously held the role as general sales manager, before being promoted to take charge of the dealership.

White, who has worked in the motor trade since he left university, said:

"The next step in the motor trade is very exciting. Electric cars and hybrids are the future and I'm looking forward to the challenges this will bring."



**HOWARD DALZIEL,  
MASERATI**

Maserati has promoted Howard Dalziel to the post of national corporate sales manager, following a 23% increase in its new car registrations this year.

He was previously corporate sales manager (south), a role now taken by new arrival Laura Heathcote-Smith.

The team is targeted to achieve a 50% corporate sales split for the Italian brand and will focus attention on the contract hire and leasing industry, broker channels and corporate entities.

## EIGHT QUESTIONS TO...

# AN LCV SALES BOSS

Vans are the backbone of UK industry, which makes serving their users' needs very exciting, says James Douglas, head of sales operations, Volkswagen Commercial Vehicles



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

**DOUGLAS:** I am responsible for sales of all Volkswagen commercial vehicles across the UK. This includes new and used vehicles to both retail and fleet customers, either direct or via our dedicated network of 72 Volkswagen Van Centres.

I do this via four teams of people: national sales; a fleet team, which also includes contract hire and leasing; a used sales team; and specialist sales who look after converted vehicles.

It's a tremendously exciting role, I feel lucky to have it and I'm fiercely proud of it.

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

**DOUGLAS:** Our industry will face huge changes over the coming years and I want Volkswagen Commercial Vehicles to be a key part of that market evolution. Specifically, we will need to switch from a mindset of simply 'selling vans' to one of providing bespoke mobility solutions for our customers.

However, my key focus is ensuring we provide a great customer service – at all levels of the organisation.

Last year, Volkswagen Commercial Vehicles sold 50,000 new vehicles – this means our customer base is diverse and our service parc is huge. My greatest challenge is to ensure that, within such a complex marketplace, our customers enjoy an experience of which we can be proud.

### How may these challenges be overcome?

**DOUGLAS:** Our business, and that of our Van Centre network, has to be structured with our customers in mind. Whatever aspect of sales, or in-life care you consider, we spend time, effort and money to deliver the best for our customers.

It is an endless pursuit of excellence and one that has to be constantly reviewed and redesigned to align with the changing expectations of our customers' needs and requirements.

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

**DOUGLAS:** I have worked for nearly 20 years in the motor industry. It's exciting and dynamic, and change is probably the only constant. During a 13-year career

at Nissan GB, my focus was on corporate sales and light commercial vehicles, and while fleet business and vans can be seen as less 'emotional' than some areas of the market, I find it tremendously exciting.

It's exciting to understand how other industries are changing, whether that's construction, home delivery, small trades or emergency services, and then to build an offering that keeps them moving forward.

From providing services which help fleets choose the right vehicles in the first place, like our online configurator or iPad sales aid, to support with funding, racking, decals and conversions, to in-life support such as extended opening hours at all our Van Centres and mobile service clinics, we have to stay ahead of the game. Vans are the backbone of UK industry – business doesn't stand still and so neither can we.

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

**DOUGLAS:** We work in challenging times where fine margins can make the difference between success and failure. Someone I worked for quite recently showed me that a manager who spends time on the personal development of their team will reap massive rewards. **MATT DE PREZ**

## QUICK-FIRE QUESTIONS

### What drives you?

A desire to make a difference. An old boss once asked me, "What do you want your legacy to be (in this role)?" I thought that was a great question and I revisit it regularly.

### What's your favourite app?

I have a little internet radio app that I think is quite cool.

### How do you relax?

Sport – specifically rugby and golf, TV (the ubiquitous *Game of Thrones*) and reading.

# AM

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### THIS MONTH'S QUESTION TO THE AM TEAM:

What was the first single/album/music you bought?

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► **Showaddywaddy – Pretty Little Angel Eyes.** Well, I was seven...

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► **Eurythmics – Be Yourself Tonight**

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► **Michael Jackson – Bad, with Beat It on the B-side.** It was 99p from Our Price on vinyl

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► **Jeff Wayne's War of the Worlds or Led Zeppelin IV on vinyl**

**Web producer** Elizabeth Howlett 01733 468655  
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► **Wyctef Jean featuring The Rock & Melky Sedeck – It Doesn't Matter**

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**Head of publishing** Luke Neal 01733 468262

► **Paul McCartney and the Frog Chorus – We All Stand Together on vinyl.** I was seven

**Production editor** Finbarr O'Reilly 01733 468267

► **Billy Joel's Greatest Hits**

**Senior designer** Erika Small 01733 468312

► **The Pasadenas – I'm Doing Fine Now**

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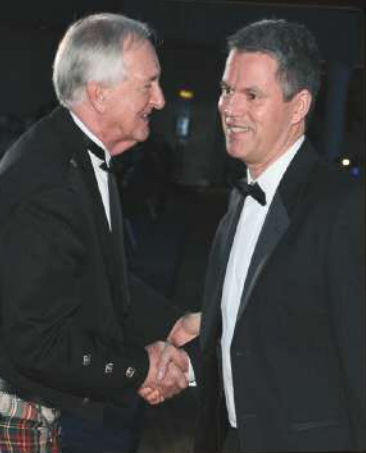
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# AM AWARDS:2018 LAST CALL FOR ENTRIES



# AM AWARDS:2018

**February 8 2018**  
**The ICC, Birmingham**

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

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

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

To enter, please visit  
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An online resource to accompany the Running a profitable dealership supplement, providing all the latest best practice guides and in-depth analysis on a range of topics to help you manage your dealership.

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