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COVID-19 puts aftersales products in the spotlight

hile the COVID-19 lockdown brought α temporary end to car sales at dealerships across the UK, the situation served to highlight the importance of aftersales products geared towards customer retention.

Head of Car Care Plan Products, Mike Cowling, revealed that the drive to maintain the operation of its retention activity was at the top of the warranty, service plan and cosmetic insurance specialist's priority list as dealer staff across the UK were furloughed on the Government's Coronavirus Job Retention Scheme (CIRS)

"What do we do when we and our dealer partners lose their primary source of warranty income overnight?" asked Cowling. "We ramp up our activity on the renewal process to ensure business continues Car Care Plan has been running

retention and distance selling schemes for its clients for more than 10 years, creating additional revenue streams and increasing customer retention, two factors that have taken on extra importance for clients during the current COVID-19 climate.

Car Care Plan acted swiftly to move the 30-strong team responsible for the retention and distance selling activity to a 'home working' structure to guarantee clients the continued service for the 45-year-old business. Doing so has allowed Car Care Plan to continue to provide clients with the vital revenue streams the activity creates, during what is an extremely challenging time for the automotive industry with dealership doors being closed

The business has found that warranty renewal and distance selling activity handled in-house has seen an increased level of penetration during the pandemic.

Car Care Plan's retention and distance selling initiatives are available to all dealer clients and



OF OUR

SECTOR.

THE FACT

THAT WE

HAVE AN

A-RATED

INSURER

MIKE

BEHIND US

COWLING

I KNOW

have proved to be one of the sector's few services capable of providing a source of future revenue generation during the COVID-19 crisis.

Cowling said the business had been working with retailers to drive retention prior to the crisis, also linking MOT cover and Service Plans into their strategy linked in with renewal offers.

The business offers what Cowling describes as a "very customerfriendly service plan product", which can be white-labelled or sold via its AutoTrust brand.

Car Care Plan is one of the UK's leading warranty underwriters, registering an average of 1.8 million products a year across 60 countries.

Since 2012, Car Care Plan has been owned by the US-based AmTrust and, as such, has an A "Excellent" credit rating to go with its long-standing relationships with 21 major manufacturers and more

"With the volatility of our sector, I know businesses appreciate the fact that we have an A-rated insurer behind us and that we underwrite all our business in-house," said Cowling. "From a client's point-of-view, the WITH THE VOLATILITY underwriter should be every bit as important as the administrator.' Care Car Plan's structure means it is also able to offer marketing. BUSINESSES customer services, compliance and IT APPRECIATE departments under one roof which, Cowling suggested, makes it quicker to react to its car retailer clients' individual needs or enquiries, while maintaining "cohesive and transparent" relationships. The business believes that its ability to work flexibly with its car retail partners – investing time to understand specific needs and requirements and tailor its approach

to systems, processes and product

requirements - is central to its appeal

as a favoured provider of its full range of products.

The longevity of many of its dealer relationships bears testament to the approach, and is something that Cowling feels goes hand-in-hand with its loyal team of employees.

The business's call centre of claim handlers is manned wholly by former mechanics who maintain their technician's training as if they were still active in a workshop, ensuring their effectiveness at responding to issues

Some of those workers have spent more than 30 years with the business, with Cowling himself currently being in his 16th year with Car Care Plan. But technology is also a core part of

its solution, with an automated claim system working alongside this experienced to team to ensure 24/7 access to warranty claims, with 75% authorised online via a self-generated electronic invoice.

The most recent dealer satisfaction surveys conducted by Car Care Plan in relation to its claims process scored it 8.6-out-of-10, and the business is also rated four-out-of-five on TrustPilot.

While Car Care Plan is confident in the knowledge of its staff, it also offers a constant programme of classroom and e-learning sessions to ensure that its retailer partners maximise their sales opportunity. Classroom training sets a foundation of product knowledge

and point-of-sale technique for car sales executives.

Meanwhile, Car Care Plan's 30-strong Business Development Support team assumes a supporting role to dealer clients

Financial Conduct Authority (FCA) regulation has impacted Car Care Plan's business, with retailers' growing awareness of the potential in its non-regulated products, such as







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Head of Car Care Plan Products, Mike Cowling do you



Advertising feature

warranty, breakdown and roadside assistance and service plans.

"Having access to all these services means our clients can see where they sit into the sales process and maximise the point-of-sale potential," said Cowling.

"Being able to make customers aware that cosmetic insurance could protect their trade-in value at point-ofsale is a useful selling technique."

Cowling said that Car Care Plan also led the way in the FCA's TR19/2: General insurance distribution chain policies introduced in 2019, stating: "100% of our clients subscribe to the commission capping on insurance products".

He added: "While many retailers' focus had been very much on insurance, they are now re-visiting the importance of warranty, particularly with used car customers."

Car Care Plan is used to seeing retailers deliver a 12-month plan with their used cars, but a shift has seen far more two- and three-year plans delivered at point-of-sale, a trend which could gather pace due to the current economic uncertainty.

"We've seen a lot more warranty renewals since the FCA's thematic review last year," said Cowling, its FCA-regulated call centre team generating renewal take-up of up to 15% during prospecting calls.

Despite the ongoing COVID-19 crisis, Cowling said electric vehicles (EVs) remain the biggest area of uncertainty from a warranty point-of-view.

He said Car Care Plan had been working closely with OEMs to review data on how batteries, and the reliability they offer, was evolving as their products increasingly include cover for the technology.

"That will evolve into our dealer warranty market when those batteries go beyond the battery warranty period," he said.

"We're very much hands-on in our approach to EVs.

"Whatever our issues are in the sector right now, that is the one we are going to have to face in the next five vears."

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