

Diversifying and demystifying the service plan

"Be more relevant, be more accessible and demystify the product for consumers. That was our mission statement," said John O'Donnell, the managing director of EMaC.

EMaC unveiled its new corporate identity in May, not out of a desire to freshen up the company website or the business cards of its field team, but to diversify so that the service plan specialist would increase its appeal to consumers in showrooms.

In June followed the arrival of products that took the business into new territory and, potentially, brought the service plans offered by its car retail partners to a new audience while driving further sales efficiencies.

The first of those products, Drive Now Pay Later, offers customers the option of spreading the cost of costly maintenance or big-ticket accessories over a range of repayment periods, up to a maximum of 12 months.

The launch of an online Self-Serve platform followed, allowing consumers to purchase a service plan away from the pressures – or excitement – of the dealership environment.

O'Donnell said: "When I came into the business two years ago, our customers said they were broadly happy with what we did, but they wanted to see more from us in terms of new products and innovations.

"As a result, we have been keen to diversify. We've put a lot of effort into making that happen in the last 12 to 15 months and now we are finally able to talk about what we have been working on."

Crewe-based EMaC was founded in Bolton in 2004 to specialise in service plans and grew to nearly two million customers in the decade that followed.

It has established partnerships with many of the AM100's top retail groups and BMW, Kia, Jaguar, Land Rover, Lexus, Mazda, Mitsubishi, Peugeot, Toyota and Vauxhall are among endorsements from 15 manufacturers.

In 2014, the business was acquired by Innovation Group and is poised to evolve

from a position as a service plan provider to an 'aftersales solutions provider'.

The number of EMaC service plans sold between January 1 and July 31 grew 8% year-on-year, said O'Donnell.

Motorline Group, a dealer group with 53 sites across the south-east, south-west, midlands and Wales, recently revealed that its service plan growth had been 27% over the same period. This followed an increase of almost 50% in 2017 at the AM100 group.

Thomas Obee, the dealer group's chief executive, said EMaC's service plan offering had become "central to the continued growth and success at Motorline", adding: "We're expecting 2018's service plan sales to deliver a significant guaranteed service revenue this year, which speaks for itself in terms of the importance of service plans to our business."

In March, Eden Motor Group reported service plan sales growth of 60% in the past two years through a partnership with EMaC – projecting a guaranteed service revenue across the coming years of more than £4 million per annum as a result – and was projecting further growth of 25% this year thanks to the introduction of AutoQuote.

EMaC's AutoQuote service aims to alleviate the administration burden on sales executives by using data received from a dealership to generate quotes, which are then sent to the retailer ready to be printed for the customer.

Dealers can then use the customer's unique quote number to finalise the sale or email the quote directly to a customer.

EMaC's latest additions to its consumer offering promise to increase showroom efficiencies while growing organic sales by making service plans more accessible and car maintenance ultimately more affordable.

Developed in partnership with GForces, Self-Serve can be embedded into a dealership's existing website, with no need for extra "pop-out" windows, and allows consumers to purchase service plans



24 hours a day, online, via the dealer or manufacturer website of their choice.

O'Donnell said: "Honestly, I don't think many people sit in their home and think 'I want to buy a service plan online' but if it's part of a CRM (customer relationship management) journey, then they will do that."

"Following a link to Self-Serve via a relevant and personalised email can also add real value to a customer's buying journey."

O'Donnell said Self-Serve is a "four- to five-step process", adding that it would be "a bit much" to expect customers to go through a long-winded procedure to buy their service plan online.

He said sales were already in the hundreds via the new app and were exceeding volume expectations, describing the removal of the sale of service plans from the showroom as a positive development that benefitted both car buyers, keen to

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speed up the process of acquiring their new vehicles, and time-pressed sales executives.

The process also gives retail groups the option of redistributing service plan sales commissions into service departments or to a technician, where appropriate.

"Really, that's a decision for the retailer," said O'Donnell.

Drive Now, Pay Later could pave the way for increased aftersales revenues and has been created in partnership with payments and consumer finance provider, Klarna.

It offers customers the ability to fund repairs

or the purchase of vehicle accessories via an interest-free finance offer, with a range of repayment periods, up to a maximum of 12 months.

O'Donnell said: "Often service department customers are presented with a 'distress sale'. Around 50% of red work is never completed and often that's down to affordability."

"It makes perfect sense to have an interest-free finance offer as an enabler for consumers and retailers alike."

About 500 dealers have signed up to Drive Now, Pay Later and each benefits from a

soft-touch approach to sales, which mirrors the thinking behind Self-Serve. Customers receive a straightforward application via email and can fill it in at their leisure as part of a process that has the added bonus of delivering GDPR compliance.

O'Donnell said there are no plans for the EMaC team to grow from its current 85 employees – 14 of which are field-based and offer retailers across the UK help with campaigns and compliance.

However, Innovation Group, EMaC's parent company – which employs 3,000 people and manages critical incidents in the car and home on behalf of the world's leading insurers, brokers and fleet managers – is clearly encouraging a more progressive spirit in the brand.

O'Donnell said: "We have refocused a little and the outcome of that looks extremely promising."