

AM

AUTOMOTIVE MANAGEMENT

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WLTP SURVEY / P8

Supplies will be hit in plate change month, dealers tell AM

RINGWAYS / P24

MD Stephen Russell: How tough calls prepared us for prosperity

SUZUKI / P32

Used cars are not the holy grail, says UK boss Dale Wyatt

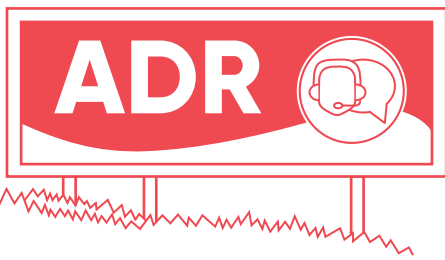


SPOTLIGHT / P39

MOTOR RETAIL IN 2030

Your iVHC Customer Journey

Imagine if all the 'best practices' a Service Advisor should do when checking in and out a customer, could be done on a user-friendly app running on a tablet. Well this is now possible thanks to Active Digital Reception (ADR), the new extension to iVHC by eDynamix.



Pre-inspection

A tablet is used to capture important information and record any damage prior to starting the full health check



Work authorisation

Customers receive the iVHC report digitally on their smart phone, tablet or PC and are able to view the photos and videos as well as authorise work electronically



Quality check

Service managers can ensure a minimum number of workshop QCs are completed from within iVHC, complete with comprehensive manufacturer compliant reporting

Unsold work follow up

Concerns not sold during the initial visit are automatically followed up by SMS, email, post, call lists and through the automate app



Check-in

Service advisors use a tablet to greet the customer at their car and capture important information relevant to their visit, data connection not required



Health check

The full VHC is completed on a tablet by the technician, capturing photographs and videos to aid in presenting any concerns to the customer

Service check sheet

Manufacturer service schedule checklists are completed from within iVHC on the tablet device



Check-out

Service advisors check-out the customer from the tablet device, rebooking any unsold work at the same time



Customer self manages VHC

Customer's can view and book work from their last VHC at any time from within the automate app and the online booking portal

EDITOR'S LETTER

The Government wants as much as 70% of new cars sold annually to fall into the ultra-low emission vehicle (ULEV) category by 2030 as part of its Road to Zero strategy.

It's a commendable target, and one which car brands must strive to achieve. They must demonstrate they are capable of eventually achieving zero tailpipe emissions, even if this means technology partnerships and alliances to reach this target, which is just two model life cycles away. The pressure is truly on.

But the industry also needs certainty regarding the state support available to it in the medium to long term. The plan confirmed plug-in car and van grants at their current rates only as far as October 2018, and a grant in some form until 2020. That's really not good enough.

The Government needs to help make electric vehicles and plug-in hybrids as affordable as petrol cars in the next decade (although I suspect it will just as likely tax conventional powertrains and fuels to make them unattractive for many buyers).

In addition, charging infrastructure needs to expand faster than sales growth. The £400 million Charging Infrastructure Investment Fund, which was announced in last November's Budget, should help support businesses that produce and install charging points, but I hope this is just the start. Consumers need confidence that their new transport options will get them to where they want to be, without wasting time finding a charger that is working and available. Otherwise, few of your long-standing customers will change the habits of a lifetime.



MEET THE TEAM



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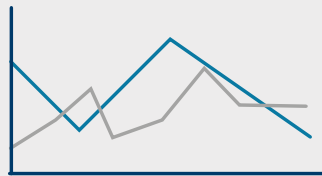


Jeremy Bennett
Head of digital/
associate editor

Get your transport sorted fast!

Over
10,000

Vehicles moved
last month



Live data dashboard

Full cost control



Set the price you wish to
pay across your group



Great cost savings

600+
Reliable

Transport companies



Fully managed service

“ We have now been using Movex across our 100 dealerships, it gives us full cost control and transparency across our group. We are confident we have made the correct decision in partnering with them and would highly recommend them! ”

Jon Head, Commercial Director
Marshall Motor Group

Please contact daren@movex.co.uk for more
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MOVEX
The Vehicle Logistics Platform



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Ringways

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DVSA WILL LEGALLY FORCE MANUFACTURERS TO RECALL V

The Driver and Vehicle Standards Agency (DVSA) will give manufacturers a 10-day deadline before it legally forces them to recall vehicles or face prosecution

The Driver and Vehicle Standards Agency (DVSA) has sought and received clarification on the legal powers it has to force vehicle manufacturers to issue recalls on safety-critical issues.

The clarification followed investigations into Vauxhall's Zafira model B fires and BMW's recall of 312,000 vehicles due to an electrical fault.

BMW issued a recall of 36,000 vehicles in April 2017 after the death of Narayan Gurung, a former Gurkha

soldier who was killed when his car crashed into a tree after he swerved to avoid a broken-down BMW. A further 312,000 vehicles were recalled on May 9 this year; the same day BBC's *Watchdog* programme reported on the issue.

The DVSA and BMW gave conflicting evidence on the sharing of information during the recall process during a transport select committee meeting on June 26.

When asked by the transport committee if BMW provided all information on the number of complaints

it had received to the DVSA, Graeme Grieve, BMW UK chief executive, said it did, citing 106 complaints where the customer has experienced stalling or a cutting-out of the vehicle.

However, Gareth Llewellyn, the DVSA's chief executive, told the committee: "No, [BMW] didn't. We have asked on a number of occasions for that information and we have still yet to receive it."

BMW denied providing inaccurate information.

Llewellyn said that while rare, there had been occasions, such as

with Vauxhall and BMW, where he felt "the flow of information wasn't the same as it was with other cases".

After the meeting, the committee recommended that the Department for Transport (DfT) make the DVSA's enforcement powers more explicit, rather than the current wording, which is "presumptive".

Llewellyn then sought legal advice on the extent of the DVSA's enforcement powers. This advice is what led it to its new recall process.

"We now send a letter to a manufacturer to say the DVSA will be



“THERE'S REPUTATIONAL DAMAGE IF I FORCE YOU AS A REGULATOR TO UNDERTAKE A SAFETY RECALL

GARETH LLEWELLYN, DVSA



Llewellyn said the DVSA had already issued one of the new letters, which prompted a quick recall, and it was due to send another in the few days after they spoke to *AM*.

He emphasised that there are hundreds of recalls a year in the UK, most of which are not safety-critical, and that they are handled well with communication between the DVSA and manufacturers.

Llewellyn said: “With most manufacturers, the vast majority of recalls work really well.

“But we want to be very clear that there's reputational damage if I force you as a regulator to undertake a safety recall on what can be a large fleet.”

Llewellyn said the agency still has other issues with the range of its powers: “The Consumer Rights Act of 2015 failed to reinforce the role for DVSA of entry, search and seize. That's one element we don't have access to.

“In the Vauxhall investigation, we have had to team up with Trading Standards in Luton to do that and under our current advice, we still don't have the power to enter, search and seize.”

The DVSA also wants more influence and involvement with manufacturers' initial risk assessment of a fault, to determine whether a technical or safety-critical recall is necessary.

Progress on BMW's recall

BMW has completed 30,000 repairs at its 150 dealers at the rate of 10,000 a week.

Owners of 1 Series, 3 Series, Z4 and X1 petrol and diesel models made between March 2007 and August 2011 are affected.

Grieve couldn't give an exact date for when all of the recall work would be completed, but he said “it will take us into 2019 to get it completed”.

While dealers will be compensated by BMW for the recall work, it will compete for space with more lucrative retail work.

As a result, BMW is redeploying a team of 23 mobile roadside

assistance technicians to help, and it may establish some “dedicated facilities” to help complete the recall as quickly as possible. It is also sending 50 temporary staff into the network, and is encouraging dealers to find “creative ways to create capacity”, such as using bodyshops and PDI centres.

Professor Klaus Kompass, vice-president of vehicle safety engineering at BMW, also confirmed that he is working on an update, to be introduced next year, that will send specific warnings to BMW's Connected infotainment screen and to the BMW Connected app on owners' smartphones.

These messages will be more specific about the problem affecting a vehicle and explain the urgency to take a car to an authorised repairer.

Kompass said: “We will only send out those messages when we feel the urgency is high enough to get them into the repair shop.”

Will DVSA prosecute owners?

The DVSA also said it would look at the potential to prosecute owners of cars who refuse to get their cars repaired in safety-critical recalls.

BMW said it would only be able to complete repairs on about 80% of affected vehicles as some will be off the road, exported or the owners will ignore the three notices sent by the manufacturer.

At the committee's suggestion that vehicle owners should be prosecuted, Llewellyn said it would be relatively easy to pick up data from the MOT process, but it was a question for the DfT to answer.

He said: “In Germany, if you miss your first recall, the equivalent of the DVSA will take the number plates from the car and the owner will no longer be allowed to drive it.

“The first step is to see how much of a risk is out there from vehicles that haven't had their fix from a recall.”

Going by BMW's estimates of an 80% success rate on 312,000 vehicles, that could mean there are still 62,400 affected vehicles on UK roads that could cut out while in motion.

A DfT spokesperson refused to comment directly on whether it would consider prosecuting vehicle owners for ignoring safety recall notices.

However, she did say: “Our priority is to protect drivers and the public from unsafe vehicles.

“We are working with the DVSA to review the recall system as a matter of priority, so that emerging safety issues are identified quickly and the DVSA uses their enforcement powers to compel manufacturers to take appropriate and rapid action.”

The committee said it also wants to look at making it mandatory for manufacturers to put a failsafe in vehicles, meaning that if they experience a loss of power, a back-up system means the hazard lights would still work.

Llewellyn said: “On the day of the accident, the most valuable thing at the time would have been for the hazard warning lights to have worked.

“You would normally have safety systems as a failsafe. It is amazing that hazard warning lights are attached to the same terminal as everything else in the car so when you lose power, you lose the one thing you need at that time.

“That's a manufacturing consistency across most operations and I wonder whether that's a future modification that would have paved the way for a better outcome here.”

Access for independents

The committee is also looking at how independent garages gain access to technical recall information.

The owner of the BMW that caused Gurung's death had taken his car to an independent, but the fault was not correctly identified or fixed.

Independent garages can currently access safety recall information through the DVSA's website, but technical recalls are limited to those that pay to subscribe to a manufacturer's online aftersales systems. BMW's equivalent is called Aftersales Online and it currently has 880 subscribers.

Grieve said: “Many other manufacturers provide the same services, but, if you are an independent, quite often you will be servicing a range of manufacturers' products and marques.

“It is unlikely as an independent that you would access a multiplicity of manufacturers' systems. There is a role here, perhaps for the committee or the DVSA, to look at a UK system that would allow us to combine that information.” **TOM SEYMOUR**

EHICLES

legally forcing a recall within 10 days, which will be made public unless the manufacturer can prove why the recall isn't necessary,” he said.

Llewellyn said this “triggers the potential for the DVSA to prosecute the manufacturer if it doesn't issue a recall” if it has failed to respond adequately within 10 days.

“The DVSA can also write to all of the affected customers to tell them about the fault and to say that it has asked the manufacturer to recall affected vehicles, but they have failed to do so,” he said.

WLTP/RDE SWITCH WILL HIT SUPPLIES, SAY DEALERS

Majority of respondents to AM survey say manufacturers have warned them of restrictions

More than half of franchised dealers say their manufacturer partners have told them to expect supply restrictions from September 1 as a result of new 'real-world' emissions and fuel economy test regimes.

AM's survey into the effects of the EU's Worldwide Harmonised Light Vehicle Test Procedure (WLTP) and Real Driving Emissions (RDE) tests found that 55.6% of respondents have been advised by their manufacturer partners to expect a restricted supply of vehicles. Many carmakers are struggling to re-test, and, in some cases, re-develop, their engine line-ups to abide by the new legislation coming into force on September 1.

While the potential for a slump in sales was highlighted by respondents to the survey – carried out between June 19 and July 16 – dealers also said they are coming

under pressure to sell vehicles tested under the previous NEDC test regime.

A total of 43.7% of respondents said they had been placed under pressure to self-register vehicles ahead of September 1 as a direct result of the switch to WLTP and RDE test regimes, with 57.1% stating that manufacturers had introduced incentives in an effort to sell vehicles before then.

In last month's AM, car dealers and industry experts voiced their concerns about the legislation switch, with fears of a spike in manufacturer 'push' and market 'pull' – similar to that experienced ahead of the changes to VED in April 2017 – as carmakers try to clear their books of NEDC-rated vehicles and fleet operators attempt to beat the tax hikes anticipated as a result of a rise in published emissions levels.

Retailers also said a lack of

awareness of corresponding rises in vehicles' published CO₂ and mpg figures could trigger further distrust among consumers.

Stuart Foulds, the chairman and chief executive of TrustFord, said any rise in VED rates would immediately lead to consumers feeling "they have been conned".

Mike Hawes, the chairman of the Society of Motor Manufacturers and Traders (SMMT), said it was essential for manufacturers and retailers to make customers aware of the changes, meanwhile, adding that they "have a responsibility to help the public understand".

Just 20.3% of respondents to AM's survey said they felt their manufacturer partners had effectively communicated WLTP/RDE changes to customers.

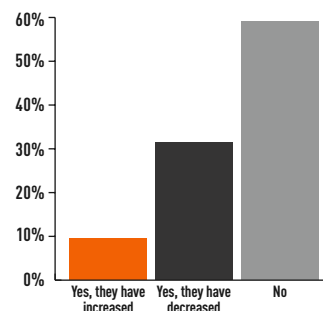
Some respondents felt WLTP and RDE were already affecting sales.

Although 61% felt they had seen no impact as yet, 9% of respondents said their retail registrations had risen as a result of the impending changes and 29% felt they had declined.

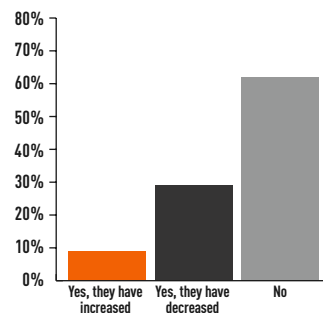
In the fleet sector, 59% felt sales were unaffected, while 9.6% felt they were up and 31% felt they were down.

TOM SHARPE

Has the impending introduction of WLTP/RDE affected your fleet registrations?



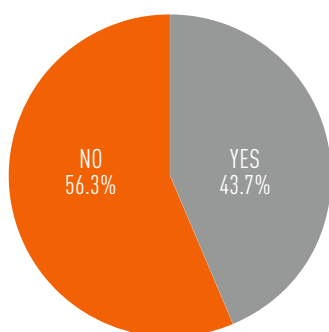
Has the impending introduction of WLTP/RDE affected your retail registrations?



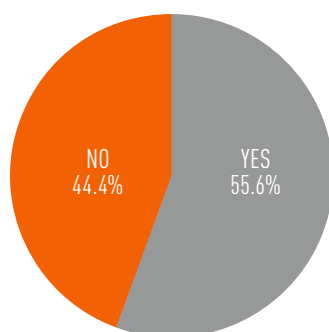
“ IF THE VED RATES GO UP, PEOPLE WILL IMMEDIATELY FEEL THAT THEY HAVE BEEN CONNED ”

STUART FOULDS, TRUSTFORD

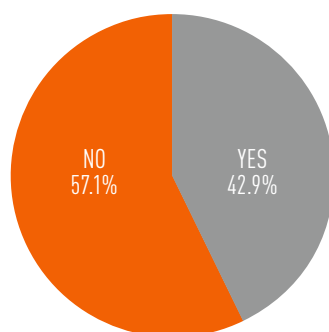
Have your manufacturer partners placed any pressure on you to self-register vehicles as a direct result of the introduction of WLTP and RDE on September 1?



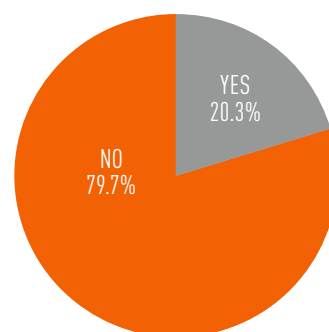
Have your manufacturer partners communicated to you any potential restrictions in supply after September 1?



Have your manufacturer partners introduced any customer incentives to drive registrations before WLTP/RDE are introduced on September 1?



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



DIAMONDS ARE A DEALER'S BEST FRIEND



Any set of alloy wheels are likely to lose their 'factory finish' look & appeal with time. Autoclenz can help you to add value to your used car stock and profit centre via your service desk with our new **MOBILE Diamond Cut Alloy Wheel Repair service**.

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Our fully branded, rapid wheel repair vehicle enables us to provide a fast, one stop service whilst achieving the ultimate diamond cut finish of the wheel. Equipped with the latest specialist machinery necessary to carry out the technical process, the wheel can be repaired and replaced at your site, within the same day.

Launching in the Midlands September 2018, Autoclenz is one of very few, mobile premium diamond cut alloy wheel repair providers in the country. For further details and information please register your interest now by emailing: diamondcutwheels@autoclenz.co.uk

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ADVERTISING FEATURE

Creative use of video

By Alistair Horsburgh, CEO, CitNOW



We recently hosted our annual CitNOW Video Awards and it was incredible to see the volume and standard of entries this year. Video really has become the 'go to' customer communication tool for retailers.

The Most Creative category really stood out. It highlighted how important video has become and how it can be used inventively. When judging, as well as using CitNOW 'best practice', the panel analysed customer impact, customer service, how memorable the video was, and personality.

Here's how we found video being used creatively:

■ A video from Motorama Mitsubishi Mooroka in Australia to promote a new vehicle poked fun at the 'barby'

■ Pentagon Lincoln Renault found a way of communicating to a customer who was hard of hearing

■ With the Grand National around the corner, Lookers Nissan Newcastle trade parts used a horse-racing theme to draw attention to current trade offers

■ Wings of Peterborough turned their vehicle health check into a humorous Halloween special

■ John Banks Renault and Dacia made a video highlighting a special event weekend

■ TrustFord Wilmslow filmed a car journey to provide directions to their site, including showing customers where to park and where to go once they arrive.

TrustFord Wilmslow was announced as the Most Creative category winner for 2018. This entry stood out because it was well planned and an unexpected touch that would instantly start a good communication dialogue with the customer. It's something any retailer could do and would only need to be done once, but could be used numerous times. Other highlights from this category were the two highly commended entries, from Pentagon Lincoln Renault and Lookers Nissan Newcastle.

■ View all the winners here:

<https://citnowawards.com/winners/>



THIS MONTH'S NEWS HIGH

JUN

18th

AUDI CHAIRMAN ARRESTED IN DIESELGATE INQUIRY
Rupert Stadler, the Audi chairman and chief executive, was arrested as part of the continuing investigation into Volkswagen Group's diesel emissions scandal. Stadler is the most senior official to face criminal charges over the scandal so far. His arrest follows VW Group being fined €1 billion for cheating diesel emissions tests.



19th



TRUSTFORD TO UPGRADE FOUR SITES INTO FORDSTORES

TrustFord is to redevelop four dealerships into FordStores. Work on sites in Cribbs Causeway and Staines is under way. Work is expected to begin later this year on sites in Newtownards Road, on the outskirts of Belfast, and Lisburn, Northern Ireland.

JUL

2nd

VERTU MOTORS BUYS HUGHES GROUP FOR £21.8M

Vertu Motors completed only its second acquisition in two years with the purchase of Mercedes-Benz dealer Hughes Group and its subsidiary Hughes of Beaconsfield for £21.8 million.

3rd

JOHNSONS CARS ACQUIRES TH WHITE MOTOR GROUP

Johnsons Cars has acquired TH White Motor Group, adding the Jeep and Fiat Commercial franchises. The deal includes a showroom at Hillmead, Swindon, which sells and services cars and commercial vehicles across the FCA range of brands – Fiat, Fiat Commercial, Chrysler, Alfa Romeo, Abarth and Jeep.

4th

FCA ISSUES FINAL NOTICE TO 38 DEALERS

The Financial Conduct Authority (FCA) said 38 car dealers will have their consumer credit permissions cancelled after they were issued with final notices in the first half of 2018. Paul Speakman, director of consultancy Automotive Compliance, said it was "just the start".



5th

MITSUBISHI UNVEILS NEW CI STANDARDS

Mitsubishi has released images of its new corporate identity standards, which it is introducing to 5,000 dealers worldwide. The designs are based on the message "drive your ambition".



PENTAGON TO CLOSE VAUXHALL, FIAT AND NISSAN SITES

Pentagon Motor Group announced plans to close its Eccles Vauxhall dealership in early 2020. The group has also served termination notices to Fiat and Nissan for its dual-brand dealership in Huddersfield. Pentagon retains one other Fiat and Nissan outlet at Barnsley and represents Vauxhall at 11 locations.

GOVERNMENT ISSUES 70% ULEV TARGET FOR NEW CAR SALES BY 2030

The Government wants as many as 70% of new cars sold to be Ultra Low Emission Vehicles (ULEVs) by 2030, according to its Road to Zero strategy. Published by the Department for Transport, the strategy also included a push for charging points to be included in new-build homes and on new lamp posts.

70%

JCT600 ACQUIRES TWO JLR SITES FROM PENDRAGON

JCT600 has acquired separate Stratstone Jaguar and Land Rover businesses from Pendragon at Doncaster. JCT600's first JLR franchises, they will trade under the JCT600 brand and are yet to adopt JLR's Arch concept corporate identity. JCT600's announcement came two days after Jack Tordoff, the dealer group's founder and chairman, escaped with minor injuries in a road accident in his Porsche Macan.



MAYFAIR AUDI CITY SHOWROOM TO CLOSE

Audi has closed its Audi City London showroom in Mayfair as its looks to focus on 'new ways to integrate digital experiences into all UK showrooms'. A spokesman for Audi said Sytner's West London Audi facility in Brentford would take over looking after the store's VIP and diplomatic customers.



FORD'S NEXT MOVE: SHOWROOM OPENS IN ARNDALE CENTRE

Ford has officially opened its first 'high street' new car retail space in Next's store at the Manchester Arndale Centre as part of an alternative car sales channel developed in partnership with Rockar. Ford has also made its Buy Online new car retail platform live to customers.

9th

12th

17th

ADVERTISING FEATURE

Lookers Electric Charge brings charity home

By Christopher Knox, PR manager, Lookers



We are almost two months and more than 600 miles into the Lookers Electric Charge. For this year's Ben Industry Leader Challenge, Lookers staff, including its senior directors, will travel more than 2,000 miles to more than 180 stops, including its 155-strong dealership network.

Each stop in the glorious relay of electric cars has its own fundraising challenges, with everything from 'carpool karaoke' to fancy dress days.

Lookers did not need much persuading to pick up the baton, after all previous years have seen Daksh Gupta, the chief executive of Marshall Motor Holdings, dive out of a plane (accompanied by a parachute of course) and Jeremy Hicks, the managing director of Jaguar Land Rover UK, swim the English Channel.

Demand for Ben's services is increasing, with 3,091 people requesting help between 2016 and 2017 – up 14% on the previous year. With physical, mental, social and financial wellbeing at its core, it's a vital resource that makes a real difference in our industry.

Employees at Lookers have been making their own Herculean efforts as part of the Lookers Electric Charge, with a sprinkle of comedy gold added for good measure. Highlights have included Colin Pybus, franchise director, and Michael Scott, operations director, at Lookers Nissan, Renault/Dacia, Hyundai, featuring in their very own silent movie and test-driving the new Nissan Leaf while dressed up as World War II fighter pilots. Chocks away!

Not to be outdone, Lookers Volkswagen Newcastle's Sheldon Cockburn, general manager, and Chris Blight, sales manager, starred in a homage to 1980s and 90s action movies, driving the e-Golf and incorporating everything from *Back to the Future* to *The Terminator*. It's all on the Lookers YouTube channel, LookersWebTV, and is well worth a look for anyone who fancies a giggle.

At the time of writing, the Electric Charge has just completed its Yorkshire leg and is heading to Lookers' head office in Manchester, where I'm sure staff will be eager to get involved.

■ For more, visit: Lookers.co.uk/EC4BEN



www.lookers.co.uk/EC4BEN

SUVs THE ONLY SEGMENT TO ENJOY A HAPPY HALF

Expected fall in overall registrations masks dramatic changes within vehicle segments

With half the year gone, the underlying trends of 2018 are emerging. The overall market, which was down by 6.3%, is in line with the forecast made by the SMMT at the start of the year of a 5.6% decline for 2018 as a whole. However, within the overall figures, there have been some radical changes.

At a manufacturer level, the two biggest winners among the major brands have been Volkswagen and Seat. VW has grown from 7.7% in H1 2017 to 8.6% in H1 2018, driven mostly by the Golf and its crossover cousin, the Tiguan. Seat has grown from 2.1% to 2.7% over the same period. A brand without much of an identity for many years, Seat is increasingly a maker of VW Group crossovers at lower cost than VW. That sounds derivative, but the public's appetite for such crossovers seems almost limitless.

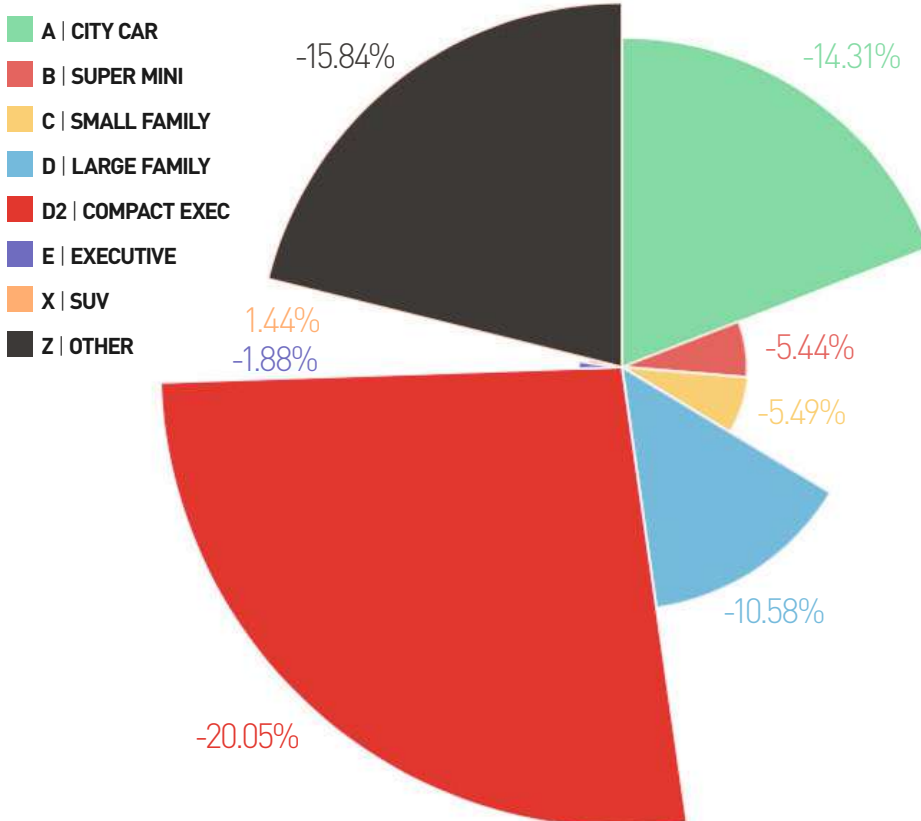
NISSAN AND FIAT ARE BIGGEST LOSERS

Among the major manufacturers, the biggest losses have come from Nissan and Fiat. Nissan registrations have fallen by 30%, and its market share is down to 4.5% year-on-year, from 6.0% in H1 2017. The major culprit is the ageing Juke, which has fallen by 44%. It is no longer the best-selling B-segment crossover – it is well behind the Vauxhall Mokka X, and it is level with the uninspiring Ford Ecosport in second place. The second-generation Juke was expected by the end of 2018. However, as Nissan is only awarding supplier contracts as you read this, that date is now impossibly ambitious – it seems the current model will have to soldier on well into 2019.

Meanwhile, "Fiat loses share" is hardly news these days. The bare facts are that Fiat registrations are down by 25.8%, to a market share of just

“FIAT REGISTRATIONS ARE DOWN BY 25.8%, TO A MARKET SHARE OF JUST 1.75%, SO, ARGUABLY, FIAT IS NO LONGER A MAINSTREAM BRAND IN THE UK

CHANGE IN REGISTRATIONS BY SEGMENT H1 2018 VS H1 2017



1.75%, so, arguably, Fiat is no longer a mainstream brand in the UK for the first time since imports really got going in the 1960s.

When Sergio Marchionne, the outgoing chief executive, gave his last press conference, city analysts queued up to praise him for what he had done to the share value of Fiat Chrysler Automobiles (FCA). However, that was due to the surge in profits from Jeep and Ram pick-ups in the US – Fiat is now little more than a niche supplier of stylish Italian city cars.

A couple of other car companies are worth

singling out for attention. Jaguar registrations were down 11% in the first half of 2018, which is not terrible against the overall market – until you remember that it has a brand-new E-Pace, and all its other major models are between one and four years old (XE, XF, F-Pace). Crossover sales are doing well, but sales of saloons look terrible. The XE is down 64.1% YTD, and is being outsold by the Audi A5, let alone the Audi A4, while the XF is down 43.1% and is being outsold by the Volvo S90/V90. Ever since the 1950s, Jaguar's backbone has been executive and luxury saloons, but do current sales

SPONSOR'S COMMENT

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

Recent figures show an increase in sales of new cars on finance and this corresponds to the trend

towards offering customers the ability to search for cars based on monthly payments. While for many customers this is a helpful view, it is important that customers understand what that number is made up of.

The obvious contributors are the price of the vehicle, the APR, and, of course, the vehicle's guaranteed future value (GFV).

The higher a GFV is set, the lower monthly repayments will be. At a time when many people see the monthly cost as the most significant part of a deal – we see regular comparisons to mobile phone contracts – it's understandable that customers would be attracted to this alone.

However, focusing solely on the monthly cost misses much of the bigger picture. Lenders and dealers both have an obligation to ensure customers fully understand their overall finance package, of which the GFV is a critical part. If a lender or manufacturer chooses to set artificially high GFVs, for example, three potential issues for customers arise. The first is the total amount of interest goes up – as the balloon payment is financed – so the total cost of credit will likely be higher. Secondly, the customer is at a higher risk of having to pay if they need to break the contract early. Finally, they are likely to be left without a deposit for their next purchase.

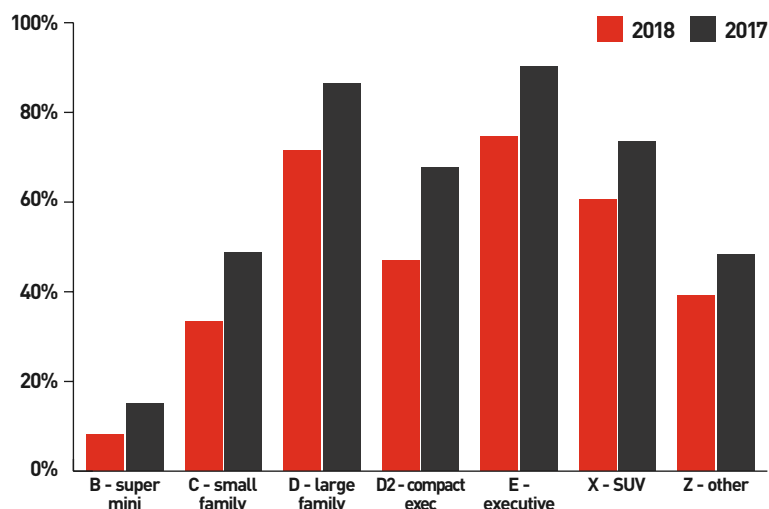
I question how well known these factors are among customers. I also wonder if the importance of the GFV is fully understood and how clear its possible effect on the overall cost of credit is made to customers.

I also question if this approach alters the contract in itself – is it still a supply of goods or is it now a supply of services?

Considering an agreement based on a monthly payment approach is one thing, but it may not always be in a customer's best interests over the life of the agreement.

The key point is we need to continue to encourage customers to consider the overall cost of their finance agreement so they can make an informed buying decision and choose the most suitable funding vehicle for their circumstances.

DIESEL REGISTRATIONS SEGMENT SHARE H1 2018 VS H1 2017



justify designing another generation of Jaguar four-doors?

However, Jaguar looks a picture of health compared to Infiniti, with its UK-made C-segment Q30/QX30 proving a catastrophic failure. Year on year, H1 registrations were down 83.8% to just 277 units – in a segment that has registered 400,000 cars so far this year, that is as close to zero as makes no difference.

DIESEL BY SEGMENT

The biggest question in the market is about the future (or possible non-future) of diesel.

Overall, diesel registrations are down 30.2%, but of more significance is what is happening segment by segment. It is no surprise that sales of B-segment diesels are down by 50.1% in H1 2018, but it is more significant that the share of diesels in the compact executive class has fallen from more than two-thirds in the first six months of 2017 (67.7%) to less than half in H1 2018 (46.9%). This segment was once epitomised by the BMW 320d, but even BMW now has a 50:50 split between petrol and diesels. It used to be that any car smaller than a Focus was likely to be petrol, and anything larger was likely to be diesel. Today, all major segments are predominantly petrol except SUVs and large executive saloons (e.g. the Mercedes-Benz E-Class).

The two largest segments – B-segment superminis and C-segment small family cars – appear remarkably stable, with sales falls of 5.4% and 5.5% respectively. However, within each segment there have been big changes.

In the B-segment, crossovers such as the

Vauxhall Mokka X are up 17.5% year-on-year and take 27.8% of the segment. In contrast, MPVs such as the Kia Venga are down 66.5% and take just 1.7% of the segment. Hyundai and Kia take 78.4% of all B-segment MPV sales, so presumably they will have the responsibility of switching off the lights when the door closes on this segment in the next few years.

In the C-segment, it is a similar story. Crossovers such as the Tiguan are up 56.3% and take 21.6% of the segment, but MPVs are down 28.9% and take just 6% of segment sales. With no C-segment MPV likely to reach even 10,000 sales for the whole of 2018, one has to wonder if the sub-segment will revert to where it came from – small vans with windows for those who need maximum space on a modest budget. It may not be economically viable to design a separate MPV body for such low volumes.

CO2 EMISSIONS TARGET UNDER THREAT

Looking more broadly, most car companies will not be too upset by the current market situation (unless they are behind in the race to introduce more crossovers), but they will be aware that they are storing up trouble for the future. If customers are buying heavier crossovers instead of hatchbacks, and then fitting them with thirstier petrol engines, the car companies' carefully constructed plans to get down to an average of 95g/km of CO₂ by 2021 are in serious danger. In 2017, average new car CO₂ emissions actually rose slightly to 121 g/km, and 2018 buying patterns are not helping the situation.

DAVID FRANCIS

NEW CAR REGISTRATIONS

AFV rise 'can't offset CO₂ from diesel falls'

New car registrations fell 3.5% in June to 234,945 units and the market is down by 6.3% for the first half of this year, according to the latest figures from the Society of Motor Manufacturers and Traders (SMMT).

Private registrations were flat in June, down 0.6%, while large fleets led the biggest decline with a 6.4% drop. SME business helped to offset the declines with an 11.3% increase.

The SMMT said the market is continuing to stabilise following a turbulent first half of 2018, which was distorted by 2017's VED hikes.

In the alternative fuel vehicle (AFV) sector, plug-in and hybrid registrations increased 45% as the number of models available grows.

Petrol cars also attracted more buyers, with registrations up 12.3%. However, this growth was not enough to offset the continuing decline in diesel registrations, which fell 28.2%.

Mike Hawes, the SMMT chief executive, said: "Despite a rocky first six months for the new car market, it's great to see demand for AFVs continue to rise.

"Given these cars still represent only one in 20 registrations, however, they cannot yet have the impact in driving down overall emissions that conventional vehicles, including diesels, continue to deliver."

1 VOLKSWAGEN

The German brand had three of the UK's best sellers in June, helping it outperform all rivals. Of its 23,224 registrations, 6,873 were Golf, 5,494 Polo and 3,527 Tiguan.

2 MERCEDES-BENZ

With only 14,928 registrations in June, compared with BMW's 22,985, Mercedes has lost its lead in the premium market at the half-year point. BMW is now 1,054 units ahead.

3 JEEP

After the launch of the new Compass, Jeep's fortunes have enjoyed an uplift. June registrations reached 644 units, up 77.4% year-on-year.



	June					% change	Year-to-date				% change
	Marque	2018	% market share	2017	% market share		2018	% market share	2017	% market share	
1	Volkswagen	23,224	9.88	22,639	9.30	2.58	113,386	8.63	108,027	7.71	4.96
	BMW	22,985	9.78	19,149	7.87	20.03	92,396	7.03	92,638	6.61	-0.26
	Ford	22,334	9.51	27,095	11.13	-17.57	145,541	11.08	168,316	12.01	-13.53
	Vauxhall	18,218	7.75	20,981	8.62	-13.17	97,950	7.45	112,487	8.02	-12.92
2	Mercedes-Benz	14,928	6.35	15,715	6.46	-5.01	91,342	6.95	98,557	7.03	-7.32
	Audi	14,526	6.18	15,081	6.19	-3.68	89,263	6.79	89,719	6.40	-0.51
	Toyota	9,697	4.13	9,556	3.93	1.48	56,399	4.29	56,428	4.03	-0.05
	Kia	9,162	3.90	7,972	3.27	14.93	51,506	3.92	50,650	3.61	1.69
	Hyundai	8,663	3.69	7,965	3.27	8.76	51,041	3.88	50,100	3.57	1.88
	Nissan	8,640	3.68	13,067	5.37	-33.88	59,581	4.53	85,085	6.07	-29.97
	Škoda	8,233	3.50	7,512	3.09	9.60	42,397	3.23	42,558	3.04	-0.38
	Mini	8,176	3.48	9,015	3.70	-9.31	34,125	2.60	34,988	2.50	-2.47
	Peugeot	7,786	3.31	7,688	3.16	1.27	44,989	3.42	47,546	3.39	-5.38
	Seat	6,517	2.77	4,901	2.01	32.97	35,896	2.73	29,491	2.10	21.72
	Land Rover	6,024	2.56	6,201	2.55	-2.85	41,432	3.15	45,675	3.26	-9.29
	Renault	5,606	2.39	7,316	3.01	-23.37	34,636	2.64	40,824	2.91	-15.16
	Citroën	5,144	2.19	4,685	1.92	9.80	28,247	2.15	29,849	2.13	-5.37
	Honda	4,606	1.96	5,043	2.07	-8.67	29,657	2.26	29,227	2.08	1.47
	Volvo	4,545	1.93	5,018	2.06	-9.43	23,605	1.80	24,519	1.75	-3.73
	Suzuki	3,903	1.66	3,486	1.43	11.96	20,464	1.56	21,817	1.56	-6.20
	Mazda	3,628	1.54	3,255	1.34	11.46	21,881	1.67	22,561	1.61	-3.01
	Fiat	3,613	1.54	5,062	2.08	-28.63	19,946	1.52	28,695	2.05	-30.49
	Jaguar	2,960	1.26	2,960	1.22	0.00	18,152	1.38	20,390	1.45	-10.98
	Dacia	2,000	0.85	2,845	1.17	-29.70	13,617	1.04	14,387	1.03	-5.35
	Mitsubishi	1,545	0.66	1,361	0.56	13.52	10,131	0.77	8,916	0.64	13.63
	Lexus	1,306	0.56	1,161	0.48	12.49	6,908	0.53	6,442	0.46	7.23
	Porsche	1,163	0.50	1,302	0.53	-10.68	8,874	0.68	7,557	0.54	17.43
	MG	871	0.37	314	0.13	177.39	4,286	0.33	1,993	0.14	115.05
	DS	712	0.30	872	0.36	-18.35	3,896	0.30	5,146	0.37	-24.29
	Jeep	644	0.27	363	0.15	77.41	3,501	0.27	3,792	0.27	-7.67
	Smart	633	0.27	881	0.36	-28.15	3,831	0.29	5,987	0.43	-36.01
	Abarth	542	0.23	438	0.18	23.74	3,039	0.23	2,293	0.16	32.53
	Alfa Romeo	420	0.18	448	0.18	-6.25	2,537	0.19	2,701	0.19	-6.07
	SsangYong	359	0.15	362	0.15	-0.83	1,625	0.12	2,276	0.16	-28.60
	Subaru	265	0.11	202	0.08	31.19	1,627	0.12	1,412	0.10	15.23
	Bentley	229	0.10	168	0.07	36.31	833	0.06	968	0.07	-13.95
	Aston Martin	118	0.05	112	0.05	5.36	689	0.05	982	0.07	-29.84
	Maserati	108	0.05	107	0.04	0.93	730	0.06	963	0.07	-24.20
	Infiniti	97	0.04	383	0.16	-74.67	551	0.04	2,132	0.15	-74.16
	McLaren	37	0.02	56	0.02	-33.93	390	0.03	264	0.02	47.73
	Lotus	20	0.01	46	0.02	-56.52	132	0.01	165	0.01	-20.00
	Chevrolet	2	0.00	7	0.00	-71.43	28	0.00	42	0.00	-33.33
	Other British	58	0.02	65	0.03	-10.77	388	0.03	361	0.03	7.48
	Other Imports	698	0.30	599	0.25	16.53	2,549	0.19	2,885	0.21	-11.65
	Total	234,945		243,454		-3.50	1,313,994		1,401,811		-6.26

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FINANCE OFFERS

Brands try to stem H1 falls with 0% deals

At the half-way point of 2018, some big volume players are struggling with challenging market conditions.

The third quarter of this year is likely to be more unpredictable due to the introduction of the Worldwide Harmonised Light Vehicle Test Procedure (WLTP), which could see heavy pre-registrations in August to dispose of stock before the September deadline (see the results of AM's survey on WLTP on page 8). This, in turn, is likely to mean plate-change sales will be lower than expected as a result.

Ford's registrations fell 13.5% (or 22,775 vehicles) in the first half of the year, to 145,541 units.

Ford's response for Q3 has been to continue the 0% finance offers it was running in Q2. In fact, the strong 0% support for Ford mirrors the offers it had in Q3 2017, although monthly payments have been adjusted to a slightly higher level than 12 months ago.

However, Ford's Fiesta, the best seller in June and for the first six months of this year, is still available for £160 over three years at 0% for a Zetec 1.0-litre Ecoboost.

In contrast, Volkswagen, now Ford's closest rival in terms of volume as Vauxhall's registrations shrink away, only has offers in place until the end of August, opting to switch its plan of attack for the plate-change month.

VW is discounting its entire SUV range by £500 for anyone who test-drives and buys in July.

The Polo and Golf are at 4.9% and 5.5% respectively, so it's not a straight fight on APR for those with rival models on their consideration lists. There is the added bonus of VW discounting the Polo by £1,000 and the Golf with £1,500 to any customer that buys on finance.

Nissan is another franchise that has seen some heavy volume reductions in the first half of this year. The Japanese brand has been hit with a 30% decline in registrations over the past six months, likely to be down to a drop-off in demand for its volume seller Juke, which has found itself in a crowded B-segment crossover market and in need of a fresh generation model.

Dealers can't point to Nissan's support on finance offers as a culprit for their registration woes. There are some really strong 0% deals on core models the Juke and Qashqai, at £179 and £189 a month respectively.

“DEALERS CAN'T POINT TO NISSAN'S SUPPORT ON FINANCE OFFERS AS A CULPRIT FOR THEIR REGISTRATION WOES

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Ford							
Ka+ Active	PCP	£3,239	36	£145.00	£5,815	3.50%	30/09/2018
Fiesta Zetec 1.0 EcoBoost 100PS 3dr	PCP	£4,529	36	£160	£6,831	0%	30/09/2018
EcoSport ST- Line 100PS	PCP	£4,704	36	£220	£7,966	0%	30/09/2018
Focus ST-Line 1.0 EcoBoost 140PS	PCP	£4,464	36	£229	£7,677	0%	30/09/2018
New Focus Zetec 1.0 EcoBoost 125PS 5dr	PCP	£5,310	24	£225	£9,735	0%	30/09/2018
C-Max Zetec 1.0 EcoBoost 125PS	PCP	£6,309	36	£239	£6,756	0%	30/09/2018
Grand C-Max Zetec 1.0 EcoBoost 125PS	PCP	£6,983	36	£259	£6,962	0%	30/09/2018
Kuga Titanium 1.5 EcoBoost 150PS FWD	PCP	£5,557	36	£279	£9,543	0%	30/09/2018
Mondeo Titanium Edition 2.0 TDCi 150P	PCP	£6,278	36	£259	£8,938	0%	30/09/2018
Mondeo Titanium Edition HYBRID Electric 2.0 TIVCT 187PS	PCP	£6,571	36	£269	£10,185	0%	30/09/2018
Mustang GT 5.0 V8 (Petrol) 6 Speed Manual	PCP	£6,684	36	£399	£17,712	0%	30/09/2018
S-Max ST-Line 2.0 TDCi 180PS	PCP	£8,097	36	£289	£11,884	0%	30/09/2018
Galaxy Titanium 2.0 TDCi 150PS	PCP	£8,743	36	£289	£10,988	0%	30/09/2018
Edge ST-Line 2.0 Duratorq TDCi 180PS	PCP	£10,253	36	£289	£16,143	0%	30/09/2018
Tourneo Custom Titanium L1 H1 2.0 TDCi 130PS	PCP	£9,950	24	£279	£16,672	0%	30/09/2018
Ranger Wildtrak 3.2 TDCi 200PS	PCP	£11,571.64	36	£309	£11,139.00	0%	30/09/2018
Nissan							
Leaf N-Connecta	PCP	£5,293	37	£360.00	£10,450	5.99%	30/09/2018
Qashqai Acenta Tech Pack 1.2 DIG-T	PCP	£5,499	37	£189	£10,177	0%	30/09/2018
Micra Acenta Limited 1.0 petrol 71PS with optional metallic paint	PCP	£3,194	37	£149	£5,467	0%	30/09/2018
Pulsar N-Connecta DIG-T 115	PCP	£6,023	37	£223	£6,005	8%	30/09/2018
Juke Bose Personal Edition DIG-T 115	PCP	£5,754	37	£179	£6,792	0%	30/09/2018
X-Trail N-Connecta DC130 2WD	PCP	£4,589	37	£356	£11,425	6%	30/09/2018
Navara Double Cab Tekna 2.3DCi 190 4WD manual	PCP	£11,088	37	£269	£11,768	0%	30/09/2018
370Z 3.7L V6 328PS Base Manual	PCP	£7,871	37	£229	£13,690	0%	30/09/2018
GT-R 3.8L V6 570PS Pure	PCP	£17,758.49	37	£699	£43,309.59	5.99%	30/09/2018
Renault							
Zoe Dynamique Nav Q90 Quick Charge	PCP	£3,999	36	£219.00	£4,370	4.9%	01/10/2018
Clio Iconic TCe 75	PCP	£199	48	£199	£4,929	4.9%	01/10/2018
Captur PLay TCe 90	PCP	£199	48	£199	£5,416	0%	01/10/2018
Kadjar Dynamique Nav dCi 110	PCP	£6,126	37	£219	£8,164	5%	01/10/2018
Megane Iconic dCi 110	PCP	£3,997	37	£259	£7,174	5%	01/10/2018
Megane Sport Tourer GT Line dCi 110	PCP	£5,055	37	£299	£7,896	5%	01/10/2018
Scenic Dynamique S Nav dCi 110	PCP	£5,796	37	£289	£9,412	4.9%	01/10/2018
Grand Scenic Dynamique Nav dCi 110	PCP	£5,438	37	£299	£9,810	4.9%	01/10/2018
Koleos Dynamique S Nav dCi 130	PCP	£5,074	37	£299	£12,706	4.9%	01/10/2018

Nissan's French alliance partner Renault is seeing double-digit drops too, although to a slightly lesser extent, at 15.2% down at the half-year point, to 34,636 units.

While both franchises will have similar lines of credit funding finance deals across both manufacturers, Renault is offering the majority of its models at 4.9%, including its volume player Clio, rather than the 0% offers for most of Nissan's range. However, the Captur is still available at 0%, which will help battle against the crowded market, as seen in the example with the Juke.

There could be another sticking point for customers on Renault's offers – a 6,000-mile limit. That's fine for those doing short trips in a Clio, but

for anyone in a Megane Sport Tourer GT Line dCi 110, likely to be doing more motorway miles, that could mean excess mileage payments when it comes to the end of three years.

While Renault will be making more money with its APR it's not to the detriment of its model range's affordability. The mean average payment for Renault's range is £253 vs £294.80 for Nissan (partly skewed due to the £699 a month GT-R) and many popular models are still under £300 a month.

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

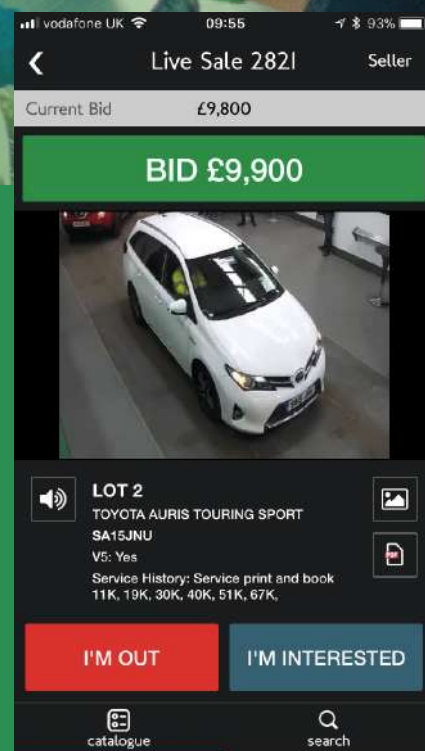
For a searchable list of manufacturers' finance offers, go to am-online.com/offers

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RECRUITMENT, MOTIVATION AND SKILLS DEVELOPMENT



These topics will be hotly debated at Automotive Management Live on November 8.

Among the new features planned for 2018 is the IMI People Theatre, which will be hosted by the Institute for the Motor Industry (IMI), motor retail's professional body for skills and career development.

AM's free event at the Birmingham NEC will also include a Future Dealerships zone and strategic sessions exploring the likely future of motor retail.

Steve Nash, the chief executive of the IMI, will be among the experts in the fields of employment, recruitment, training and development who will present in the IMI People Theatre. He said: "An

incredible 320,000 jobs will have been created in the industry from 2014 to 2030. Many will be technology-driven and include areas such as cybersecurity, 3D printing and digital retailing. The sector will need technologically conversant young people and the roles will be many, varied and cutting-edge. It is an exciting time to join.

"As well as bright graduates, there are plenty of intelligent, ambitious and hard-working young people out there who are looking for alternatives to university. As a sector, we need to work together to develop clear career progression and ongoing training to ensure we attract our fair share of these youngsters.

"Automotive Management Live provides us with the perfect platform to help highlight this message to industry leaders."

More details of the speaker line-up will be announced in the weeks ahead.

**"WE NEED TO WORK
TOGETHER TO DEVELOP CLEAR
CAREER PROGRESSION AND
ONGOING TRAINING"**

Steve Nash, IMI chief executive

BEST-PRACTICE

VIDEO



How video has evolved the vehicle sales process

*Alistair
Horsburgh,
CEO,
CitNOW*

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

SOCIAL
MEDIA

Marketing Delivery

DATA
DRIVEN
MARKETING



Why your dealership can't ignore social media any more

*Jeremy Evans, managing director,
Marketing Delivery*

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

FREE

MASTERCLASSES

CUSTOMER REVIEWS

JudgeService[®]



Use authentic reviews to drive more business

*Neil Addley,
managing
director,
JudgeService*

Today's consumers are sharers. They are also truth-seekers. JudgeService can reveal new factual data about how authentic feedback at the most critical micro-moments in the user journey can help you to drive more business. This applies in both the sales process and the ongoing relationship with the customer. It believes this will help dealers secure more sales and more repeat business.

LEAD MANAGEMENT

enquiryMAX



Using data to build a high-performance sales culture

*David Boyce,
managing
director,
enquiryMAX*

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

LIVE CHAT

ContactAtOnce!



How to best connect with more of today's shoppers

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

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

WEBSITES & DIGITAL



AUTOWEB DESIGN

The website as the heart of dealer digital comms

*Martin Dew,
digital solutions*



director, Autoweb Design

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

ONLINE VEHICLE RETAILING

iVendi



Preparing to deliver online vehicle sales

*James Tew,
CEO, iVendi*

With increased confidence from consumers in buying big-ticket

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

USED CARS

Glass's....

Part of Autovista Group



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

*Anthony Machin,
head of content,
Glass's*

Using its Live Retail Pricing and trade valuations, Glass's will provide an overview of 2018 and talk about how the UK's used car market has performed at overall and segmented levels. Machin will use Glass's insights to fuel his discussion about how its list of the UK's top 100 dealerships have performed against each other in terms of used car sales.

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VIEWPOINT



WILL THE 'BRICKS AND MORTAR' DEALERSHIP MAKE IT TO 2030?

DANIEL COOK is a partner in the automotive and roadside team at Rapleys



THE FUTURE OF MOTOR RETAIL IS NOT ALL DOOM AND GLOOM

ANDREW MCMILLAN spent more than 20 years with John Lewis Partnership, before becoming a principal partner at consultancy Engaging Service

→ As the saying goes, prediction is very difficult, especially if it's about the future.

At the turn of the year, KPMG predicted that up to half of UK car dealerships could close by 2025 as electric and autonomous vehicles drive change in the sector and retailers move online.

The somewhat frightening thing is 2025 isn't that far away.

Some of the challenges facing dealerships are shared by the wider retail economy. The recent struggles of many well known high street names can broadly be attributed to two underlying issues – firstly, a failure to keep pace with changing consumer demands around value and experience – both of which are being disrupted, or, perhaps better put, augmented, by digitalisation. And secondly, a rising cost burden, of which property costs – including business rates and, very often, inflexible lease arrangements – are a key consideration.

Some have predicted that these two issues will result in the eventual 'death of the high street'.

On the ground, however, we are instead seeing bricks-and-mortar continue to play a critical role for 'good' retail as part of an integrated, multi-channel customer journey towards a purchase.

"CHALLENGES FACING DEALERSHIPS ARE SHARED BY THE WIDER RETAIL ECONOMY"

Demand remains from relatively new retail players for traditional high street and retail park units.

Dealerships are, in our view, on a parallel journey, albeit perhaps travelling at a lower speed and taking the scenic route.

When Vauxhall announced it was 'rationalising' its network, many were keen to sound the death knell of the traditional bricks-and-mortar dealership – and the growing importance of direct-to-consumer sales.

Some brands – Tesla at Westfield or Hyundai at Westfield and Bluewater – have been innovating, using the bricks-and-mortar asset as a showroom and/or customer experience centre backed up by a transactional operation either online or through a network of logistics operations and fulfilment points.

The real post-2025 questions, then, are whether there will be far fewer, smaller showrooms and secondly, will they be brand-led and look and feel more like Apple genius bars?

The fact is these 'experiential' high street showrooms remain unattractive to many investors and owners, who are put off by the fact that transactions don't generally happen in-store. They will then, in the near term, remain a niche pursuit and, fundamentally, we expect the majority of car sales to be linked to the forecourt, generally franchised, showroom – albeit with increased customer service, engagement and digital solutions integrated.

This is backed up by the fact that investment remains strong and new car dealers are still committing to 15- to 20-year leases in key locations – which will take them well beyond 2030.

→ Will ambitions for all-electric motoring and the growth of driverless/shared cars make car purchasing in 2030 purely about a commodity – all head and no heart?

What about a car's lifespan? Nobody replaces a washing machine every three years just because they want the latest model. I change cars at five years or 50,000 miles. Why? Heart not head – I want something newer. But all that could change. Millennials, for example, seem more interested in experiences than material possessions.

This is worrying for a slow-to-evolve industry with a mainly commission-based sales model.

We have already seen manufacturers rationalising franchised dealer networks. On the high street, BHS, Toys R Us, House of Fraser, Debenhams, Maplin all either reduced their footprint substantially or ceased to exist.

But it's not all doom and gloom. There are some highly desirable electric cars being produced and even hybrids, where the future of the supercar seems to lie. Let's assume that, for many, heart will still play a part in purchasing in 2030. What's left for the retailer?

The trade-in/part-exchange deal? I doubt it – the web-based volume car buyers have created too much transparency around that and it's only likely to accelerate. Twice in the past 18 months, franchised dealers offered me substantially less than a web-based car buyer for my part-ex.

The finance? Unlikely, as most finance houses already have, or are developing, self-service web-based platforms.

The car specification? Most

"THERE IS OPPORTUNITY FOR THOSE AGILE ENOUGH TO TAKE IT"

manufacturers now have online configurators, some of which are incredibly sophisticated, and that is only likely to evolve further.

The convenience of everything in one transaction? Just look at the challenges the travel agency sector faces, as more and more customers save money and book flights, accommodation and excursions directly online.

So what to do? Think of Apple's approach – its stores primarily exist to showcase the capability of the products, to surprise and delight customers, introducing them to features they will find most beneficial for their lifestyle.

The Apple Genius Bar perhaps shows the way to a re-imagined service department. Customer workshops and seminars help to build a community around ownership of the products.

For dealers, there's also the hands-on experience with the car and the test drive.

I believe there will still be a place for franchised dealerships – but fewer of them – as brand experience, car handover, service, support and community centres. Traditional sales targets and commission structures will have to change to a focus on building customer experiences.

It looks unsettling, but like high street retail, there is opportunity for those agile enough to take it.



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VIEWPOINT



V5 CHANGES FLY IN THE FACE OF INCREASED TRANSPARENCY

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



GDPR has been high on our sector's agenda over the past year, with the emphasis on attempting to make our organisations compliant. However, the DVLA's decision to no longer put previous keeper information on a used car V5 seems to have slipped under the radar.

A customer or dealership can request the information for a fee, but I was told there had to be a good reason for asking them to disclose it. Although this seems like a minor change, it has been made against the backdrop of the Glyn Hopkin/FCA case, where the Advertising Standards Authority held that "retailers' adverts of used cars must specify whether the vehicle being marketed had previously been used for business purposes as part of a fleet where the relevant retailer is aware of this fact" (NFDA Briefing Paper March 2018).

This leads to the conclusion that best practise would be to ensure a customer signs to say they have seen the V5. Provided that the car was not 'in trade' or kept by a holding company on behalf of a fleet, there should be a level of transparency.

There is a discussion to be had over whether an ex-rental fleet car would be in worse condition than that of a PCP customer. The latter could have thrashed the car for three years and rented it out through Drivy at weekends. (Other rental providers are

available.) However, I suspect if I presented a retail customer with two identical cars and told them one was from a car hire fleet and the other had one private owner, the customer would opt for the private vehicle.

In the Glyn Hopkin/FCA case, if the DVLA policy had been in place, the customer would not have known who the previous keeper was. Unless the dealer was able to go through the service record or requested the information it is possible they wouldn't know either.

This situation is problematic. Most used car customers show an interest in a car's history and this situation will cause a dilemma. Do you only sell cars on which you know the history? Or when asked, do you say you don't know? The second of these responses places the dealership in a difficult position legally.

There is also a concern that this lack of transparency could lead to a lack of confidence in the used car market, reducing the value of stock holdings, or may increase the demand for cars with comprehensive warranty schemes.

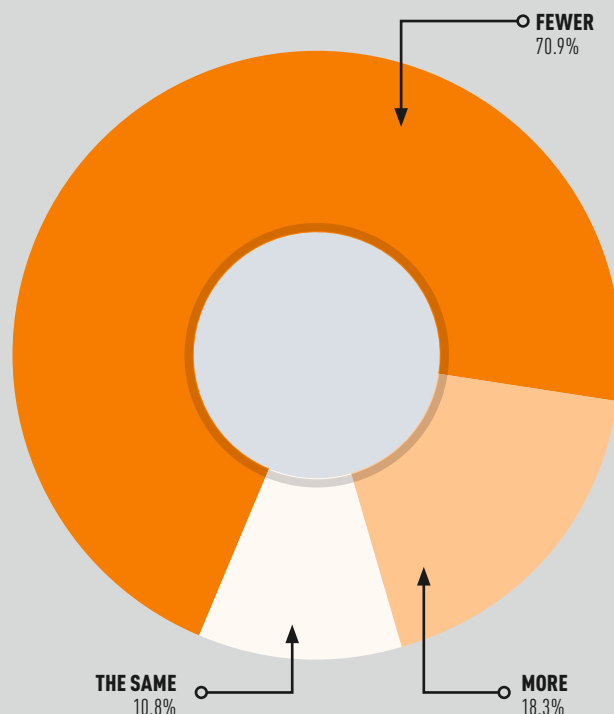
The DVLA could easily solve this problem by simply displaying categories of previous owner, without giving the name or details. This would not be full proof, but if Category A was rental, Category B was fleet use, Category C was private use, etc. this would at least allow for a more informed assessment.

"MOST USED CAR CUSTOMERS SHOW AN INTEREST IN A CAR'S HISTORY... THIS SITUATION WILL CAUSE A DILEMMA"

AMPOLL

TWO OUT OF THREE DEALERS BELIEVE MORE CARMAKERS WILL QUIT UK

WILL THERE BE MORE OR FEWER CAR BRANDS IN THE UK NEW CAR MARKET IN 10 YEARS' TIME?



More than two thirds of dealers believe there will be fewer car brands on sale in the UK as we near 2030, with low profitability and carmaker consolidation to blame.

Most AM-online users believe some of the low volume brands already in decline here will exit, as their global bosses refocus on their stronger markets where premium brands are less dominant. Voters questioned the long-term viability of Fiat's operation here, and of DS, citing over-reliance on certain market segments and an inability to react quickly enough to changing market conditions. "The smaller, weaker brands will die out," said one voter. Another said there will be more mergers and consolidation, leading to some brands disappearing over time.

Nevertheless, almost one in five expect the variety of car brands to increase. They predicted more Chinese brands to enter the UK, and expect that as electrification and autonomy increases there will be tech-sector brands moving into automotive.

NEXT MONTH: DO YOU EXPECT MOST CONSUMERS TO BE LEASING (CONTRACT HIRE) THEIR CAR IN 10 YEARS' TIME?

VOTE NOW AT AM-ONLINE.COM/POLLS

FACE TO FACE: RINGWAYS

GETTING BACK IN SHAPE

After becoming MD on the cusp of the last recession, Stephen Russell believes the hard choices he made then laid the groundwork for prosperity now, he tells **Tom Seymour**

Ringways Motor Group is not afraid of tough decisions, whether it comes to changing its remuneration model to reflect newer working practices or closing businesses in the face of a recession.

Stephen Russell, group managing director, has been with the company for 30 years and worked through most departments of the business. He took the top job 11 years ago, just before the recession hit the UK.

Russell had been mentored by Bill Bishop, the previous managing director. When Bishop announced he was retiring, Ford, the franchise that has been with Ringways since 1967, needed to know there would be someone that would bring continuity to the business.

Russell said: "Ford needed to see a senior person that would be with the business for many years and on the basis of that, they would support Ringways as a group moving forward."

"Bill supported me through difficult times during the financial crisis and it put me in a really strong position when he retired to take over."

"I had been doing the job for two years prior to that, but my grounding of a full understanding of the business allowed me to build a really good team."

It was a daunting prospect for a new leader, but he took decisive action by closing two businesses to relieve the pressure on cashflow the company was facing.

Russell said: "The group had become big, but with hardly any return."

"We had to change the model in 2008. The banks were putting us all under pressure. We had to ask ourselves if we had the appetite to stay in the industry. Do we want to move forward?"

The group had expanded outside its home territory of Leeds into Doncaster and Crewe and Russell committed to closing two sites with the proviso that after steering

the ship through the downturn, the group would increase in size again.

The key to that was establishing a strong relationship with the bank and bringing in a new financial director, Michael Brook.

Russell said: "I brought in someone from Sage accounting. They had the drive to help the business to get it to where we wanted it to be."

"We had to redevelop our funding with the right banking partners. That was vital to our sustainability."

Russell developed a five-year business plan and part of that was making sure the staff knew they were working in a good business and would be looked after.

PREPARING FOR PROFIT GROWTH

If the roots of Ringways' current stability and strength lie in those tough decisions a decade or more ago, the past 12 months have been about getting the group ready for the future. The group is not looking to expand with other franchises and it has no interest in selling to a larger dealer group.

It recently invested £1.2 million in a new Leeds Kia showroom and invested £200,000 to revitalise its Ford Transit commercial vehicle operation in the city.

Russell knew the commercial vehicle opportunity in Leeds was strong enough to expand his Transit business.

He said: "We shared a site with Kia previously and I knew it was time to move to separate dealerships due to growth."

"Ford's CV line-up is so strong and the opportunity in Leeds is so great that we knew 2017/18 was the right time to go standalone with Ford CV and Kia."

The new Kia Leeds site is budgeted to make a profit in its first year and the Transit business has been profitable from day one.

Ringways' existing Kia dealership was already doing well, said Russell, but the new site gives the group the strength it needs in used cars.

He said new car sales and aftersales business would allow the site to break even, but used cars is what would make it profitable.

EXPANDING IN USED CARS

Ringways stocks in-franchise used cars from nearly new up to seven years old. Every vehicle gets a 12-month warranty, access to Ringways' loyalty scheme, Value Plus (see the panel on page 25).

"We don't buy them, flip them, clean them, polish them and send them out and wait for the issues to come. We spend a significant amount of money prepping vehicles," said Russell.

The group spends an average of £347 on preparing each unit, to standards that Russell and his group aftersales director, Andy O'Donnell, have developed over the past 10 years.

Sales and aftersales departments can spend up to £300 without approval, prep costs between £300 and £500 are discussed at line management level and anything over that goes to the used car manager or the service manager. Russell said at that point "when you're investing that amount, you have to be able to retail out of it".

The new Kia Leeds dealership gives Ringways space to boost used car sales to up to about 100 units a month. The

FACTFILE

TURNOVER £74 million (2017)

PROFIT BEFORE TAX £500,000 (2017)

NEW CAR AND LCV SALES 2,981

USED CAR AND LCV SALES 1,400

STAFF 155

LOCATIONS Leeds Ford, Leeds Kia, Leeds Service Centre, Leeds Accident Repair Centre, Doncaster Kia

SALES AND AFTERSALES FRANCHISES Ford, Kia

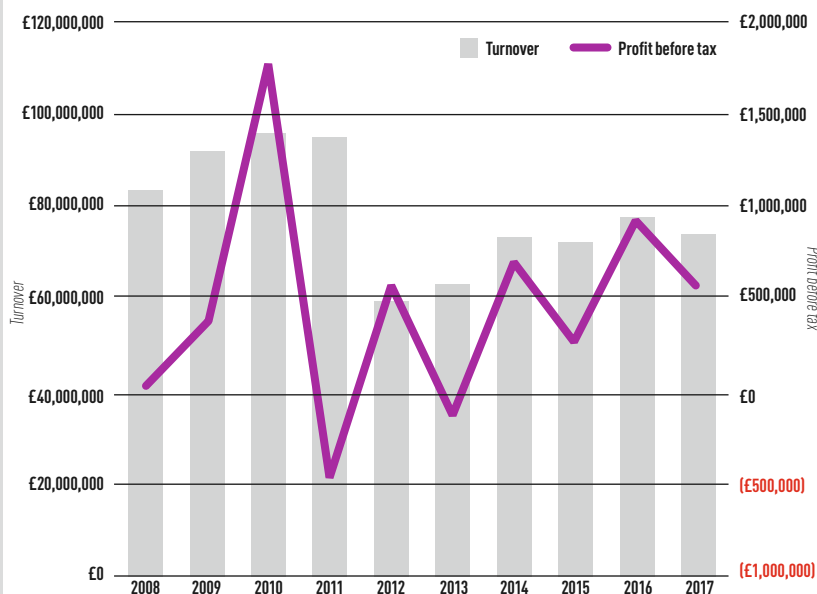




Russell sees a big opportunity for Ford in Leeds

TURNOVER/PROFIT BEFORE TAX

(source: Companies House)



A £900,000 VAT refund in 2010 and restructuring the group in 2011/12 put Ringways (Wortle Estates) on a firmer footing while the UK's car markets remained subdued. It has remained solidly profitable since the annual new car market passed 2.2m units in 2014.

space at the Transit site will boost used CV sales to 40 a month.

Russell said: "The availability of stock has been a real issue and pressure on used car margins is a challenge.

"The used car supermarkets are really pushing the margin down due to the volumes.

"I've heard other franchised groups are working to a much smaller gross profit per unit, but we can't do that."

Ringways is considering developing a used car supermarket of its own to take advantage of the continued growth in the used car market, but avoid confusion at the Kia and Ford sites.

Russell said: "There is used car market growth and as part of being competitive, a standalone used car operation is part of our development plans over the next three years in the Leeds area."

Ringways battles against the buying power of the larger groups by making sure it is purchasing back every car it can from its retail customers, whether that's through sales or service.

Russell said: "If I know the customer and the history, it's a bit old-school, but that's the way of doing it."



KNOWING THE CUSTOMER

Russell said every business had gone through the worries of what would happen after GDPR, and the introduction of the new data law prompted Ringways to thoroughly assess the data it held. As part of the process of adhering to the new regulations, it cleansed 50% of its customer database.

"The data we cleansed, they weren't the people that were going to come back on a regular basis," said Russell.

"They may have moved out of the area or haven't purchased and you're keeping

VALUE PLUS – THE CLUBCARD FOR CAR BUYERS

Ringways sees its Value Plus loyalty card scheme as a key differentiator. The scheme is free to all customers who buy a vehicle and aftersales customers can buy into the scheme for £19.99. About 150 people a month avail of the service, said Russell.

Ringways started the Scheme 18 years ago, but has built upon the original range of benefits, which now include parts discounts, £250 off your next vehicle purchase, MOT for life, an accident assistance hotline, extra technical support, 20% off servicing,

15% off accessories, an annual valet, £100 when you refer a friend and 10% off retail bodyshop parts.

Russell said: "It's the best marketing investment that we have ever made.

"It started as a differentiator. Then we started to look at the offers to see if it was working with customers. It's a loyalty tool for the lifetime of their motoring needs, it's not just about buying a single car.

"It's working really well for us with around 85% of all our customers as Value Plus."

information for what reason? It's not in the spirit of GDPR, so we made the decision to remove this data.

"We don't bombard our customers. We never have done. We give them the right information at the right time. We're trying to give messages of honesty and trust.

"If you are demanding information, then you probably don't deserve it. There are a lot of companies that still haven't come to terms with the regulations in a balanced way."

TALKING ABOUT TARGETS

Russell said that after years of record new car registrations, meeting quarterly bonus targets has been difficult.

He said: "Targets haven't really been adjusted this year. There are conversations on a quarterly basis and there is support when the appropriate effort has gone in to maximise the opportunity.

"If you can demonstrate a share of performance in line with the market and if the targets are out of kilter, there is normally some dialogue."

Ringways may do "the odd few" pre-registrations, but said it does not take part in the huge volumes that other dealers may be exposed to. Russell said due to the size of Ringways' business, it has to retail vehicles to meet targets.

Russell said Ford's aspirations were to

grow share and volume based on its launch cycle, which includes a new Focus.

"If that's Ford's business vision, we've got to work together to try and see it to a successful outcome.

"But at a point when things aren't going according to plan, there has to be some open dialogue about it."

He said it's still too early to know where the market for 2018 is going to end up.

"The dealer body is up for the job for the market that's there. As the market ebbs and flows, as it does, you need your manufacturer to be supportive during that period. Ford and Kia both do that."

CHANGING THE FRANCHISE MODEL

Russell is aware that manufacturers are looking at their long-term strategies, including possibly paying agency fees rather than volume bonuses in future, and whether the franchised dealer model that has worked for 100 years will continue.

"Kia has made it absolutely clear that they're happy with the franchise model," he said.

"From Ford's point of view, we've had dialogue with them recently about the relationship they have just started with Rockar in Manchester.

"That for me was the first mindset change that said, well maybe we've got to look at where Ford are going, long-term. The feedback is that they are still supportive of the model for now."

Russell said he accepts that exploring new channels is something manufacturers will do in order to grow market share, but he would prefer if they developed something with the network.

"Maybe they didn't feel the dealer body was ready to take that leap. I'm sure we are, but to go with that new model was a bit of a shock.

"It's very early days. You have to let new channels develop in our industry."



A STANDALONE USED CAR OPERATION IS PART OF OUR DEVELOPMENT PLANS OVER THE NEXT THREE YEARS

**STEPHEN RUSSELL,
RINGWAYS MOTOR GROUP**



◀ Ford has been very open and honest with their approach to trials and what they're doing."

'I WENT ON EVERY COURSE I COULD'

Russell's enthusiasm for staff development comes in part from his own experience ascending the career ladder. His first job in automotive retail was at Crystal of Harrogate before it was bought by Benfield Motor Group. He started out working in used cars before joining Ringways and taking positions in fleet sales, new car sales, aftersales, accounting and parts departments.

He always had the ambition to become a dealer principal and knew a grounding in all departments would stand him in good stead.

Russell said: "I went on every course I could with Ford. They supported my education and I took full advantage of that."

It was partly the acknowledgment of the skills needed by modern dealership staff that led Ringways to review its remuneration packages last year, as Russell felt the group "lost our way a little bit".

He said: "The demands we were putting on our staff and the salaries we were paying, I felt, were out of kilter. All the FCA requirements, technical training, standards and everything associated with making sure we're compliant, I felt we weren't giving the appropriate basic salary."

Russell still believes there needs to be an incentive in place, but Ringways has moved away from unit-driven incentives and moved to a share of the profit of the



Kia 'made it absolutely clear that they're happy with the franchise model', said Stephen Russell

department, so teams pull together as a collective.

Previously, sales executives were on a basic salary of £12,500. This was moved to three levels of ability. A junior with no experience is £13,000 basic, a sales exec with some experience gets £15,000 basic and a manufacturer-accredited sales exec is £17,000 basic.

How does this affect volume targets? Russell said: "It's about making sure that the managers and controllers deliver the manufacturers' and the group's objective. The salespeople have to concentrate on the experience. If

“THE DEMANDS WE WERE PUTTING ON OUR STAFF AND THE SALARIES WE WERE PAYING, I FELT WERE OUT OF KILTER

STEPHEN RUSSELL,
RINGWAYS MOTOR GROUP

they concentrate on that, the salary package comes accordingly.

"This industry needs achievers and people with a level of skill. We've got the balance right between salary based on experience, bonus based on profit and penetration with added value products. We still have a company car scheme and fuel allowance. That's a major benefit and a real hook to attract staff."

GOING FOR ORGANIC GROWTH

Russell is confident that despite the challenges facing the wider market, the changes he has made at the group have prepared it for whatever happens next.

Growth will come from used cars and aftersales in 2018 and Russell is expecting growth of more than 10% for the entire business.

He said: "We're not constantly looking over our shoulders for the next big problem, which a lot of businesses are."

"I've never been one for significant growth. That might be seen as a negative, but as a group we have grown organically within our areas that we understand. Doncaster and Leeds are very financially strong areas."

▶ HELPING THE HOMELESS GET BACK INTO WORK

While Ringways has multiple community partnerships and works closely with Leeds United, "the lifeblood of the community here", Russell is most proud of the dealer group's recent association with The Howarth Foundation.

As chairman of the Leeds United Foundation, Russell had worked with Andy Howarth, the head of the charity and a local businessman, on projects before, but felt something more could be done to help the homelessness problem in Leeds.

The foundation is designed to get someone off the streets and into employment.

Russell said: "For whatever reason, they could have issues with mental health issues, drugs, alcohol or a criminal activity or maybe all of them."

"We have committed to employing

several people who had gone through an 18-month programme to get their life back on track."

In January this year, Scott Mead joined Ringways as a car cleaner and pitch valet after going through the programme.

Russell, who personally oversees Mead's progress, said: "We're very proud that he's with us and we've got someone else joining us in the next six months."

"Scott is very talented, but he just lost his way. He needed purpose. He's still here to do a job here and there's no special treatment in that, but with people that have gone through what he's been through they do need support."

"Our involvement with the Howarth Foundation is something I'm very proud of."

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ADVERTISING FEATURE

Selling cars to service customers

Here's an easy way to get service customers into a newer car, says Simon Bowkett of Symco Training



Service customers are a great source of new car sales. Here's a technique for calling customers who have already dropped their car off, and whose daytime number your workshop already has – it's the subject of my new sales training video on the AM website

this month (www.am-online.com/symcotraining, or at www.symcotraining.co.uk).

"Hello, is that Mr Customer? It's Simon from Symco Motors. It's just about your [model]. I haven't caught you at a bad time, have I? Listen, I know this might sound strange, and it's probably the last thing on your mind right now, but is there any chance we could buy your car back off you?"

Some customers will laugh and/or ask you why. In which case, you can explain: "We're desperately short of good-quality used cars just like yours. I'd love to see if we could buy it back off you." The response you'll often hear is: "What would you give me for it?"

"Well, I haven't had a detailed look at your car yet, because I wouldn't do that without your permission. But if it's OK with you, let me go and do that, and this afternoon – before you pay for your service – just ask for Simon in sales."

Overcoming objections

When they say it's OK, you can add: "By the way, if we could buy it back, what would you replace it with?"

You'll be surprised how often they want the same car again, although of course you will get some objections as well. They can't afford a new car right now, for example. Use the technique I discussed in this column a couple of months ago: "A lot of my customers said that, until they found out that because we've got somebody interested in your car, and the offers we have on our new cars at the moment, you might be pleasantly surprised. I'd love to get together to see if we could at least tempt you."

Put a sign up in your service department

Here's one final idea. Some dealerships have a sign in the service department that says: "We are currently under-stocked with quality used cars. These are the cars we are looking for..." followed by a list of four or five key models. How do they choose the cars? From the list of customers booked in on that day, of course!

The sign won't work on its own, but it gives your prospecting call credibility. Make sure you update it every day.

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ADVERTISING FEATURE

Do you invest in the right digital areas?

By James Tew, CEO, iVendi



At iVendi, we have just completed research that indicates dealers may need to rethink their investment priorities when it comes to their online retail strategies.

Results from our Attitudes to Online Motor Retailing in the UK report show

the top areas in which dealers plan to spend are often simply "brochureware" rather than tools allowing car or van purchasing to happen online.

When asked "Which services do you believe would have a positive impact on your business if you were to offer them online?" the responses were, in order: video overview of vehicles; car search; live chat; high-resolution images; part-exchange valuation; delivery estimate; booking a test drive; add-ons and accessories; finance; and warranties and other products.

Fundamentally, we would question the areas into which funds are being channelled. Features such as video overview of vehicles and high-resolution images are positive, but there is a lack of emphasis on areas that actually allow the customer to move the car purchasing process forward, such as finance and part-exchange.

This is a missed opportunity. The thinking on view is indicative of an old-fashioned perception of online retail, one that sees the function of the dealer website as a high-quality brochure, rather than a genuine e-commerce tool.

Ultimately, dealers need to provide the customer with the means to progress the purchase online. Otherwise, the situation becomes a little like Amazon showing a customer a picture of a book and not giving them the option to click 'buy.'

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





MINUTES WITH...

Greig Hilton,
managing director, Tracker



What have been the biggest developments for Tracker in the past year?

I joined just before Christmas last year. Since then, the business has gone through a lot of change. We rationalised the business and moved offices. We're also looking at putting more of a focus on the consumer market and making sure the business is set up for the future with a focus on connected cars, the internet of things (IOT) and telematics products.

The company is 25 years old and as I've come in and looked at things with a new pair of eyes, I think it's given the business a chance to look at how it does things and how we'll grow in the future.

How many dealers is Tracker working with and how has that business grown?

Our trackers are still the product of choice when it comes to prestige brands. We have a dedicated portal for dealers to use. There is a profit opportunity in selling the subscription and installing. It's up to dealers to decide whether they want to fit the devices themselves or whether we do it for their customers. In the case of a recent deal with Arnold Clark, for example, they have opted to fit them, as they are accredited by us to do so.

How crowded has the tracker market become and what makes TRACKER different?

There was a point where TRACKER was the only game in town, but there are competitors in the market now. We have really strong ties with the police and we are the only service where the police will actually intervene on our behalf to recover vehicles. We have 1,700 police vehicles and 20 police helicopters that are equipped to track our products. Our technology can be tracked in vehicle containers and ports up to an accuracy of one metre.

How is TRACKER responding to app-based tracking products?

When it comes to technology, consumers

THERE IS A PROFIT OPPORTUNITY IN SELLING THE SUBSCRIPTION AND INSTALLING

do want to see an app. However, I think purely app- or GPS-based smartphone technology is not as robust as having technology that is covertly installed in six or seven areas. The majority of smartphone app tracking technology isn't accredited by insurers, so I'm not sure that it really stacks up as a credible solution. Thieves are getting particularly sophisticated with how they locate trackers and remove them.

I think there is a place for app-based tracking and certainly app-based connected car solutions, which we are looking at. There has to be a combination of the right physical solution matched with the ability to get access to data. I think you also have to stay relevant and that's why we are looking to launch with something in the connected car space in the short term.

Does having a physical system tied to one vehicle create issues for customers who change car every three years?

We try to make sure customers are retained by offering them a competitive renewal subscription on whatever their new vehicle might be. It's more effective to retain customers and keep them with us that way, rather than taking out the technology and putting it into the new vehicle.

What new techniques are thieves using to access vehicles and evade police?

There are no signs of a slowdown in organised criminal gangs carrying out "steal to order" on specific vehicles.

These gangs are getting increasingly sophisticated with how they steal vehicles through keyless entry with a relay hack, or taking a vehicle to a secure location specifically to strip out any tracking or security devices. Luckily, there a lot of smart people working at companies such as Tracker, manufacturers and the authorities to continue to work to battle them.

What are the big challenges facing your industry?

Connected cars and data is going to be a hugely complex area in the future, but one where I think there is a lot of opportunity. There is going to be a big focus on security around how data from connected cars flows in and out of vehicles.

That data can be used in really interesting ways around parking, congestion and infrastructure. There's a market there for how that data can be managed and interpreted and how those benefits will boost adoption. I think there also has to be a plan for how these services can be made backwards-compatible with the entire vehicle parc, so used cars are covered and feeding in to that infrastructure, not just new vehicles.

I think we'll also be in a position in the future where we're looking at 'cyber MOTs'. Cars are updated remotely, but there's going to have to be some sort of authentication process. It's going to be quite a challenge. As a car becomes more like a device, the data going in and out is going to need to be managed at the highest level.

What is the biggest opportunity for the Tracker business?

We're close to launching a connected car offering and that will be a big growth area for us. There are 35 million cars on the roads, but only around three million are connected, so that leaves a big opportunity for the company that can offer something to those vehicles.

TOM SEYMOUR

FACT FILE

COMPANY:
TRACKER NETWORK
(UK)

TURNOVER:
£11.9M (2016)

STAFF: 111

HEADQUARTERS:
UXBRIDGE

SUZUKI

UK boss Dale Wyatt believes fleet sales will help him to hit 2% market share, but he will not risk dealers' profitability to get there, he tells **Tom Sharpe**

There has always been something of the showman about Dale Wyatt, the director of automobile at Suzuki GB, but the way he leapt from his seat to address journalists at the recent launch of the Swift Sport could not fail to hide his genuine optimism for the brand.

On the back of what Wyatt hailed as "a landmark year" for the Japanese brand's UK operations – in 2017 it yielded more than 40,000 registrations for the first time in its history – the skip in Wyatt's step may be down to the silverware the brand has picked up recently.

In February, dealers voting in the AM awards 2018 chose Suzuki as their Franchise Partner of the Year and two months later Autocar named Wyatt as their 'Outstanding UK Leader'.

However, more important than either may be Suzuki's fifth-place result, out of 29 surveyed franchises, in the National Franchised Dealers Association's Winter 2017/18 Dealer Attitude Survey.

Its score, 7.9 out of 10 (average: 5.3), only bettered by Kia, Mercedes-Benz, Lexus and Toyota, was a strong endorsement from Suzuki's franchise partners.

Just days after the survey was published, Wyatt, who was marketing director before he took the top job three years ago, talked to *AM* at the Geneva Motor Show about the result.

"Our relationship with our dealer network is the most important thing in the business and to come fifth was a real positive."

Wyatt said: "As a manufacturer brand I've always wanted us to be seen as friendly, transparent and approachable and I think



Dale Wyatt thinks Suzuki's 2018 registrations will come in 1,000 or 2,000 short of last year's 40,000 record

that is what dealers like about us.

"It's part of the reason that we are so owner-driver-biased in the network. We like to work with people that operate in a similar way to us – that pick up the phone when you call.

"That's why we don't have any presence with the PLCs. We have groups like Stoneacre (which now has nine Suzuki dealerships), which are easily contactable."

Wyatt calls at least two of Suzuki GB's dealers each day, a process he believes is central to forging strong bonds between retailer and manufacturer.

"With a lot of owner-drivers we have a different set of issues," said Wyatt. "The hard times aren't always business-related, sometimes they can be quite personal and that is when we, as a brand, have been able to show our support and help an operator through a tough period.

"Those close ties really put us at an advantage as a brand."

Wyatt is pragmatic about Suzuki's position as a budget brand – it demands little from its retailers in terms of investment in locations.

He said he wanted a dealer network like

"a good three-star hotel chain where you'd be happy to stay, but perhaps not take your wife for the weekend".

That budget positioning has not damaged Suzuki's profitability. Wyatt said his retailers achieved an average return-on-sales figure of 1.8% during 2017, reaching an average of 3% in the first quarter of last year. That did drop to 2.4% in Q1 2018, but that is still more than double the industry average of 1%.

Taking a bigger share

Suzuki's approach to dealer investment does not mean it harbours no ambitions of driving growth and profit.

At the end of his presentation during the launch of the Suzuki Swift Sport in Dublin, Wyatt said he wants the brand to reach 2% market share in the UK.

"It's my life's ambition. I'm confident that we can do it," he said.

In the first six months of this year, Suzuki's market share (1.56%) was flat on the same period last year (1.58%), but the brand has overtaken Fiat in UK market share (down to 1.52% from 2.01% over the same time-frame) and the next comparable brand in Suzuki's sights will be Citroën, on 2.15% to

KEY PRODUCTS



Ignis

Suzuki's surprisingly commodious compact SUV offers the option of four-wheel drive and the SHVS mild hybrid drivetrain. Prices start at £9,999 and 3,687 were sold in H1 (down 12.8% on H1 2017).



Swift

A total of 8,521 Swifts were registered last year. Despite prices rising from £8,999 to £10,999, the launch of its latest generation last summer boosted year-on-year registrations 19.54% in H1 (to 5,072).



AM
AWARDS: 2018

**FRANCHISE
PARTNER OF
THE YEAR**

the end of June. Wyatt is pragmatic about Suzuki's sales volumes in a shrinking UK market, and said last year's total of over 40,000 is likely to slip to between 38,000 and 39,000 in 2018.

By the end of Q1, the brand – whose Q1 2017 registrations were bolstered, as were so many others, by the pre-VED change 12 months ago – was 18.84% down year-on-year, with registrations falling from 13,951 to 11,323.

Wyatt pulls no punches in his assessment of the brand's handling of the plate-change month: "We screwed up March. We had logistical issues due to the weather that meant we had the cars in the wrong place at the wrong time and our consumer offers were far too elegant when others really did get down and dirty with their less desirable models."

In the following quarter, Suzuki did claw back some of that loss in volume, however, ending the six months to June 30 down 6.2% year-on-year, in a market down 6.26%.

While bigger market share remains the target, Wyatt is clear that stability is also a big part of Suzuki's attraction to dealers.

"No part of our growth to date has been



**I DON'T
THINK
USED
CARS ARE THE
HOLY GRAIL...
MANY RETAILERS
ARE THROWING
THEMSELVES
INTO IT
RIGHT NOW**
DALE WYATT, SUZUKI

boom or bust," asserts Wyatt.

"We haven't chased the big numbers. Suzuki's growth has always been in the form of steady, manageable gains. That has given our network confidence and stability."

It has also been core to retailers' profitability.

In 2003, the brand had 153 retailers taking a share of 32,877 registrations. Today, the brand has 158 sites taking a share of sales 22% greater, resulting in a 77% rise in sales per franchised outlet in the period from 2011 to 2017, from 143 to 252.

On a fleet footing

Wyatt is proud of his brand's strong reputation as a retail brand, satisfying the needs of customers who walk into showrooms and delivering healthy margins for its retailers in the process.

However, Suzuki has made a concerted effort to bring some "balance to the business" since January 2017, when it appointed Graeme Jenkins, formerly a corporate sales manager for Maserati, as the brand's head of fleet.

Suzuki's ambition is to sell 50% more fleet cars by 2020.

To the end of June, the brand's fleet sales were up 14.4% to 7,598 (2017: 6,641). In 2017, Suzuki registered 14,426 fleet sales, giving it a retail:fleet ratio of 64:36.

Jenkins said: "It was important for us to get the right balance of fleet to retail, which I think the brand had missed out on in the past, and also future-proof the brand in that sense, offering some longevity."

"Now there are the right people in the right places to make that happen. There is a really good back-office team in place and now we have been able to add bodies on the ground to really back that up and drive further progress."

In May, Suzuki GB announced the appointment of three regional business development managers for the south, north and the Midlands.

Joe Skinner, formerly of Lookers Leasing, heads the southern region; in the Midlands, Louise Kelly joins from her role of corporate sales manager at Maserati North Europe, and in the north, Tim Whitworth joins from a role as regional business manager at Dekra Automotive.

Jenkins said: "We now have three regional fleet managers that have been charged with providing our retailers with the kind of opportunities that wouldn't have simply walked into their showrooms."

Retailers have been charged with delivering on a nine-point promise for business customers, which includes: provide alternative transport; provide aftersales progress reports throughout the day; wash and vacuum cars seen as part of pre-booked work; and provide accident aftercare.

Suzuki will continue to handle larger corporate agreements itself, however, and the Swift was recently adopted by AA/BSM driving schools.

A Suzuki spokesman said it hoped to account for a third of the 2,850 vehicles acquired by the driving tuition provider each year.

Jenkins added: "At the heart of our efforts is the support of the retail network and the great thing about the AA/BSM deal is that it should benefit retail sales too. The number of young people having early contact with a Swift, and learning to drive in a Swift, is expected to boost sales in itself."

Wyatt said Suzuki would also try to ensure that Swift fleet cars will be channelled back into the retail network when they are remarketed.



S-Cross

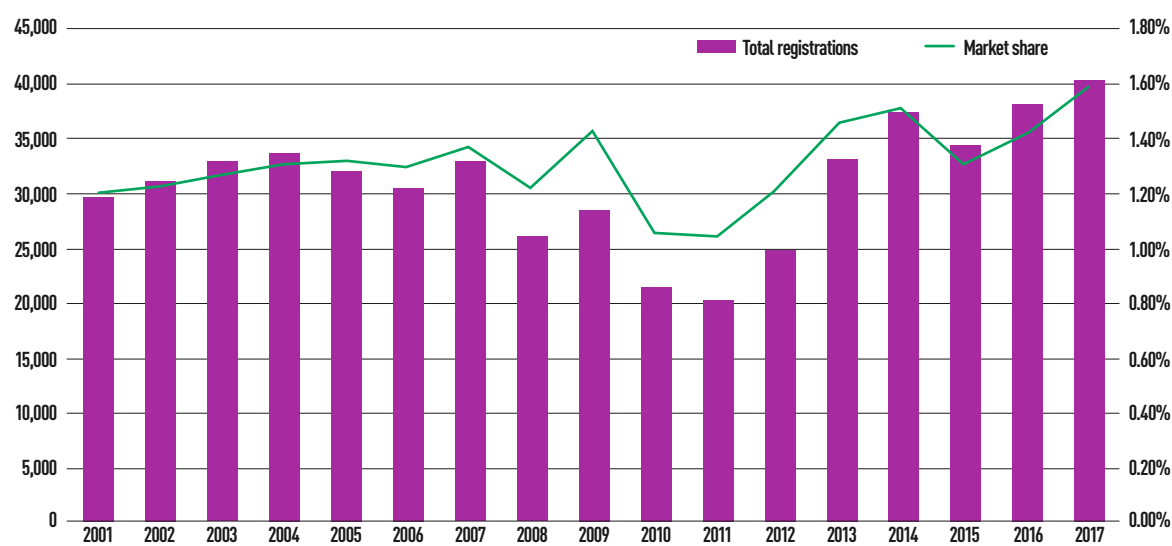
Wyatt believes consumer test drives should make the S-Cross favoured over the Vitara. Its 2017 sales figures were less than a third of the Vitara's (3,507), however, and were down 17.35% in H1.



Vitara

Suzuki's biggest seller is its flagship Vitara SUV, with 11,933 registrations in 2017 and 5,854 – up 12.93% year-on-year – in H1 of this year. Prices range from £15,999 to £25,899.

✓ SUZUKI GB TOTAL REGISTRATIONS AND MARKET SHARE 2001-2017



Suzuki's record sales figures have been matched by a growth in market share. The brand has overtaken Fiat and is homing in on Citroën as Wyatt targets a 2% score

◀ Range anxiety?

The breadth of vehicle models available to Suzuki retailers appears to be one of the network's few bugbears.

In the most recent NFDA survey, Suzuki scored a 5.8 out of 10 (average: six) when dealers were asked about their satisfaction with its used car programme.

Wyatt conceded that the brand had a very "soft touch" used car operation, which warranted greater focus now that the market is swinging towards the used sector.

He said: "It really is time to focus the mind on what a Suzuki used car needs to offer and help our dealers to deliver that more effectively."

"I don't think used cars are the holy grail, though, and many retailers are throwing themselves into it right now. They have to exercise caution and realise that they are probably buying stock at the top of the market."

Wyatt said Suzuki's retail network achieves an average new-to-used ratio of 1.1-to-one.

Franchisees are also becoming more aware of the need for a presence in the alternative fuel vehicle (AFV) market, scoring the brand just 3.3 out of 10 on their satisfaction with the brand's 'greener' options.



Dealers have expressed concerns with the narrowness of Suzuki's model range

The fact that just 3% of Suzuki's sales mix is diesel means it has side-stepped some of the diesel-related issues other brands have faced, but its budget roots have left it wrestling with the idea of what an electrified Suzuki should be.

Robin Luscombe, who spoke to *AM* in March as part of a dealer profile, hosted Takanori Suzuki, Suzuki's head of European automobiles, and Nobuo Suyama, Suzuki GB's managing director, when they visited the UK on an "EV fact-finding mission" in December.

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

Wyatt echoed those concerns: "There is no doubt that electrification is very expensive."

"Putting an extra £10,000 on a car that

already costs £30,000 might not seem like a big issue, but it is very different when you are selling new cars priced from £10,000 to £15,000."

Suzuki currently delivers a nod towards electrification in the form of its SHVS (Smart Hybrid Vehicle by Suzuki) – the mild hybrid system in its Baleno, Swift and Ignis models.

The system incorporates a 'starter generator' with a built-in motor capable of delivering assistance to the engine.

Wyatt believes that "stronger hybrid" models and EVs will make their way into the Suzuki range eventually.

So far this year, Suzuki has launched the Swift Sport, a "halo model" expected to account for about 20% of Swift sales, which was showcased to retailers at the Silverstone race circuit. A new Jimny compact off-roader is due to arrive later this year.

Wyatt said: "While we don't play in



“IT WAS IMPORTANT TO GET THE RIGHT BALANCE OF FLEET TO RETAIL, WHICH I THINK THE BRAND MISSED OUT ON IN THE PAST

GRAEME JENKINS, SUZUKI



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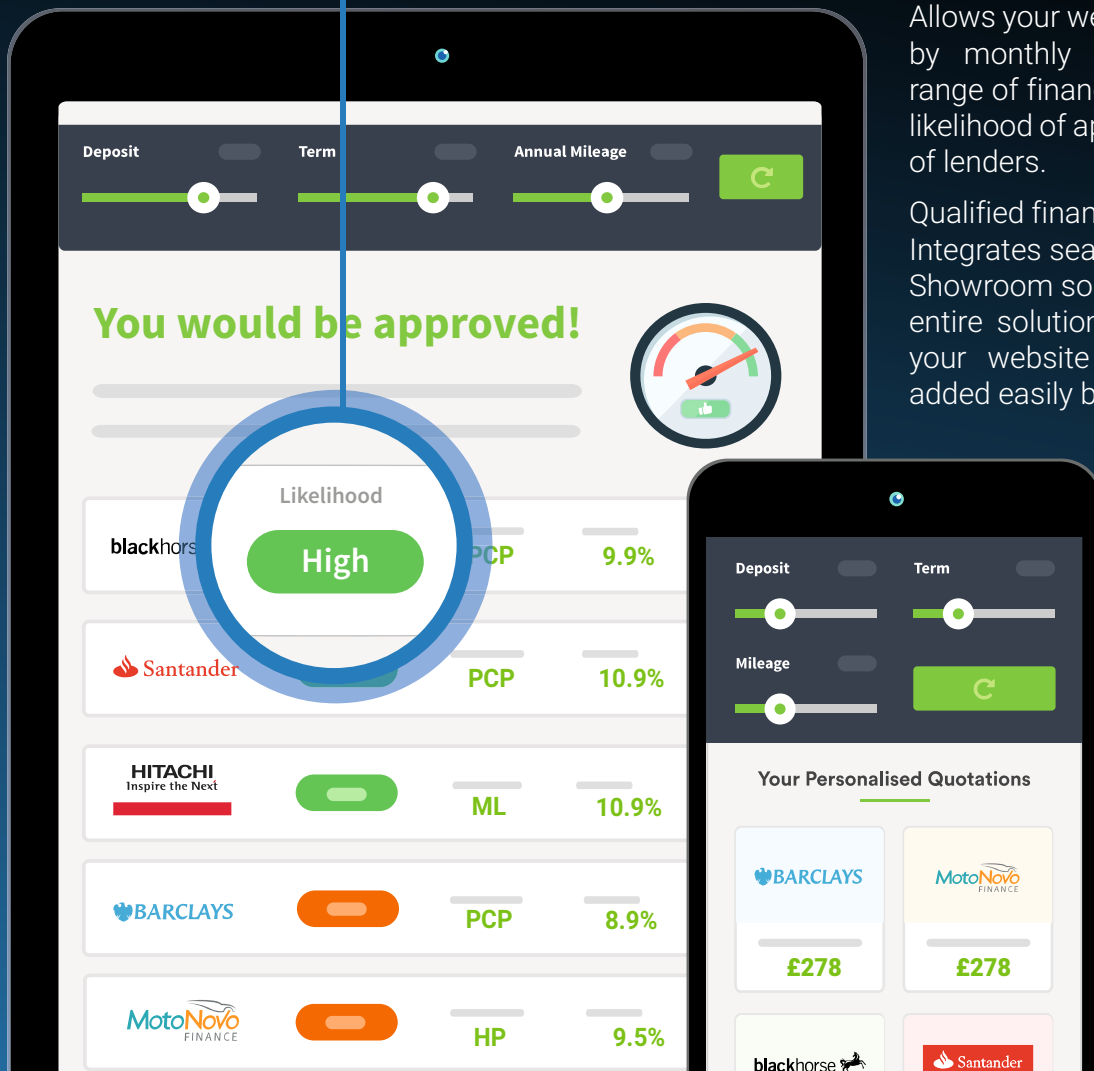


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Motorcycle emptiness

Suzuki GB's affordable and profitable approach to its car franchise is mirrored in the motorcycle side of the business.

However, despite a projected return on sales of about 5% and a 7% market share, it has found that the format of the motorcycle business does not seem to appeal to established franchised car retail operations.

Ian King, Suzuki GB's business development manager for motorcycles, told AM: "Brands like BMW and Honda align their motorcycles with solus retail sites, which sit well alongside their car showrooms. That's not the case with us.

"We offer franchisees an affordable model, with lower CI costs, but this usually means our motorcycles are sold alongside other brands – something that franchised car retailers aren't always used to."

Keighley-based Robin Appleyard is the only Suzuki car retailer in the UK that also sells the brand's motorcycles.

King joined Suzuki three years ago at a time when the motorcycle network was aiming to expand from 87 to 125 franchised sites, but he said the push for new outlets has been tempered by the changing nature of the market and the brand has only a handful of open points to occupy beyond its 103 retail locations.

"Of course, we would welcome conversations with franchised operators from the car side to fill those open points in West London, West Kent, the M4 corridor and the West Country," he said.

Growing 'everyone's favourite brand'

Recent activity from within the Suzuki franchise seems to suggest that larger regional groups see the brand's potential for growth.

Wyatt said Suzuki's UK franchisee partners were about 60% solus, but that new sites and consolidation has already changed the composition of the network in 2018.

In February, Desira Group doubled its Suzuki representation with the opening of a franchise in Norwich. Hendy Group also

WHAT'S NEXT AFTER ANT AND DEC?

Suzuki is on the hunt for a new marketing initiative after cutting its ties with Saturday Night Takeaway hosts Ant McPartlin and Declan Donnelly.

Bringing an end to a successful partnership that started at the end of 2015, Suzuki confirmed a week after McPartlin's involvement in a road traffic collision on March 18 that "no further material featuring the duo" would be aired.

McPartlin was later fined £86,000 and banned from driving for 20 months after pleading guilty to drink-driving.

The events were a blow for the brand, which had generated publicity via regular car giveaways on Saturday

Night Takeaway, sponsorship slots in prime-time Saturday night advertising breaks and viral YouTube videos.

Wyatt told AM: "We've made no secret of just how successful that partnership was for us. In terms of familiarity, awareness and likeability, it really did great things for the brand. We want to find something else.

"With Ant and Dec, for a long time, I don't think there was a brand in the UK that wasn't envious of us."

Wyatt said the brand would not rush into a new marketing/sponsorship agreement and suggested that an innovative campaign could take any form, not necessarily an alignment with a high-profile television series.



Suzuki parted ways as sponsors with Ant and Dec in March

doubled its representation with the brand, filling an open point in Crawley.

Ponthir Suzuki and Honda also snapped up Stirling of Hereford's Suzuki franchise in February after Phil Harvey, Stirling's owner and managing director, announced his retirement.

The acquisition added a third Suzuki dealership to the Ponthir Suzuki and Honda operation, with the group already representing the brand in Abergavenny and Caerleon, in Newport.

Gordon Hardie, the managing director of

Stirling-based Hardie Motor Group, turned to Suzuki after withdrawing from the Peugeot franchise.

Hardie closed his Peugeot franchise in Larbert and converted his Stirling facility into a Suzuki franchise, citing Peugeot's continued CI investment demands as "the straw that broke the camel's back".

When asked how difficult it was to transform a Peugeot 'Blue Box' dealership into a Suzuki site, Hardie said: "Suzuki came in, looked at the building and said 'it's blue, that's our colour; the inside is white, that's our colour. Brown sofas? They aren't our colour. If you change those and put up the appropriate signage, we'll be done'.

"It's that straightforward and that's how it should be.

"When did a customer ever walk into a showroom and say 'I've looked at the car and driven it and I love it, but I just cannot buy it off those floor tiles'?"

Hardie's summation identifies one of the major selling points of the Suzuki franchise and Wyatt is keen to retain that down-to-earth reputation.

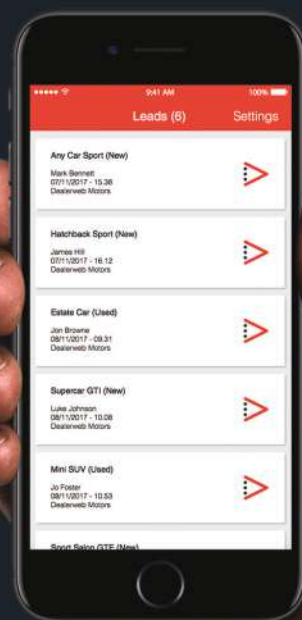
"We're everyone's favourite brand," said Wyatt. "That's basically down to being easy to work with and, perhaps most important of all, profitable. That's how we want it to remain."



Snows Motor Group opened its second Suzuki franchise, in Basingstoke, in August 2017

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SPOTLIGHT:

THE FUTURE OF MOTOR RETAIL

PLANNING THE MOTOR RETAIL ROUTE TO 2030



TOMORROW'S CAR MARKET

WHAT WILL SELL? ARE SUVs THE NEW MPVs? WILL DRIVERLESS VEHICLES KILL OFF NEW CAR SALES?

PAGES 40-41

MOTOR RETAIL 2030

SUPPLIERS, DEALERS AND INDUSTRY EXPERTS PREDICT HOW DEALERSHIPS WILL CHANGE OVER THE NEXT 12 YEARS

PAGES 43-47

BRACING FOR CHANGE

FROM PROPERTY PRICES TO OMNICHANNEL RETAIL AND NEW PAY MODELS, DEALERS FACE A DECADE OF UNPRECEDENTED UPHEAVAL

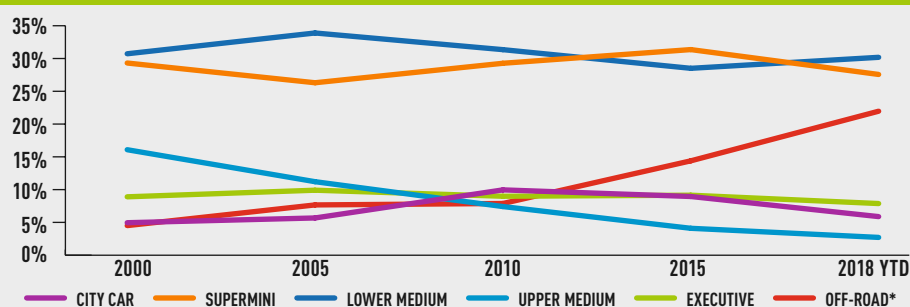
PAGES 49-51

What will sell in the car market of tomorrow?

Are SUVs the new MPVs? Will driverless vehicles kill off new car sales? David Francis reports

Whenver one sees an MPV trundle past, it is tempting to think of David Cameron's famous barb aimed at Tony Blair – "You were the future, once." In the 1990s, MPVs certainly looked like the future. After the first wave of full-size models (actually American-sized, as the original Chrysler Voyager was the template), came the Renault Mégane Scénic, which brought MPVs to the family car segment, and appeared to make history. Twenty years on, MPVs mostly are history, which shows that the car industry has become a lot more unpredictable. Having digested that cautionary tale, let's try and make some predictions which will have more longevity than the Renault Espace.

MARKET SHARE OF MAJOR SEGMENTS



*Note: Hatchback-based crossovers are included in their respective segments (e.g. Nissan Juke is in B Segment), not in off-road segment

SEGMENTS

On one level, the rise of SUVs and crossovers has made a big difference to the complexion of the market. However, on a different level, the changes over the past 20 years are actually quite small.

The A segment has grown slightly, the B and C segments are broadly the same as they were, and only the mainstream D segment has collapsed, but a lot of that is due to the rise of premium alternatives.

Until autonomous vehicles appear (see below), the size of cars is determined by the same needs customers have had for many decades. It is striking that radical alternatives have generally failed. The Smart ForTwo does OK, but no manufacturer has seen the need to introduce a rival. A Smart has to be the same width and the height as any conventional hatchback, and its loss of a couple of feet of length does not make it much easier to thread through traffic.

Even crossovers are not much of a radical departure – putting a different "top hat" on a Golf platform to create a Tiguan is only revolutionary in a marketing sense.



AUTONOMY

Autonomous vehicles (AVs) are the great talking point when pub conversations turn to cars. There is a lot of loose talk about AVs being on the road in 2021, but that generally refers to a small number of specially identified roads.

It is not hard to imagine AVs being allowed in certain areas of a city within five years, and city centre areas being reserved purely for AVs (or conventional cars in autonomous mode) within 10 years. The key is that AVs will only be used in defined "bounded" areas, where they can be strictly controlled and all the necessary infrastructure can be installed. It is possible that, within 10 years, 15% of light vehicle sales could be self-driving pods – the ultimate MPV. However, an AV that can take you from, say, central London

to a holiday cottage in Devon is going to take longer – perhaps not until the 2030s.

The biggest issue is the amount of testing that will have to be done for all manner of surprising anomalies. In one case last year, Volvo was perplexed to find that its AV was apparently oblivious to a kangaroo hopping across the road in front of it. It seems that the problem was in the hopping – with the kangaroo separate from the reference-point of the ground, the computer had trouble figuring out whether it was a marsupial right in front of it or a mastodon at 100 paces. That was one particular "edge case" that has now been corrected for, but the problem is no one knows how many other such cases are out there.

The other side of the coin is that humans do even more unpredictable things than computers: in early motorway tests of "platooning" – where trucks drive autonomously a couple of metres behind each other – drivers of passing cars

started driving closer to the car in front. They were unconsciously processing the gaps between the trucks as the "normal" distance.

The broader question for the car market is whether an AV is really a car. Not from the point of who drives it, but of who owns it. There is a school of thought that says an AV has more in common with a large truck (or an aircraft) than a car – it is an expensive piece of capital equipment that needs to be used for many hours a day to pay back its costs. In addition, why would anyone want to own a pod? For most journeys, people want transportation, and a car is currently the most convenient solution. In the long term, a self-driving pod that could be summoned in a couple of minutes would be more convenient.

This could be seen as a threat to premium brands, but the reality may be more complex. Ian Robertson, the outgoing global head of sales at BMW, likes to point out that BMW managed to

BODYSTYLES

One may argue that SUVs are simply the next MPV and could suffer the same fate, but that seems unlikely. Once people have experienced a higher driving position, they rarely want to go back to a hatchback. Whereas MPVs traded height and practicality against an image of being "beige on wheels", SUVs have both practicality and a better image – a win-win scenario. The only thing they lose out on is handling agility – and how many people miss that on today's over-crowded, speed-camera-infested roads? In fact, most bodystyles beyond hatchbacks and SUVs/crossovers look like they are in trouble, at least for mainstream brands. Saloons have more or

“ONCE PEOPLE HAVE EXPERIENCED A HIGHER DRIVING POSITION, THEY RARELY WANT TO GO BACK TO A HATCHBACK



Smart ForTwo: Where are all its competitors?

expand so quickly over the past 20 years partly because finance schemes such as PCPs made BMWs affordable for far more people. He thinks the same will happen for autonomous transport – if you are going to be picked up by a pod, wouldn't you like one with a BMW logo?

Certainly, if mainstream transport are met by pods, cars that have a manual driving mode for the odd weekend blast along country roads are more likely to come from premium brands. A BMW or Jaguar with manual driving mode could be an attractive personal vehicle for the affluent. It is hard to see someone buying a Citroën C3 to scratch the occasional itch to go out for a drive.

The rise of the AV does not mean the end of the car as we know it. As Elon Musk pointed out, the arrival of the car did not mean the extinction of the horse – it just meant horse-riding became a leisure pursuit rather than a means of transport.



Sadly for Vauxhall, premium brands seem to have better fortunes selling more unusual body styles

less been banished from the B segment (Fiesta-sized) and C segment (Astra-sized) – even the mighty VW cannot persuade us to buy Jettas. Mainstream brands themselves are being banished from larger segments – the non-premium D segment (Mondeo-sized) fell to just 2.7% market share in the first five months of 2018, and it seems to be heading towards near-extinction. Mainstream coupés are largely a thing of the past (the glorious Toyota GT86/Subaru BRZ notwithstanding), while non-premium cabrios have also largely disappeared – the dopey Vauxhall Cascada being the final nail in the coffin.

Of course, it is very different on the premium side of the road. While mainstream brands are ever more constrained, premium brands can sell almost any shape imaginable. Small

saloon? That will be the Mercedes CLA. Large hatchback? The BMW 5 Series GT. MPV? BMW 2 Series. Equally, they can carry on selling convertibles of all sizes from the Mini to the E-Class. It seems people want to buy fashion items from fashion brands – so a Vauxhall convertible is really not going to cut it.

Overall, the most surprising statistic is that the market is now less fragmented in terms of body styles than it was in 2000 (see table). Then, the two most popular body styles accounted for 75.8% of the market, whereas today it is 85.9%. So much for buying a crossover to look different. However, it seems that most alternative body styles will continue – there will always be executive saloons, van-based MPVs and luxury coupés – but they show no sign of mounting a recovery any time soon.



What will the ownership model for autonomous cars be?



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Preparing for the car dealership of 2030

How will dealerships be shaped by still-emerging technologies? We ask suppliers, dealers and industry experts what changes we can expect over the next 12 years

Technology has radically altered almost every sector of retail, and motor traders are no exception.

The internet has allowed some car brands to move their marketing, specification, test-drive booking, finance arrangements, and even purchasing online, and we are already seeing the first forays into virtual reality (VR) and artificial intelligence (AI) taking their place in the dealer's toolkit. But what changes do these developments herald in the franchised dealer's business model? What will dealerships of the future look like and how will they be shaped by technology?

Here we look at four key areas where dealers are likely to evolve most – new cars, used cars, aftersales and architecture/hardware.

NEW CARS

While there are new cars being sold through manufacturer online platforms such as Hyundai, Peugeot and Volvo, or in digital-only transaction and subscription models by the likes of Polestar and LYNK & Co, the transactions are still something of a rarity. But few people see the trend towards direct online sales declining.

Frost & Sullivan's director for growth consulting automotive and transportation, Julia

Saini, said digitalisation will fundamentally change the way dealers operate. This is being driven by the increase in new platforms and aggregators, she said.

"Dealers still use the conventional channels to sell the majority of their vehicles, but there has been an emergence of complementary formats, such as digital flagship stores," she said.

"We will also see the advent of more lifestyle and pop-up stores as well as online and mobile retailing."

The use of car-buying platforms, such as Carwow, enables the customer to compare prices directly online and to save time on visiting multiple dealers, said Saini. They can also do

their financing online using third-party websites, she added.

"The model is so flexible," she said. "There are so many new business models emerging, that the customer now has a multitude of options to choose from in the car-buying journey."

Karl Davis, the managing director of Coachworks Consulting, said as more car sales move online, dealers will need to focus on the experience of specifying and driving a car. That includes the use of virtual reality, he said.

"Virtual reality will become an expedient way for dealers to showcase every exterior colour and trim level, with buyers able to fine-tune their final option – something that is already starting to happen with some brands," he said. "The next logical step will be using virtual reality in driving simulators, where customers can experience a car's driving dynamics, especially in extreme conditions, or to simulate the track-handling capability of high-performance cars."

In some franchises, the traditional sales executive's role has already become more of a 'product genius' position – are they at risk of being replaced altogether by AI? Dealerweb Showroom allows dealers to automate key sales functions, including enquiry



SPOTLIGHT:

THE FUTURE OF MOTOR RETAIL

management, real-time reporting and full website integration. It also enables sales teams to generate sales documentation and finance quotes at the click of a button.

Martin Hill, Dealerweb's managing director, said: "For enquiry management, a single interface and customer database automates the full enquiry-to-order process, allowing dealers to establish rigorous follow-up procedures, ensuring that all prospects are contacted in a timely manner, and when promised. Automated real-time reporting provides live metrics on all aspects of sales department performance."

Darren Williams, director at Elements PRMC, said: "There's a lot of scope for automation. The traditional sales executive is becoming very much a thing of the past and it cuts out middle management from the process altogether."

USED CARS

Sourcing, marketing and retailing used car stock and the part-exchange process can already be automated and the advent of AI will only accelerate that trend. Meanwhile, the adoption of self-driving cars is also likely to change the way used vehicles will be delivered.

Neil Hodson, the chief executive of Aston Barclay, said once autonomous cars have been inspected, they could be programmed to drive to the relevant auction or refurbishment centre where work is completed before being sold. That would reduce the need for a fleet of trucks for collection and delivery, he said.

"Auctions are constantly working on ways of improving site efficiencies, so cars could be programmed to park themselves and then move themselves onto the next stage of the preparation process prior to being lined up ready for auction," he said.

"Cars could also be sent through the auction hall remotely, but many of these tasks couldn't be done without some human intervention."

Hodson added that while dealers can already download the details of some cars by plugging the ignition key into a computer, this connectivity could be further utilised to enter more used vehicles into auction. It would also provide the buyer with details such as driving time, average speed, fuel consumption and tyre use, he said.

"Details of any problems with the car could also be highlighted, such as a breakdown or accident," he said. "This would lead to greater transparency, which buyers love, which in turn could result in them being prepared to spend more money for stock, particularly on the higher-value prestige models."

Jeremy Evans, Marketing

Delivery's managing director, said by subscribing prospects to the company's automated stock alerts relevant to their enquiry, dealers can also recapture leads that may otherwise go elsewhere. As a result, dealer groups with about 10 locations can expect incremental business of about 25 to 30 sales per month and a cost-per-sale figure significantly lower than that of other digital services, he said.

"Integrating new stock alerts with targeted Facebook advertising can deliver even greater returns," he said.

"Targeted according to a prospect's previous interaction with the dealer, interactive lead generation adverts make it possible for a pre-populated enquiry to be sent direct to the dealer, broadening the pool of highly qualified leads for sales staff to pursue."

Stuart Pearson, chief operating officer of BCA's remarketing division, said the combination of advances in data and technology will also radically reduce the time it takes for vehicles to move along the supply chain. He added that a vehicle can now be appraised using mobile technology, from de-fleeting to forecourt.

"The growth of both physical and digital platforms means more choice and better access to used vehicles 24/7, 365 days a year," he said.

"Alongside this, better-quality data and considerable improvements in the inspection, appraisal and preparation processes have driven convenience and transparency in the remarketing sector."

CARS COULD BE PROGRAMMED TO PARK THEMSELVES AND THEN MOVE THEMSELVES ON TO THE NEXT STAGE OF THE PREPARATION PROCESS PRIOR TO BEING LINED UP READY FOR AUCTION

**NEIL HODSON,
ASTON BARCLAY**



Dealers in future could take stock details and imagery directly from the remarketing operation.

Tom Leathes, the chief executive of Motorway.co.uk, said verifying information such as the condition of a car, its history and mileage can also be automated to make transactions faster, more efficient and secure, as well as being able to carry out the role of traditional negotiation. New technology has already made that possible, he added.

"In-depth vehicle profiling with smartphone apps, video and augmented reality can provide much deeper vehicle overviews than simple photos can ever do," he said.

"Blockchain technology [a constantly expanding list of records, called blocks, connected to each other and secured using cryptography] could also be harnessed to lock in vehicle ownership history, mileage and other data, and significantly reduce the risk of fraud in used car transactions."

AFTERSALES

Digital technology is already being used to link online booking systems directly to workshop management systems – for example, CDK Global's connected workshop concept, which can send service reminders and allows customers to book appointments online. Parts stocking and delivery can also be refined, with automation being used to order and deliver parts.

Paul Inness, CDK's international strategy director, said the connected workshop enables the dealer and manufacturer to work together to deliver a seamless customer experience, while optimising their own performance. He also believes there is a big opportunity for retailers to maximise the use of their digital marketing and machine learning in the workshop.

"It's like an Airbnb-style online booking service, where the customer knows what to expect before they go there at a time of day of their choice," he said. "It also enables the retailer to communicate to the customer via a notification of their choice as soon as it is ready for collection."

Iain Nickalls, eDynamix director, said dealers

and manufacturers should already be building their aftersales programmes with Generation Z in mind, to ensure a faster and more efficient delivery of service tailored to the customer's needs.

"Autonomous cars that deliver themselves to a workshop once seemed like science fiction. I believe it will only be a few years until we see this reality," he said.

"While the industry is working towards this, there is currently a big shift towards customer self-service throughout the whole aftersales process."

Karsten Seifert, Volkswagen's head of international fleet, rent-a-car and used car strategy, also believes the biggest changes in aftersales will be through remote diagnostics and updates. This new 'connected car' technology will enable them to read error codes remotely and, if necessary, solve problems directly by means of updates, he said.

"The connected car will also have predictive maintenance functionalities that, in combination with the customer and vehicle ID, enable service and repair requirements to be transmitted directly to the defined preferred dealer," he said.

"Automated scheduling, drop-off points and efficient parts management are immediate simplifications that can result."

Industry observers suggest dealers will reduce their payroll costs as a result of this combination of predictive maintenance and efficient automated parts management.

Gary Brooks, chief marketing officer at Synchron, said dealers must streamline the way they do business in the vein of online companies, such as Amazon and Uber. In order to achieve this and to improve customer service and efficiencies, he said they need to automate their pricing and inventory processes.

"Cost-plus formulas and Excel spreadsheets must be replaced by automated, scientific and dynamic pricing methods that offer a data-driven approach to the optimised price of a part," he said. "If implemented, this can immediately translate into better margins."

Brooks added that a more scientific approach to inventory management can prevent dealers running out of stock. By adopting advanced service parts inventory management solutions, companies can keep tabs on the products needed by location, he said.

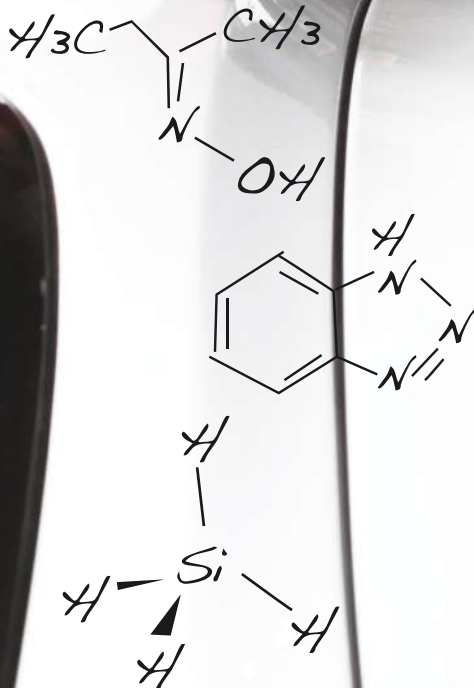
"Specifically, such solutions play a pivotal role in controlling and gaining visibility over dealer inventory and sales," he said.

"This improves forecasting for an entire network by taking into account specific feedback from each dealer; easily disseminating informa-



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tion on new products for better customer education and service; and decreasing the write-offs and carrying costs associated with stock that goes unsold and sits on the shelf."

Not everyone is ready to predict the end of dealer outbound service marketing, however.

Evans said automating the contact process through an email-based electronic customer relationship management communication (eCRM) programme can ensure consistent and informed targeting of customers, significantly improving conversion rates. Reminders emailed to customers up to eight weeks in advance of a service or MOT can already significantly increase inbound calls to their service departments or contact centres, he said.

ARCHITECTURE/HARDWARE

The greater adoption of EV and alternative cars will require more charging points. However, some Volkswagen dealers, including Paul Tanner, the managing director of Alan Day Group, have already raised concerns about the cost of miniature sub-stations to power rapid chargers.

As for the evolution of the dealerships' forecourts themselves, Jim Saker, director for the centre of automotive management at Loughborough University's business school, believes drive-in service areas are already becoming the norm, with self-service vehicle drop-off points allowing customers to register their arrival and drop off their keys.

He also foresees automated state-of-the-art workshop architecture that can dispense tools and parts to technicians.

"In the future, I believe we will see larger but fewer dealerships," he said (See 'A change is gonna come' on page 49).

SHOWROOMS NEED TO STAY RELEVANT... RETAILERS SUCH AS TOYS 'R' US AND MAPLIN FAILED BECAUSE THEY HAD NOT KEPT AHEAD OF CHANGING CONSUMER BEHAVIOUR

KARL DAVIS,
COACHWORKS CONSULTING

"This includes one-stop shops like Sytner's BMW operation, where the customer can deliver their car for servicing and have a coffee, check their emails or even have their hair cut while they wait."

Davis said dealers will need greater investment in bigger premises to display their ever-expanding car ranges as brands push for more network capacity. He cited the example of Audi, which has grown from just a handful of cars to a full range of more than 20.

"The upside of this investment is they can offer customers a more experiential showroom experience and that has to be an important future consideration," he said.

"An infrastructure investment which gives customers an experience, whether it be through a dedicated handover area, virtual reality simulators or drive-in servicing, has an upside and provides an opportunity for a dealer to over-deliver on the customer's expectations,

which they will tell their family and friends about and promote on social media. That's got to be good for business.

"Dealer showrooms need to stay relevant and fit for purpose in a world where established retailers such as Toys 'R' Us and Maplin have recently failed because they had not kept ahead of changing consumer behaviour. One of the real success stories, which could be emulated by other brands in the future, is the introduction of the Jaguar Land Rover 'Arch' showrooms.

"We're already seeing tremendous returns among groups who have resourced them appropriately – you really have to understand how to make that investment sweat and make them destination facilities."

Seifert said VW's trading companies will also have to change their infrastructure and equipment in the future to meet a shift in customer demand. He added that greater efficiency can also be achieved through the likes of loaning out rather than buying specialist tools outright.

"Larger-scale efficiency can bring service factories where vehicle maintenance and repair is carried out on a more industrial scale," he said. Some dealers already approach PDI work in this fashion.

"As far as the charging infrastructure is concerned, charging stations will be set up at each dealer location, so that we will make a significant contribution to the expansion of the infrastructure for electric vehicles."

James Tew, chief executive at iVendi, said: "Big changes are coming – from ownership of vehicles to how they are powered and who's going to drive them. There are a lot of moving parts right now and we'll have to see how those settle down and what the knock-on effect is."

ALEX WRIGHT

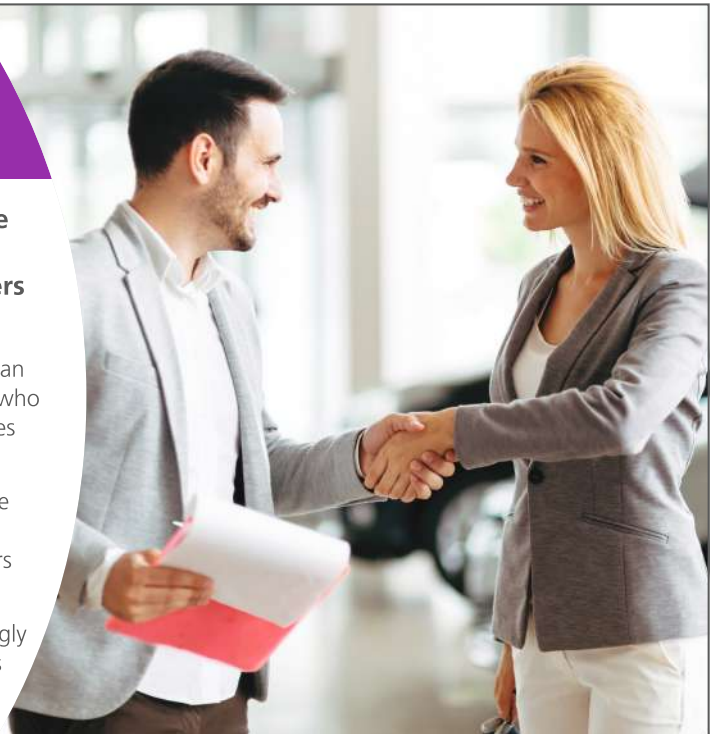
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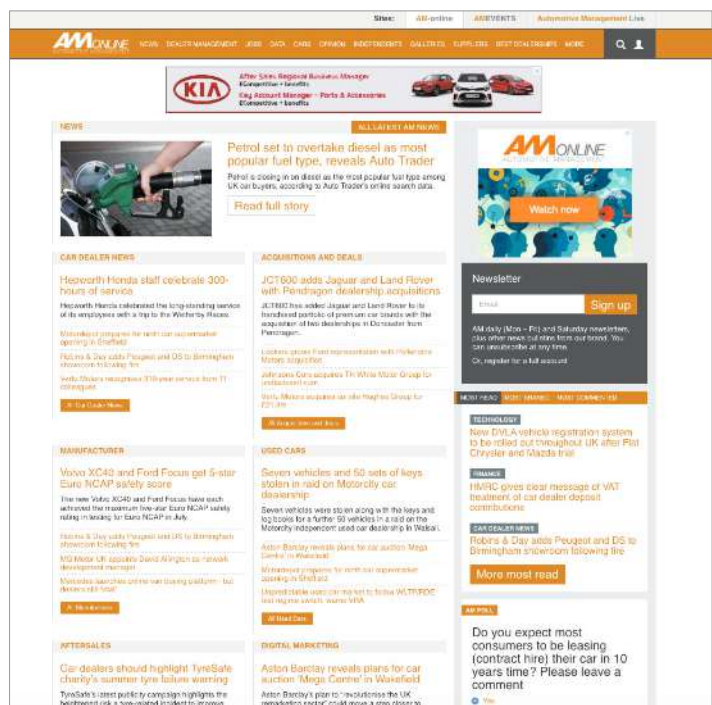
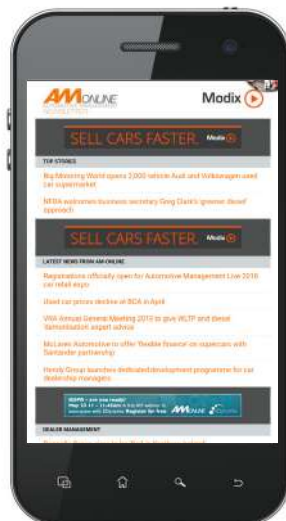
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A change is gonna come...

The automotive industry is entering a decade of unprecedented upheaval – and the retail sector won't escape. AM asks a range of experts what selling cars in 2030 will look like

Just as manufacturers will spend the 2020s embracing electrification and autonomous driving, so their retail partners will encounter their own new frontiers, as the onward march of digitalisation and a shifting consumer landscape upset the old order.

Many in the sector believe what they are facing is evolution, but to many, it will feel like a full-blown revolution – especially if they are on the wrong side of the changes and their future livelihoods are thrown into turmoil.

Robert Stephens, a specialist retail property consultant, told us: "From the research we have been doing in the last 18 months, the view of many people seems to be that one wheel has fallen off and the other three are loose – and the industry needs to reinvent itself.

"The current property offer is unsustainable, so it requires a different model. Traditional motor retail is the least viable commercial property use. Any other commercial use creates a higher return.

"The costs of entry into property – whether it's acquiring land or developing dealerships to a bespoke design – are increasingly expensive. They are a very high bar to get over, especially in London and the south-east, where there are competing uses. These push up land prices and it's just not a sustainable model. The requirements of a manufacturer are to build a bespoke palace for that particular brand, but the margins for new car sales are so slim."

Rising property prices may be particularly challenging for small, family-owned dealerships in more remote areas of the country. David

Kendrick, a partner at UHY Hacker Young, which offers specialist automotive accounting services, said: "Some of the smaller operations, family-run businesses, may continue to be consolidated into larger groups, because I think economies of scale are becoming more important.

"Manufacturers are making no secret of the fact that they are potentially looking to reduce their number of partners. Maybe not the representation points, but number of partners."

A reduction in the number of dealer partners was a common theme among the industry experts AM spoke to.

David Peel, the managing director of Peugeot UK, said: "We have an ambition to have fewer dealer partners."

Some analysts agreed that the reduction in dealership numbers is inevitable.



SPOTLIGHT:

THE FUTURE OF MOTOR RETAIL

“THE CURRENT RETAIL NETWORK IS TOO DENSE AND THERE ARE MORE DEALERSHIPS THAN ARE REQUIRED”

STEVE YOUNG, ICDP



C Steve Young, the managing director of ICDP, which offers research and consultancy services to the automotive industry, said: “The current retail network is too dense and there are more dealerships than are required to provide the necessary coverage of sales for any particular brand. That puts more cost into the network than you need.”

Mike Jones, the chairman of consultants ASE, said: “If we look at other models around the world, undoubtedly the number of representation points is going to shrink. We’re also going to change the type of representation points that we have. There’s going to be a lot more done at the customer’s home or place of business – and that brings around a different structure to what we have at the moment.”

WHICH BRAND IS MOST AT RISK?

It’s not just dealers that will be affected – manufacturers could equally be at risk if the current market conditions continue.

Kendrick said: “I do wonder in the longer term whether there is enough room for all the brands that are represented. You’ve obviously got the Vauxhall scenario at the moment, where that’s being absorbed into PSA. There’s going to be a significant fall-out and their market share is nowhere near the 10% they used to [achieve].

“Fiat is another brand that’s really struggling in the UK, so you can see perhaps a few brands disappearing.”

Andy Bruce, the chief executive of AM100 dealer group Lookers, also sees changes ahead, but takes a more sanguine view.

“Things will change gradually between now and 2030. It will be a managed, well-signalled process,” he said.

“There will be fewer dealerships, because there won’t be the same need to have as many, but that’s a process that has been going on for decades. We think the number will drop to around 2,500 to 3,000 by 2030.

“But while there will be fewer dealerships, there will be bigger and better brand experience centres. The reason for that is there is a need for an omnichannel approach,

where you’re blending digital with bricks and mortar.”

Paul Innes, international strategy director at technology specialists CDK Global, sees a plethora of options: “We may have brand experience centres, virtualisation, online digital experience centres, shopping centre locations, pop-up shops, and concierge services and subscription services.

“It’s not just one thing that’s going to see transformation: it’s an accumulation of many factors that, as they get to scale, will make the retail scene look significantly different in 10 years’ time.”

Tony Whitehorn, the managing director of Hyundai UK, has plenty of experience of an omnichannel approach, as the company has ventured into shopping centres with its Bluewater and Westfield stores, as well as initiating an online Click To Buy service.

However, for Hyundai, dealers are still very much an integral part of the way it will sell cars in the future. Its experiences have shown that consumers still want a physical relationship with a retailer and also want to touch and feel – but not necessarily test drive – a vehicle before committing to a purchase.


Whitehorn said: “There needs to be an ongoing relationship with the customer, because [the changes are] going to be customer-driven. The customer wants to have a choice – either you come to them via a city store, or you come to them in their lounge, digitally. Or they do all the research and, in the traditional manner, go into a dealership.

“What’s key here is that we, as an industry, need to embrace all of the above, because when we did the city store, we managed to get in front of new people, not substitutional people.

“So, is the dealership dead? 100% no. Does the dealership need to adapt and embrace different things? 100% yes – because that’s what the customer requires.”

Kendrick also sees a future for dealerships, as they’re currently constituted, in 2030, despite the appeal of buying through the internet.

He said: “People will perhaps move towards more online purchasing, but I still



think there will need to be a requirement for the handover and sales experience through a dealership as well. Maybe in 20 or 30 years' time, we might move to online more, as there are more young people, whose natural buying behaviour is through a faceless interaction on the computer. Perhaps that might become more the norm, but in the short term I don't see that taking place."

While dealerships – albeit in reduced numbers, in different forms and with more flexible approaches – will continue, nobody should overlook the advances in online purchasing. This is not just in the future: Peugeot is already offering a complete end-to-end service.

Peel explained how the service has grown, saying: "In 2017 we launched our e-commerce platform that allows customers to completely transact and buy a new Peugeot online – from the start of their research, through having a used car valuation guaranteed, having finance approved, making a deposit to arranging to have the vehicle delivered. That's a first in the UK.

"The result of that is, 18 months later, we are doing 1.5% of our retail sales online. As a comparison, the data we have is that the major supermarkets today do about 2% of their business online with home delivery. It clearly demonstrates to us the appetite for people to completely transact online."

OMNICHANNEL AND DEALER PAY

The omnichannel future also has implications for how dealers get paid, as some elements of the buying process are conducted online, without the input of a dealer.

Young said: "In an omnichannel world, where different parties play different roles, and you want to give the customer a seamless experience, online and offline, in different physical locations, while their shopping basket goes with them, then you need to find a way to reward all those who participate. Some of them are going to be dealers, while others may be other agencies that take the car round for a test drive. But in the end, if someone's got a £5 million-£10m fixed investment in a dealership, you

have to make sure they get a return on that."

Bruce doesn't see how manufacturers pay dealers as an insurmountable problem: "They may invoice the cars directly and there's talk about paying dealers a fee for test drives, handling and finance. But as long as the fee's enough, it doesn't matter – it's just a margin by another name. It just needs to be enough to make it viable."

Whitehorn sees the influence of the internet being positive for everyone involved in the transaction.

"What the internet has done is that it leads to greater transparency. So if you are going to transact online, the customer has got to know that they are getting as good a deal as they would do by walking into a showroom. You cannot haggle online," he said.

"What happens, therefore, is that the margin situation starts to alter slightly. Where a dealer previously may have been trading on a 12% margin and would give 6% away and keep 6%, they can't do that online.

"In essence, it almost becomes a fixed margin on some of the vehicles, so that might be a route that it starts to go down. The way we started is that we give everybody the margin at the moment and we allow them to actually put prices on Click To Buy, which they determine and they want to sell at."

Peugeot is also ensuring that dealers continue to get paid, whatever model is used. Peel said: "Dealers today have a different margin from an e-commerce sale, which is more of a handling fee, and we don't see that changing. The vehicle still counts towards their sales target.

"Whatever we do, we will ensure that the margins and rewards we give the dealer are enough to ensure that they at least have a 1.5% return on sales."

The retail environment is undoubtedly going to change. Whether that change is gradual, with manufacturers helping their dealers to consolidate and blend with increasing digitalisation, or whether it involves radical shifts, such as subscription services, only time will tell.

One thing's for sure: change is coming – and everyone who makes a living selling cars will be affected in some way. **CRAIG THOMAS**



"(A FEE) IS JUST A MARGIN BY ANOTHER NAME. IT JUST NEEDS TO BE ENOUGH TO MAKE IT VIABLE"

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the OUTLOOK AHEAD



Commercial partners in the *AM* Masterclass series share their views on what motor retailing will look like over the coming years

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Improving the experience for online car customers

Online motor retailing already exists at many parts of the customer journey and is likely to replace some of them – dealers need to test what elements work best for potential buyers

The internet is remaking the British high street and dealerships are not immune to this change. Informed consumers and fleet managers do extensive research online. Finding a vehicle with the right specifications, the right leasing deal and the right dealership for servicing is possible with just a few clicks.

The convenience of this is unrivalled. The amount of information available in one place is unbeatable, but dealerships need to follow the right path to make a success of it. It's simply not enough to exist online. More is needed to succeed.

At Autoweb Design, we believe online car retailing will become a much bigger part of the automotive industry. We don't believe it will replace the bricks-and-mortar dealership just yet, but we do believe it will replace certain touchpoints of the customer journey, such as research and price comparison.

The fact is a form of online car retailing

already exists – you can configure a car online and buy it, get a quote for it or ask a dealer to ring you about it.

Improve customer experience by testing user journeys

With a purchase as expensive and personal as a car, consumers want to feel informed, often empowered, when they start making tracks to purchase. Many online dealerships are missing a trick by neglecting certain aspects of their customer's path to purchase, and it shows by the low number of enquiries they receive.

As an agency, we recommend dealerships track and test user journeys to find out what works best for their visitors. We always recommend a data-driven approach to making changes to a site for retail. We can go further than that by testing user journeys that work in other sectors of retail. These can then be tweaked for car dealerships.

Split conversions by channel to cater to all customers

By tracking user journeys and testing new journeys, we can find out what motivates a customer. We can then make effective changes to the page because we know what the customer is looking for.

Of course, there's a little more to it than that – an issue arises when you deliver one customer experience to everyone. For example, some visitors will be researching, whereas others are ready to buy.

The solution is to split conversions by channel (organic, pay-per-click, social media, referral) and deliver a unique experience to everyone. You could do this with landing pages in the same way retail stores do with clothing sections. The results can be incredible, so if you want to make the most of your website and improve your customer's retail experience, that's where we recommend investing time and effort.

To find out more, visit AutowebDesign.co.uk, email marketing@autoweb.co.uk, or call us on 01757 801 926.
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Build your strategy for conversational commerce

Will your brand be ready for the car-shopping conversations of the future?

You don't have to look very far to see the future of motor retailing. It is conversational commerce—allowing consumers to talk to businesses on their own schedule, via familiar messaging apps and using natural language to take action. Just look at your smartphone or ask Alexa.

Apple Business Chat & voice-activated search

Earlier this year, Apple launched Apple Business Chat in the US (and more recently in the UK). With it, conversational commerce can be delivered to the masses. Any iOS 11 user can start a Business Chat messaging conversation with participating businesses they find through Siri, Maps, Safari and Spotlight search. They can go on to ask questions, schedule appointments, make purchases and more all in the native Messages (SMS) app on their smartphone.

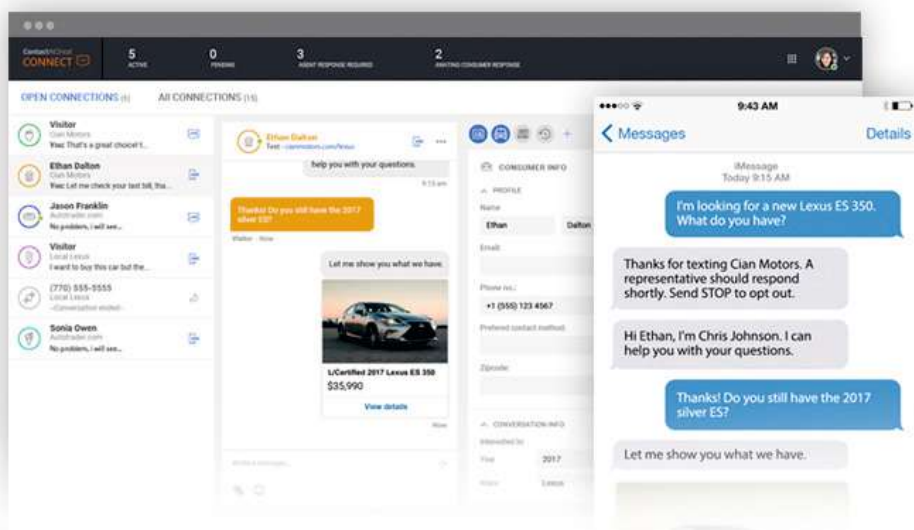
Apple Business Chat also opens a “Siri conduit to just about any business”, Brian Roemmele, founder and editor at Read Multiplex, said on Quora. “Anything you can type, you can much easier say.”

That brings up another future avenue – voice-activated search. Shoppers could soon be asking Alexa or other voice assistants questions about model, price and availability as part of their retail experience.

How to prepare for this type of car shopping

Currently, only a few enterprises have launched an Apple Business Chat integration (none in the motor industry), and voice-activated search is just being explored. In the future, though, we believe it will be commonplace for car shoppers to engage in these ways.

Conversational commerce is all about connecting the two faces of auto retailing – the online/digital experience and the in-store experience – and making that



transition as seamless as possible.

There are four things you can do right now to start adapting your own car shopping experience for the future:

1 Don't limit shoppers in how they connect. Keep your phone and your email, but also offer chat and asynchronous messaging, such as SMS and Facebook Messenger (which allow

shoppers to continue a conversation up until, and after, purchase).

2 Offer more direct, conversational pathways. Shoppers don't usually start on a dealer website. They 'google' it. They search aggregate sites (AutoTrader.co.uk, Motors.co.uk), Facebook Marketplace and/or brand sites for options, pricing and reviews. Give them an easy way to start the conversations that can lead to deals from all those touchpoints.

3 Turn 'regular' adverts conversational. You spend money to grab the attention of shoppers in various media (print, TV, radio), so make their next step an actual conversation with text calls to action. Add text messaging to your Google AdWords campaigns, too.

4 Use a messaging platform to support you now and into the future. The right platform sets you up to place and manage messaging from all the current conversational commerce touchpoints and to take advantage of the newest additions as they become available.

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Trust will be the key driver in tomorrow's dealership

Technology can help you to give customers the seamless, legally compliant and transparent experience they demand, from their first online contact to driving their new car home

The future is already here. A recent walk around an automotive trade show illustrated the increasing role that technology plays in the modern car dealership.

The customer journey begins long before the buyer sets foot on the forecourt. Initial customer reaction is likely to be handled by a manufacturer or dealer website, and AI-driven chatbots can answer queries 24/7. Car configurators guide people through a myriad of choices and engage them in the process.

Once in a dealership, the customer relationship is data-driven. A full picture of the customer will help to build trust and engagement faster and ultimately close more sales. Our dealers tell us that using the enquiryMAX platform increases enquiry capture by 50%, demonstrations by 35% and order take by 18%.

Technology is there to help the sales team work more effectively. It is a helping hand to ease the administration burden and remove the donkey work, leaving salespeople free to focus more time on the customer and their needs.

Customers expect a seamless experience, from the first contact, to driving their new car home and in aftersales. Inspired by online retail giants such as Amazon, customers expect their needs to be anticipated and met quickly. Therefore, enquiryMAX continues to innovate to ensure that a single view of the customer is available and easy to use.

In this new world, the little things become more critical than ever. Making notes on requirements and personal preferences, as well as promise management, will make a massive difference to sales conversion.

Legal compliance is a crucial factor, and a customer's data should be available at the push of a button. A transparent process is vital to adhere to FCA and GDPR guidelines.



**“TRUST WILL
CONTINUE TO
UNDERPIN
SALES... THAT DEPENDS
ON A RIGOROUS AND
CLEAR PROCESS**

Equally important is the trust a customer feels from knowing they have been dealt with fairly.

Trust will continue to underpin sales in a digital world. Promises must be kept, and that depends on a rigorous and clear process. All customers must be given a follow-up date, and next action, so simple diary functionality is vital.

Technology must be easy for the sales team to use and the sales management to track. A simple dashboard for managers allows them

to track opportunities to do business and know what is happening in their business every day.

The industry is moving faster than ever. Statistics show that 78% of all orders come within 10 days of an enquiry first being logged. If you have customers who have not been followed up for 12 days, then you have almost certainly lost them. In this world, an excellent reporting suite is key for managers to monitor marketing measures and track sales.

Integration is an important driver in showroom efficiency and enquiryMAX has invested to ensure that the platform works seamlessly with leading DMS, manufacturer systems and online classified sites.

Change is the only constant in automotive retail and with the right technology partners, dealers will be able to focus more on building lasting customer relationships.

To discover how enquiryMAX can help you increase sales, call 0113 280 6770 or visit www.enquiryMAX.com

 **enquiryMAX**

What car customers want in 2018 is flexibility

New iVendi survey gives dealers a detailed insight into the future of motor retail

Nearly eight out of 10 (79%) people would buy a new or used car entirely online – but almost nine out of 10 (87%) also

believe that visiting a car showroom is an important part of the buying process.

The findings come from the first iVendi Attitudes to Online Motor Retailing report, which provides probably the most detailed and credible insight yet into this rapidly growing area of the motor industry.

Highlights of the report, which looks at the attitudes of car buyers, dealers and motor manufacturers and was completed by APD Global Research, include:

Car buyers

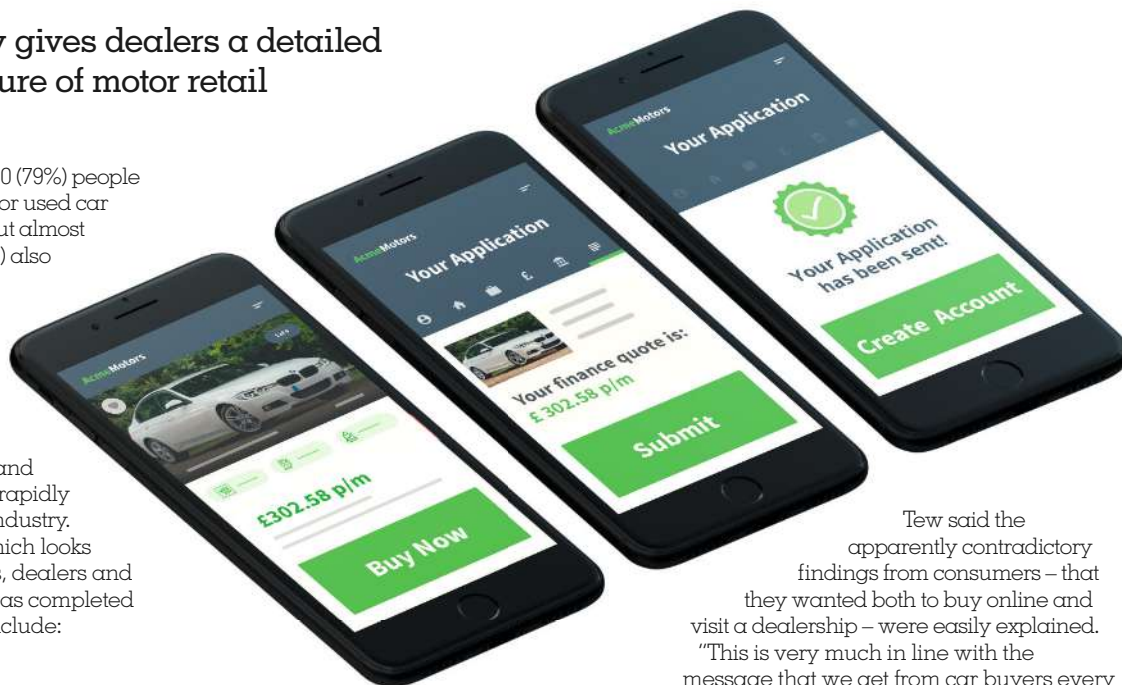
- 79% said they would be “confident” or “completely confident” buying a car online
- 87% indicated that visiting a car showroom is an important part of the buying process
- 57% believe motor retail lags behind the best online retail experiences

Car dealers

- 52% believe customers would buy a car from them entirely online and 6% currently offer this option
- 43% planned to increase their online retail activity in the next 18 months
- 83% said it remains important for the customer to visit the showroom

Motor manufacturers

- 33% planned to offer the option to buy and finance a car online within the next 18 months
- 73% said they will be increasing their investment in this area
- 91% believe their existing dealer networks should be involved in online retail



DEALERSHIPS WILL REMAIN A CENTRAL PART OF THE CAR-BUYING EXPERIENCE

■ Manufacturers currently see car supermarkets as their biggest online competition but, foresee it becoming digital marketplaces, such as Amazon.

James Tew, CEO at iVendi, said: “The overarching message is that online motor retail is set to grow, probably rapidly and substantially, with increased investment from dealers and manufacturers, and increased trust and activity on the part of consumers.

“Crucially, it shows that – however the market develops in the future – everyone believes that dealerships will remain a central part of the car-buying experience.”

Tew said the apparently contradictory findings from consumers – that they wanted both to buy online and visit a dealership – were easily explained. “This is very much in line with the message that we get from car buyers every day. What they want, in 2018 and into the future, is a high degree of flexibility. To construct their own buying process that may be entirely online or entirely at the dealer – but is much more likely to combine the two in whichever way they desire.

“For example, they may find a used car online that they are interested in buying, go to the showroom to have a look at it, but then come home and complete the buying process and finance online. It’s all about allowing them to buy in whatever way they feel comfortable.”

ABOUT iVENDI

iVendi is the international market leader in online motor retailing solutions and works with everyone from dealers and manufacturers to car portals and motor finance providers. To get your copy of the iVendi ‘Attitudes to Online Motor Retailing’ report, please email tellmemore@ivendi.com or call 0345 226 0503.

To find out more, visit ivendi.com, email enquiries@ivendi.com or call 0345 226 0503



How do you reach the empowered consumer?

Neil Addley on how reviews can break through the distractions of buying online

I don't claim to be a historian, but when I look back over the past 30-40 years and maybe a little further, things that seem to stand out to me are the effects of changes in oil prices and the rise of environmental concerns. To me, these underpin other changes, such as the increasing reliability of vehicles, the increasing performance of the manufacturer brands and of course, the internet.

Starting with oil prices, with the Yom Kippur war – for the first time since post-war rationing – fuel economy became an issue and concentration on driving fuel economy was perhaps the start of drivers becoming aware of the environment. This environmental movement has picked up momentum over the decades, as increasing evidence points to global phenomena, such as the greenhouse effect and the effects of pollution on public health. I would argue that the industry has made great strides to address these issues and that along with reliability and flexible finance options, this has made motoring greener and more affordable than it has ever been.

It has also had an effect on the way consumers relate to retailers. As a result of improved reliability, they are less frequent visitors to service departments, a situation magnified by the rise of fast-fit chains. This has meant building loyalty is even more focused on limited physical transactions and, of course, micro-moments of interaction online.

This is where customer insight and customer surveys become so important. If you don't understand your customers, you will never know whether you are doing a good job or not.

As a marketer, the internet has changed fundamentally the way we search for everything, including cars...

...or has it?

People still use media and have discussions with friends and family to work

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**“ THE INTERNET HAS
CHANGED
FUNDAMENTALLY
THE WAY WE SEARCH FOR
CARS ...OR HAS IT?**

out what they want to buy. They still use media to get an idea on the value of their part-exchange and still, in the majority of cases, end up in their (probably) local dealership buying a car.

I would argue that our industry has proven remarkably resilient to the digital disruption that has ravaged many industries, including much of the high street. For me, the key difference is in the empowerment of the consumer. They are now the masters of the universe, and rather than a defined search and purchase process, we now live in a world of snacking micro-moments snatched

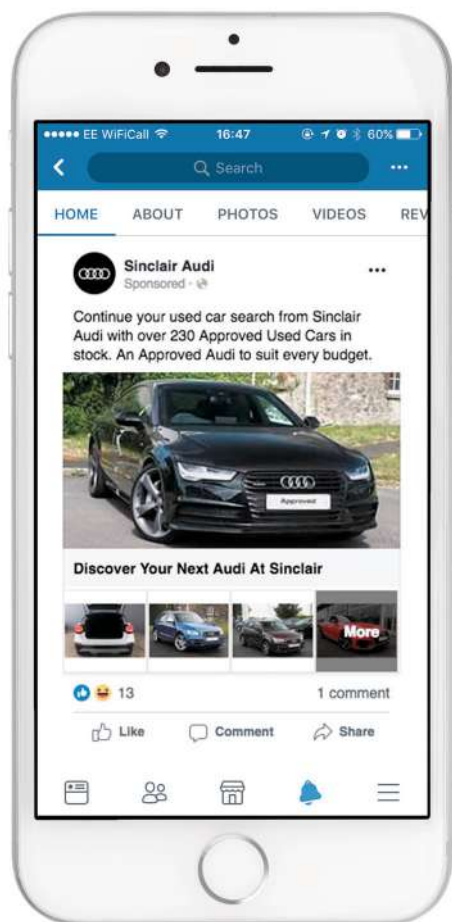
in between the daily deluge of distraction. In this brave new world, promotion of reviews and star-ranking content are essential.

So, what next? The main changes will be consolidation and online purchase, slow changes in car ownership and mobility and the rise of alternative fuel and probably autonomous cars. We are seeing an increasing number of our clients having internet sales surveys and reviews, as consumers become more willing to transact online. We are not yet talking massive numbers and the retailers still hold the aces in terms of vehicle inventory. Our clients use reviews and star rankings to reassure customers of the efficacy of the process. It is likely that the investment requirements of the brands will lead to a further consolidation of dealer networks.

To paraphrase Darwin, it will be not be the fittest, but the fastest to adapt, that survives.

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Boost the quality and quantity of online leads

Data-driven marketing allows dealers a cost-effective way to optimise communications with their digital prospects

Looking back at motor retailing practices over much of the past 30 years, customers have relied heavily on advice and expertise from dealers to guide them through the car-buying journey. As the internet has democratised access to information – about cars, retailers and associated finance and insurance products – we have seen customers take much greater control.

Customers are well equipped to research and make their own decisions about all elements of the ownership experience – from ‘purchase’ (in whatever form that takes), through to ongoing maintenance – thanks to information and service providers accessible online.

For retailers, the digital world presents a huge opportunity – a truly expansive platform to engage with a wider community of customers and potential prospects. However, that platform is also available to competitors, from other retailers through

to a growing band of intermediaries and service providers seeking to build revenues within the automotive supply chain. A small dealership in Newbury can suddenly find itself fighting for business with a larger dealership in Newcastle.

To make the most of the vast opportunity over the coming years, as well as combat the burgeoning threat, dealers must take advantage of every opportunity to maximise the conversion of sales leads. Crucial to this is optimising the quality and quantity of interactions with customers or potential prospects, at every stage.

Using data-driven marketing, dealers can improve communications with prospects and customers online in a cost-effective way. Promoting new and used car stock and services to customers via email and social channels – much of which can be automated – helps to boost conversions and profitability.

Key to successful digital marketing is high-quality data. Without robust protocols for capturing contact information, dealers are limited in their ability to interact with customers and prospects. In an analysis of more than 200,000 of our customer records between January and March 2018, we found that, on average,

dealers hold incomplete information for 29% of their customers.

Improving data quality starts with processes as basic as training sales staff to ensure details are recorded correctly and permissions are set appropriately. From this activity alone, we have seen dealer groups improve consent rates from as low as 35% to an average of 90%.

With a stronger foundation in place, dealers can then target communications and boost conversion rates using a bespoke schedule of interactions with customers and prospects, to keep them better informed and engaged at crucial points throughout the buying process.

Subscribing prospects to automated stock alerts helps dealers to re-capture leads that may otherwise go elsewhere. For example, integrating stock alerts with targeted Facebook advertising helps to deliver greater returns by placing adverts relevant to a specific enquiry in front of known prospects on social media platforms. Meanwhile, interactive lead-generation adverts can secure interest from an even wider audience of likely prospects, broadening the pool of prospective customers for sales staff to pursue.

Entry into the ‘sales funnel’ comes from many different directions – web, social media, used-car sites and manufacturers. Consumer response channels have never been more extensive, and we expect this will continue to expand in the future. The opportunity for dealers to influence the customer’s car-buying journey – and keep them pointing towards you – is there for the taking.

**“CONSUMER
RESPONSE
CHANNELS
HAVE NEVER BEEN
MORE EXTENSIVE**

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Well-being at work – why does it matter?

Jo McKeown, automotive business development manager at Moneyppenny, explains why making sure your employees love their jobs will benefit your business and your clients, too

If you were lucky, a company's idea of 'well-being' 30 or 40 years ago extended as far as a pension and anything above statutory sick pay.

How times change. In today's world, well-being is an intrinsic part of many businesses. Why? Well, for one thing, happy staff = happy clients and a healthy bottom line. A recent study by the University of Warwick found that happiness led to a 12% increase in productivity, and a quick internet search returns a host of academic research linking staff happiness with benefits such as high morale and low absence rates.

Secondly, as a society, our approach to work has changed. In place of 'jobs for life' – a phrase now pretty much unheard of – people are favouring companies that offer benefits, such as community, culture, work-life balance, job satisfaction and an organisation that blurs the lines between fun and work.

This places the onus on businesses, to ensure they are meeting these needs. For retailers, this means asking: Am I creating a happy and positive work environment? What would attract someone to come and work for me over a competitor? What would make them perform at their best and stay?

It might seem a bit 'fluffy', but the reality is

**“HAPPY STAFF =
HAPPY CLIENTS
AND A HEALTHY
BOTTOM LINE**

these elements have a significant impact on the success of a business. According to one study, about 70% of workers are disengaged and uninspired. That's a lot of people who are not reaching their full potential, and for businesses such as automotive retailers, a lot of lost revenue, when even modest gains in staff productivity through engagement and well-being can deliver considerable financial benefits.

Then there are the additional side-effects of having happy staff – staff who will 'wow' your customers with exceptional customer service in the showroom, and will stay longer so are able to build long-lasting customer relationships, in turn increasing brand loyalty. Gone are the days when retailers could rely on brand alone to guarantee a sale – research by Auto Trader found nearly half (48%) of car buyers are undecided what make and model to buy.

At Moneyppenny, well-being is something that has been at the core of our business

since the start. It has guided everything that the company co-founders, Ed and Rachel, do and is their number one priority. Teams are encouraged to socialise and take time out, and when the company built its 91,000 sq ft headquarters in 2016 – which features a treehouse, pub, gym and nature trails – Ed and Rachel asked each and every one of their staff what they would like to see in the office. It was this that underpinned the entire development. What they believe is simple – if their staff are happy, this results in great productivity and they have happy clients.

As a company, we are seeing real results, too. Our staff absenteeism is under 2% per annum, staff turnover is less than 5%, and business is growing by 20% year-on-year. We also receive more than 3,000 CVs a year for 100 jobs, which means we can cherry-pick the very best applicants.

So what does this mean for the future? We believe it's about offering an 'experience' for employees, just as we do for clients. Asking the question – what if people could leave work feeling better than when they arrived? Think of it as a virtuous circle: if employees love coming to work, they will love their job and clients will love what they do for them.

**To discuss your needs, as well as find out more about Moneyppenny's no-obligation trial, please contact:
0333 202 1005 / hello@moneyppenny.co.uk / moneyppenny.co.uk**



Video has a vital role in the future of motor retail

As digital technology and cars themselves evolve, video becomes ever more important

Against the backdrop of digital technology radically changing the way we search for and buy our cars, video emerged on the scene. A decade after CitNOW launched, personalised video is now an essential part of the retailer toolkit.

Video is here to stay and set to play an even bigger role in the omni-channel experience.

Online car sales

Car buyers expect to move seamlessly between multiple digital platforms and the physical dealership, but more of the process is moving online.

In the immediate future, we expect video to be used far more throughout the sales process, and in different ways, such as pro-actively reaching out to customers coming to the end of finance agreements. Dealers will be keen to entice these customers back by using personalised video to showcase the latest or alternative models.

Used cars

Would-be buyers are still wowed when they receive a video of the car following

an enquiry, but we predict it won't be long before this becomes an expectation. Meanwhile, digital assets are even more important to today's car buyers. The use of technology to reduce time to web, increase ad dwell time and create leads will grow in importance.

Connected cars

If a driver is potentially suspicious of their car communicating issues to the workshop, a video of likely damage if the alert is ignored is likely to result in swift action. Reassuring the customer the 'diagnosis' was correct will be even more important, with video the obvious medium.

The EV tipping point

Video will be a popular method for dealers

to educate customers. However, electric vehicles are simpler to maintain, which will affect aftersales business. Additional revenue streams will need to be maximised, such as tyres and brakes. Video will be more widely used to inform customers of new or expanded services.

Aftersales

The aftersales vehicle parc is currently expanding, after years of record new car registrations. As these cars return to forecourts, the emphasis is on selling them quickly and retaining those customers for service work. Further into the future, large, central service and preparation hubs, with retailers providing more of a facilitating, rather than sales role, are possible. Video will be vital for retaining service custom.

Mobility as a service

Likewise, mobility as a service (MaaS) is expected to see fewer vehicles produced, simply because people will not think it necessary to own their own car, opting to hire when necessary. Video will provide a means to entice drivers to rent a certain vehicle to suit the different lifestyle requirements of the individual.

Autonomous vehicles

Quite how motor retail will incorporate autonomous vehicles into its business model is unknown. However, what is certain is the need to continually communicate with consumers who will be looking for information to help make MaaS decisions, with video the most effective means to do so.

More than 93 of the AM100 and 42 car manufacturers use CitNOW's video apps. As the motor retail world evolves, so will the CitNOW suite of products and services. We were an innovator when we first launched video to the automotive sector in 2008, and we will continue to trailblaze as together we redefine the way digital communications are used in a changing motor retail world.

**VIDEO IS SET TO
PLAY AN EVEN
BIGGER ROLE IN
THE OMNI-CHANNEL
EXPERIENCE**



AM PORTFOLIO

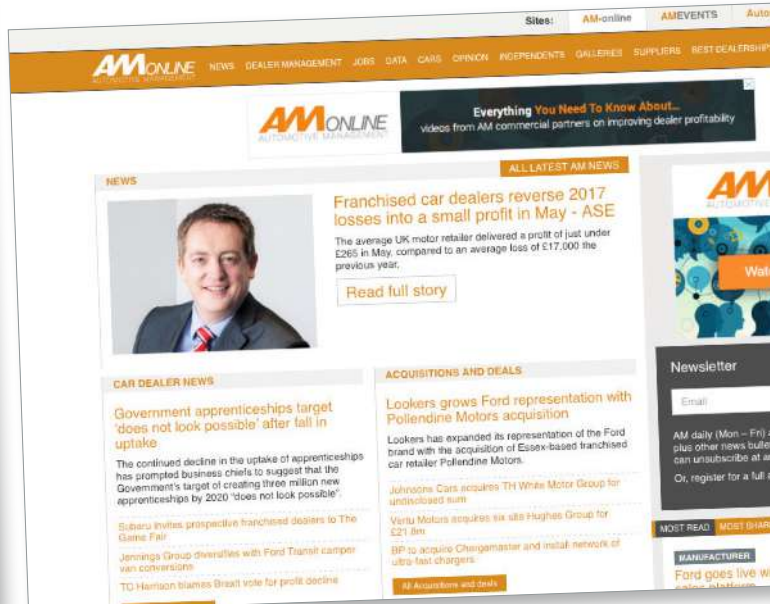
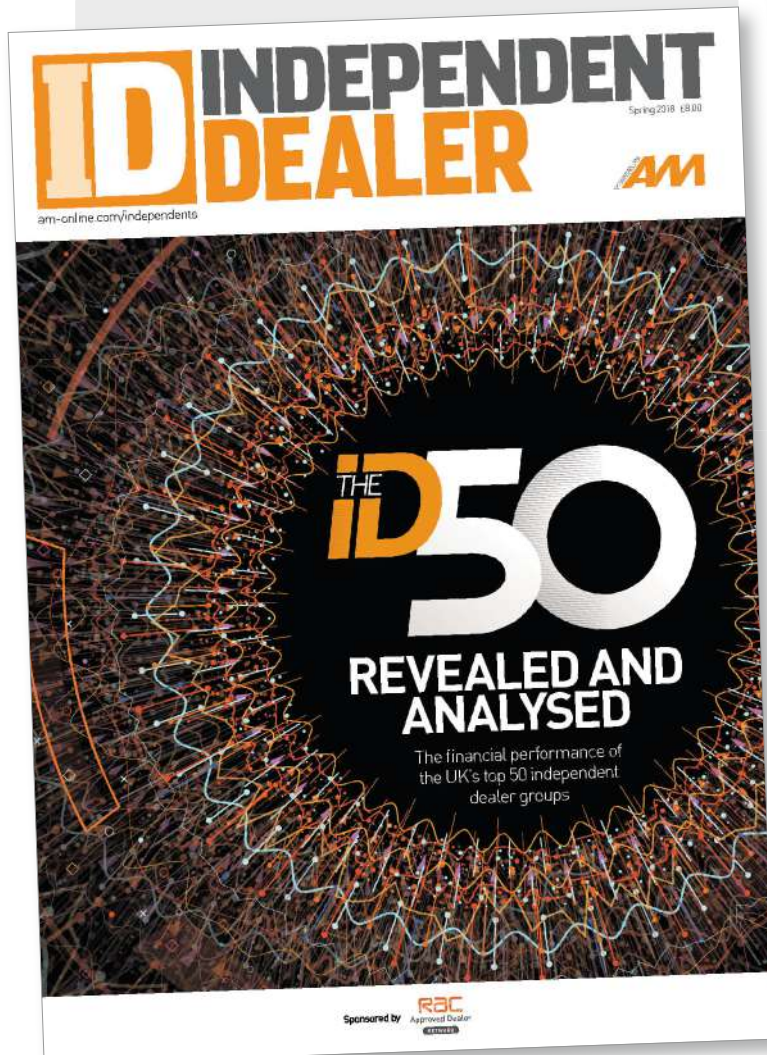
WHAT WE DO IN YOUR INDUSTRY

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.



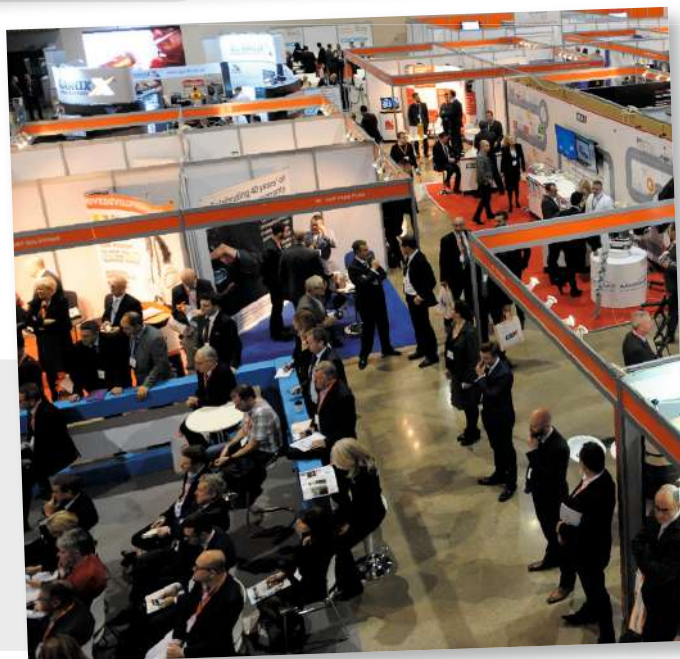
AM-online

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.



1

Commit to it

There has never been a greater opportunity for dealers to start selling over the internet.

However, there is still work to do, according to iVendi's recent report on online motor retailing, in which 57% of respondents believe motor retail lags behind the best online retail experiences. That's borne out by the fact that 43% of dealers questioned said they plan to increase their online retail activity in the next 18 months, while 33% of manufacturers said they plan to offer the option to buy and finance a car online within the next 18 months.

"The main barriers to buying a car online related to the desire to see and test drive the car as well as the security aspect, while for financing a vehicle online the barriers related to confidence and security," said James Tew, iVendi's chief executive.

"The positive factors making consumers more likely to buy and finance a car online were seen to be 'trust in brand', followed by the lifestyle factors of a non-pressurised sale and convenience."

Tony Patterson, director of automotive at e-commerce technology provider Summit, said: "The industry is still essentially a local-based industry, where you have your very expensive buildings and the whole of the business is oriented around that. It's likely to include test drives, the handover experience and everything else. Against that background, you have the customer, who expects the ultimate choice. They don't really care where the vehicle is and they expect more choice and more democracy in how they choose."

Patterson added: "Online is a very effective way to take a local proposition and amplify it nationally... Online is where it's at."

2

Win consumers' trust

The trust and relationship that good salespeople create when face to face with customers has to be mirrored by the online sales operation. That starts with clarity and honesty – digital marketing and website content, including images and videos, must provide consumers with the detail they desire.

Shaun Harris, sales director at Codeweavers, said dealers need to make the process easier and to build a greater trust with the customer. That is done by reviewing the information provided on their website, the brand's personality and tone of voice, and quality of aftercare such as extended warranties, he said.

Darren Williams, director at Elements PRMC, said that when presenting a vehicle online dealers need to focus on improving their search facility for the customer and providing them with a personal presentation after an enquiry.

It's also key for dealers to provide accurate and complete information, ensuring every aspect of the vehicle, including function, aesthetics and technical details, is covered. Dealers can also use tools, such as the vehicle condition report traditionally used by car hire companies to flag any obvious defects to the customer.

When it comes to communication, Williams said the method of response should fit the nature of the enquiry, and should also be done in a timely manner. While one-to-one dialogue can help to build a rapport and trust with the customer, he said there's nothing more irritating than being called back when all you want is a simple response to an online query.

"As far as the tools available, anything that engages is a good thing, but a word of caution – ensure your staff are properly trained in how to use them and their behaviour, language and conduct is appropriate," he said. "These must have synergy with your own brand values."

FIVE WAYS TO SELL



COMMERCIAL PARTNER COMMENT

By James Tew, CEO, iVendi



There is little question that online retail is becoming more important to the motor industry at a rapid pace.

At iVendi, we have just completed research that shows 79% of vehicle buyers would be "confident" or "completely confident" about buying a car entirely online. Motor retailers are in the process of meeting this demand – our findings also indicate that 43% of dealers are investing in their online provision within the next 18 months.

This shift will mean that dealers will need not just to improve their online provision, but also learn a whole new series of skills and processes. Eventually, they will have to move beyond being simply showrooms, to genuine e-commerce businesses that operate on what we once called a 'clicks and mortar' basis.

In essence, the industry is working to quickly progress towards the kind of online experience that you may expect from businesses that excel in this way of working, such as John Lewis. Retailers such as these are among the gold standards of models that combine both a digital and a physical presence.

For dealers, meeting this challenge will mean better online finance processes, better online part-exchanges, better online handling of customers' queries and much, much more – and integrating these so that, at every step of the way, car buyers can choose whether to take the digital or analogue option. This last point is crucial – our research shows there will be very few pure online or showroom vehicle sales, but that most consumers want to mix and match as they see fit.

These pages, sponsored by iVendi, take a timely look at some of these issues. We found them fascinating reading and we hope they are similarly useful to you.



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

Next issue's dealer masterclass: Websites and digital

To succeed at digital retail, dealers need to compliantly win consumers' trust and offer an easy route to purchase, report **Tom Seymour**, **Craig Thomas** and **Alex Wright**

MORE VEHICLES ONLINE

3

Know the law

Although commonly referred to as the Distance Selling Regulations, the name of the legislation that covers distance selling is The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. This has been in force since June 2014 and like many of the UK's current laws, it is based on an EU directive, in this case the consumer rights directive.

The Consumer Contracts Regulations define three different types of contract between a trader and a consumer. A distance contract, an off-premises contract and an on-premises contract. In the scenario where there is no face-to-face contact between the dealer and buyer, it would be covered as being a distance contract.

"If a dealer advertises on their website that customers can call up, pay a deposit either over the phone or online and then get the vehicle delivered, that is almost certainly an organised distance sales scheme. As such, all the distance sales rules will apply," said Nona Bowkis, solicitor at Lawgistics.

Distance sales give the customer 14 days to effectively change their mind, but they also require dealers to provide the customer with paperwork advising them of their rights. The cancellation period starts when the consumer has received both the goods and the paperwork.

Failure to do so would mean that, legally, the 14-day 'change your mind' period can be extended for up to one year.

Bowkis said: "The customer normally has to pay the cost of the vehicle being returned and a clause stating this should be included in the cancellation paperwork."

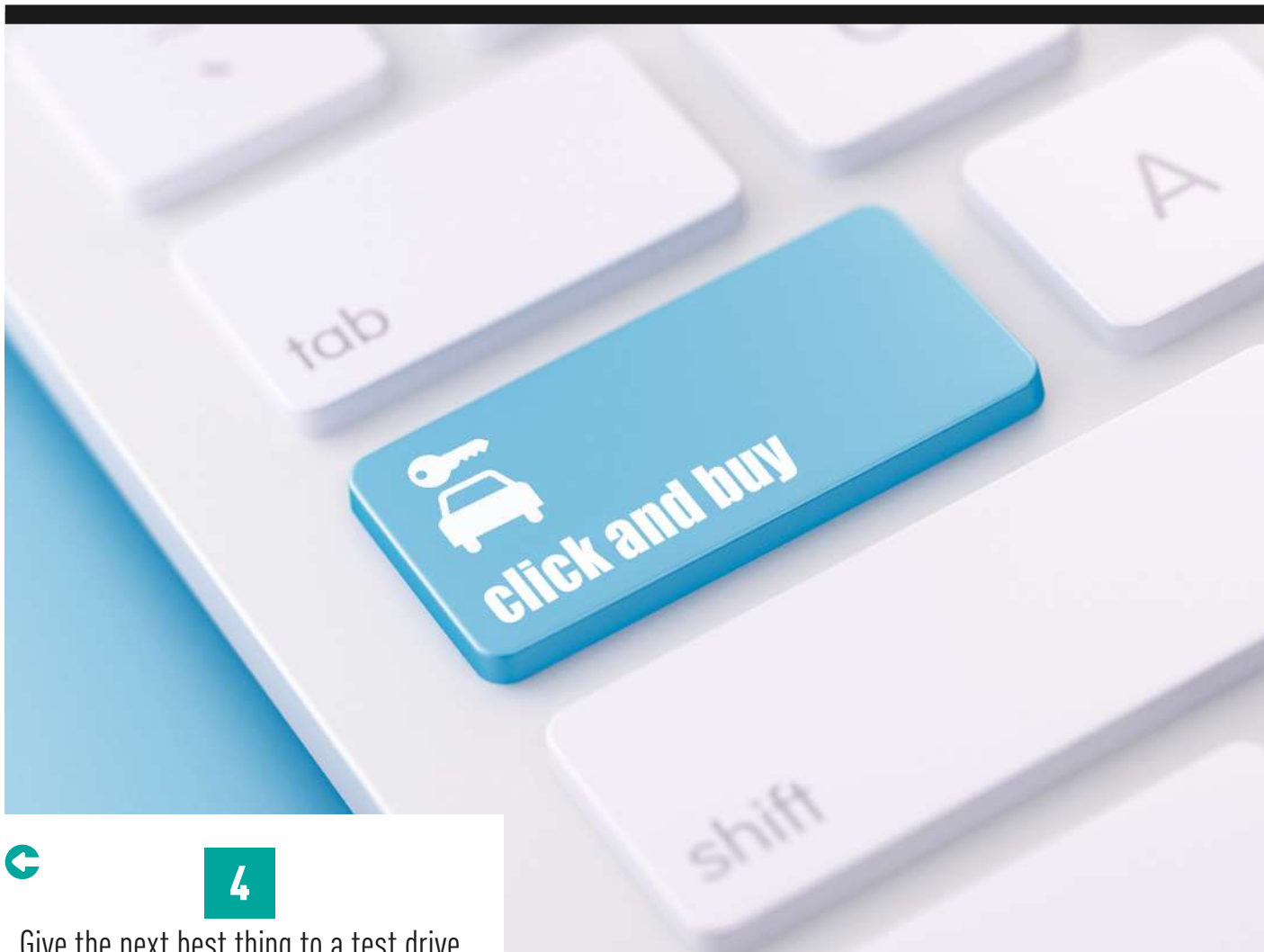


“The iVendi 2018 Online Retailing Report”

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4

Give the next best thing to a test drive

Many dealers consider video presentations to be particularly effective when demonstrating a car to an online customer.

Tew said: "Effectively what you are trying to do is to create an artificial test drive.

"Now you can send them a personalised video of the car from anywhere in the country, so that they can see it for themselves. The challenge for the dealer, however, is that when video becomes the norm they will have to move to the next level of digital delivery, whatever that is."

Škoda, for example, has a central team of product hosts that use static and handheld cameras to display its range and to answer questions from online browsers.

Tew added that dealers need to take as many high-quality images of the vehicle from as many different angles as possible, both inside and outside, covering the full inventory and metadata descriptions where necessary. He added that improvements in quality of images in recent years as well as the use of 360-degree interior and exterior imaging have helped the dealer to boost sales.

"Being able to zoom in and see certain parts of the vehicle is key," he said. "I certainly think there is a correlation between the number of images of a vehicle that are viewed by a customer and purchasing that model."

Dermot Kelleher, marketing and business intelligence director for Motors.co.uk, said faster broadband speeds are enabling online vehicle retailing. "Undoubtedly, imagery and video are probably the two key drivers of why dealers now feel like they can put a car out there that will be able to give a good consumer experience without that consumer actually having to touch it," he said.

5

Finance and compliance

An inability to complete finance agreements online has been a barrier, but that is now being overcome, as finance houses such as Black Horse and Barclays Partner Finance roll out electronic signing and APIs that will link the dealer's online customer to their own secure portal for their finance application and affordability checks.

Tew said dealers should bring finance into the buying process at the earliest opportunity so the customer can view the different payment options available to them and then match that to their chosen vehicle.

The incorporation of finance calculators on dealers' websites has become commonplace, but dealers cannot delegate all FCA compliance to the consumer. The FCA also stipulates that a car dealer's financial promotions and adverts must be fair, clear and not misleading.

Spencer Halil, director of Alpha Financial Services UK, said dealers need to present their range of finance products simply and transparently, through FAQs, comparison tables and descriptive explanations or videos, to allow the customer to make their own decision.

"The critical point is that there should be no bias or agenda in the explanations – let the customer choose what is right for them, not what works best for the dealer or lender," he said.

“

**EFFECTIVELY
WHAT YOU ARE
TRYING TO DO
IS TO CREATE
AN ARTIFICIAL
TEST DRIVE**

**JAMES TEW,
IVENDI**



VW expects to build 'confidently' on registrations of the outgoing Touareg (2017: 3,689)



VW TOUAREG: TECH LEVELS IMPRESS, BUT WHERE'S THE HYBRID?

There must be some disappointment that Volkswagen UK is unable to launch the brand's flagship Touareg SUV with the fanfare of a low-emission hybrid option.

The more stringent emission regulation demands of China and the allure of a market where the brand sold 1.01 million vehicles during Q1 was clearly enough to determine that the 367PS plug-in hybrid version of the new flagship C-segment SUV should be diverted there.

The otherwise technology-packed Touareg went on sale here on June 7, available initially only with a 286PS three-litre V6 turbodiesel, which delivers 40.9mpg on the combined cycle.

A 230PS three-litre turbodiesel and a 340PS three-litre turbo petrol will be launched in the autumn, with a 422PS four-litre V8 turbodiesel flagship scheduled to arrive before the end of the year.

No date has yet been set for the arrival of the plug-in hybrid Touareg model.

Touareg prices start at £51,595, with a 3.3% APR PCP offer on an R-Line model (£55,095) coming in at £499 a month over 48 months, with a £3,000 VW contribution and £10,459 customer deposit.

Sales are expected to be split 60:40 in favour of fleet, compared with the previous model's 85% fleet sales.

Measuring 77mm longer (4,878mm) and 44mm wider (1,702mm), with an 810-litre

boot, the new model – built on Volkswagen's modular longitudinal matrix (MLM) platform – weighs 2,070kg, but reins in its mass with the help of technology.

At speeds below 27mph, four-wheel steering directs the rear wheels up to five degrees in the opposite direction to those at the front. This aids the car's agility around town and gives the Touareg an 11.2-metre turning circle (20mm greater than a Golf).

Above 27mph, the rear wheels turn in the same direction as the front to aid stability.

Air suspension and active anti-roll bars, which tense when cornering forces are detected, and a locking centre differential capable of channelling up to 70% of the 600Nm of available torque to the front axle, or 80% to the rear, further assist traction and dynamic stability.

Volkswagen's chassis settings can tune the Touareg's demeanour through a variety of on- and off-road settings, meanwhile – Off-road+ raising the springs by 70mm, Sport dropping the ride 15mm.

During the Touareg's media launch in the Austrian Alps, its tech-packed chassis displayed an impressive ability to corner flat on twisting mountain roads, while maintaining impressive levels of ride comfort.

The option of an electric folding tow bar allows those who venture off-road and use the car for work to make use of its 3.5-tonne towing capability. ➔

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WHAT CAR?



≡ KEY RIVALS



Volvo XC90



STYLING, DYNAMICS, SAFETY EQUIPMENT



OCCASIONALLY CLUNKY INFOTAINMENT



Lexus RX



AIR OF PREMIUM, OPTIONAL HYBRID DRIVETRAIN



LIMITED OFF-ROAD ABILITY



Land Rover Discovery



A GENUINE OFF-ROADER WITH ROOM FOR SEVEN PEOPLE



DIVISIVE LOOKS, LACKS ON-ROAD DYNAMIC POLISH



£51,595-£58,195



286PS 3-LITRE V6 TURBODIESEL



0-62MPH 6.1 SECONDS; TOP SPEED 146MPH



7SP AUTOMATIC



40.9MPG



182G/KM CO2



HAVING A PETROL ENGINE ON OFFER IN THE NEW CAR IS NOT ONLY VERY EXCITING, BUT ALSO VERY IMPORTANT

BRIAN LUCKIE, VW UK



VW is positioning its flagship SUV as a technological showcase for the brand



VW's new Innvision Cockpit will only be fitted as standard to the range-topping R-Line Tech trim

While venturing (just) off-road, Volkswagen's new Innvision Cockpit system brought the dramatic Alpine topography into the cabin.

The Innvision system combines a 15-inch touchscreen with a 12-inch digital instrument binnacle to deliver Google Maps sat-nav imagery into the cockpit and is as intuitive as anything we have come to expect of VW's infotainment systems.

Coupled to a new Dynaudio audio system, the stunning Innvision System also delivers 730 watts of Dolby 7.1 surround sound into the cabin.

However, despite being a stand-out feature, the swathe of high-definition display screens will only be fitted as standard to the range-topping R-Line Tech trim.

The Touareg is available in SEL, R-Line and R-Line Tech trims from launch.

A thermal imaging camera, ushering in night vision and pedestrian detection capabilities; traffic jam assistance, delivering semi-automated driving; predictive cruise, which adapts speeds to corners and junctions using sat-nav data; trailer assist; and front cross traffic assist, to prevent collisions when emerged from a concealed entrance, will also feature in the brochure.

It is clear that Volkswagen's flagship SUV is being positioned as a technological showcase for the brand. Volkswagen has thrown everything at its new model and the result is a vehicle that actually feels every bit of its quoted starting point of £51,595.

Bentley is currently charging £162,700 for its Bentayga SUV and Rolls-Royce is about to demand £230,000 from customers for its Cullinan, but the Touareg feels like the most cutting-edge of the breed, especially when in combination with

Q&A



BRIAN LUCKIE, PRODUCT MARKETING MANAGER FOR TOUAREG IN THE UK

How many Touareg models does Volkswagen expect to sell in the UK and what will be the most popular trim?

While we wouldn't commit to a number, we can expect to build confidently on the strong performance of outgoing Touareg which, last year, sold 3,689 here. The most popular model is likely to be a diesel-powered R-Line.

The new Touareg boasts many new features. Which standard specification highlights will win over buyers?

In the SEL there's luxurious Vienna heated leather; traffic sign recognition and lane assist. And, of course, there are so-called 'hygiene factors' such as front and rear parking sensors; adaptive cruise control, and the standard-fit 9.2-inch Discover Navigation Pro infotainment system. R-Line adds a striking new exterior body kit, along with 20-inch diamond turned wheels, 4 Zone Climate Control, Park Assist with rear view camera, and an electric tailgate. The big standard-fit feature on the range-topping R-Line Tech model is sure to be the new Innvision Cockpit.

Where are the key upsell opportunities for dealers?

We expect there to be a significant interest in the panoramic roof – the largest available on

any Volkswagen vehicle – along with the option of the Innvision Cockpit on SEL & R-Line trims; a fully electric power tow bar – given new Touareg is still able to tow 3.5 tonnes; and the attractive new 30-colour ambient lighting system.

What will be the expected splits between retail:fleet and petrol:diesel in sales of the new Touareg and how might figures differ from the previous generation model?

The petrol/diesel split is expected to be 20/80. Having a petrol engine on offer in the new car is not only very exciting, but also very important. The fleet/retail split will be around 60/40. Current Touareg is typically a local business fleet car and we intend to remain competitive in that sector with the new model.

A hybrid version of the Touareg is being sold in China. When will this reach the UK and what share of sales would you expect it to achieve?

There is no official date set yet regarding the availability of a PHEV version of Touareg in Europe.

How will the Touareg marketing campaign seek to reach new customers?

Major marketing activity will be supported by a national billboard campaign. Communication will be focused on the premium comfort, intelligent technology, and class-leading safety features of the car, which will certainly help it appeal to new audiences. From a CRM perspective we will be communicating with potential new Touareg owners through the brand's growing KMI (keep me informed) database, which has been quickly established since the car's global launch earlier this year.

THE MOST POPULAR MODEL IS LIKELY TO BE A DIESEL-POWERED R-LINE
BRIAN LUCKIE, VW UK

that new cockpit architecture.

The only thing that Volkswagen UK needs to work on is its demands to get the plug-in hybrid version on to our shores as quickly as possible.

With diesel sales on the slide – at least in the new car sector – motorists now

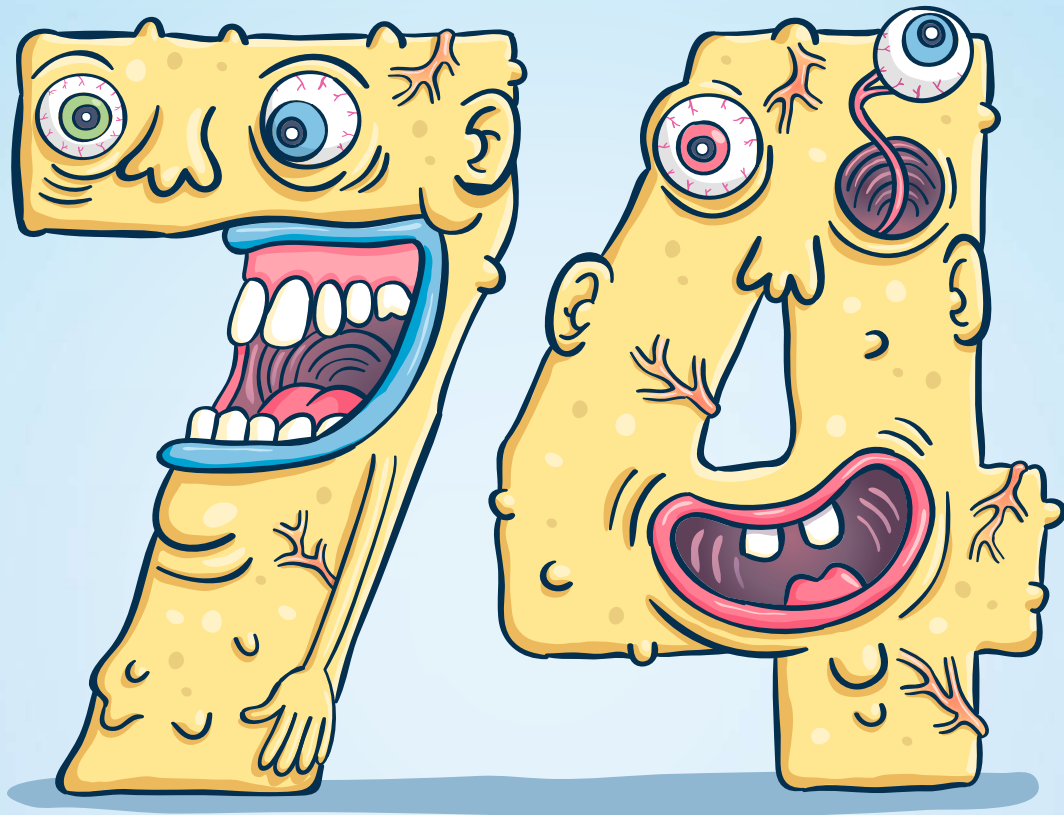
crave an AFV alternative to diesel just as much as they do the go-anywhere, family-carrying capacity of a premium SUV.

Let's see how quickly VW can deliver and help UK dealers make the most of what is an impressive new flagship for the brand.

TOM SHARPE



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REPORT
PROGRESS



'FILLING UP' AT HOME CAN'T QUITE ALLAY RANGE ANXIETY

If you had a fuel pump at home, would you ever visit a filling station again?"

Tom Callow, Chargemaster's director of communication and strategy, posed the question at this year's AM Digitech conference, reasoning that, despite the UK only having 15,000 public charge points, EVs offered greater convenience than doubters may believe.

"You might think 'well, there's 70,000 fuel filling points across the UK', but there are 100,000 dedicated charge points at people's homes and that's where 80% of people charge their vehicles."

While having a 'pump' at home is a great thing, longer journeys, often completed for work or with a car full of family, soon throw up complications – usually in the form of a lengthy walk from a public charge point to your desired destination.

A recent range-busting 180-mile round trip to the NEC in Birmingham presented me with the gamble of plugging into one of the Genting Resort's three Pod Point public chargers and a walk to my scheduled meeting.

There was also anxiety around charge-point hogging. Were I to bag a charger, I would have wanted to return to vacate it mid-way through the day.

Ultimately, I left the EV at home.

It seems that even with a realistic range of 140 miles, the e-Golf – or rather EV motoring – still presents some limitations when time is tight and distances are long. **TOM SHARPE**



CHARGE TIME
80% IN 45 MINUTES
(40 KW)
17 HOURS, 2.3KW
THREE-POINT PLUG



EV RANGE
124 MILES (186
MILES NEDC TEST)



PCP PAYMENT
£1,000 DEPOSIT
CONTRIBUTION,
FROM £28,230 ON
5.5% APR AND
MONTHLY
PAYMENTS OF £315



**DRIVING DYNAMICS,
INFOTAINMENT SYSTEM**



**ANXIETY ABOUT RANGE AND
CHARGE POINT ETIQUETTE**

**CURRENT
MILEAGE**

0 2 2 4 3

**START
MILEAGE**

0 0 1 0 0

HONDA CIVIC 1.0 VTEC TURBO SR

REPORT
PROGRESS



DIESEL DECLINE ACCELERATES HONDA'S SWITCH TO EVs

Negativity surrounding diesel has accelerated moves that Honda has been making away from the fuel for some time, said Phil Webb, its UK head of cars.

Later this year, Honda will launch a new CR-V with no diesel option – another indication of its desire to progress from petrol/diesel to hybrid, to all-electric, to fuel cell.

"Honda has always been on a journey towards fuel-cell-powered vehicles. But we couldn't have predicted how quickly the fall in diesel's popularity has happened," said Webb. Registration figures for January to June show Civic diesel volumes down 18.45% year-on-year, and a 44.41% fall in HR-V diesel registrations.

Webb said it was "exacerbated by the lack of clear understanding and regulation". He said Honda had supported dealers in getting the right messages to consumers on the suitability of diesel for certain customers. In London, low-mileage commuters had turned away from diesel, but in areas with high-mileage drivers, its greater economy over petrol makes sense – and makes it a lot harder to let go of. "We'll take those customers on the journey with us away from diesel," said Webb. The Urban EV electric car is due in 2019.

On WLTP, Webb said: "We've been working on the changes for many months and we've no issues to contend with. When we moved CR-V production from Swindon and HR-V from Mexico to Japan we made the production changes to be WLTP-compliant." **JEREMY BENNETT**



REGISTRATIONS YTD
7,347
(SOURCE: SMMT)



SEGMENT SHARE
4.5%
(SOURCE: SMMT)



PCP PAYMENT
(CIVIC SE VTEC TURBO)
FROM £18,895,
£750 DEPOSIT
CONTRIBUTION,
5.9% APR,
MONTHLY
PAYMENTS
FROM £189



**THE BOOT SPACE IS DECEPTIVELY
ALL-SWALLOWING**



**THE SAT NAV HASN'T
WORKED SOMETIMES**

**CURRENT
MILEAGE**

0 4 7 9 7

**START
MILEAGE**

0 1 2 7 9

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Nathan Constable,
sales manager at
Ponther Suzuki in
Abergavenny,
identified the GTC
Nissan Skyline
GTR R32 in last
month's issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, August 10.



ADVERTISING FEATURE

EXECUTIVE PANEL

Industry professionals share their best advice on motor retail issues

AUCTIONS

Dealer Pro makes valuations easy

By Stuart Pearson, COO, BCA UK Remarketing



The part-exchange is a critical element of profitable retailing and BCA's next generation of Dealer Pro, now a fully functioning app, helps dealers to appraise, value and retain or remarket part-exchange vehicles with the minimum fuss and maximum efficiency.

The new Dealer Pro app makes generating a quality part-exchange appraisal even more accessible for all dealers, franchised or independent, delivering an accurate, transparent and professional part-exchange process, while building confidence with retail customers and improving profitability.

Already adopted by many leading dealer groups, Dealer Pro helps to improve vehicle sales and deliver a class-leading customer experience. The award-winning tool is designed to help dealers manage every aspect of the part-exchange process, freeing up the sales team to focus on retailing cars and serving the customer's needs.

Designed in partnership with dealers and developed in-house by BCA, the all-new Dealer Pro app features numerous upgrades. It delivers enhanced features and a more intuitive experience, with a new customer-friendly interface making it even easier to use.

The all-new Dealer Pro app has been extensively field-tested with partner dealers, making sure it delivered what they needed. It can be downloaded and be up and running within minutes, generating accurate vehicle valuations through a consistent appraisal process.

We also understand the importance of customers having confidence in the process and that they are getting an accurate valuation for their car. The new BCA Dealer Pro app fully supports this by offering a quick and easy appraisal service along with a valuation service built around current market pricing.



VALETING

Diamond-cut alloy repair goes mobile

By Martin Peters, sales director, Autoclenz Group



Autoclenz's cosmetic repairs division is launching a repair solution for mobile diamond-cut alloy wheels from September 2018, initially to dealerships in the Midlands.

Currently, it can take as long as three days for diamond-cut alloys to be collected, taken off-site to be repaired, and returned to site. While this specialised off-site activity takes place, the car is left sitting on axle stands, taking up space at the dealership. This delay also means stock vehicles are not available quickly enough, and the potential of selling this service to the retail public is limited due to this waiting time and the customer losing their car for three days.

Autoclenz has the solution – we have invested £90,000 in our first bespoke van, which is designed to house the specialist lathe and is completely self-contained, including extraction etc. The service will be offered to trade customers, with the ability to complete up to eight diamond-cut wheel refurbishments a day.

A centralised diary with the ability to book online will drive the bookings. Ultimately, having trialled this solution in the Midlands, Autoclenz plans to roll out national coverage with a fleet of vehicles.

Grahame Rummery, the CEO of Autoclenz, said: "This new service is driven by innovation and creates substantial growth within our cosmetic repair division, making a valuable addition to Autoclenz's unique portfolio of services."

■ For more information on the difference Autoclenz can make to your business, please call Lucy on 01283 554 682, or visit our website: www.autoclenz.co.uk



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Cutts of Campden
Desirable Car
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Drayton Motors
Drive Motor Retail
Drive Vauxhall
Dudley Motor Company
EW Pinchbeck & Sons
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Harley-Davidson
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Hills Ford
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Holdcroft Motor Group
Honda UK
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Hyundai
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Ken Jervis
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LV Cars
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Lind Group
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LMC Nationwide
LMC of Farnham
Lookers
LSH Auto
Luscombe Motors

MAN Truck and Bus
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MV Agusta Motor
Nissan
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Peter Vardy
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Porsche Retail Group
Premier Automotive
Premier Ford
Prestige Cars Kent
PSA Finance
R Automotive UK
Renault UK
Revolve Cars
Richard Lawson
Autoecosse
RJ Prestige Cars
Roadside Garages
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RRG Group
Sandcliffe Group
Sandles
Sandown Mercedes-Benz
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Smiths Motor Group
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Stoneacre
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Thame Cars
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Thurlow Nunn
Tottington Motor Company
Toyota GB
Trident Garages
Triple M Vehicles
Vauxhall Motors
Vindis Group
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COULD ARTIFICIAL INTELLIGENCE HIRE YOUR NEXT EMPLOYEE?

Big data technology could streamline the recruitment process for car dealers

Artificial intelligence (AI) has the potential to revolutionise car dealerships' recruitment processes, according to experts.

The typical hiring process can take anywhere up to six weeks, not to mention the cost of advertising for the role and employing recruitment firms. Human error and inefficiencies in the screening process can make it more difficult to select the right candidate.

However, AI and 'big data' tools are increasingly being offered by vendors such as LinkedIn to sift through candidates' profiles and match the most suitable person to the role. By doing so, they can identify those with data points that best fit a dealer's list of key attributes in minutes, freeing up the HR department to focus on more pressing matters.

By lowering the cost of prediction, AI can ensure a cheaper, faster and more efficient recruitment process, as well as bridging the gap between supply and demand. However, it needs to be used in an ethical way that does not harm or unfairly disadvantage candidates, especially when they may not be aware of it.

Darren Williams, director at Elements PRMC, said the most relevant application for AI is in the initial screening process. Taking it a step further, he said it could also be used to select candidates for roles that have not yet become available.

"It will make the recruitment process much slicker, that's for sure," he said. "By constantly drip-feeding candidates into a recruitment pool it would be most advantageous to a dealer who suddenly loses one or two key sales executives and needs to recruit straight away."

However, Williams was sceptical whether AI would reduce payroll costs

“THE EFFECTIVE USE OF AI WILL UP THEIR GAME RATHER THAN REDUCE COSTS. BUT IT WILL FREE STAFF TO FOCUS ON THEIR CORE ROLE

**DARREN WILLIAMS,
ELEMENTS PRMC**

and headcount. Rather, he said dealers could use it instead to enhance their recruitment process.

"The effective use of AI will up their game rather than reduce costs," he said. "But it will also free up staff to focus on their core role rather than the recruitment process falling on the shoulders of someone with a different job description, as it so often does."

Guy Liddall, the managing director of Motor Trade Select, said because AI will take more care of back-end operations, dealers will instead be focused on the recruitment of more customer-facing staff, drivers and technicians. It will also require employees of a different skillset that are more flexible to start with, he said.

"The type of people that we will be recruiting is difficult to predict, so I suspect that, at least in the short term, they will be highly adaptable and prepared to trial lots of new ideas," he said.

"Whether artificial intelligence will then pigeonhole people into areas where they can do the least damage and the most good, ensuring that we only recruit people who are within their very narrow bounds

– gregarious, good customer-facing skills, patient, great at handling pressure, etc, time will tell."

He added: "There is no doubt that many recruiters have already automated their recruitment process; our studies show that most candidates are aware that there is precious little human interaction in the recruitment process nowadays – a recent study we did suggests that less than 10% of candidates actually get what they would deem a human response to job applications. But will AI improve this, by making automated responses look more human, or increase this because we will all quickly get used to machine-created responses and recognise them? We now recognise standard template replies, which 30 years ago might have impressed us because they were personalised," he said.

Karl Davis, Coachworks Consulting's managing director, said while technology plays an important role in streamlining dealer operations and improving back-room and showroom efficiencies, there will also be a greater demand for inter-personal skills. Recruitment will also target those with a more consultative approach, in the vein of John Lewis or Apple employees whose skills can be honed to provide deep product knowledge of the latest technological features on a car, he said.

"As this consultative approach to car retailing becomes more prevalent, dealers will need to adjust their recruitment policies to attract the appropriate skills set," he said.

"Dealers looking to the future have a rich pool of millennials from which to recruit and there will be high demand for bright, young tech-savvy candidates with excellent interpersonal skills."

ALEX WRIGHT

RESOURCES

WIRED GUIDE

Technology magazine *Wired* presents a potted history of artificial intelligence (AI).
www.am-online.com/WiredAI

AI AND THE FUTURE OF CUSTOMER EXPERIENCE

Eric Berridge, the chief executive of IT company Bluewolf, discusses the potential of AI to revolutionise customer service.
www.am-online.com/Bluewolf



HOW TECH WILL CHANGE RETAIL SHOPPING

Technologist Taylor Romero presents a TED Talk on why retail shopping will benefit from technology.
www.am-online.com/TaylorRomero

ADVERTISING FEATURE

Valet – image and instant upload to web

By Michaela Gunney,
UK sales director, Secure Automotive Support



Can you imagine the benefits of booking a full valet, image capture, automatic digital backdrops and instant upload to the web from your desktop?

That's exactly the service Secure Valeting and Auto Imaging currently provides to major dealer groups and independents across the UK.

Secure has delivered valeting and support services to the automotive industry for 20 years and our Auto Imaging division has now launched the Auto Imaging App, making it possible to upload during the capture process.

Instant QC and real-time feedback

Instant QC and real-time feedback is a unique selling point. Manufacturers, dealer groups and Secure Valeting can capture images on the app and instantly accept or reject them. This is essential in improving quality and speed of upload.

Instant upload

Instant Upload is possible with the app, during the capture process, via Wi-Fi or mobile network. If there is no Wi-Fi, the app allows full-featured use, then automatically uploads later. Images can upload instantly or have digital backdrops added.

Ghost tutorials

Ghost tutorials on each agreed image angle mean you can line up the vehicle you are capturing with the agreed specification. Once aligned, you can slide and remove to capture the image. Along with Instant QC and real-time feedback, this trains users on photography whenever they image a vehicle.

Audio cue

Audio cue allows consistent timing and framing of content when moving around a car. The app allows control of the Ricoh 360-degree camera to provide internal virtual tours – a fantastic experience for potential buyers.

■ For more information, call 01480 216700 or visit www.autoimaging.co.uk



TALENT ON THE MOVE



PATRICK FOURNIOL,
VAUXHALL

Vauxhall Motors has appointed Patrick Fourniol as its new marketing director.

Fourniol, formerly marketing and sales professional for Toyota, Renault and Volkswagen, will take up his new post on July 23. He joins the Luton-based, PSA Group-owned car manufacturer from Toyota in the UAE (Dubai), where he was general manager for distributor operations.

Among Fourniol's areas of specialist experience are brand enhancement, customer centric innovation and accelerating digitalization, it added.

■ In Europe, the supervisory board of Opel/Vauxhall has appointed Xavier Duchemin as managing director of sales, aftersales and marketing, and Frédéric Brunet as chief financial officer. Duchemin will succeed Peter Küspert, who leaves the company at his own request after nearly five years in office, and Brunet will succeed Philippe de Rovira, who has been appointed a member of the executive committee and CFO of Groupe PSA, as of August 1.



TIM TOZER,
ALLIANZ PARTNERS

Tim Tozer has been named as the new chief executive of Allianz Partners in the UK and Ireland.

Tozer, formerly the group operations director of Vertu Motors and chairman and managing director of Vauxhall, will join the automotive insurance and warranty specialist on September 1. He took the top job at Luton-based Vauxhall in February 2014 before making a swift and unexpected departure from the brand in September 2015. He held his post at Vertu since March 2016.

He was previously a director at Allianz Partners UK and Ireland (then Mondial Assistance) between 2002 and 2004.



MARK RABAN,
MARSHALL MOTOR
HOLDINGS

Mark Raban is to step down from his role as chief financial officer at Marshall Motor Holdings.

Raban joined the group in 2014 and has played an integral role in both the group's IPO and its subsequent growth, according to the company.

In a statement, it confirmed he will remain with Marshall Motor Holdings in his role until an appointment is made, to ensure a smooth transition.

The group is searching for a successor.



SIMON PARKER,
COACHWORKS
CONSULTING

Simon Parker has joined Coachworks Consulting as a non-executive director.

The former JCT600 director is expected to help Coachworks achieve its aim of doubling turnover and attract new manufacturer and retailer clients.

Parker has held a number of senior management roles in the motor industry, having started his career as an accountant with Deloitte. At JCT600, he was Mercedes-Benz brand director, responsible for five sites across Yorkshire and Derbyshire.



STEVE WHITAKER,
FARNELL LAND ROVER

Vertu Motors has appointed Steve Whitaker as head of business at its Farnell Land Rover franchise in Guiseley, as the dealership undergoes a £4.7 million refurbishment.

Whitaker, who has 30 years of experience in automotive retailing, was responsible for the location under its previous owners, the Co-operative Motor Group.

The current redevelopment will bring the site into line with Jaguar Land Rover's 'Arch' CI.



We have the experts

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

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

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EIGHT QUESTIONS TO...

A BRAND DIRECTOR

John Stone, HR Owen, on balancing the demands of Bentley customers, stakeholders and staff, and the joy of fulfilling a childhood dream



What are the main responsibilities of your role?

STONE: I manage everything Bentley-related for HR Owen, which includes the Jack Barclay Bentley showroom in Mayfair, our London Bentley Service Centre and dealerships in Hertfordshire, Surrey and Berkshire.

Recently I managed the refurbishment of the world's oldest Bentley retailer, Jack Barclay, combining heritage with modern design, which was a huge challenge as we remained open throughout. HR Owen and Bentley are long-term partners – it's an honour to be the custodian of the relationship as we enter a new era.

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

STONE: I have to satisfy the high demands of my stakeholders and customers, whose priorities can often differ. Keeping the balance is an art. I have a fantastic, professional team behind me and a strong leadership team in support, but this business is high-momentum and ever-changing. We have to be ultra-flexible to the needs of our client base as their demands change, the global economy fluctuates and the automotive world begins to offer new levels of technology and power train advances. Bentley is attracting a younger client base each year, these buyers expect a different level of care to that of a more traditional Bentley customer, we have to evolve and adapt to suit everyone who walks through our doors.

How might these challenges be overcome?

STONE: Working as closely as we do with Bentley Motors means we have very effective communication with the factory, giving us the ability to react to any situation with speed and focus.

HR Owen Bentley spends time to ensure we are at least two steps ahead of where our customers will be six months down the line. By doing this, we are always ready to satisfy, can have the right product available and be briefed on the latest tech advances.

What attracted you to this area of expertise?

STONE: Having worked with Bentley for a number of years, it was always a personal goal of mine to reach the pinnacle, to lead Jack Barclay and all of the other

HR Owen Bentley locations. Working with cars was a childhood dream, I simply couldn't believe you could be around great cars all day and get paid to do so.

I've worked in 'the trade' for a number of years now, and have always strived to represent Bentley, a brand I've always had a passion for. The love is still as strong today, and while my position comes with the stresses you get in any senior management role, I am still stupidly excited to come to work.

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

STONE: I learnt very early on in my career to always do what you say you will. Too many talk the talk, but fail to deliver. For me, it is important to deliver on my promises. I will always encourage those around me to go the extra mile, as that's what sets us apart from our competitors. I like to stretch myself and my team, but always with an eye on reality. There's a fine line between giving all you can and being pushed too hard. My role is to support and manage the views and opinions of my team – keeping that balance is very important. It's important to have the support of HR Owen chief executive, Ken Choo, and that of the wider board of directors – to do that you need effective, tight communications and an open-door policy whenever you are needed. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

I'm passionate about continuous improvement and always look for the positives in everything I do.

What's your favourite app?

It has to be WhatsApp, great for personal communication and business, too.

How do you relax?

Quality time with friends and family is most important to me. I also enjoy walking the dog, listening to music and, of course, a holiday when I can get away... not always easy in this game!

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What's the craziest thought you've had?

EDITORIAL

Editor Tim Rose 01733 468266

tim.rose@bauermedia.co.uk

► That I could think and act like a 20-something forever

News and features editor Tom Sharpe
01733 468343 tom.sharpe@bauermedia.co.uk

► That we should strap my mate to the front of a (moving) tractor to film a simulated RTC for A-Level media studies. It worked... sort of

Web producer Elizabeth Howlett 01733 468655
elizabeth.howlett@bauermedia.co.uk

► That if we were all a bit more like Homer Simpson, the world would be a better place

PRODUCTION

Head of publishing Luke Neal 01733 468262

► I once jumped off the garage roof with an umbrella to see if I would float down

Production editor Finbarr O'Reilly 01733 468267

► 'Britain won't be daft enough to vote for Brexit'

Senior designer Erika Small 01733 468312

► What would I do if an asteroid hit Earth?

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AM

AWARDS:2019

THE
COUNTDOWN
HAS
STARTED!

Online registration for the
2019 AM Awards opens
on August 24

THE 2019 CATEGORIES

Best Use of Social Media
Best Website
Best Marketing Strategy
Best in Customer Service
Best Aftersales Team
Best Sales Team (new and/or used)
Best Fleet or Local Business Dealer
The Community Hero award
Most Improved Dealership
Best Used Car Dealer
(independent non-franchised)
Best Used Car Dealer (franchised)
Used Car of the Year
New Car of the Year
Franchise Partner of the Year
Best New Dealership
Best Dealership
Best Dealer Group (up to 10)
Best Dealer Group (more than 10)
Supplier Award –
Best New Product or Service

HEADLINE AWARDS

Supplier of the Year
Dealer Group of the Year
Dealer Principal /
General Manager of the Year
The AM People Investor Award
Manufacturer of the Year
Business Leader of the Year
AM Hall of Fame

CHECK AM-ONLINE
AND AM MAGAZINE
IN AUGUST FOR
MORE DETAILS

THE AM AWARDS WILL
BE HELD ON FEBRUARY 7,
2019, AT THE ICC
BIRMINGHAM

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