

AM

AUTOMOTIVE MANAGEMENT

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Q2 MARKET ANALYSIS / P10

What second-quarter brand movements may mean for 2020

MAZDA UK / P28

MD Jeremy Thomson shares the secret to keeping his dealers happy

DEALING IN DIGITAL / P33

End-to-end e-commerce and the online sales start-ups to watch



SKY'S THE LIMIT FOR LSH AUTO

**MD MARTYN WEBB /
P20**

The logo for eDynamix Stock Master. It features the word "eDynamix" in a white sans-serif font, with a stylized cluster of white dots of varying sizes above the "e". Below "eDynamix" is the word "Stock Master" in a larger, bold, white sans-serif font. The background of the top section is a blurred image of a person's hands holding a smartphone.

eDynamix Stock Master

Vehicle stock management from eDynamix

A green circle containing the text "47%".

47%

YOY increase
in used car sales

A green circle containing the text "121%".

121%

Of OEM YTD
target achieved

eDynamix Stock Master uses stock data from DMS systems to provide a consolidated group view of vehicles available for sale. It helps focus teams on the key metrics for used car sales including the days in stock trends, vehicle run rates, margins and stock mix. All are crucial elements for a successful used car business which can easily be overlooked or ignored. From a Managing Director down to Sales Executives, Stock Master helps ensure that no stock goes unnoticed.

With tight integration with Auto Traders Retail Accelerator software, the system alerts users to price movements, ad view shifts and desirability changes for vehicles in market, nationally and regionally on a daily basis. This allows dealers to actively monitor and adjust their selling prices to ensure all stock is competitively priced.

Stock videos and photographs are also populated using the eDynamix VIDEO1st app, with all stock and media available within Sales Desk, eDynamix's new lead management platform. Stock Master also includes tools to highlight vehicles missing images or video, vehicles not advertised or price differences during a price change exercise meaning exceptions can be managed on vehicles that are not performing well and provide insights into the reasons behind this.

Parkway Motor Group who represent Volkswagen across 4 retail car dealerships in Derby, Leicester, Kettering and Northampton, have seen a 47% year on year increase in used car sales to June since installing eDynamix Stock Master. Parkway are also running at 121% of used car target as set by the OEM, stating this has been down to having such an interactive and visible stock system, crucial to all areas of the business, not least the profitability.

To find out more, call us on 0845 413 0000, visit www.edynamix.com or email enquiries@edynamix.com

EDITOR'S LETTER

As I write this, on our press day, our publishing house is hosting a 'bring your dog to work day' for a limited number of staff who wish to warm their feet on a furry friend beneath their desk. It's just one of several things Bauer Media now does as a major modern employer to maintain the sanity and physical wellbeing of its workforce.

The same day, our industry charity, Ben, published its annual report, which I view as a snapshot of the health of UK automotive workers. You can find it at: am-online.com/BEN2019.

It contains some quite worrying reading, and I'm glad that Ben is there to help people in their times of need. The charity has recorded a 23 percentage-point rise in the share of mental health calls to its helplines. It has surveyed people in our industry and found 91% reported that they had struggled with their health and wellbeing at some point in the past 12 months.

I've heard directly from a few AM100 group bosses that they are concerned about some managers becoming 'burned out' by the pressure of carmakers' targets, audits and mystery shops. And the climate of our industry has toughened recently – our analysis of new car sales, and recent reports from dealers, suggest everyone had to work even harder in Q2 just to try to stand still.

The health of our industry is so important. Ben knows that. At AM, we do our best to support Ben through fundraising at our dinners. Let's hope it can come to the aid of all who need it.



MEET THE TEAM



Tim Rose
Editor



Tom Sharpe
News and
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Jeremy Bennett
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IS LOOKERS CASE A SIGN FCA IS GETTING TOUGH?

Dealers 'right to be worried' about finance income following regulator's latest probe

Share prices in the car retail sector's PLCs could slide as the threat of investigations by the Financial Conduct Authority (FCA) knocks investors' confidence.

Following the announcement on June 25 that Lookers was under investigation by the FCA over control issues in its sales processes, the AM100 group's share price dropped 20% (to 53.5p).

The fall compounded an ongoing decline in the group's share price, from 108p in January to 39.4p as AM went to press – its lowest since January 2010. The decline was further exacerbated by Lookers warning in early July that its earnings at the mid-year point would likely be down 25% year-on-year following a tough Q2.

A source close to the Lookers leadership team told *AM* that he expected this to be the first of a series of similar investigations by the FCA, however, adding: "(Lookers) will undoubtedly bear the brunt of the impact by virtue of being first, but they might equally be the first to put it behind them."

While the FCA has yet to make any findings in its investigation of Lookers, the pertinent questions now are which retailer may be next and when, rather than 'if', the regulator decides

to act again.

Few motor retailers were willing to say what they thought of the FCA's approach on the record, but the boss of one AM100 franchised dealer group said: "I believe that the FCA will target the big operators if the Lookers investigation unearths major issues.

"The groups have every right to be worried because for many AM100 groups, their finance income is very substantial and a large chunk of their profitability. This, coupled with falling sales, gives the industry real challenges and means the sector is out of favour in the City and so share prices are going south and not north.

"If you were looking to invest your hard-earned cash into a sector, for me it definitely would not be the car industry."

FCA SHOWS ITS MUSCLE

The FCA's latest annual report showed it is starting to flex its muscles in its pursuit of non-compliant finance providers.

Financial penalties imposed by the regulator increased from £69.9 million to £227.3m year-on-year. The

actual number of fines against firms rose from six to eight.

The number of enforcement cases open at March 31, 2019 was 31% higher than at the same point in 2018, at 650.

Of these, 101 relate to retail conduct, five to retail lending, 70 to culture and governance and 25 to mis-selling.

The FCA's guidance on potential fines in the event of a finance provider breaching its compliance rules states that it would seek to "deprive a firm of the financial benefit derived directly from the breach".

Depending on the seriousness of the breach, it is able to fine a business as much as 20% of any "relevant revenue".

LOOKERS 'COOPERATING FULLY'

A statement issued on behalf of Lookers – named as the AM100's number two franchised dealer group by turnover (£5.1 billion) last month – said that "at this stage, the company cannot estimate what effect, if any, the outcome of this investigation may have".

However, the group said it was "cooperating fully" with the FCA as it investigates the company's sales processes between January 1, 2016, and June 13 this year and "will update the market further when appropriate".

Lookers said that "as disclosed in the 2018 Annual Report and Accounts", the board became aware of certain matters requiring review in some areas of the business subject to regulation by the FCA during last year. In December 2018, the board commissioned an independent review of the group's internal control, risk assurance systems and internal audit, it added.

This review, which was shared with the FCA, indicated that there were some control issues in the sales process in the group's regulated activities, which will require an improvement plan to be implemented.

The group said: "We have invested in both our internal capabilities and external advice. The project will be completed and agreed actions will be implemented as soon as possible."

Nigel McMin, Lookers' chief operating officer, said: "We commissioned



our own investigation to ensure that we were being as compliant as we could be and now we will work closely with the FCA and cooperate and comply with them in any way they see fit.

"We see this process as an opportunity to sharpen up the business and emerge in a more robust and compliant form that will benefit us and our customers in the long term."

IS THERE A WIDER RISK?

Mike Allen, head of research at market analyst Zeus Capital, described the FCA's Lookers investigation as "an issue right at the top of the agenda for PLC

boards across the industry".

But, despite widespread suggestions that a potential mis-selling scandal involving GAP insurance or PCP finance could become 'the next PPI', Allen and other sector commentators said it was unlikely that retailers would be protecting themselves by setting aside funds to settle any potential fines or compensation in the event of a damaging outcome of an FCA investigation.

To date, banks have paid out £35.3bn in PPI compensation and a further £10bn has already been set aside to help settle claims made before the deadline of August 29.

Frank Brown, a managing consultant at financial services regulatory consultants, Bovill, said he was not aware of any specific funds being set up, but added: "If a firm knew they were facing a large redress exercise, they may do so."

"However, it is far better to spend wisely up front, and build a culture of effective control and good management, to stop the problems happening in the first place."

"In motor finance, unchecked problems can build up over time, and lead to costly redress exercises unwinding loans that have not been sold correctly – this will have a significant bottom-line impact."

Allen said it was difficult

to quantify a potential fine in the event a car retailer is found in breach of the FCA's compliance rules, but said a "significant settlement discount" of up to 30% could be negotiated in the right circumstances.

He added that he saw any potential mis-selling litigation as "an issue for the OEM rather than the dealer", adding that it depended on whether the claim was against the product or how it was sold.

Neil Pickles, a risk assurance partner at RSM, said: "It's worth noting that the FCA only takes action where it feels firms have not complied with its regulatory objectives. Like most things, prevention is better than the cure."

Failing to report early suspicions of fraudulent activity to the FCA recently left Bank of Scotland with a £45.5m fine.

It took Bank of Scotland two years to notify the regulator and the police, having begun an internal investigation in 2007 into the 'impaired assets' team at its Reading branch of HBOS.

"Cooperating with any regulator in an open and transparent way is always looked on favourably. Specific to the FCA, meeting this principle is not voluntary, so if any firm has any concerns it has an obligation to tell them," said Pickles.

The Finance and Leasing Authority declined to comment on the Lookers investigation, but pointed *AM* readers to Principle 11 of the FCA Handbook, which states: "A firm must deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice." **TOM SHARPE**

⇒ PENDRAGON PRICE DROP

FCA investigations are not the only issue causing share price woes for motor retail PLCs, as Pendragon's ongoing strategic struggles continue to prove.

The price of shares in the dealer group – which was the UK's biggest by turnover as recently as 2017 – had dropped to 14p as *AM* went to press, the business's lowest value since November 2012 and 50% down on March 29's 28p.

Pendragon's share price decline came as the group embarked on the search for another chief executive after Mark Herbert announced that he was headed for the exit. His departure came just a fortnight after the initial findings of a review of Pendragon's profitability predicted that it would be "significantly loss-making" in the first half of the year, with a small loss in underlying pre-tax profits for 2019 as a whole.

Herbert had been in the job for just three months when his official June 30 departure date was announced via the London Stock Exchange.

The review findings included a prediction that the £11.9m losses incurred by the Car Store division in 2018 would accelerate to more than £25m this year, principally as a result of "execution inefficiency and the impact of excess used car stock". Its publication prompted an immediate 20% decline in share prices to 18.4p and the group has yet to recover.

Despite the negative outlook, Herbert had said that "we see significant addressable opportunities to improve the business and return to profitable growth".

He said at the time: "We are continuing to work on our review of the business ahead of our strategic update in September, but I am confident there are real opportunities for self-help that will improve the performance of the core UK motor and leasing businesses."

However, Herbert's departure has signalled Pendragon's intention to stick with the course set by his predecessor Trevor Finn – meaning a continued focus on used cars.

Group chairman Chris Chambers told the *Financial Times* on June 27 that its board remains "fully committed to realising the long-term strategy".

ADVERTISING FEATURE

Critical content for car buyers

By Carol Fairchild, commercial director, CitNOW



Retailers know digital assets, such as still images and video, are critical content in persuading people to shortlist a car and make an onsite visit, but the latest consumer research from CitNOW highlights key areas of focus.

More than half (56%) of the 1,000 UK drivers questioned as part of CitNOW's newly launched report 'Evolution of the Car Buyer' will have researched the car beforehand and more than a third (35%) will visit multiple dealerships.

When marketing vehicles online, high-quality digital assets are vital in persuading car buyers to make the trip from sofa to forecourt, and since they are also likely to visit competitors, the physical to digital experience needs to match.

Manufacturer websites play a big role in the purchase process, with four out of 10 people accessing brand sites. The manufacturer's website is the most likely place for an online car buyer to visit first (30%), followed by the dealership's website (26%).

Not surprisingly, consumers have switched from print publications to online versions. A quarter utilised online newspapers and magazines (17% in 2010) while just 12% now leaf through print editions (down from 20% in 2010).

The importance of brand-aligned imagery and video content is underlined with two thirds (66%) of drivers feeling it's important to see high-quality interior and exterior imagery of their purchase, and 35% feeling it's important to see a video.

With manufacturer websites now featuring highly during the research process, retailers should ensure their imagery and videos are uploaded at the same time content is put live on group and classified sites. CitNOW's platform automatically adheres to manufacturer guidelines for web imagery and video, meaning content collators can be confident that brand standards are met.

■ For more details, please contact us at reply@citnow.com, call 01189 977 748, or visit www.citnow.com



THIS MONTH'S NEWS HIGH

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HR OWEN POSTS £8.3M IN PRE-TAX PROFIT

HR Owen's pre-tax profits have increased four-fold in the three years since it was acquired by Berjaya Group. The dealer group, controlled by Malaysian billionaire and Cardiff City owner Vincent Tan since 2013 and run by chief executive Ken Choo (pictured), posted a profit-before-tax figure of £8.3m on turnover of £459.9m in the year to April 30.



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VRA CALLS ON DEALERS TO CENTRALISE SERVICE HISTORIES

The Vehicle Remarketing Association (VRA) has called on car retailers to help create a centralised service records database to end stock value losses of up to 5% resulting from incomplete vehicle histories. Sam Watkins, the VRA's chairman, said the solution was "urgently needed".

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CAR PEOPLE SITES REBRANDED AS CARSHOP

The Car People used car supermarket sites in Manchester, Wakefield, Sheffield and Warrington were rebranded as CarShop as the two Sytner Group busi-

nesses were brought together under the same brand. CarShop's sites in Cardiff, Doncaster, Northampton, Norwich and Swindon will soon be added to as work gets under way to create a new facility in Nottingham.

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TESLA DELIVERS FIRST UK MODEL 3

Tesla completed its first day of deliveries of its Model 3 EV to UK customers on national Clean Air Day (June 20). In February, the first deliveries of the car into mainland Europe pushed Tesla's registrations to surpass those of its German premium rivals, according to Jato Dynamics.

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DAIMLER ISSUES PROFIT WARNING AFTER MERCEDES RECALL

Mercedes-Benz's recall of 60,000 vehicles equipped with software designed to manipulate emissions tests was followed by two profit warnings within three weeks from parent company Daimler. It said it would report a £1.4bn loss for Q2, down from earnings before interest and tax of £2.3bn for Q2 2018. Its Mercedes car division made a £629m loss, compared with almost £1.8bn of profit a year earlier.



BCA BOARD BACKS £1.9BN TAKEOVER BID

The board of BCA Marketplace backed a takeover bid from private equity firm TDR Capital, which values the group at £1.9 billion. The announcement followed BCA's publication of its full-year results, showing revenues up from £2.4bn to £3bn, and adjusted EBITDA up to £172m from £160m.

PSA PLANS TO BUILD NEW VAUXHALL ASTRA AT ELLESMERE PORT DEPENDS ON BREXIT DEAL

PSA Group said its plans to produce the next-generation Vauxhall Astra at Ellesmere Port depended on the final terms of Brexit and the acceptance of a "new vehicle agreement" by the Unite trade union. Ford also announced a restructure of its European manufacturing operations which would lead to 12,000 job cuts. Mini confirmed it will build electric cars in the UK.

RICHMOND MOTOR GROUP ACQUIRES SPARSHATTS GROUP



Richmond Motor Group has completed the acquisition of Sparshatts Group. The highest-placed newcomer to the AM100, Richmond added Škoda, Suzuki and Mitsubishi franchises at Fareham and a Škoda dealership at Botley with the deal. Group managing director, Michael Nobes (pictured), said the acquisition would help to ensure Richmond's "long-term resilience in a tough UK market".

INCHCAPE DENIES PLAN TO CLOSE A FIFTH OF UK SITES



Inchcape Retail chief executive James Brearley, left, dismissed suggestions that the pending sale of four VW and three Audi sites was the start of a group-wide cull. He also described reports that it was preparing to close at least three BMW Mini business and one Toyota Lexus operation as it embarks on the closure of about a fifth of its 113 dealership sites as "speculation".

GOVERNMENT ELIMINATES COMPANY CAR TAX ON EVs

Company car drivers choosing a pure electric vehicle (EV) will pay no benefit-in-kind (BIK) tax in 2020/21 following a Government review of vehicle taxation.

BORDER CARS TO ENTER ADMINISTRATION

Border Cars, a franchised dealer group representing Fiat, Ford, Kia, Mazda, Mitsubishi, Škoda and Suzuki, is filing for administration, said its boss Mike Fusco. It has six dealerships in Carlisle, Dumfries, Stranraer and Workington, and has traded for 42 years.

BARCLAYS TO CEASE POINT-OF-SALE MOTOR FINANCE

Barclays Partner Finance plans to exit the motor finance market and has issued termination notices to dealer partners. It said it had made "a commercial decision" to "no longer invest in the motor portfolio as a growth area and will shortly cease to originate new business in this segment".

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ADVERTISING FEATURE

Give customers control of their own journey

By Iain Nickalls, director, eDynamix



Convenience, efficiency and control are just a few reasons why self-serve solutions are essential in today's hectic world. From ordering household groceries to making travel arrangements, customers now expect to be in control of their entire journey.

The automotive sector is playing catch-up with many other industries because dealers are often more focused on their current processes than on creating an ecosystem through which the customer is in control. One reason for this is that it becomes difficult to make the customer the focal point when the dealer is using multiple systems, all holding their own version of customer and vehicle data.

Placing the customer at the centre of the aftersales journey and giving them control over their interaction with a dealership requires joined-up systems with one version of data, coupled with online tools through which a customer can completely self-serve.

In 2018, 81% of holidaymakers booked their holiday online, each with complete control over required dates, destination, hotels, flights and more. In comparison, only 3% of vehicle services were booked online in the same period. This is because many dealers still don't offer a facility to book online. Of those that do, the vast majority offer only a service request form, which provides no information to the customer.

Dealers need to provide intuitive, joined-up, facilities and data-rich customer-centric systems to a generation of consumers who operate and organise their needs in a virtual world. Customers need to be able to do this when they want and how they want. They need to be in control. Without this, the automotive industry will fall further behind.

eDynamix fully integrated self-serve solutions help bring dealers into the Amazon age of self-service solutions, to improve the customer experience and keep pace with an ever-changing digital world.

■ Call us on 0845 413 0000, visit edynamix.com, or email enquiries@edynamix.com



NEW CAR REGISTRATIONS

Q2 NUMBERS MAY PREDICT 2020 RISERS AND FALLERS

Car manufacturers' second-quarter performances reveal trends masked by YTD figures

The new car market fell 4.6% in Q2, which, given that it followed the UK's chaotic non-exit from the EU on March 31, was not a bad result.

Looking at the manufacturers, market-leading Ford fell by 5.6%. One may think a fall only slightly worse than the overall market was not terrible, but it hides a strategic problem.

The Focus is now fully available, so its registrations are rising. But Ford has made a bit of a mess of its small car strategy. The current (and very good) Fiesta was deliberately taken up-market, while entry-level small car sales were meant to be taken by the Ka Plus. That ball has been well and truly dropped – Fiesta sales are down 16%, to just under 20,000 units, in Q2, while Ka Plus sales were stagnant at just more than 2,300. With the Ka Plus not expected to survive long-term, Ford may have to re-introduce the sub-Zetec versions it dropped so publicly.

Behind Ford, Volkswagen actually fell by more, with registrations down 8.2%. The main culprit was the Golf, which was down 24.8%. However, the Golf is now on run-out, as the Mk 8 is due early next year. Market leadership in 2020 will be about how many registrations the new Golf can take from the Focus, and how many the Ford Puma B-segment crossover can add to Ford's total. It will need to be a success to keep VW at bay for another year.

In third place is an unfamiliar name: BMW. It had a good quarter in the UK, with a market share of 7.6%. BMW will be wishing that success was replicated in other markets, as it goes through an unusual period of turmoil. It has, in effect, sacked its chief executive, Harald Krüger, by not renewing his contract for an expected second term – a rare move by the usually steady German company. Profit margins have halved since 2011, and the share price has fallen by almost half on Krüger's watch.

Just behind is Mercedes-Benz, which has been almost neck-and-neck with BMW for the past couple of years.

The big news is the company whose name we have not mentioned: Vauxhall. In Q2, it was in fifth place, fewer than 400 units ahead of Audi. Given that Audi is still recovering from a shortage of WLTP-homologated cars at the start of the year, Vauxhall will have a fight on its hands to stay ahead in Q3. Its fortunes rest on the next Corsa – one might say it cannot



come too soon, but it would be more accurate to say that it might just avoid coming too late. The current Corsa can trace its roots to the 2005 Fiat/GM small car platform that also supported the late, unlamented Fiat Grande Punto. Fourteen years for a platform that was only moderately competitive at launch is an absurd length of time – in car years, the Corsa is a good 100 years old.

Behind Audi in sixth place, there is a very big gap to seventh-placed Toyota. Toyota sales were up 6.7% in the quarter, thanks to the recent C-HR and new Corolla. Those two models have enabled Toyota to stay ahead of Nissan, but Nissan will be hoping the next Qashqai and Juke can put them back to their position as leading Asian brand.

NEW CAR REGISTRATIONS AND MARKET SHARE Q2 2019

Marque	Q2 2019 Registrations	Q2 2018 Registrations	YOY change	Q2 2019 Market share
Ford	60,015	63,584	-5.61%	10.56%
Volkswagen	51,372	55,928	-8.15%	9.04%
BMW	43,268	45,003	-3.86%	7.61%
Mercedes-Benz	41,117	40,169	2.36%	7.24%
Vauxhall	39,640	43,415	-8.70%	6.98%
Audi	39,253	41,348	-5.07%	6.91%
Toyota	24,703	23,184	6.55%	4.35%
Nissan	23,341	24,787	-5.83%	4.11%
Kia	23,278	22,755	2.30%	4.10%
Hyundai	21,139	23,037	-8.24%	3.72%
Škoda	19,272	20,786	-7.28%	3.39%
Peugeot	19,102	20,346	-6.11%	3.36%
Land Rover	18,252	17,617	3.60%	3.21%
Seat	17,143	17,506	-2.07%	3.02%
Mini	15,116	17,116	-11.68%	2.66%
Volvo	13,785	11,948	15.37%	2.43%
Renault	13,083	15,032	-12.97%	2.30%
Citroën	12,286	13,576	-9.50%	2.16%
Honda	9,594	11,520	-16.72%	1.69%
Jaguar	8,454	8,443	0.13%	1.49%
Mazda	8,385	7,709	8.77%	1.48%
Suzuki	8,357	9,141	-8.58%	1.47%

MARKET LEADERSHIP IN 2020 WILL BE ABOUT HOW MANY SALES THE NEW GOLF CAN TAKE FROM THE FOCUS

However, Nissan has a more immediate problem – Kia was just behind it in Q2 (fewer than 100 units separated the two companies). Given the fact that Kia sales are rising (up 2.3%), while Nissan's are falling (down 5.8%), Kia will be hoping to overtake Nissan in the second half of the year. That would be an important psychological milestone for the ambitious South Korean brand – beating Nissan in its "home" European market would be a big achievement.

Most brands immediately behind Kia broadly tracked the market, with a few exceptions.

Volvo had a great quarter, up 15.4%. There must be a few older Volvo employees wearing a wry smile that it outsold Renault in Q2. In the

early 1990s, Renault tried to buy Volvo – no one then would have imagined Volvo would ever outsell Renault in the UK.

Another traditionally larger brand that Volvo managed to outsell was Honda. With a lacklustre range (the Civic Type-R excepted) and terrible publicity from the announcement of the Swindon factory closure, it is no surprise that Honda is suffering. The company will hope that its retro-cute electric small car, the Honda E, due in 2020, can lead a fightback. Honda says 9,000 UK drivers have already registered interest.

Fiat also had a bad quarter, with sales down by 24.9%, but that is about as surprising as saying that stones sink. Dacia (up 18.8%) will be pleased to have overtaken the Italian brand, as Fiat was traditionally the king of low-cost European cars. Dacia is now very much a mainstream brand, with the new Duster at the forefront of the brand's rise. An affordable crossover with just the right degree of SUV-inspired ruggedness is catnip to buyers on a budget.

Finally, a small nod of recognition to MG, with its sales increase of 30.2%. With a market share of 0.6%, MG is becoming a worthwhile niche player in the UK car market. Given the total failure of other Chinese car brands that have come to Europe, that is a notable achievement.

DAVID FRANCIS

Marque	Q2 2019 Registrations	Q2 2018 Registrations	YOY change	Q2 2019 Market share
Dacia	7,642	6,435	18.76%	1.34%
Fiat	7,448	9,914	-24.87%	1.31%
Porsche	4,370	4,800	-8.96%	0.77%
Mitsubishi	4,268	4,134	3.24%	0.75%
MG	3,270	2,511	30.23%	0.58%
Lexus	3,026	2,835	6.74%	0.53%
Jeep	1,690	1,773	-4.68%	0.30%
Smart	1,436	1,764	-18.59%	0.25%
Alfa Romeo	839	1,079	-22.24%	0.15%
DS	757	1,788	-57.66%	0.13%
Subaru	483	649	-25.58%	0.09%
Bentley	383	423	-9.46%	0.07%
SsangYong	377	760	-50.39%	0.07%
Maserati	258	294	-12.24%	0.05%
McLaren	141	177	-20.34%	0.02%
Infiniti	110	238	-53.78%	0.02%
Lotus	98	72	36.11%	0.02%
Alpine	42	0	0.00%	0.01%
Chevrolet	18	11	63.64%	0.00%
Others	1598	1898	-15.81%	0.28%
Total	568,209	595,505	-4.58%	

SPONSOR'S COMMENT



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

Over the past few months, I have been reflecting on the findings from the Financial

Conduct Authority's report on the motor finance market, but today I want to turn my attention to the FCA's recent general insurance (GI) publication and consider what implications this may have for the motor retail industry.

In the GI publication, the FCA highlighted risks that can lead to customers purchasing inappropriate products, paying excessive prices or receiving poor service. It challenges whether insurance products offer good value, including those distributed through the motor channel, offered alongside car buying.

In order to determine value, a customer must understand their own needs and consider the options available to meet those needs. As a vital part of this, it is important that customers receive key regulatory disclosures and product features early in the sales process, before agreeing on the appropriate insurance product. The value exchange for the customer should always be clear and able to be understood. Customers should be encouraged to conduct independent research into product specifications and costs just as they would a GI product.

It is of huge benefit if providers can monitor, track and control what information is provided to customers considering purchasing insurance products distributed via the motor market. Customer contact programmes and mystery shopping provide valuable feedback to individuals at the front of the customer journey, ensuring a collaborative culture of continuous improvement.

Helping customers to assess their needs and understand their options is key to ensuring the right customer outcomes across our industry.

NEW CAR REGISTRATIONS

'Buyer confidence to blame' for H1 slump

A 4.8% drop in private registrations during June closed a challenging second quarter for the UK's franchised dealers. Overall, June new car registrations fell 4.9% year-on-year, taking the annual market to 1.27 million units, 3.4% down at the half-year point.

An overall decline in buyer confidence is to blame, said the Society of Motor Manufacturers and Traders, although it believes confusion over low-emission zones and lack of subsidies for plug-in hybrids have also affected the market.

All market sectors were affected in June – private down 4.8%, fleets down 2.5% and business registrations down 37.1%.

The SMMT said the low-emission vehicle segment was also tipped into decline for the first time since April 2017 by a slump in orders for plug-in hybrids and mild hybrids.

1 TOYOTA

Registrations were up 1,701 units (17.5%) year-on-year in June as the Japanese brand continues to outperform the market. The Rav4 hybrid continues to perform strongly.



2 MG

Sales volumes remain modest, but are growing rapidly as its dealer network nears 100 sites. Year-on-year MG sold 207 more cars (up 23.8%) in June, and is 2,000 units up (47%) at the half-year point. The MG3 hatchback remains its best seller.



3 PORSCHE

Its WLTP-related supply woes were expected to have been over by now, but its June result of 109 fewer sales (down 9.4%) suggests otherwise. Hopefully the Taycan, Porsche's first electric sports car, will give the network a morale boost later this year.

Marque	June					Year-to-date				
	2019	% market share	2018	% market share	% change	2019	% market share	2018	% market share	% change
Ford	22,049	9.87	22,334	9.51	-1.28	127,789	10.07	145,541	11.08	-12.20
Volkswagen	20,474	9.16	23,224	9.88	-11.84	110,891	8.74	113,386	8.63	-2.20
BMW	19,985	8.94	22,985	9.78	-13.05	90,021	7.09	92,396	7.03	-2.57
Vauxhall	15,540	6.96	18,218	7.75	-14.70	94,564	7.45	97,950	7.45	-3.46
Mercedes-Benz	14,947	6.69	14,928	6.35	0.13	92,990	7.33	91,342	6.95	1.80
Audi	14,208	6.36	14,526	6.18	-2.19	81,129	6.39	89,263	6.79	-9.11
Toyota	11,398	5.10	9,697	4.13	17.54	56,684	4.47	56,399	4.29	0.51
Nissan	9,247	4.14	8,640	3.68	7.03	52,743	4.16	59,581	4.53	-11.48
Mini	8,662	3.88	8,176	3.48	5.94	33,250	2.62	34,125	2.60	-2.56
Kia	8,527	3.82	9,162	3.90	-6.93	53,232	4.19	51,506	3.92	3.35
Hyundai	7,803	3.49	8,663	3.69	-9.93	45,916	3.62	51,041	3.88	-10.04
Škoda	7,361	3.29	8,233	3.50	-10.59	41,264	3.25	42,397	3.23	-2.67
Peugeot	7,313	3.27	7,786	3.31	-6.08	44,344	3.49	44,989	3.42	-1.43
Seat	6,790	3.04	6,517	2.77	4.19	37,778	2.98	35,896	2.73	5.24
Land Rover	6,495	2.91	6,024	2.56	7.82	42,092	3.32	41,432	3.15	1.59
Renault	6,094	2.73	5,606	2.39	8.70	32,113	2.53	34,636	2.64	-7.28
Volvo	5,260	2.35	4,545	1.93	15.73	29,989	2.36	23,605	1.80	27.05
Citroën	4,015	1.80	5,144	2.19	-21.95	29,422	2.32	28,247	2.15	4.16
Honda	3,854	1.72	4,606	1.96	-16.33	25,079	1.98	29,657	2.26	-15.44
Mazda	3,731	1.67	3,628	1.54	2.84	21,443	1.69	21,881	1.67	-2.00
Suzuki	3,159	1.41	3,903	1.66	-19.06	20,337	1.60	20,464	1.56	-0.62
Jaguar	2,938	1.32	2,960	1.26	-0.74	19,748	1.56	18,152	1.38	8.79
Dacia	2,935	1.31	2,000	0.85	46.75	18,568	1.46	13,617	1.04	36.36
Fiat	2,404	1.08	3,613	1.54	-33.46	17,749	1.40	19,946	1.52	-11.01
Mitsubishi	1,483	0.66	1,545	0.66	-4.01	9,784	0.77	10,131	0.77	-3.43
Lexus	1,199	0.54	1,306	0.56	-8.19	7,432	0.59	6,908	0.53	7.59
MG	1,078	0.48	871	0.37	23.77	6,286	0.50	4,286	0.33	46.66
Porsche	1,054	0.47	1,163	0.50	-9.37	6,785	0.53	8,874	0.68	-23.54
Jeep	582	0.26	644	0.27	-9.63	3,237	0.26	3,501	0.27	-7.54
Smart	522	0.23	633	0.27	-17.54	3,142	0.25	3,831	0.29	-17.98
DS	351	0.16	712	0.30	-50.70	1,831	0.14	3,896	0.30	-53.00
Alfa Romeo	329	0.15	420	0.18	-21.67	1,862	0.15	2,537	0.19	-26.61
Abarth	258	0.12	542	0.23	-52.40	1,887	0.15	3,039	0.23	-37.91
Subaru	244	0.11	265	0.11	-7.92	1,363	0.11	1,627	0.12	-16.23
SsangYong	122	0.05	359	0.15	-66.02	1,089	0.09	1,625	0.12	-32.98
Bentley	94	0.04	229	0.10	-58.95	812	0.06	833	0.06	-2.52
Maserati	84	0.04	108	0.05	-22.22	534	0.04	730	0.06	-26.85
Lotus	52	0.02	20	0.01	160.00	131	0.01	132	0.01	-0.76
Infiniti	40	0.02	97	0.04	-58.76	203	0.02	551	0.04	-63.16
McLaren	29	0.01	37	0.02	-21.62	282	0.02	390	0.03	-27.69
Alpine	20	0.01	0	0.00	0.00	85	0.01	0	0.00	0.00
Chevrolet	5	0.00	2	0.00	150.00	21	0.00	28	0.00	-25.00
Other British	167	0.07	176	0.07	-5.11	1,172	0.09	1,077	0.08	8.82
Other imports	519	0.23	698	0.30	-25.64	2,172	0.17	2,549	0.19	-14.79
Total	223,421		234,945		-4.90	1,269,245		1,313,994		-3.41

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FINANCE OFFERS

Static Q3 offers show lack of carmaker push

Manufacturers' finance offers remain fairly static at the start of Q3 as there are no big movements being made to help pick up the declining new car market.

Sean Kemple, Close Brothers Motor Finance's director of sales, keeps track of offers as part of the company's internal analysis and told *AM* he is not seeing any specific push across the market, other than from certain manufacturers such as volume leader Ford.

He said: "Ford's £2,000 scrappage scheme and continued 0% APR across the majority of models is the boldest initiative to get sales moving up until September.

"Volkswagen also has some very competitive offers on their SUV range to move those models specifically and Audi has some strong deposit contributions, but other than that things are looking pretty standard."

Looking at Ford and VW models side by side shows how much of a push models such as the T-Cross and T-Roc are getting – both are currently available for less than £200 a month. Both cross-over models are priced at a lower monthly level than the representative examples of Ford's smallest cars, such as the Ka or Fiesta (although the VWs do attract a higher deposit).

The Fiesta and Focus are the only two models in the line-up without 0% finance, but they still have a low APR offering at 1.2% and 2.9% respectively.

Deposit contributions knock thousands of pounds off most of Audi's range, with even smaller models such as the A3 saloon and A3 Sportback getting £3,000 and £4,000 reductions respectively.

The A4 saloon and Avant both get a £3,500 reduction and the deposit contributions increase up the range with £5,000 off an A5 Coupé, £6,000 off an A6 avant and £7,400 off an A7 Sportback. The SUVs have also been discounted for the next three months with £3,200 off a Q5 and £5,000 off a Q7.

The lack of push in other areas of the market doesn't hint at a further downturn to come, according to the Finance and Leasing Association (FLA).

Geraldine Kilkelly, FLA head of research and chief economist, expects new car finance volumes to remain stable over 2019 as a whole: "New business volumes reached almost 1.1 million in the first five months of 2019 and are only 1% lower than in the same period in 2018.

"We continue to expect broadly stable new business volumes in 2019 as a whole.

"Consumer confidence about their own personal finances remains relatively strong, supported by a resilient labour market and low interest rate environment."

Kemple said the other area currently seeing a lot of focus from manufacturers is alternatively fuelled

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Ford							
KA+ Zetec 1.2 Ti-VCT 85PS	PCP	£427	24	£199	£6,147	0.00%	30/09/2019
Fiesta ST-Line 1.0 EcoBoost 100PS 3 door	PCP	£1,960	48	£199	£5,837	1.20%	30/09/2019
Tourneo Courier Zetec 1.0 EcoBoost 100PS	PCP	£928	36	£199	£6,728	0.00%	30/09/2019
Focus ST	PCP	£6,330.22	36	£329	£16,482	2.90%	30/09/2019
C-Max Zetec 1.0 EcoBoost 125PS	PCP	£6,525	36	£239	£6,921	0.00%	30/09/2019
Grand Tourneo Connect Titanium 1.5 EcoBlue 120PS	PCP	£6,089.20	36	£259	£10,107	0.00%	30/09/2019
Kuga ST-Line Edition 1.5 EcoBoost 150PS FWD	PCP	£6,591	36	£295	£10,964	0.00%	30/09/2019
Mondeo Titanium Edition Hybrid Electric 2.0 TiVCT 187PS Auto	PCP	£6,441	36	£269	£11,505	0.00%	30/09/2019
S-MAX ST-Line 2.0 EcoBlue 190PS	PCP	£9,232	36	£289	£13,274	0.00%	30/09/2019
Galaxy Titanium 2.0 EcoBlue 150PS	PCP	£9,850	36	£289	£12,206	0.00%	30/09/2019
Ranger Wildtrak 3.2 TDCi 200PS Auto	PCP	£8,929.63	48	£299	£9,123	0.00%	30/09/2019
Volkswagen							
Up! beats 1.0 60ps S/S 3 door	PCP	£3,422.10	36	£109	£4,302.90	0.00%	30/09/2019
Polo SE 1.0 80PS manual	PCP	£3,90.07	48	£155	£5,937.30	4.80%	30/09/2019
e-Golf BEV 5 door	PCP	£8,213.70	48	£245	£9,861.30	0.00%	30/09/2019
Golf Match 1.0 TSI 115PS manual	PCP	£5,155.31	48	£209	£7,619.40	3.90%	30/09/2019
Golf R-Line 1.5 TSI 150PS manual 5 door	PCP	£6,504.90	48	£255	£9,297	3.90%	30/09/2019
T-Cross SE 1.0 TSI 95PS 5spd manual	PCP	£4,333.31	48	£165	£7,456.50	4.90%	30/09/2019
T-Roc S 1.0 TSI 115PS 6spd manual	PCP	£4,197.60	48	£175	£7,979.40	4.90%	30/09/2019
Tiguan Match 2.0 TDI 150PS 2WD 6spd manual	PCP	£6,409.76	48	£285	£11,181.60	4.90%	30/09/2019
Touareg SEL 3.0 TDI 231 PS 4MOTION 8spd DSG	PCP	£7,270.20	48	£399	£20,611.80	0.00%	30/09/2019
Arteon Elegance 2.0 TDI 150PS SCR manual	PCP	£8,364.93	48	£295	£12,737.70	3.00%	30/09/2019
Golf SV S 1.0 TSI 115PS manual	PCP	£4,699.97	48	£239	£5,985	3%	30/09/2019
Touran SE 1.5 TSI 150PS manual	PCP	£6,785.01	48	£255	£9,242.10	3.00%	30/09/2019
Audi							
A1 Sportback Sport 30 TFSI 116PS 6-speed	PCP	£3,372.59	48	£229	£9,386	6.60%	30/09/2019
A3 Sportback S line 30 TDI 116 PS 6-speed	PCP	£6,285.98	48	£249	£10,835.70	6.80%	30/09/2019
A3 Cabriolet S line 35 TFSI 150 PS S tronic	PCP	£8,278.60	48	£299	£12,834.50	6.70%	30/09/2019
A4 Black Edition 35 TFSI 150 PS S tronic	PCP	£7,906.25	48	£329	£12,903.85	4.90%	30/09/2019
A4 Avant Sport 35 TFSI 150 PS S tronic	PCP	£7,502.26	48	£339	£11,182.45	4.90%	30/09/2019
A5 Coupé S line 35 TFSI 150 PS S tronic	PCP	£5,973.46	48	£349	£13,685.70	4.90%	30/09/2019
A5 Sportback S line 35 TFSI 150 PS S tronic	PCP	£7,647.77	48	£359	£15,066.95	5.90%	30/09/2019
A6 Avant S line 40 TDI 204 PS S tronic	PCP	£7,095.83	48	£419	£17,271	4.90%	30/09/2019
A6 S line 40 TDI 204 PS S tronic	PCP	£6,579.56	48	£399	£16,391.30	4.90%	30/09/2019
A7 Sportback S line 40 TDI 204 PS S tronic	PCP	£7,386.40	48	£479	£19,907.25	4.90%	30/09/2019
A8 50 TDI quattro 286PS tiptronic	PCP	£10,958.65	48	£589	£21,558.35	0.00%	30/09/2019
Q2 Sport 30 TFSI 116 PS 6-speed	PCP	£4,036.62	48	£239	£10,882.25	6.50%	30/09/2019
Q3 S line 35 TFSI 150 PS 6-speed manual	PCP	£5,276.36	48	£359	£14,427.65	7%	30/09/2019
Q5 S line 40 TDI quattro 190 PS S tronic	PCP	£7,830	48	£415	£19,868.30	6.70%	30/09/2019
TTS Roadster TFSI Quattro 306 PS S tronic	PCP	£9,493.30	48	£439	£20,253.05	6.80%	30/09/2019
e-tron 55 quattro 408 PS	PCP	£9,130.72	48	£719	£36,991.10	5.90%	30/09/2019

vehicles (AFVs) and electric vehicles (EVs). While they are not yet at price parity with internal combustion engines, Kemple thinks finance has to play a key role in making these vehicles accessible with affordable monthly payments.

He said: "The attention AFVs and EVs attract in the media is not necessarily being reflected in the new car registration figures.

"We're looking at how we can offer something that makes them more accessible for customers and I think the finance industry has to innovate here. That will play a key role in boosting sales, particularly in this interim period between now and 2025 when

EVs are expected to be a similar price to internal combustion engines."

The EV and AFV examples here show there is already support from manufacturers to support the new technology. VW is offering its e-Golf with 0% finance at £245 a month after an £8,213.70 deposit and Ford also has its Mondeo hybrid available at 0% and £269 a month after a £6,441 deposit. Audi's e-tron 55 quattro is more of a niche premium product, so at £719 it's not targeting a mainstream customer, but at 5.9% APR it's at least in line with other models in the German brand's line-up.

TOM SEYMOUR

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VIEWPOINT

WHY I LIKE OUR PEOPLE

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



At the end of the recent AM100 dinner in Birmingham, I was reminded just how brutally refreshing the motor retail sector can be.

I was washing my hands when a large crowd arrived in the toilets, all bitterly complaining about the views expressed by the speaker at the event – Jo Johnson, MP and brother to Boris. The language was such that I don't think I should repeat it in this article.

As I drove home with the comments ringing in my head, I was left to reflect on the disparity between the speaker and the audience he had been addressing. The first part of his speech was a reasonable analysis of how we had got to the position we are in with Brexit and the farce that had been taking place at Westminster.

However, Johnson made the point that this had been brought about because the "elite stand accused of being out of touch".

His reference to the elite annoyed me intensely. That he was using the term to refer to the people in Government who are mismanaging the politics and economics of our country in such a way that it is irreparably damaging the UK car industry was wrong.

'Elite' should refer to someone who has done something exceptional, not a group of people who have been to Oxbridge and have subsequently got into positions of power and authority. At Loughborough, we refer to 'elite

athletes' as those students who train hard to perform at world or national level.

Johnson, like his brother, went to school at Eton then on to Balliol College, Oxford, where he was a member of the infamous Bullingdon Club.

What he should have said was that the situation had been caused by privileged and entitled white males who had lost any sense of connection with the real world, where people work hard to achieve success. This success is often achieved by having to overcome misguided and ill-informed policies produced by people financially insulated by privilege against the problems facing the 'non-elite' in the real world.

The majority of people in our sector do not come from privileged backgrounds. Many have worked their way up from the sales floor or through working in aftersales.

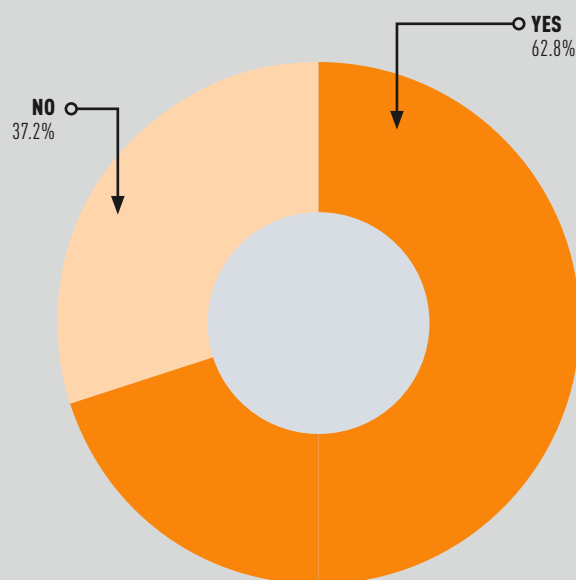
Our industry is based on people being judged by their performance. Some of the measures of that performance may be questioned and some of the behaviours seen over the years can be challenged, but compared with and despite the actions of the privileged 'elite', our sector does its best to survive and flourish in tough times.

Whatever the political views of the speaker or the views expressed in the hotel toilets, the AM100 dinner represented real-world achievement by hard-working and talented people.

"THE MAJORITY OF PEOPLE IN OUR SECTOR DO NOT COME FROM PRIVILEGED BACKGROUNDS"

AMPOLL

WILL TECHNOLOGY AND E-SIGN FUNCTIONS EVENTUALLY REPLACE THE ROLE OF THE BUSINESS (F&I) MANAGER?



The traditional role of the business manager in dealerships, selling finance and insurance, is under threat from the regulatory demands and emerging technology in our sector, according to the majority of participants in our latest poll.

Two out of three respondents expect the need for a business manager to be depleted or eliminated by technology, as more car brands require their dealer networks to offer a softer 'self-serve' style of purchase and some hope to guarantee regulatory compliance through a digitised finance application process on a tablet computer or online.

One voter suggested that FCA regulation will "democratise" the range of products and leave very little commission in them. Several others also questioned whether the future income from F&I would justify the salary and benefits currently linked to the business manager role.

"More online functionality for customers will prompt more consumers to apply for vehicles online and receive their instant credit decision. It makes for a far more unintrusive customer experience and removes the uncertainty," said another.

Yet the need will remain for someone on the end of a phone or live chat system for when a customer has specific questions or problems, said one dealer. And some voters suggested that customers will still expect face-to-face discussions, and will seek advice given the complexity of F&I. One stated: "Machines have difficulty in forming relationships and selling on trust."

NEXT MONTH: SHOULD MORE CARMAKERS ALLOW OR EVEN ENCOURAGE MULTI-FRANCHISED DEALER LOCATIONS?

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A collage of three photographs showing people at an event. The top left shows two men in suits talking. The top right shows a man in a white shirt and tie. The bottom right shows a large group of people seated in an audience.

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TESTIMONIALS

Reynolds have been attending AM Live as exhibitors since the first one. Throughout this time, we have also attended other automotive exhibitions, both as exhibitors and visitors, and AM Live is the only one that we consistently make the decision to exhibit at again and again. Not only is it the ideal place for networking with our customers, prospects and partners, but it consistently attracts the key decision makers and influencers to ensure a ROI on our investment. The friendly account management team are always on hand to ensure satisfaction ably backed up by the various technical teams. From planning to delivery of the event, AM Live has continually exceeded expectation to the point where we are rebooking for the following year before the current year event has completed. I cannot commend the event and those involved highly enough.

Steven Torrance, Reynolds & Reynolds

For us, AM Live is one of the highlights of the year. It is a well situated, well organised and well attended event where we know we will meet many existing and potential customers, including key decision makers and influencers, and be able to talk to them about the latest developments in the iVendi proposition. When we draw up our marketing calendar every year, it is one of the few must-attend events, which is an indication of our confidence.

Phil Harding, Head of partnerships, iVendi

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MARTYN WEBB, LSH AUTO UK

FACE TO FACE: LSH AUTO UK

BUILDING A 'CAR RETAIL VILLAGE'

LSH's vision of motor retail is a customer-centric, no-pressure environment in landmark sites that share space with other businesses, MD Martyn Webb tells **Tom Sharpe**

Being presented with the time and the resource to establish an all-new retail group, let alone completely re-think the concept of the car retail environment, is not an opportunity that comes along very often."

Sitting in a small office in the soon-to-be-completed sprawl of LSH Auto UK's Mercedes-Benz Stockport facility, Martyn Webb, the group's UK managing director, seems ready to pinch himself.

Looking at the hive of on-site activity bringing the group's new £65 million, 10-acre statement site off the M60 motorway closer to completion, the sense of a new retail group stamping its mark on a new territory is impossible to avoid.

LSH Auto UK's parent company, Lei Shing Hong, which is based in Hong Kong, is already the world's largest Mercedes-Benz retailer. It has more than 240 retail sites in Europe, Asia and Australia and is working to cement its presence – and a distinct DNA – in the UK. LSH Auto UK was formed in May 2016 by Lei Shing Hong's £121.4m acquisition of Mercedes-Benz Retail Group's entire Manchester and Birmingham market area.

Webb is a product of Mercedes-Benz Retail's operation and took the helm from Clive Hammond, the group's former managing director, in November last year. He is in no doubt of the direction and the core values that the group represents: "When we look at the market areas that we inhabit, it's clear that our focus has to be customer-centric and effectively give more time back to the customer.

"Visit one of our facilities and we want the experience to be quite unlike anything you will experience with another group. Efficiency behind the scenes will make the front of house more relaxed and less intimidating – an enjoyable place to be for our customers.

"We are also determined to move things forward online, to deliver choice, but to also ensure that a visit to one of our dealerships

can be a real highlight of an owner's interaction with LSH Auto and the Mercedes-Benz brand and not the process that many customers are used to encountering."

LSH currently has no plans to add to its nine dealerships, despite suggestions in some quarters that it was poised for a move on Mercedes-Benz Retail Group's London market area – swiftly dismissed by the manufacturer and Webb.

However, there are plans to further raise the group's profile with the transformation of one of its retail points into another landmark retail facility.

Following the April opening of a 200-vehicle used car 'centre of excellence' in Erdington, Birmingham and the completion of the Stockport facility, LSH plans to start work on a retail facility in Solihull in August, which will house the group's new headquarters.

Helping to realise the ambitious plans for the distinctive grass-roofed, four-storey retail space (see page 25) is a strategy that includes sub-leasing, a model that plays into Webb's – and the group's – aim of creating automotive retail spaces that are destinations for more than just car-buying motorists.

"The plan is that we will share the site with other small businesses," he said.

Webb said he shared a vision with Primark's Birmingham city centre store, which recently introduced Duck & Dry hair salon and Duck & File nail bar concessions.

"I see concessions not only as helping us to meet the financial costs of our facilities, but fulfilling the role of transforming the dealership from a sales point to a destination that is a hive of activity," he said.

"Ultimately, we want LSH's DNA in the UK to be defined by spaces where people come for various reasons, but most of all feel relaxed to visit."

BUILDING A 'CAR RETAIL VILLAGE'

Webb said that when LSH acquired its Mercedes sites it was apparent that many of the facilities were "inadequate" and a strategic review of the sites was ordered.

Stockport was earmarked as a priority business due to its location on a main arterial road with access to customers travelling from Manchester, Liverpool and their numerous suburbs.

The expansive 10-acre facility that has replaced a cramped two-acre facility on nearby Wellington Road – complete with an illuminated 15-foot-wide three-pointed star on the roof – is visible from the flight path to Manchester Airport.

"This is a young, dynamic and upcoming area, with a high proportion of business people," said Webb. "Having such visibility is important and with a site like this we would also like to think we can draw in a lot of customers from Yorkshire as well."

During AM's visit, Webb said the facility was better described as a "car retail village".

Its three-storey, glass-sided, 3,492-square-metre 'Autohaus' retail space accommodates 140 vehicles – 30 new, 10 Mercedes-Benz AMG and 100 approved used vehicles – as well as Maybach and AMG lounges and large conference spaces that can be hired by local businesses and community groups.

There is also a cinema room, a staff canteen and a gym.

LSH has appointed Tom Smith, a former guest relations manager at Manchester's four-star Midland Hotel, to serve as the facility's own hospitality manager, operating from a 'front of house' position.

LSH Auto UK employees were taken to premium retail spaces in Birmingham and Manchester – including Selfridges and Apple stores – to help them understand the "retail culture" the new sites would aim to replicate.

Webb believes changing employees' mindsets will be the main challenge of moving to the new Stockport facility, which will add 55 new faces and a new level of logistical complexity to the operation.

"It's a massive shift," he said. "After years of working with a site that really isn't fit for purpose due to its limited space, the move here will come as a shock. But we have tried to get people on-site and





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there's been a lot of acclimatisation. "The scale of the site means we have the scope to work on a far larger scale and drive efficiency, so we need the team to get on top of that from day one and make the most of the new asset."

For as much as Stockport's front of house – embellished with a Bellagio-style water fountain to the front of the showroom – is a sea of spa-like calm for customers, the 17,166-square-metre building to the rear is the engine room of the business.

Housing 32 workshop bays, it serves as a centralised pre-delivery inspection (PDI) centre, paint and body shop, trade parts facility and used car storage for the wider market area.

John Stanton, the dealership's general manager, described the towering structure as "mind-blowing".

Stanton, who joined from a role as a brand director at Jardine Motors Group to run the facility last September, said: "I don't think there's a role in automotive retail that can prepare you for running a place like this, but it's a fantastic challenge to take on."

SWINGING THE SCALES OF SUCCESS

Whether or not Webb's operation delivers on its mantra of pressure-free sales environments, it is clear that LSH Auto will have to start dealing in large volumes to deliver a return on the investment it is making in real estate. The Stockport,

I DON'T THINK THERE'S A ROLE IN AUTOMOTIVE RETAIL THAT CAN PREPARE YOU FOR RUNNING A PLACE LIKE THIS

JOHN STANTON, LSH AUTO

Solihull and Erdington sites are being developed by RG Group and are the subject of long-term lease agreements with LSH Property UK, another subsidiary of Lei Shing Hong.

According to the AM100 report, the group sold 4,833 new cars and 8,761 used cars in 2018. This generated £445.7m in turnover, which put LSH in 39th place in this year's AM100.

But flat turnover growth (2017: £445.7m) pushed it one place down on its 2017 ranking, following a 110.8% rise in that year, from £211.4m, in 2016.

Profitability, meanwhile, remained more elusive. Last year, LSH Auto UK recorded a pre-tax loss of £5m, following a £10m loss in 2017 and £2.4m loss in 2016.

Webb answers directly to Lei Shing Hong Auto in Hong Kong and said: "In every market across the globe where LSH operates, it is the leader for Mercedes-Benz in terms of market share. That



It is not yet the case in the UK. "The other thing that marks the company out is its patience. That has clearly changed for us as we become involved in a lot of investment in infrastructure, but Hong Kong has invested in a long-term strategy and I have a lot of support."

Webb described 2018's pre-tax loss as a "significant improvement" over the previous year.

He added: "I have a plan to achieve profitability by 2020. To achieve that, we need to grow volumes to significantly larger levels and keep that momentum through 2021."

"The growth we expect to see will not come in new cars, it will be through used cars and aftersales. I've forecasted aftersales growth of 10% to 15% by 2021."

Webb has introduced the concept of one-hour servicing to the group and believes the convenience of a speedy aftersales delivery is as central as the customer coffee shops, shower facilities and lounges, offices and golf simulators being introduced to LSH's new developments in the effort to offer customer choice and improve retention.

"We spend £1.5m a year on marketing, but what do we spend to retain customer loyalty," asked Webb.

A change in staffing structure will also see aftersales executives re-cast as servicing partners, Webb said, in an attempt to emphasise the point that customers are not being sold to, simply advised. This change has already been implemented at the Erdington site.

His vision for used cars revolves around the LSH network's new "hub and spoke" make-up, with larger sites such as Stockport speeding up the PDI process to support faster stock turn while reducing the current stock of

1,100 used vehicles to about 800.

The Erdington sites stock turn performance of 12x over the course of a year is the group's benchmark, said Webb. It currently delivers less than 8x.

The £15m, 200-car Mercedes-Benz Erdington used car 'centre of excellence' is also central to the used car sales volume growth, its ability to showcase 50 models in its showroom and 150 outside delivering a premium experience to approved used car buyers. There are also 12 workshop bays.

Despite its scale, Erdington is "certainly not a used car supermarket", said Webb.

"It feels like a very different experience. We certainly don't feel like we put our customers through a process. Just like the Stockport site, we want guests to come and spend time in the space and hopefully become a customer."

"Used cars are a huge opportunity for us and a real constant in a fast-evolving market."



LSH's 200-vehicle used car 'centre of excellence' in Erdington



ONLINE SALES

Webb sees online retail as an area in which efficiencies can be achieved that both drive customer satisfaction and a more streamlined showroom experience.

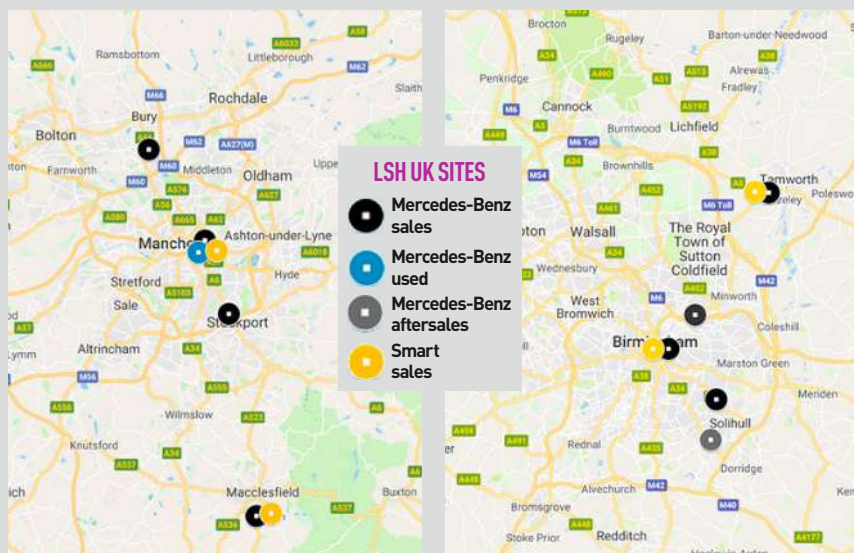
LSH Auto is currently working on an in-house redesign of its website, which will enable end-to-end retail. The group expects to launch the platform later this year.

"The manufacturer's online car retail offering offers flexibility for the whole network, but the truth is that one size doesn't always fit all. We want visitors to our website to buy from us, not choose another retailer towards the end of the process, and we also want to create our own identity in the UK marketplace at the same time. Having our own online retail platform will be central to that," said Webb.

He suggested that a car retail sector currently "bogged down" by compliance and various third-party platforms could benefit on an operational level through the creation of bespoke systems that were more user friendly from a customer point of view and removed much of the back-end administration burden.

He also clearly sees the creation of LSH Auto's own website as a possible aid to retention as access to data from connected cars delivers new levels of customer insight into the hands of manufacturers.

"I think it's the case that we don't know



enough about our customers at the moment. That's our own fault for the most part," he said.

"With connected cars, the balance of that relationship – and all that customer data – is going to move very much towards the manufacturer.

"We need to work on customer loyalty and that can't happen on price alone. We need to offer more transparency, a better level of service and I believe that a quality online sales experience has a huge part to play."

'PART OF OUR DNA IS GROWING OUR OWN'

After LSH recruited its first UK managing director from Oman-based Mercedes-Benz importer and distributor ZTC, Webb was an internal appointment.

Webb said his own fast rise through the ranks at LSH Auto UK ahead of his move into the role in November – he was general manager at the cramped former Stockport retail site until last winter – had inspired him to pursue a strategy of promoting from within.

He said one of his first moves after taking the post was to make the leadership team far leaner – giving general managers group-wide areas of specialism with just a market area controller, financial director and chief financial officer directly answerable to him.

Now he wants other members of staff to feel they can progress within the organisation and has set a new training and promotional pathway to senior roles. The aim is for 50% of the group's new management appointments to be internal promotions.

He said: "Across our Stockport and Solihull



WE DON'T KNOW ENOUGH ABOUT OUR CUSTOMERS AT THE MOMENT. THAT'S OUR OWN FAULT FOR THE MOST PART. WITH CONNECTED CARS, THE BALANCE OF THAT RELATIONSHIP IS GOING TO MOVE TOWARDS THE MANUFACTURER

MARTYN WEBB, LSH AUTO UK

developments, we are recruiting 90 to 100 new people. One area of focus, which is now part of our DNA, is 'growing our own'.

"That won't deliver the immediate injection of staff that we need, but we have a plan for the next five years and we have put an in-house training and development process in place to ensure our best people are given an opportunity to develop."

The group has launched its 'Ignition' program to find its leaders of tomorrow and rather than ask managers to put forward candidates, employees were asked to submit a short video in which they spoke about themselves and their ambitions.

A total of 27 staff from various departments were selected from 60 applicants to take part in the training program.

The Ignition model uses a mix of classroom-based learning, mentor-led on-the-job development and written projects.

Webb insists that staff must also feel some of the premium retail magic offered to customers at the group's new facilities.

He said: "Here at Stockport there's a staff canteen and a gym on-site. Those are the kind of things that employees really value.

"People like to be treated well and feel like they are getting something back that runs beyond straightforward remuneration, as might have been the case in the past."

FACTFILE

NAME Lei Shing Hong Automotive (LSH Auto UK)

TURNOVER £445.7m (2018)

PBT -£5m

FRANCHISES Mercedes-Benz, Smart
LOCATIONS Birmingham, Erdington, Macclesfield, Manchester, Stockport, Solihull, Tamworth, Whitefield (Bury)

STAFF 727

NEW CAR SALES (2018) 4,833

USED CAR SALES (2018) 8,761

AM100 RANKING 39





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MINUTES WITH...

David Mercer, managing
director, V12 Motor Finance



V12 Motor Finance is a new stock, sale and repair funding operation from Secure Trust Bank. Why is the time right for this?

We wouldn't be doing it without our partnership with Aston Barclay, certainly not the stock-funding part (V12 lets dealers find and buy stock from Aston Barclay, recondition it and fund it through an app), because we wouldn't want to go into the market as just another funder without a significant USP.

There are strong synergies, and for me, stock funding is an important part of the engagement tool with dealers. Having good liquidity and the ability to buy stock freely, with funding to do it, makes the used car dealer work a lot better, and auctions clearly want that feature to drive sales.

We could have launched a prime finance business and just been another one in the queue of reps at dealers' doors, in a rate war. This way, we are genuinely blending auction services, dealer funding and end-consumer finance for vehicles and repairs in a way that no other funder is doing. We're first to market.

With the Moneyway brand, initially as sub-prime and then near-prime consumer finance, Secure Trust Bank has focused on helping mostly independents and small franchised dealers sell cars. How is this better?

If they are not selling cars, we can't fund and finance them. The guy with 20 cars on a forecourt now struggles to compete in this market. If we can give funding to get 40 on his forecourt, he can start to compete, and get him to a 60-car dealer, he's at the right scale point. We're going to help dealers scale – I think there will

A LOT OF FRANCHISED DEALERS DON'T HAVE ADEQUATE USED CAR STOCK FUNDING

be fewer dealers in the future, but they will be bigger, so there will be more value in the relationships. That's why having all these services in one place leverages value.

Do you expect V12 to be a first-string lender to an independent?

Yes. [However] we are not just a first-string lender, our sales team is skilled in presenting Aston Barclay's products and services, and in presenting Service Assist, which will help the dealer with workshop capacity.

Critically, we can also do the near-prime funding business. A lot of those small dealers probably only have one or two cases a month that fall below prime – they put them on to a broker or they don't bother with them. With us, they can place the customer in a rate band and sell the car. One proposal, one decision – that's quite rare. So we can fund 20 out of 20 sales, we will do it seamlessly and digitally, and when you are low on stock you pop online, find it, fund it, get reconditioning and images, and it can go on sale.

Do you think franchised dealers may improve too?

A lot of franchised dealers don't have adequate used car stock funding. My experience with Nextgear Capital [which

Mercer previously ran] was that franchised dealers were very ignorant about the benefits of having more used cars on their forecourts. They genuinely lacked confidence in finding the right cars for their business, and that's where working with Aston Barclay will help us – because Neil's team [Neil Hodgson, Aston Barclay's chief executive] can help them think about what is the right stock for their business.

Some of the bigger groups have put significant investment into non-branded used car operations. That's how they are securing their future, because the maths of 1.5-2.5% new car margins and manufacturers asking for £3 million showrooms don't work very well. Their incomes are in used cars and service and repair. Our proposition deals with all those needs. Lots of customers won't consider repairing their car in franchised dealerships because they perceive it as expensive. Imagine if that conversation becomes about 0% APR finance of your repair bills.

Will Moneyway still exist as a brand?

We will 'sunset' the Moneyway brand over the next 12 months. As we launch new platforms, we'll be taking Moneyway away as an origination brand – obviously there's still a legacy (loans) book.

What does the recent FCA motor finance review mean for your business?

We were very well prepared – we were a compliant lender before that announcement even came out. We have flat commissions and we have not operated difference in charges (DiC) for quite a while now. If the FCA does force full disclosure of commissions, we are well placed to do that. Our platforms are ready. **TIM ROSE**

FACT FILE

COMPANY:
V12 MOTOR
FINANCE /
MONEYWAY

HEADQUARTERS:
SOLIHULL

**2018 NEW MOTOR
FINANCE
BUSINESS
WRITTEN :**
£141.3M

**2018 TOTAL
LOANS &
ADVANCES TO
CUSTOMERS IN
MOTOR FINANCE :**
£276.4M

MAZDA UK

Good product, high profits and an easy way of doing business are keeping dealers happy, MD Jeremy Thomson tells **Tim Rose**

For every new car Mazda sells in the UK, BMW and Audi each shift almost five, and Vauxhall almost six. But it must be heartening for long-reigning Mazda UK boss Jeremy Thomson that his retail network is 24% happier than BMW's, 28% happier than Audi's and a huge 42% more smiley than Vauxhall's.

That's according to the most recent Dealer Attitude Survey results for overall brand satisfaction from the National Franchised Dealers Association, at least.

On satisfaction with profit return alone, Mazda fares even better. BMW's network has voiced a dire expectation of future profit return – its score of 3.2 out of 10 placed it on a par with Alfa Romeo and Citroën, whereas Mazda dealers' gave their franchise a 7.0 – the sixth-highest.

While Mazda lost its fourth place in the average NFDA survey rankings, Thomson said he's "not too hurt by it" – the brand lost just a handful of points (nine in total), but was narrowly overtaken by Subaru, Seat, Suzuki and Mercedes-Benz, which all improved.

"Look at the metrics, they closely follow dealer profitability. Every single category was around that level – we didn't crash out on one area, but it's reflective of the relative position of some other manufacturers' attractiveness to their networks at that moment."

"For a brand that's around 17th in the market to be seventh in the NFDA survey, I see that as a positive rather than ground lost."

He said the NFDA survey is interesting and an important reference point, and the directors of Mazda UK encourage dealers to complete it, but Mazda also does its own dealer relationship survey.

Thomson said the true measure for him is the relationship with dealers, and the

"visceral" feedback they share with the entire management team on their six-monthly regional roadshows.

At the last one, in February, it shared with dealers the Mazda3 – the first of a new generation of Mazda products (see our review on page 54). Thomson said he also told dealers that the journey ahead may not be for everyone, because Mazda will be asking more from some dealers, to match its aspirations now its product quality is being raised. That doesn't mean more CI changes, but it does mean having minimum quality standards, outstanding processes and people.

Some dealers may decide against coming along, he said. But he won't go so far as to cull swathes of the network, which now numbers 129 dealerships – a marginal drop from the 132 when *AM* last profiled Mazda in 2017.

He does expect Mazda dealers to raise their game in impressing customers. He has previously stated that many manufacturers have chased online retail and digitalisation of the sales process and left behind the idea of a bespoke service. He believes that leaves an opportunity for small, nimble brands.

Since 2015, Mazda has trialled MyWay, an alternative way for the brand to get exposure in areas where operating costs are high, such as central London. Remotely based "brand champions" take the new cars to where their prospective buyers are, explain the features and benefits, and provide test drives. Any sales achieved are fulfilled by the nearest dealerships.

Thomson said some of the lessons learned from MyWay – such as about customer engagement and services provided at a prospective buyer's home or workplace – are now being adopted by parts of the dealer network, including RRG Group in Greater Manchester and



Hendy Group in Tunbridge Wells.

"It has to be appropriate to the dealer's need in their own territory. I never want to be in a position where the network feels we are forcing a programme on them because of a deeply held manufacturer view that doesn't bear finer analysis in their local area."

One such example is Mazda's guidance on how you find, select and reward customer-facing staff for a softer sell. MyWay 'brand champions' operating in London don't earn volume-based commission. Thomson said he was keen for the network to experiment as the industry has had "quite a mechanistic" approach to car sales, "and the evidence is that many customers don't like it". In London, MyWay achieved 400 car sales from 2,000 test drives.

Why Mazda prefers omni-channel to online

Mazda is not one of the small number of brands that have begun selling new cars online in the UK, such as BMW, Hyundai, Mini, Peugeot and most recently Volvo.

KEY PRODUCTS



Mazda2

Mazda's rival to the Ford Fiesta starts at £12,695. Registrations reached 8,377 units in 2018, predominantly to retail buyers.



Mazda3

A popular family hatchback, two thirds of its 7,254 registrations in 2018 were to retail buyers. (See review of the new Mazda3 on Page 54)



Mazda's UK network has 129 dealerships – down from 132 when AM last profiled the brand in 2017

Thomson said he gives greater priority to being omni-channel, so that customers can “flip” between digital and physical and come into a dealership that is aware and ready to help them complete their purchase.

Equal priority is given to doing business with his 80-90 franchise investors. Thomson believes the stability of its senior management has brought benefits, in terms of the mutual understanding and frank conversations between the 80-90 franchise owners and the brand.

“What Mazda must offer franchisees is being easy to do business with, consistent delivery, and great product for now and the future,” he said.

Thomson has been managing director of Mazda UK since the 2008 financial crisis. Peter Allibon, the brand's sales director, joined that same year. Marketing director Claire Andrews has spent 17 years with the brand; the past 10 in her current post. Customer service director David Wilson-Green is also 17 years in, and cut his teeth



“WHAT MAZDA MUST OFFER ITS FRANCHISEES IS BEING EASY TO DO BUSINESS WITH, CONSISTENT DELIVERY, AND GREAT PRODUCT”
JEREMY THOMSON,
MAZDA UK

as a zone manager in the field, supporting 12 dealers.

Knowing each other so well means they work together very effectively, said Thomson. The length of service of the management team, and the open and honest dealer forums, are critical parts of being easy to do business with, he said. “It’s a partnership of equals – both have to deliver, both have to commit.”


When AM interviewed Thomson in May, he said the retail network's average return on sales was 1.4%, while the top quartile were making just above 3%. Some of that success is due to the network being successful at selling higher grade cars – with the old model Mazda3, about 50% of demand was for the Sport derivative, for example. He said he “wouldn’t be surprised if the mix is very rich again, with at least 50% Sport and GT derivatives” with the new Mazda3.

“We don’t begrudge the dealers for making some money, because they’ve just

made some big investments. We’ve come through a period of revitalising the entire showroom design, and it’s been perfect timing because it’s now 100% ready for the introduction of this new generation of cars. So they’ll secure every penny they make out of the new cars.”

All Mazdas are built in the Far East and have to be shipped to the UK, so the brand’s strategy is to keep the range simple, have a handful of derivatives and include desirable equipment as standard to avoid lots of options and complexity.

“That’s quite important when you have multiple car lines in a manufacturer of modest scale. You’re thinking about dealers’ stocking costs, complexity of the order book – there are many reasons why it’s a sensible option for us. We try to provide a very compelling reason for customers to trade up through the grades and make that affordable.

“Many manufacturers focus on  having parity of monthly payment to



◀ MX-5

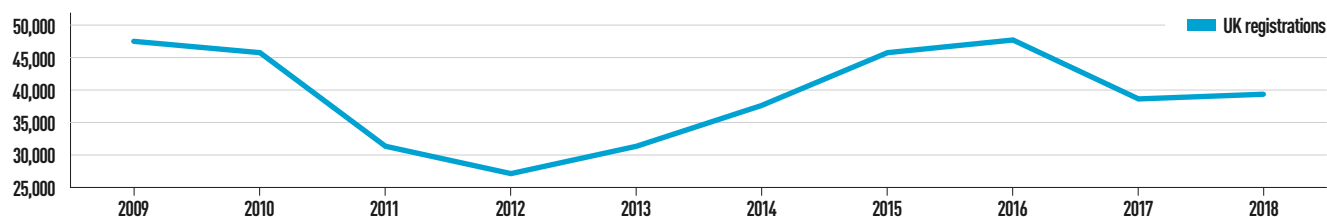
Consistently selling more than 4,000 units a year, the two-seater has helped Mazda build its brand reputation for a dynamic drive.



◀ CX-5

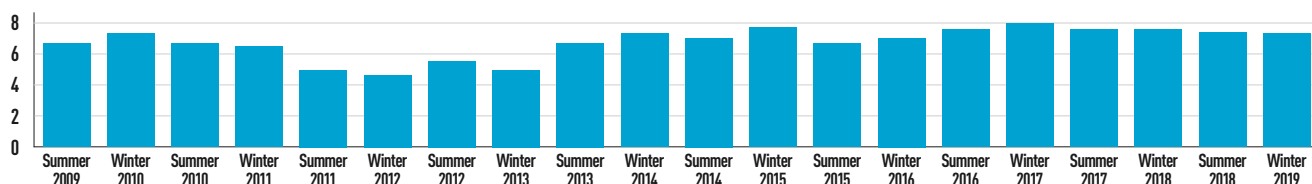
Mazda’s best-seller, with 10,342 registrations in 2018 and a critical car for conquest sales.

MAZDA UK REGISTRATIONS 2009-2018 (SOURCE: SMMT)



The currency hit after the UK's EU membership referendum meant Mazda reduced its sales volumes to a steady 40,000 – an action the dealer network seems quite happy with

OUT OF 10, HOW WOULD MAZDA DEALERS RATE THEIR MANUFACTURER OVERALL? (SOURCE: NFDA DEALER ATTITUDE SURVEY)



be successful, but that is just not true with our customers. We see people willing to trade up to the next specification because it's important to them and they can afford it."

He is confident that the new Mazda3 car is going to bring a very strong conquest opportunity to the brand, as Mazda saw most significantly with the original CX-5 launch, which brought in a number of customers, including from the premium brands. He thinks this car will similarly attract customers from a broad spectrum, rather than just the mainstream C-segment.

The CX-5, launched in 2012, continues to sell strongly without significant marketing, said Thomson.

"In the space of six months, this brand is going through a remarkable period of its history," he said. Following the new Mazda3, the CX-30 compact crossover will launch at the end of this year. This will help Mazda to compete in the very broad C-SUV segment against the likes of the Nissan Qashqai and Vauxhall Grandland X.

The CX-30 'is a very important car'

Thomson said crossovers are undeniably important, accounting for about 50% of what Mazda currently sells. Adding a third, the CX-30, to sit between the £19,000 CX-3 and £25,000 CX-5, will bring more sales opportunities, he added: "The network cannot wait for it to arrive in showrooms. It's a very important car."

The CX-3, launched in 2015, is based on a Mazda2 platform, and Thomson described the CX-30, which is based on the new Mazda3, as "in the sweet spot for us". He said it's vital for Mazda's marketing to ensure the CX-30 is seen as a different, complementary product in its range.

Mazda is also making powerful claims about its latest powertrain technology, Skyactiv-X. Due to appear first in the



Mazda3 range this autumn, Skyactiv-X is a petrol engine that uses 'spark-controlled compression ignition' to deliver high levels of response and acceleration yet with emissions and fuel consumption better than petrol power has ever achieved before.

Why Mazda is sticking with ICE

Mazda, which has remained convinced there is more efficiency to come from internal combustion engines (ICE) while others develop electric vehicles, has described Skyactiv-X as a fusion of diesel and petrol characteristics. The brand will offer electrified vehicles in the future – a mild hybrid car and battery electric car are on the way, and a plug-in hybrid from 2021 – but it expects ICE powertrains, including hybrids, to still account for almost 85% of all global new car sales in 2035 and still more than 50% by 2050.

"Given the energy source and how electricity is generated in each region of the world, we believe multiple solutions for power source are needed if we want to reduce CO₂ in an optimum way for each region," said director and senior managing executive officer Kiyoshi Fujiwara.

Mazda's goal is for a high-quality, profitable 2% global market share rather than pushing for growth at any cost (Mazda UK's market share in 2018 was 1.7%). While its factories in Asia are operating at near-capacity, its Mexico plant is being retooled to build SUVs as well as small cars, and a joint venture with Toyota, expected to launch in 2021 in Alabama, USA, will add 150,000 units of capacity for its North America market, potentially leaving more production slots elsewhere for other markets.

Production constraints have helped to preserve residual values for the brand – Thomson said the feedback from the trade guides has also recognised the improved quality of its newest products – but also leaves independents battling the network for cars in the auctions.

Thomson said: "I'd love to supply them with a few more used cars. There's a greater demand for quality Mazda used cars than there is availability, and that is supporting strong residuals. But operating at near plant capacity means there is no desire to manufacture cars to sell at a loss into a distress channel. It's a good position to be in."

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END-TO-END E-COMMERCE

CAR DEALERS CAN NOW OFFER CONSUMERS A SEAMLESS BUYING, FINANCING AND PART-EX EXPERIENCE

PAGES 34-35

GET THE WEB/SHOWROOM BALANCE RIGHT

INVESTING IN DIGITAL ASSETS ALONE MAY END UP COSTING YOUR DEALERSHIPS SALES

PAGE 38

START-UP COSTS

NEW MOBILITY ENTRANTS PROVIDE TRADITIONAL MOTOR RETAILERS WITH BOTH OPPORTUNITIES AND THREATS

PAGES 43-44

End-to-end e-commerce

Consumers in other retail sectors have long been able to buy and finance goods seamlessly online, and the technology is finally becoming available to car dealers

E-commerce may fundamentally change how car dealers sell vehicles as they try to keep up with increasing consumer demand for online buying.

While online retailers such as Amazon have been at the forefront of this digital revolution, the automotive industry has been slow to react to these rapidly changing consumer behaviours and attitudes due to the complexity of the car purchase process.

Consumers have been able to buy and finance thousands of pounds worth of holidays and home improvements for several years. Yet until recently, customers have had to go into a dealership to sign a multitude of forms in order to complete the transaction or to get a guaranteed part-exchange valuation for their existing vehicle.

And while finance aggregators, such as Codeweavers and iVendi, may allow consumers to carry out their car finance applications digitally, as yet there has been no fully joined-up solution that enables them to complete the entire car buying process online.

Even with cutting-edge retailers such as Rockar, the consumer still has to first manually fill in a finance application form.

Motor groups such as Arnold Clark and Vertu Motors have developed and linked systems themselves, thanks to their substantial resources.

But now, thanks to new end-to-end, fully integrated and compliant systems, smaller dealers can finally tempt online buyers – offering every step of the journey online across multiple channels, streamlining everything and doing away with the need for face-to-face, phone or email contact with the dealer.

GForces' NetDirector Auto-e e-commerce solution has already been adopted by five

UK clients, with a further 20 due to come online by the end of this July and plans to roll it out in the Middle East in August.

The solution was revealed at the start of 2019, with RRG Group, Chorley Group, Infiniti retail Group and Croyland Car Megastore all signing up in the UK.

So far, its main application is for used car sales, but there are plans to include new cars once it is fully bedded in.

Paul Stokes, head of online retailing at GForces, said the new system allows dealers to do everything online, from enabling the customer to apply for finance and get an instant credit decision, and obtain a guaranteed part-exchange valuation, through to part or full financial settlement for a vehicle, and digital signature of paperwork. He said an interface with specialist providers Codeweavers, Cap HPI and Aston Barclay provides the customer with a seamless digital purchasing experience.

"The system is fully integrated within the retailer's website," he said. "Rather than taking the customer to separate domains, URLs or browsers, it's all there in one place on the retailer's website."

Auto-e uses Codeweavers to provide credit decisions and quotations based on its own and approved lenders' annual percentage interest rates. Once the consumer has completed their finance application, all of that information is sent directly to the lender, whose decision is then relayed back to the consumer via the dealers' website.

In addition, the solution offers a guaranteed part-exchange valuation through its interface with Cap HPI and Aston Barclay. GForces is also in discussions with Cox Automotive about integrating to provide a similar service.

"We have been quite agnostic in offering the retailer choice depending on what their risk appetite is," said Stokes. "And we have been talking to a number of part-exchange service providers to see if we can collaborate with them."

The system also enables the customer to

either pay outright or put down a deposit on the vehicle through a payment mechanism called Stripe.

A further feature is a 'My Account' section which stores all of the customer's data, enabling them to join or leave the buying process at any stage. For those who don't want to create their own account, there's a guest checkout that also allows them to complete each step of the purchasing journey.

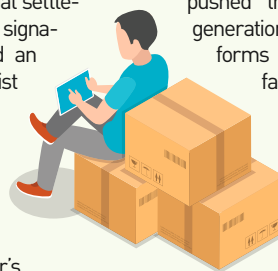
Stokes, who was previously managing director of Rockar, said the problem was that there were previously none of these solutions available to the consumer. This was because dealers have traditionally pushed the consumer down a lead generation route of filling in enquiry forms and then arranging face-to-face appointments to sell them the car, as well as a nervousness about losing control of the sales process by going online, he said.

But now all that has changed, Stokes said, with a greater consumer demand to buy online. This is reflected, he said, in the fact that 52% of customer transactions are done outside of business hours, while there is also a 60% conversion rate, significantly higher than for traditional lead enquiries, according to GForces' research conducted between January and March.

"We are seeing a huge appetite from consumers wanting to transact online, putting themselves in control of the whole buying experience at a time that is both right and convenient for them," he said. "That is borne out in our research, which shows that most of them go online to transact outside of the normal 9 to 5."

Stokes added that dealers' fears of losing margin by selling the vehicle online have also proved unfounded, with GForces' statistics showing that none of the transactions went through with a negotiation price or any haggling over the part-exchange valuation. This is because the customer feels they are getting a fair price, he believes.

For now though, Stokes said the focus is on refining and upgrading the system based on performance data and client feedback. He



said GForces is talking to manufacturers about how the solution can be integrated within their businesses, but the biggest stumbling block is price.

"They have the conundrum that they typically market the vehicle at their own recommended retail price, whereas the retailer can do so at a transaction price," said Stokes. "They are at a disadvantage that will only ever change if the model with their franchised dealers changes from a margin to an agency-based model."

Chorley Group, which operates six dealerships across Lancashire and Greater Manchester, went live with Auto-e in February. It said the new solution increased used car sales by 5% during its first full month of trading, while 70% of its 60 orders to date have converted into sales.

Sales director Adam Turner said there were initial reservations from the sales team, but they were quickly won over by the fact that the majority of customers still have to visit the showroom at some point, if only to collect their vehicle.

Chorley Group hasn't had to make too many adjustments to accommodate the new system, he said. It already formed its own dedicated online digital response team two years ago, which focuses solely to following up on digital leads from client applications, manufacturer sites, email, live chat and social media, he said.

Turner said the group is also drawing up a marketing plan that it will put into effect once it has solved any teething problems. It also plans to use Auto-e for new car sales, many of which it delivers at distance.

"Auto-e has completed our online customer journey really well," said Turner. "It has enabled us to capture a different type of customer by giving them a greater confidence to apply for finance because they feel more comfortable about doing it online and not necessarily having to sit down in front of somebody."

Infiniti Retail Group has also integrated Auto-e with its new customer contact centre.

Jamie Buckley, the group's marketing manager, said the key selling point of the new solution, which uses Alpha to provide immediate credit decisions, was its ease of use.

Used car supermarket Croyland's new service incorporates Barclays Partner Finance to

provide customers with a rapid decision on their application and streamline the buying process through its Barclays Sign Anywhere tool, enabling them to sign documents digitally.

Mark Swindells, general manager, said: "We have already achieved retail success through our website and can now further extend our digital service with the addition of part-exchange agreements, finance solutions with an instant decision, right through to signing the deal."

Other online retail platforms could also shake up the market. Cazoo, a used car buying and rental website created by Zoopla founder Alex Chesterton, is set to launch this year.

On the manufacturer side, Summit Media launched an automotive technology suite of services six years ago, providing components that manufacturers can use to improve their website functionality. The different components can be configured to provide everything from new vehicle reservations to full e-commerce, joining up the consumer experience across multiple channels.

Jacqui Barker, Summit's head of sales for Europe, said it has been improving searchability on manufacturer websites by pre-configuring vehicles based on what the customer is looking for at a particular price point according to its machine learning led technology by incorporating available stock and price data. This might include, for example, entry-level, mid-range and luxury models, rather than the lengthy assembly line configuration method used currently, she said.

"We have developed an internal and external sales tool on Peugeot's website that allows users to see what difference adding further specifica-

tions on their vehicle makes to their monthly finance payment," she said. "When PSA Group launched its online tool in the UK, they found that customers tended to upgrade with extra features because the effect on their monthly finance was perceived to be minimal."

Barker added that Summit has recently launched electric vehicle websites for Honda and Peugeot to enable them to take reservations. And it is also behind Jaguar Land Rover UK's new online car sales function.

"Essentially, the OEMs will have their own website content and data, so it's a case of adding the relevant components and joining up the suppliers and processes required to enhance the customer journey, and making it happen in the easiest, quickest, most seamless way," she said.

"It's not just about plugging some technology in somewhere and hoping it works – we need to have a thorough understanding of consumer behaviours, and the best way to optimise that customer experience and drive traffic to their website." **ALEX WRIGHT**





The automotive industry is evolving.

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Strike the right balance between online queries and real-life sales

Motor retailers who invest in digital assets alone are ignoring the latest evidence and will miss sales

That 'buyers want to get their cars online' seems like a certain bet as society continues to embrace e-commerce. Yet the challenge for carmakers and car dealers is there is no single customer profile. While a growing proportion may look to digital channels for major motoring purchases, dealers are being forced to cover all the bases.

But technology will help there too. According to *How To Win Tomorrow's Car Buyers*, a report by McKinsey & Co, manufacturers and their retailers will increase their use of artificial intelligence (AI) or automated systems in vehicle sales and marketing.

"AI's marketing and sales value comes from improved customer experience, higher sales and lower costs," said the report.

McKinsey said connecting sales to previously used marketing data sets can drive consistency and efficiencies for dealers, such as programmatic advertising which displays individualised promotions based on customers' characteristics, automating lead management activities or predicting products most likely to be up-sold or cross-sold to customers.

Doing so could give a crucial advantage to carmakers and their franchised networks over



start-up digital competitors which may develop faster but lack that historic data, the report said.

An ability to use data and digital technology better to suit the customer will bring benefits to all parties. For example, while many dealers use social media to get their brand out there and engage with the broader public, the latest research by Deloitte, in its automotive consumer study, has found UK consumers are ignoring social media when searching for their next car.

While the study found car buyers typically begin researching a car purchase a maximum of three months out, and only half use third-party retail websites such as eBay Motors and Auto Trader, just one in 10 of the 857 UK car buyers studied said social media significantly affected their decision.

In contrast, Deloitte found 60% of consumers visited their selling dealer more than once, and one in two viewed salespeople and printed brochures as the most useful in providing information – more so even than websites.

The challenge for motor retailers is in understanding whether it is their social media resources or their in-showroom experience that warrants more investment.

"Interaction with a real person ranked as the most important buying aspect, with over half acquiring their current vehicle from the

dealership they visited," stated Deloitte. "Customer experience is not dead."

Technology must streamline the process, however. Consumers do want minimal paperwork and the security of knowing the purchase price prior to visiting the showroom. Those were important aspects for two in three buyers, according to Deloitte, in contrast to some dealers' investments in fun-related technology, such as virtual reality, which was rated important by only 6%.

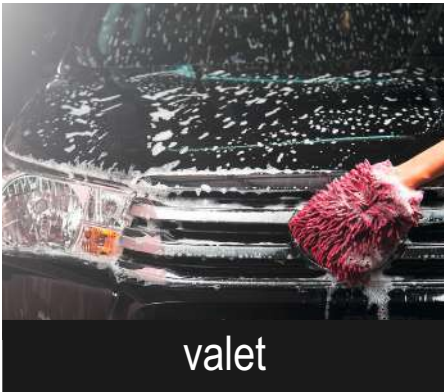
Browsing remains important, however. Another study, by Sophus3, found traffic to car brand websites in Europe held steady year-on-year, with 1.3 billion visits, but half of users visit just one page before going elsewhere.

"Car buyers are still hugely interested in new cars, but if they find it difficult, confusing or frustrating to find what they want online they will go elsewhere," said Scott Gairns, the managing director of Sophus3.

According to BigCommerce, a US-based retail research group, the consumer's expectations of great experience means companies will increase their hiring of older workers for the offline experience, while millennials, who it says lack the direct interpersonal skills of older generations, will continue to dominate their e-commerce and digital marketing operations. **TIM ROSE**

“CAR BUYERS ARE STILL HUGEY INTERESTED IN NEW CARS, BUT IF THEY FIND IT DIFFICULT, CONFUSING OR FRUSTRATING TO FIND WHAT THEY WANT ONLINE THEY WILL GO ELSEWHERE

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The ecommerce era

Paul Stokes, GForces' head of online retailing, puts the spotlight on ecommerce and why it is essential to the future of automotive retail

Which industry challenges does ecommerce solve or face, and how does it still support the traditional dealer model?

Ecommerce provides the opportunity to bring our industry up to date with today's consumer expectations. It introduces the vital combination of choice and control to the consumer. It enables us to present all of the necessary information consumers need to make their decision, without bias or pressure. It also allows us to introduce automated processes that make buying quicker and convenient, such as intelligent search and secure payments.

Ecommerce enablement also provides instant access to relevant accessories, services, and upsell items at checkout. Without feeling sold to, consumers are much more likely to consider these options, and will pay full price, just as they do on Amazon and other platforms.

There is still a demand for the unique social and sensory aspects of in-showroom buying, too. It's just how these properties are utilised that needs to change. Online brands, such as Amazon, Loaf, and Joe Browns have spearheaded the "clicks-to-bricks" movement. They have a clear understanding of the changing demands of their audiences, and where physical stores fit into their marketing mix. They utilise everything from QR entry codes for cashier-free coffee shops to supermarket shelf-readers, and embrace new technologies. We need to recognise that pay-points and the consumer journey leading to them are rapidly changing.

Retailers need to provide experience-led safe spaces where a consumer can explore, connect, and ultimately buy. As an omnichannel solution, our platform, NetDirector® Auto-e delivers that, supporting the buying journey online and in-store using the same interfaces.

What advantages do retailers gain through ecommerce over manufacturer-led click-to-buy schemes?

Vehicle manufacturers have clearly identified valid consumer demand for online sales – but their focus is purely on new cars. Manufacturers therefore enter the ecommerce arena with one hand tied behind their back. In the real world, nobody buys new at RRP. By trying

to singularly own the route to market, they effectively render themselves uncompetitive. Their success hinges on model discounts and special-rate finance deals.

In a market where we are seeing monthly drops in new vehicle registrations, but growth in the used sector, the advantage is clear. Ecommerce enables retailers to reach a different segment of the market to manufacturers – used car buyers. With complete control over their stock and pricing, retailers have much greater flexibility to tailor their offering to consumer demand.

How is ecommerce changing traditional marketing for automotive businesses?

Ecommerce has changed how we buy and sell, but it has also changed how we target consumers – by introducing new competitive elements and driving prices down. We now reach our audiences on digital channels, not the ones on TV. Social media and search engine ads, or pop-ups in content platforms, are where our primary marketing activity should lie.

We are moving away from price point and product effectiveness in our marketing. Instead, we are seeing more story-led, emotive campaigns.

This is because ecommerce has vastly increased the number of channels consumers use when searching for products and services. That means we have to continually adapt our marketing approach

to effectively reach them. We also have to understand how shopping activities on each platform differ, and adjust our marketing to suit.

Do you feel it's accurate to suggest automotive brands are still struggling to catch up to consumer expectations?

The quick answer is yes, but there are reasons. Ecommerce presents challenges to retailers. They are hesitant to give consumers too much control, and worry they won't be able to retain margins.

With NetDirector® Auto-e, purchases so far have all been at advertised price. Transactional-based platforms are the preference for the consumer, because they're fast and efficient to use. Through NetDirector® Auto-e, the average end-to-end vehicle purchase, including finance, takes just 26 minutes.

Fewer than 0.1% of the UK's retailers offer a full transactional solution, yet the landscape is clearly changing. How will the market look when 10% of retailers can sell online? Or nearly all? The rewards of embracing ecommerce massively outweigh the risks when it comes to future-proofing your business.

Can retailers have faith in consumer readiness for ecommerce?

Consumers are already embracing ecommerce elsewhere. We're the ones who need to catch up. To date, the automotive industry has failed to provide a transactional model that consumers recognise. It needs to be completely end-to-end, with every part of the consumer journey accommodated within a retailer's native web environment. You aren't taken offsite to pay via a third party on Amazon, and you shouldn't be when buying a car.

NetDirector® Auto-e is the dedicated ecommerce platform from GForces. It enables end-to-end vehicle sales, including finance applications with an instant credit decision. It can also handle part-exchange valuations and complex queries, including existing finance. And it offers consumers the flexibility and user journey they expect.

Consumer habits are neither changing or in the process of changing – they are constantly evolving. Evolve with them on a platform that constantly adapts to the needs of your business and consumer demand.

COMPANY PROFILE

Key products and services: Industry-leading ecommerce platforms, software and services for digital dealerships

Key staff: Giles Smith – CEO

Simon Upton – COO

Paul Hilton – retail director

Paul Stokes – head of online retailing

Richard Johnston – OEM director

Founded: October 1999


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G F O R C E S

A portrait of Paul Stokes, a man with short brown hair and a light beard, wearing a blue and white checkered shirt. He is looking directly at the camera with a slight smile.

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MOVING PEOPLE

Start-up your engines

As the UK mobility services market continues to grow, the growing number of new entrants provide traditional motor retailers with both opportunities and threats

Forward-thinking automotive retailers will be looking at mobility services and new ways to evolve the customer journey over the next 10 years and several new automotive start-ups are vying to help them on their way.

Some of these companies are offering platforms to reach new customers and to remain part of the ecosystem alongside dealerships, while others, such as Cazoo, are looking to be direct competitors.

AM has put together a selection of start-ups that are looking to build volume in the UK car market to help dealers decide if it's better to partner up or forge their own way ahead.

BUYACAR



Brothers Austin and Oliver Collins launched BuyaCar in 2002. It offers an online remarketing channel for dealers to help manage the distance selling of nearly-new

and used car stock.

It is still run by the brothers, but after building up the business it was acquired in 2014 by Dennis Publishing, the parent company behind *Auto Express* magazine and carbuyer.co.uk. BuyaCar uses that publishing audience of more than six million readers to market its services. More than 700,000 browsers look through stock on the Buyacar platform each month.

Dealers can add stock at no cost and BuyaCar's team manage the distance selling process entirely, leaving the dealer to focus on their local market. BuyaCar only charges dealers a handling fee,

which is agreed upfront, if it successfully sells the vehicle.

According to BuyaCar, its USP is that it steps in to help sell the vehicle nationally for the dealership, rather than just passing on a lead.

Customers can compare prices across the BuyaCar website, arrange finance and sort out their part-exchange, but there is no haggling and no hard sales pitch.

Buyers can arrange for delivery of their car with no face-to-face interaction with a salesperson or dealing with the dealership. It has a 14-day return guarantee, which includes a mileage limit. The company has sold more than 16,000 cars completely online since launch.

Austin Collins, Buyacar managing director, said the risks posed by distance selling regulations are removed as BuyaCar becomes the supplying dealer itself as soon as a customer clicks to buy a dealer partner's car.

Collins said: "It means all liability for problems

with the car rests with BuyaCar.co.uk, within reason, so that dealers can focus on selling local cars themselves."

Collins said the average sale distance is 200 miles for a BuyaCar customer, so these are incremental sales dealers may not have achieved without the platform.

CAZOO



Founded by serial entrepreneur Alex Chesterman, who made his millions selling Lovefilm to Amazon and founded property website

Zoopla, Cazoo has big name recognition behind it.

Chesterman raised £30 million in November 2018 to start Cazoo, an online platform where customers can buy, finance or rent a used car online and have it delivered to their door within 48 hours. It aims to disrupt the automotive retail market in the UK and will compete with dealerships, rather than partnering with them. Chesterman believes there is room for the platform as the industry is ripe for transformation.

Cazoo has joined forces with BCA for vehicle logistics, refurbishment and disposal of stock.

A Cazoo spokesman told AM that the company's mission is to "transform the way people buy used cars in the UK" by providing a better selection of stock, transparency, convenience and peace of mind.

The spokesman said: "Our aim is to



➤ make car-buying no different to buying any other product online today, where consumers can simply and seamlessly purchase a used car entirely online.”

Cazoo is planning on launching later this year and has already recruited more than 50 staff at offices in Euston, London. The team has been bolstered with automotive sector expertise in the form of Kevin Harding, Auto Trader's former UK sales director; Tony Long, Tesla's former general manager for remarketing; and Bryan Stringer, formerly Manheim's vehicle solutions director.

DROVER



Car subscription start-up Drover has partnered with multiple manufacturers in the past 16 months, including BMW and Volkswagen, and it currently has more than 3,500 customers.

It is also working with dealer groups, as well as leasing and rental companies – current stock partners include Hendy Group, Norton Way, RRG, and LeasePlan – to help them monetise poorly utilised stock.

This stock can be in the form of pre-registered vehicles, nearly new vehicles, pack deals leasing companies have committed to, or vehicles that have been returned from contracts early. Drover has about 3,000 vehicles listed.

The price is on a 'just add fuel' basis and includes the cost of the car, as well as comprehensive insurance, VED, servicing, maintenance and breakdown cover, with no deposit to be paid. Contracts range from month-to-month rolling contracts through to 12-month deals, with discounts available for longer contract periods. There are plans to extend this to 24-month contracts soon.

Drover does charge a cancellation fee of 20% of the outstanding subscription payments. So if a customer cancelled halfway through a 12-month contract, they would have to pay 20% of the remaining six months on the subscription.

Drover promises dealers to double revenue per car, earn an income on pre-reg and demo vehicles and to monetise idle used car stock.

Dealers can set the monthly rate they want to earn from cars listed on the platform or they can follow Drover's own guide prices for stock. Drover takes a 10% cut.

Dealers act as the point of contact for the customer when they "check in" or "check out" with their vehicle. They also take care of servicing and maintenance.

Drover pays dealers based on each day a car has been booked for a particular month, even if Drover itself hasn't received payment from the customer.



A spokesman for Drover said: "With vehicle ownership continuing to change, a partnership with Drover gives dealers an opportunity to understand the model. Drover has coverage across the UK and is always looking for new dealership partners."

HIYACAR



Founded in 2016, Hiyacar aims to be the Airbnb of the automotive industry. It is financially backed by Itochu, the owners of Kwik Fit. It's a car-sharing platform that connects people

with under-utilised vehicles with those that need transport or "flexible car ownership". No deposit is required for customers to start using the service.

A "QuickStart" solution installs a telematics box that gives Hiyacar customers access to the vehicle and tracks and manages rentals and transactions.

Hiyacar's core model, is peer-to-peer or consumer-to-consumer, but it is looking to supplement that by partnering with dealerships.

Sepi Arani, Hiyacar's head of growth and formerly a future mobility operations manager for Audi, said the company is exploring multiple partnerships with dealerships and manufacturers directly.

The business launched with a focus on London, but is to expand to Brighton, Manchester, Bristol and Edinburgh this year.

Arani said: "Peer-to-peer will remain at the core of the business, but we are now looking to expand further with partnerships with dealerships and manufacturers.

"Dealers keep around 80% of the price they set for their vehicles and it's a way to generate money from pre-registered or used car stock that might be sitting idle. It's also a good way for independent dealers to diversify their business model."

Arani said Hiyacar is a different proposition to Drover as it offers older stock (up to eight years old) allowing prices to start from £28 a day or £250-

£300 a month as part of a soon to be launched monthly offering.

TOMORROW'S JOURNEY



Tomorrow's Journey is also focused on monetising under-utilised vehicles.

Owners of cars or vans, including dealers, can add their assets to the JRNY

platform. Customers can then rent a vehicle and JRNY uses telematics to manage and track the vehicle's location and availability.

The JRNY app uses technology through the app to prove identity, store payment data and match customers to the right vehicle.

Dealers and owners of vehicles can make stipulations for the type of drivers that can rent their vehicles like requiring drivers to be over a certain age, no points on their licence or being a UK resident for the last three years.

Dealers can list over-age or pre-registered vehicles on JRNY for rental or subscription from third parties while simultaneously listing them for sale, the idea being that these vehicles can be generating revenue while unsold.

LeasePlan UK is the first company to provide vehicles for a pilot scheme with Tomorrow's Journey in the Milton Keynes area.

Chris Kirby, Tomorrow's Journey chief executive and co-founder, believes dealers and manufacturers can combine their traditional retail model with the emerging mobility as a service (MaaS) trend rather than risk being overtaken by disruptors.

Kirby said: "If dealers embrace the changes, they are well placed to take a slice of a £900 billion mobility services market by 2025, the size of which was predicted by the Government's Innovate UK Transport Systems Catapult. We always say to dealers, don't fight mobility – lead it."

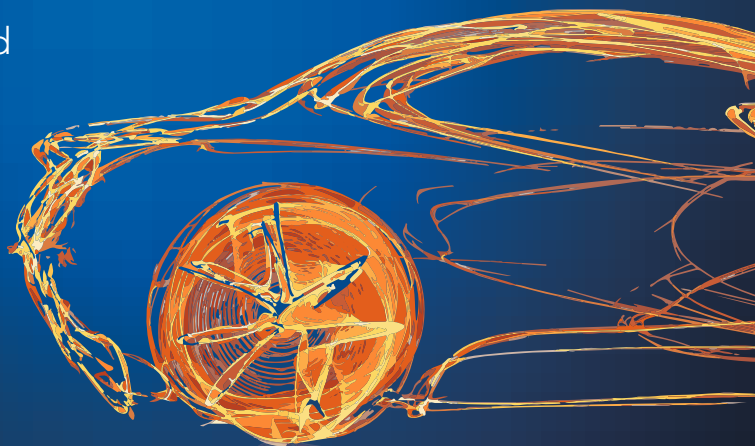
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G F O R C E S

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Cheap valeting could cost you dearly

Who is in your valet bay today?

In these days of corporate governance and corporate social responsibilities, it is your responsibility to make sure your suppliers also comply.

Modern slavery

The Government is stepping up its vigilance against modern slavery and the Home Office is communicating directly with companies that are at risk of breaching the law, sending a clear message that non-compliance will not be tolerated.

Autoclenz is leading the way by being open and transparent about meeting its legal obligations, ensuring all its operators are compliant through its robust systems. These checks include that each worker

has the legal right to work in the UK, their identity and driving licence bureau checks have been undertaken and that they are paid at least the minimum wage, often more.

What many businesses don't realise is that they are liable for all people working

"Many businesses don't realise they are liable for all people working on their premises (even the sub-contractors)"

on their premises (even the sub-contractors). Can you be certain that the valeters on your property are compliant? This is not a risk worth taking for a company's brand reputation. Autoclenz's customers are protected against this, as all of your operators are adhering to all legal obligations.

Consider the reputational impact and ability to do business effectively and consider the moral responsibility against modern day slavery. What is the cost to your business of not being compliant? Is it worth the risk?



Contact Martin Peters, sales director of Autoclenz, on 01283 554 682, email: sales@autoclenz.co.uk or visit: www.autoclenz.co.uk



DEALERSHIP ONLY PROTECTION
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DEALER MASTERCLASS

POWERED BY **AM**

DEALER MASTERCLASS COMMERCIAL PARTNERS: STRATEGIES & FUTURE PLANS

At Automotive Management Live on November 7, the Dealer Masterclass programme will deliver advice and knowledge to dealer management on a range of key topics that will assist them with the efficient and effective running of their sales and aftersales operations. Over the next six pages, they offer a sneak preview of the intelligence that will be shared on the day.

Find out more about Automotive Management Live at: www.automotivemanagementlive.co.uk



Future-proof yourself online with the value of content

In today's digital world, positive user experiences and content relevancy are paramount.

From a search engine's perspective, domain authority is your website's score as a 'thought leader' within your industry. Search engines use this score to gauge your ability to provide ongoing, high-quality, engaging and informative content, which ultimately leads to a better user experience.

By producing regular, good-quality content, Google rewards website owners with higher authority. The higher the domain authority of a website, the better its position in the search results.

Google updates its algorithms several hundred times a year, so creating fresh content can act as protection for the future, reducing the risk of your site being penalised for using duplicated or spun content.

To get the full effect of content marketing, we recommend producing a wide mix of content types, that are all engaging, meaningful, relevant and sufficiently comprehensive.

The perfect way to generate this content is blogging – the easiest way to bring frequent, new content to the website. Blogs have other benefits too – they provide more indexed pages to a website and allow for a better online presence, as the blog can be easily pushed through to social media channels where the posts can be shared and reach a wider audience.

Website content is not just for search engines, however. It is for your visitors too, and needs to be engaging so that it commands their attention. The use of images and video helps this, because content is not just classed as the text on a website. Not only does it give customers something interesting to read and interact with, it can also be a lead generator. That piece of content may just be the thing that turns a prospect into a customer.

Great content is not a quick fix. Content marketing is a long-term solution to your local search engine optimisation (SEO) needs. Good-quality content can accumulate natural back-links over time, which continually boosts domain authority, so implement a strategy today

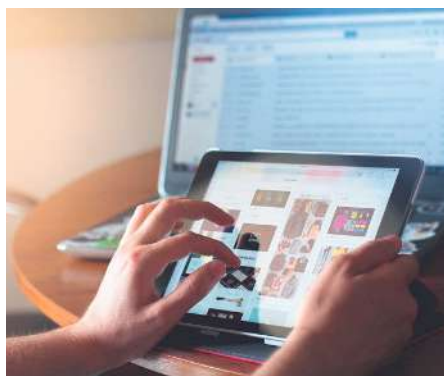
that will carry through to the future.

In terms of getting those local rankings, ensure that local keywords are apparent in the title and meta-description tags. Additionally, focus your content regularly on long-tail keywords to define your website topically and geographically, while increasing local visibility.

Before creating any content, we recommend undertaking market research to understand what people want to read. Search for the keywords you want to rank for to see what is ranking now and what is missing. Use what is already there to your advantage by discovering where the opportunities lie.

USEFUL TIPS:

- Include synonyms rather than excessively repeating the same keyword or phrase.
- Make each piece of content at least 500 words long for ultimate effectiveness.
- Providing that the budget is available, consider outsourcing content from an expert.



For more information or to learn more about Autoweb Design, please visit www.autowebdesign.co.uk or get in touch on 01757 211 700 or email holly.duncan@autoweb.co.uk.



What market sector strategies should a dealer be implementing to help future-proof their business?

Dealers are currently at a pivotal point in the way they interact with both automotive manufacturers and consumers.

As competition in the automotive sector intensifies and the consumer increasingly wants to interact with dealers on their terms, it is vital that dealers learn to adapt to the changing shopping habits of these consumers.

DEALER-MANUFACTURER SYNERGY

Many consumers see the dealer as a continuation of the manufacturing brand and, as a result, are looking for a seamless continuation from the brand's website to the dealer's one.

LivePerson Automotive works with many of the biggest dealers in the UK and they trust our ecosystem to provide their customers with a swift transition from the research stage on the manufacturer's website to organising a test drive and ultimately a purchase with the dealer.

Great synchronisation between dealers and the manufacturers and the messaging solutions they use to assist the consumer on their purchasing journey will lead to greater CSI scores and higher numbers of returning customers.

CHANGING SHOPPING HABITS

Increasingly, the modern automotive consumer is highly informed, having conducted extensive research before they ever contact the dealer. This means once they reach the point at which they make that connection, they are already fairly advanced in the buying process.

It is therefore vital that dealers are open and ready to assist the consumer whenever they want to make that purchasing decision. LivePerson Automotive has found that is increasingly after 8pm.



This means that a primary opportunity to interact with potential customers is taking place outside of normal working hours and subsequently is missed by many dealerships. This mismatch between customers and dealers is why LivePerson offers a comprehensive managed services solution.

Being available 24/7 is essential in the modern automotive sector as research shows that if consumers are not able to get a rapid and satisfactory response to their dealer-focused enquiry they simply move on to another retailer.

THE OWNERSHIP LIFE CYCLE

Traditionally, the main focus of the dealership was on converting potential leads into sales or assisting customers move from one PCP plan to another. With the LivePerson ecosystem, it is possible to have an ongoing relationship with the consumer at every stage of their ownership

BEING AVAILABLE 24/7 IS ESSENTIAL IN THE MODERN AUTOMOTIVE SECTOR

life cycle. This includes everything from initial enquiries, purchasing, finance options, servicing and part-exchange options when they wish to start the cycle again with a new car.

This continuous customer-led conversation not only helps the dealer to build customer loyalty and benefit from a revenue stream over the life of the vehicle, it also significantly improves the customer experience as they can have their issues and concerns resolved quickly and efficiently.

To learn more and start building your own conversational commerce plan, just reach out: Text **020 3095 7289** | caomarketing@liveperson.com | liveperson.com/solutions/automotive



Why increasing personalisation is the future of online motor retail

It is becoming evident that increasing personalisation to the needs of individuals is the future of online motor retail, we at iVendi believe. Where customer requirements are quickly identified and met, the best results are achieved.

Why is this becoming apparent now? It is really about the parallel development of big data and technology, which allows progressively more tailored online journeys to be created. What big data provides is information about likely customer needs. If you know just a few facts about a customer, then – based on previous behaviour by others who fit a similar profile – there is a strong chance they will have similar needs. Your systems can immediately start to offer them options that are probably very relevant.

The more data you have, and the better its quality, the stronger your chances of getting a customer's needs right as early as possible in their search for a vehicle. Instead of taking them through a relatively long-winded

process that is designed to ascertain their needs, you can make a highly calculated estimate of what they want.

Anticipating those desires doesn't just cover the intricacies of car choice, such as colour and engine size, but how far they are likely to want to travel to make a purchase, as well as their likely finance product preferences in some detail.

A similar approach can be seen in many successful consumer websites that have access to detailed information about customer behaviour. If you go to Amazon and type in 'AA batteries', they will give you lots of choices, but there is probably a 90% chance that the purchase you end up making is listed in the top two or three results. They have

already anticipated your preferences.

So far, online motor retail has not really operated in this way. To some extent, that is because the process of searching for and financing a car is so much more complicated, along with a slower level of innovation within automotive retailing. However, we now generally know the models of interest to the consumer, their budget, their geography and potentially their affordability and creditworthiness. This allows us to narrow down options immediately to simplify their online journey.

Where we use our technology to construct a process that meets these needs as quickly as possible, rather than offering more and more choices, sales increase. It's that simple.

“THE MORE DATA YOU HAVE, AND THE BETTER ITS QUALITY, THE STRONGER YOUR CHANCES OF GETTING A CUSTOMER'S NEEDS RIGHT AS EARLY AS POSSIBLE IN THEIR SEARCH FOR A VEHICLE



For more information or to learn more about iVendi, please visit www.ivendi.com, call 0345 226 0503 or email enquiries@ivendi.com



Winning strategies for 2020 and beyond

It goes without saying that the dealership's lifeblood relies on selling cars. Given the relative volatility of the new car market, our first recommended strategy is to **sell more used cars**. Once this has been achieved, our second strategy is to **'sell' your dealership**. Our third strategy is to **fill the workshop**. Underpinning three of these strategies. Our fourth **retention**, and our fifth, **digital marketing**.

Our research tells us that the biggest driver to customer satisfaction is salespeople themselves, so emphasis on recruitment and training is important – training around explaining finance and paperwork, as well as the sales process.

Product knowledge is essential. Before the internet, most customers were relatively ill-informed about the vehicle they were looking at, but today you often hear people say: "Customers know more about the cars than we do". Frankly, that's not good enough. You would be disappointed if a waiter couldn't explain the menu, a golf pro couldn't recommend a club or someone in B&Q couldn't tell you how to decorate a wall. Surely the same applies when we are dealing with cars?

To get enquiries, you have obviously got to hold the stock at the right price. Acquiring the right stock is more of a challenge at present, so you'll need to work hard on that – maximising part-exchange retention is a great start.

Next, 'selling' your dealership. In a very competitive market, it's critical to understand customer satisfaction and get feedback on the service you provide. This also gives you review content and stars you can share on your website to attract new customers.

When you are 'selling' your dealership, you are also starting to sell servicing. Whether you use a service plan, loyalty programme or a tight communications programme, servicing a customer's car



“ACQUIRING THE RIGHT STOCK IS MORE OF A CHALLENGE AT PRESENT, SO YOU’LL NEED TO WORK ON THAT – MAXIMISING PART-EXCHANGE RETENTION IS A GREAT START

will aid future retention and loyalty. Getting customer feedback on the aftersales experience is arguably as important as the sale itself.

Retention strategy is all about getting relevant feedback after each transaction, recording it and using that to inform your next communication. This could

be driven by vehicle health checks (VHC) or a refined CRM programme.

Finally, we come to the fifth strategy, digital marketing. More than half of customers visit just one dealership and 51% of customers (even more in Northern Ireland) cite a website as the key driver for their purchase. So, we are all agreed your website is your new shop window. Whether you're a PLC or a one-man band, this is the chance to impress prospective customers with your authentic self. But don't forget, most customers won't visit your home page, whether it's click-throughs from classifieds or paid search campaigns. They will be targeting either search results or individual car details or ad pages. Presenting your reviews and USPs within your site is as important as maintaining excellent photography, videos and spec.

So, there you have it, our five strategies for 2020! If you'd like to know more, or disagree, let us know.

For more information about Judge Service Research, please visit www.judgeservice.com or get in touch on 01423 225 166 or sales@judgeservice.com.

JudgeService®

Customer contact should not be a Herculean task

The key to thriving in a challenging market is to successfully convert customers who are hesitant about parting with their money.

In one of the most developed motor retail markets in the world, dealerships have grappled with this challenge for decades, but technology is changing the game.

An ever-growing proportion of car buyers expect their 'purchase journey' to take place online – on a device and at a time of their choosing. The fundamental principle of successful customer engagement remains the same – dealers need to reach out and respond when and how it suits the customer. Mailshots alone don't cut it, nor is it possible to simply call former prospects and customers to entice them into the latest model.

TACKLING A MULTI-HEADED MONSTER

Dealers are faced with a veritable Hydra of customer contact channels, where each of the beast's many heads represents a different means of communication. Businesses risk missing out if they focus on one head and neglect the others.

Thanks to the proliferation of electronic communications, tackling this Hydra needn't be the Herculean task it might initially seem. Automation holds the key to staying in contact with a broad range of customers and prospects, and keeping them engaged. By integrating eCRM (electronic customer relationship management) technology into their contact strategy, dealers can reduce the time and labour required to reach out, while also meeting customers' growing expectation for interaction that reflect their needs, interests and prior history with the business.

For instance, with about 32 million people in the UK now visiting Facebook more than once a day, social media should now form a key part of any communication strategy. A successful strategy draws on Facebook's targeting features for customer conquest and lead generation. Tools such as Marketing Delivery's VoiceBox can help



large multi-site, multi-brand dealer groups to streamline their content management across multiple social platforms and for multiple brands and showrooms, delivering the most appropriate messages to different groups of people.

Consumer contact preferences have also become more important since the introduction of the GDPR in 2018, with email now the most preferred channel. That makes data capture critical – we found that dealers captured emails in 89% of UK car enquiries during Q1, compared with 79% of mobile phone numbers. At the same time, customers are more likely to provide consent for email marketing (75%) than mobile communications (just 62%).

Concentrating solely on phone calls

and texts can risk alienating a huge proportion of your prospects before they have even walked through the door.

Marketing Delivery works with dealers to tailor its eCRM systems to the needs of each business, to help them reach customers across multiple channels. The company's expertise in data-handling and analysis also helps dealers to generate automated emails, texts and social media posts to help retailers better target prospects, generate new leads, and keep customers engaged right up to the moment they sign on the line.

The key to maximising the chance of a sale is providing customers with relevant, timely information via their favourite channel – same as it ever was.

Contact Marketing Delivery on **01892 599 917** or **get.in.touch@marketingdelivery.com** to learn how automated eCRM can help you deliver messages to customers more comprehensively than ever before. And you don't even need to be called Hercules to apply.

Marketing Delivery
DATA DRIVEN MARKETING

The future of video and the car buyer

Our latest consumer research has found more people seek to visit dealerships as part of the car-buying process today than did so at the beginning of the decade. At the same time, 35% of buyers want face-to-face customer service.

We also found that today's consumer goes to the dealership more informed, wanting a test drive and potentially to sign on the same day.

WHAT DOES THIS MEAN FOR YOU?

While more people are expecting to visit a dealership as part of the car-buying process, according to our latest research, retailers will need to adapt even further to future-proof their business.

Video and the online experience will continue to play a prominent role in decision-making for customers. Interest in online video reviews has increased (from 13% to 25%) and more than two thirds of consumers (67%) want video as part of the purchase process.

Good-quality video, still images, and exterior and interior 360-degree shots are an important part of the research phase and where dealers need to invest time in their customer experience.

With consumers wanting more face-to-face customer service, bridging the digital-to-physical experience is more important than ever. A dedicated video platform that delivers good-quality video communications is key to meeting the needs of the car buyer of today and the future. Personalised video provides a bespoke purchase experience, creates emotional engagement and starts building a relationship with the sales executive before they have even set foot on site.

Consumer research often shows a reluctance to visit a dealer, with the fear of haggling often top of the worry list. Video has been a big part of changing those perceptions. We also know that customers are more likely to show up on site if they have seen a video, with 87% of car buyers who watch a video performing a follow-up action.



If a genuinely seamless physical-to-digital experience is to succeed, then transparency, openness and honesty are a must, and video plays a key part in this.

WHAT'S IMPORTANT FOR CAR-BUYERS

Drivability is the top consideration when choosing a car, according to our research. It was closely followed by fuel type (39%) and insurance costs (32%).

Interior space was rated first by a quarter (25%), 23% thought the most important factor was road tax and the vehicle's environmental impact, and 22% looked at exterior styling first.

Surprisingly, hi-tech safety features such as autonomous driving came way down the list, with just 13.5% citing these as their primary consideration.

With customers most interested in how the car drives, when retailers are creating digital assets for uploading onto websites and personal video messages, they could consider incorporating test drive footage in their video clips. Personalised video messages should also incorporate the features car buyers are basing their purchase decisions on.

FUTURE EXPECTATIONS

The importance of the virtual forecourt will continue with the laptop. Websites need to be mobile-optimised and manufacturer apps will feature as part of the buying and owning experience. The strength of digital assets will increase in importance with buyers expecting to be immersed in an experience that is visually led.

Video is an established part of the car-buying process and the use of video and online assets will be the key to bridging the online to offline experience.



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MAZDA3: WILL NEW DESIGN SHOW THERE'S LIFE IN HATCHBACKS YET?



The Mk 4 Mazda3 is the first vehicle to follow Mazda's new design values

Family hatchbacks form a key part of Mazda's line-up to tempt private buyers, and the brand appears to be on to a winner with its latest example.

The Mk 4 Mazda3 is the first of a new generation of Mazdas, which are evolving from the Japanese brand's original Kodo design values, which were first revealed in 2010. According to Mazda UK boss Jeremy Thomson, the new values are about 'less is more' and playing with light. The signature look is now about curved body panels, simplicity, and removal of character lines, while inside the car Mazda wants a natural and relaxed driving position, simple functionality and optimal vision for the driver.

A simple example of this is the standard-fit active driving display, which is projected in front of the driver so they can read critical information such as speed, traffic signs and

navigation directions without taking their eyes off the road. Another example is the wipers, which constantly adjust their operating angle in tiny increments to clean right to the edge of the windscreen, and tuck down beneath the bonnet when not in use.

Such enhancements will require outlining to prospective buyers on their test drive, to ensure they appreciate the thought Mazda's engineers have given to this car. There's plenty to admire, for this is no rental-spec Hyundai i30. No model is priced under £20,000, but list price matters little against a monthly payment mindset, and for as little as £249 a month, the standard Mazda3 spec includes LED headlamps and adaptive cruise control, a 7in colour instrument panel and 8in central display screen with navigation and Apple CarPlay/Android Auto, keyless entry and parking sensors. And that head-up display.

Since the launch in May, Mazda dealers

“

THERE ARE THINGS THAT THIS (NEW) CAR DOES IN A DIFFERENT WAY. WE HAVE ENGINEERED IT AND DESIGNED IT AND INVESTED IN IT AT A LEVEL THAT'S FAR BEYOND THE OUTGOING MODEL

JEREMY THOMSON,
MAZDA MOTORS UK

have been able to offer a choice between a 122PS 2.0-litre Skyactiv-G petrol or a 116PS 1.8-litre Skyactiv-D diesel and manual or automatic transmission across four trim levels – SE-L, SE-L Lux, Sport Lux, GT Sport. The flagship GT Sport Tech specification is exclusive to the Skyactiv-G.

Given the declining demand for diesels, the mix is heavily weighted towards the Skyactiv-G, which Mazda estimates will account for 70% of registrations. It has cylinder deactivation to improve fuel economy, and both engines have mild-hybrid systems powering some of the car's electrics.

Once inside, buyers should also notice the attention Mazda has paid to the cabin's fit and finish, and to reducing noise and vibration – with the petrol unit under the bonnet, this car is particularly quiet when cruising. And this is the Mazda3's forte. Both engines are fine, but unlikely to excite many customers in the



£20,595-
£27,735



ENGINES 2.0
122PS PETROL,
1.8 116PS DIESEL



0-62MPH
10.3-12.1 SECS;
TOP SPEED
119-122MPH



TRANSMISSION
6SP MAN,
6SP AUTO



30.1-56.5MPG



107-128G/KM CO₂

way that this car's sharp handling could.

But there is good news regarding that. A third 180PS engine choice will be added this autumn – the new Skyactiv-X. It has new technology which uses 'spark-controlled compression ignition' to provide what Mazda describes as the high levels of response and acceleration associated with turbodiesels yet with emissions and fuel consumption better than petrol power has achieved before. Sales staff will receive specific training on how to explain the features and benefits of the new powertrain ahead of its introduction.

A four-door saloon version of the Mazda3 will also join the range in October, but this is likely to account for barely one in eight sales.

In an era when crossover SUVs are winning many buyers and earning a premium for carmakers, the new Mazda3 is evidence that the traditional family hatchback is not finished yet. **TIM ROSE**

Q&A



JEREMY THOMSON,
MANAGING
DIRECTOR,
MAZDA
MOTORS UK

You said the outgoing model was in a very competitive marketplace. Did you hint that it could have done higher sales than it did?

Bluntly, when you're competing beside Golf and Focus, you need something that truly stands out. While I wouldn't criticise the outgoing model in any way, there are things that this (new) car does in a different way. We have engineered it and designed it and invested in it at a level that's far beyond the outgoing model. Customers who drive the current Mazda3 and get into this car will see the difference instantly – the dealer network certainly did. They see it as a step-change in what we offer. The interiors are chalk and cheese from where we have been in the past. It's a very different environment.

So the network is ready for this car?

The third-generation Mazda3 from 2014 closed out just post-WLTP, and we've had a brief gap between that model and this one.

Having spent two weeks with the dealer network in training on this car, they really see the power of explaining how we have stepped up considerably from the range we have had historically. They left more enthused than

I've seen over the past 20 years. This is probably the most important car launch we have done in 10 years, probably since the RX-8 even.

Aren't dealers worried about explaining Skyactiv-X to customers?

Skyactiv-X engine comes in October, and the expectation is for torque to be 30% up and fuel consumption to be down 20% on the previous petrol Mazda3. The way we've explained it to the network is to think of Mazda2 economy and MX-5 performance. It's going to be a really interesting time. Will consumers understand it? Is it easy to communicate what's in it for consumers? That's an entirely different subject, but what they do care about is do they get the extra power, do they get lower emissions, what's the fuel economy benefit?

Who are Mazda3's target customers?

It's very hard to say. In the past, we've proudly sold to the non-premium, and we've competed well. But actually on the last couple of models we've caught some premium, going by the part-exchanges. It'll be very interesting to see how this actually plays out.

I'm confident that this car is going to bring a very strong conquest opportunity to the brand. We saw it most significantly with the original CX-5 launch, which brought in a number of customers, typically from the premium brands. I think this car will similarly attract customers from a broad spectrum, rather than just the mainstream C-segment.

≡ REVIEW RATINGS

TOP GEAR



WHAT CAR?



AUTO EXPRESS



≡ KEY RIVALS



Ford Focus



GREAT HANDLING...



...BUT ONLY IN THE HIGHER SPEC MODELS



Vauxhall Astra



MORE AFFORDABLY PRICED, PATRIOTIC (BUILT IN BRITAIN)



AGING DESIGN



BMW 1 Series



BADGE PRESTIGE, REAR-WHEEL DRIVE DYNAMICS



COSTLY OPTIONS, ABOUT TO BE REPLACED

ADVERTISING FEATURE

When your sales are in a downward spiral

Focus on your activity – not the result – to get out of a slump, says Simon Bowkett of Symco Training



How do you deal with those periods in your career as a professional salesperson when your sales are in a bit of a downward spiral? We all have them, and my advice to anyone who finds themselves in this position is simple – stop selling cars.

I know that sounds crazy, so let me explain what I mean. First of all, I believe the car business is one of those industries where the harder you try, the worse it gets. It's a bit like golf in that respect!

What I believe we need to do to get back on track is to start focusing on the activity rather than just the results.

That's what my new sales training video on the AM website this month (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) is all about.

The demonstration drive

There's one part of the activity in particular that is really important to focus on, and that's the demonstration drive. Double the length of your demo drives and I'm confident you will start selling more cars again.

If you are currently doing a 10-minute demonstration drive on average, increase it to 20. If it's 20, make it 40. Even if it's usually 30 minutes, raise that to one hour.

If you are one of those salespeople who has ever run out of fuel or broken down on a demonstration drive, you will probably know where I'm going with this – because you probably ended up selling the car. Why? Because you stopped talking about the car and started building rapport with the customer.

It's the same with demonstrations. Longer demonstrations work because you stop talking about the car. You simply run out of things to say about it.

Get out of your comfort zone

Doubling the demonstration drive will take you out of your comfort zone. You'll stop going for the close too quickly and letting your desperation show, which pushes people away, but you will start building that all-important rapport.

Try it, and see what effect it has on your sales.

Visit our website for a free training trial

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

SHOWROOM LONG-TERM REPORTS

NISSAN QASHQAI TEKNA

REPORT
PROGRESS



NISSAN BANKS ON TECH TO KEEP LEAD IN ITS SEGMENT

In 2015, AM said of Nissan: "It re-invented itself from the purveyor of Japanese white goods to the brand with the funkier mainstream models in the form of the Juke and the Qashqai". Year-to-date, the Qashqai leads the SUV-C segment it shares with the Ford Kuga, Kia Sportage and Dacia Duster, with a share of 12.4%. But its lead is slipping.

Nissan invented the urban crossover segment 12 years ago and since then the majority of manufacturers have produced their own models with considerable success – Nissan's segment share has slipped from 16% two years ago as competitors eat its lunch. The Dacia Duster's share has gone from 4.7% to 10% in that period, for example.

So how is Nissan working to maintain its market-changing sizzle? It describes the latest Qashqai as the "tech advanced urban crossover". It recently introduced the ProPilot safety system, which adjusts speed dependent on the distance of the vehicle in front, stopping the car and resuming driving and assisting steering to keep the car in lane.

Our test car doesn't have ProPilot, but it does have two packs that bring the safety levels to a comforting level. These are Safety Shield Plus (intelligent driver alert, blind-spot warning, rear cross-traffic alert and moving object detection) and Smart Vision Pack, which includes lane departure warning and emergency braking with pedestrian recognition.

A Nissan spokesman gave ProPilot as the reason the Qashqai "remains the most desirable model in its segment", along with connectivity enhancements, such as Apple CarPlay and Android Auto. **JEREMY BENNETT**



PRICED FROM:
£28,925



1.5 DCI 115 DIESEL



0-62MPH IN
10.9 SECS, 126MPH
TOP SPEED



6SP MANUAL



74.3 MPG COMBINED



100G/KM CO₂



THE 'SAFETY SHIELD PLUS' PACKAGE



THE STOP-GO SYSTEM IS VERY PARTICULAR ABOUT HOW YOU COME TO A HALT

CURRENT
MILEAGE

0 6 3 6 3

START
MILEAGE

0 1 5 0 0

≡ GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Greg Stainton, marketing manager at Sandal BMW in Wakefield, correctly identified the Toyota Celica GT4 in last month's issue.

SEAT LEON ST SE 1-LITRE TSI

REPORT
PROGRESS



WITH FAMILY CARS LIKE THESE, WHO NEEDS SUVs?

At a time when the drivetrains powering our cars evolve at a pace that must give the average workshop technician a sore head, the Leon ST's humble one-litre petrol engine makes a lot of sense.

While many are ready to adapt their driving to make the most of a hybrid or electric vehicle, though, I suspect some retail buyers may still turn their noses up at such a small engine.

Fresh from a 360-mile round trip to South Wales for a family wedding – complete with family of four and luggage for two nights – it's hard to question the little turbocharged motor.

It's far from rapid, with a claimed 10.1-second acceleration to 62mph, but fears that it might struggle with the weight on board were dispelled by 200Nm of torque from just 2,000rpm.

Even with its 587-litre boot packed to the gunwales and some testing Monmouthshire hills and curves to tackle, the Leon pulled and turned with aplomb. With the help of the entry-level SE model's standard-fit cruise control on the motorway miles, average fuel efficiency was more than 54mpg.

More than the questions about the need for big, powerful engines in cars built for practicality rather than driving thrills, the Leon ST is a car that keeps asking questions of all the SUVs we now see on our roads.

Even in its 'basic' trim, the Leon impresses with its space, running costs and an entry-level specification that meets so many of my own requirements for a family car. **TOM SHARPE**

FAMILY-SIZED BOOT SPACE

IT LACKS PACE: "ARE WE THERE YET?"

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0-62MPH IN 10.1
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109G/KM CO₂

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 9.



ADVERTISING FEATURE

Accurate valuation builds buyer confidence

By **Stuart Pearson, COO, BCA UK Remarketing**



With fewer customers stepping through dealership doors these days, it's important for dealers to be able to offer a quick and efficient valuation process on a part-exchange vehicle. It is also important that this does not add to the proliferation of systems a dealer is expected to use, but fits in seamlessly with existing systems and processes.

BCA Dealer Pro is an easy-to-use car appraisal app that allows for the part-exchange process to be managed quickly and easily. Using a simple, guided process to appraise, image and then accurately value part-exchange vehicles, Dealer Pro – powered by BCA Valuations – captures all the information needed to allow deals to be done with confidence.

BCA Valuations is the only service that reflects remarketing sale values in real time, using a range of insights to inform vehicle valuations, including cosmetic and mechanical condition, colour and equipment. The service uses fully automated machine learning algorithms every night to calculate fair and unbiased valuations, based on 200 distinct data points across five million real transactions.

Once the car's information is entered into the system, BCA Dealer Pro can offer market values to the user, allowing them to relay accurate and dependable prices back to the customer. For non-retail stock, Dealer Pro has already captured all the information needed to start the remarketing process. Vehicles can then be sent directly to the BCA online catalogue straight from the device.

There are huge benefits from getting the appraisal of a vehicle right the first time. Choosing the right tools for the job helps to ensure a consistent approach that will drive sales, build customer confidence and help to close deals profitably.

With used cars driving profitability, getting the price right has never been more critical.

■ Log on to bca.co.uk or call 0844 875 3480



ADVERTISING FEATURE

Giving second-hand sales a second thought

By **Andrew Brameld, managing director – motor finance, BNP Paribas Personal Finance**



The used car market is key for most motor dealerships across the UK, and is a vital platform for dealers to boost profits and engage loyal customers.

The used market caters for many people for many differing reasons. For younger drivers in particular, the second-hand market offers a viable means into car ownership – with a high degree of flexibility on makes, models, trims and condition to suit any budget.

While these sales have a strong consumer-to-consumer sales element, it is becoming an important part of the package for dealerships looking to bolster business and attract new customers.

Getting young customers in the dealership early can help to build loyalty and ensure they return time and time again. According to research carried out by BNP Paribas Personal Finance, a good dealership experience is the third most important factor for customers when it comes to returning to buy a new car – ahead of an attractive commercial offer.

But it is not only youngsters who can be captured by maximising this side of the business.

Today, the ranks of second-hand cars are being swelled by the return of lease vehicles, which helps to increase the appeal to more established motorists looking to save money or purchase a higher-specification car than they would be able to afford on the new car market.

For these customers, the finance package is key. Offer an affordable rate and you may just find you are able to convert a customer who would otherwise have walked away empty-handed.

■ **For more information on BNP Paribas Personal Finance and the motor finance solutions we offer, please visit www.bnpparibas-pf.co.uk**



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TALENT ON THE MOVE



**MARK RABAN,
CFO, LOOKERS**

Former Marshall Motor Holdings chief financial officer Mark Raban has joined the Lookers board, replacing Robin

Gregson, who stepped down after 10 years in the role. Gregson will remain with the group until the end of September to ensure an effective transition, said Lookers.

Lookers chairman Phil White said: "We are very pleased to welcome Mark to the board. We will benefit from his extensive retail experience, both in the motor industry and more widely."

Raban stepped down at Marshall in autumn last year, having been with the AM100 dealer group since 2014, overseeing its IPO and acquisitions alongside chief executive Daksh Gupta.

His career has also included senior roles at Inchcape Retail, Borders Group, Selfridges Retail and Burton, and he said he has admired Lookers' strong market position for some time.



**NICK RATCLIFFE,
CUSTOMER EXPERIENCE
DIRECTOR, VW GROUP UK**

Nick Ratcliffe, formerly Audi UK's head of marketing, has been appointed as customer experience director of Volkswagen Group UK.

Operating across the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Seat and Škoda brands, Ratcliffe will oversee the manufacturer's existing customer service, customer quality and CRM activities in the UK, with the mandate to incorporate e-commerce, connected services and enhanced capabilities in customer analytics and customer experience strategy.



**ROB TURNBULL,
SALES DIRECTOR,
HYUNDAI MOTOR UK**

Rob Turnbull has become Hyundai Motor UK's sales director after almost 20 years with BMW Group.

Turnbull, recently head of sales at Mini UK, is an accountant by profession, and had worked in a number of senior roles across the BMW Group, including network development, national sales operations and dealer accountancy at BMW's manufacturer-owned dealership, BMW Park Lane.



**ATHENA HUBBLE,
MANAGING DIRECTOR,
CARWOW**

Athena Hubble has been appointed as Carwow's first UK managing director. Formerly commercial director of Zoopla, she had worked at the property website for 12 years.

The online dealer marketing platform has also appointed former Deliveroo executive Vaso Parisinou as chief people officer and Charlotte Tice, a former Hearst Live head of marketing, as its head of media partnerships.



**DARREN BENTLEY,
CHIEF CUSTOMER OFFICER,
CAZOO**

Cazoo has hired Darren Bentley as chief customer officer and Jonathan Howell as chief technology officer (CTO).

The used car online sales start-up, headed by Zoopla founder Alex Chesterman, hired Bentley from MoneySuperMarket Group, where he held various senior marketing roles, most recently chief customer officer. Howell was previously CTO at both Made.com and Huddle.com.

'I'D ENCOURAGE ANY YOUNG WOMAN TO CONSIDER A CAREER IN AUTOMOTIVE'

Two winners of Autocar's Great British Women in the Car Industry awards outline why they think the sector is a good destination for women

As the automotive industry continues to tackle decades of perception that being male and 'mad about cars' are the keys to career progression, two dealer group winners of awards in Autocar's Great British Women in the Car Industry programme have sought to highlight the career choices it offers to everyone.

Zoe Lawson, Marshall Motor Group's head of corporate sales, said she was proud to line up alongside "so many other women in senior positions" in the annual initiative, where she won the sales category.

Lawson said she hoped the event would encourage other young women to pursue a career in the male-dominated automotive sector.

She was nominated by Jon Head, Marshall's commercial director, for the key role she played in establishing the AM100 group's centralised corporate sales divi-

sion, which was established just months before she joined from Pendragon in 2010.

"Since then, we have increased our sales from around 4,000 in 2012 to around 17,500 last year," she said.

"I was also promoted to my current role last year. I still manage the sales team that go out looking for that business and I love the job and the sector."

Lawson rose through the automotive retail ranks after she joined Reg Vardy in a fleet administration role in 2003. She said she never found being a woman had created hurdles for her.

"Far from it. I always had a lot of support and it really was the faith of the managers that I worked for that allowed me to progress," she said.

"I'd encourage any young woman to consider a career in automotive. It's all too easy to look at the sector and dismiss it because you only see the sales executive and technician roles, but there is so much more available than that."

Alongside Lawson, Charlotte Stevens, of Jardine Motors Group, who won the aftersales and workshop category, was another representative of the franchised retail sector to receive an award on the night.

Stevens, aftersales manager at the AM100 group's McLaren Ascot dealership, told AM that while she fears a lack of acceptance of women in the automotive sector could still hamper the careers of those who find themselves with less supportive employers, she is confident of progressing. Having started her career in

the airline industry, she has now worked in motor retail for 10 years.

"I previously found myself in another role where I didn't feel I was wanted or valued because I was a woman. I raised a complaint at director level and I was basically told it was all in my head.

"That experience has left me worried about what I might face if I were to leave my current retail group, so I suppose it has limited my career in a sense, but the support I have here at Jardine is fantastic.

"Honestly, I feel the sky's the limit in my current role and the only thing keeping me from progressing to a brand director level is a lot of hard work. That's a great position to be in."

She currently mentors a young woman within the business and said she may give her a little more support than the young men, but that's because she knows it can be tough.

"I think it's important that we acknowledge that and talk about it to ensure that others don't feel they aren't being heard in future," she said.

Stevens and Lawson are now both advocates for automotive retailing. Lawson said: "If it serves to inspire the next generation of talent, the event will have been a huge success in my eyes."

Stevens, who is participating in Jardine's future leaders programme with an aim to become a general manager, has improved customer feedback at McLaren Ascot and developed best practice ideas which have been introduced by the carmaker.

TOM SHARPE

"I PREVIOUSLY FOUND MYSELF IN ANOTHER ROLE WHERE I DIDN'T FEEL I WAS WANTED OR VALUED BECAUSE I WAS A WOMAN. I RAISED A COMPLAINT AT DIRECTOR LEVEL AND I WAS BASICALLY TOLD IT WAS ALL IN MY HEAD"



CHARLOTTE STEVENS,
JARDINE MOTORS GROUP

RESOURCES

GREAT BRITISH WOMEN IN THE CAR INDUSTRY

The full list of winners and finalists in 2019.

www.autocar.co.uk/greatbritishwomen/2019

WOMEN IN THE AUTOMOTIVE INDUSTRY

Catalyst, a non-profit organisation, works with employers to develop workplaces that work for women. Its 2018 research shows the industry is still male-dominated.

www.catalyst.org/research/women-in-the-automotive-industry/



UK AUTOMOTIVE 30% CLUB

A voluntary group for business leaders in motor retail and distribution, which aspires to put women into 30% of industry leadership posts by 2030.

automotive30club.co.uk/



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EIGHT QUESTIONS TO...

CHARLOTTE STEVENS



The group social media manager says getting individual dealerships' staff on board was key to Stoneacre Motor Group's success on Facebook

What are the main responsibilities of your role?

I oversee social media for the whole of Stoneacre Motor Group, including posting to our Facebook, Twitter, LinkedIn and Instagram channels, responding to incoming messages and comments and creating digital content.

Working alongside Alex Hodgson, the group's other social media manager, we also control the posts sent to our local branch Facebook pages, through the SproutSocial management software. We have dedicated members of staff in each branch who send local branch content for us to approve, check the posts are compliant and on brand, to be posted to their dealership Facebook page.

What are the most significant challenges you face in your field of work?

The hardest challenge we faced was getting the staff in our branches on board with our ambitious plan for each site to have its own Facebook page, to which branch staff create and post content.

I don't think everyone in the business believed we would be able to get as much engagement from Facebook as we were aiming for and have consequently achieved, because they didn't think Facebook users would be interested in engaging with a business through the platform.

How were these challenges overcome?

Perseverance and regular updates to staff in the branches with the number of appointments, leads and sales we have had as a direct result of the organic efforts on Facebook.

The staff in branch really started to see that the engaging and informative content they were putting out on a daily basis was returning some great results. On top of the group campaigns and manufacturer messages, the social media team at head office post on a regular basis. It's also great for them to see how interactive the customers are with the content posted to Facebook pages.

We also inform all of our new starters and apprentices right from the off about the importance of social media to Stoneacre Motor Group, and how they can have a positive impact when they start their job in branch, whatever their position may be.

What attracted you to this area of expertise?

I think it is the fact that social media and digital marketing is ever-changing, and we have to be reactive to stories or press releases that we may only know about on the day. We are always having to come up with new ideas and strategies to improve and build upon our past successes, which I find is an exciting way to work.

What's the most important thing you have learned in your education/career, and how have you made use of it in your current role?

The most important skill I took from my time at university was organisation. It's important to always be prepared when working in such a busy area.

MATT DE PREZ

QUICK-FIRE QUESTIONS

What drives you?

A passion to succeed, coupled with an ambition to exceed as many expectations and targets as possible.

What's your favourite app?

It's difficult to choose between Instagram and Facebook.

How do you relax?

Walking the dogs, TV, swimming and gardening

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What's the best fancy dress costume you could come up with using only items in your kitchen?

EDITORIAL

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▶ A fence, using a sieve for a mask, and a metal skewer for a foil

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▶ A bin man

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▶ A tinfoil knight with a spatula sword and frying pan shield

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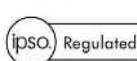
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