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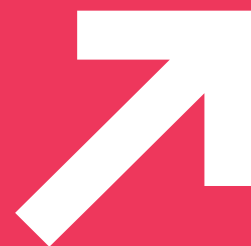


# WE GOVERN

There's nothing quite as unsettling as when a winning formula, well... stops winning. You do all the right things, in the right way... and nothing. It's not even that the goal posts have moved, instead it's the very rules of the game that seem to be changing, constantly, and at baffling speed.

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**JLR / P18**

Dealers can recoup Arch investment through better RoS, says MD Rawdon Glover

**THE FUTURE OF  
MOTOR RETAIL / P25**

What new mobility models and transport policies mean for dealers

**AUTOMOTIVE RETAIL  
CONGRESS / P78**

Full report from AM's strategic conference



**'WE WON'T DO  
A MASS CULL'**

HONDA RESTRUCTURE: PAGE 6



Bringing Self-Service to the Automotive Industry



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From point of booking to collecting their keys, customers have complete control of their own journey with our full self-service solution, helping to improve the customer experience and increase dealer efficiencies.

## EDITOR'S LETTER

Which of you has a subscription to Sky TV, or Amazon Prime, or Spotify? Or to a gym? Or, going old-school – given that I'm employed by Europe's largest magazine publisher – who has a subscription to a newspaper or magazine (whether paper or digital)?

Subscriptions are being touted as one of the next big things in the automotive sector, too. There is a thought that consumers dream of the convenience of being able to swap effortlessly from their daily runabout into a seven-seat SUV for their family holidays, into a prestige saloon when the boss flies in from Europe, or into a roadster for a sun-kissed weekend drive.

Hasn't this already been possible for decades, through rental firms? A recent study by Synchron suggests consumers desire subscriptions with their head more than their heart. Access to a range of vehicles was important to less than a third of those surveyed. What they do want is a fixed monthly cost, which includes any maintenance and repairs, and fuss-free scheduled maintenance. Some, but only a third, also desire no long-term contractual agreements.

To me, most people's dream sounds like a PCP with full maintenance and insurance. If effortless access to a range of vehicles is really part of the vision, wouldn't we all join car clubs? And wouldn't that mean weekday roads full of city cars with single occupants heading to work, and fields full of SUVs and roadsters parked up waiting for the weekend?

### MEET THE TEAM



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## WHAT CAR?

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Jaguar  
Land  
Rover

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# DEALERS RESPOND WELL TO HONDA'S SLIMMING STRATEGY

No plans for mass cull, but Honda UK dealerships may be cut by close to a third within the next three years as company pursues 'sustainable profitability' for those that remain

**H**onda UK has opted to remove its volume-driven bonus targets as part of a strategic network restructure which could result in a 35.5% reduction in its UK dealer representation by 2022.

It recently implemented a plan to reduce the number of its franchised sites by 10%. Now its head of car, Phil Webb, and head of network development, Rebecca Stead, have told *AM* that a new plan to deliver "sustainable profitability" for franchisees could see the number of dealerships slimmed further – from 155 to as few as 100 "in the next two to three years".

Following discussions at an investors meeting on February 14 dealers were asked to set their own volume targets in what Webb described as "a brave move by Honda UK".

Summarising the plan, Stead said: "We will be reducing the network to around about 100-to-125 with 200 retail sales, minimum, per dealer and an average return on sales of 2% by mapping the locations based on a 40-minute drive time.

"The changes will be handled

respectfully and in full discussion with franchised partners in the same way as the previous reduction."

She added: "This is about doing the right thing at the right time. No one knows what the future landscape looks like and what we didn't want to do, and won't do, is a mass cull."

## VOLUME PULL

Honda removed volume targets by presenting the brand's historic sales data to retailers, who were then asked "what volumes do you need to trade in to make your business work?"

A business plan was then put in place which will charge Honda's 38-strong field support team with helping retailers to meet their targets, as well as driving customer experience and retention KPIs, with bonus payments paid within 20% of the agreed volumes.

Stead said the 20% buffer would "remove any distress" and reinforce the fact that the brand is no longer pushing for volume.

She said that the new contract terms have resulted in pull from retailers, in many cases, rather than a push from the manufacturer.

"They need this volume more than we do," she added. "Our margins aren't high – you're not going to get rich from a bonus cheque – but it's in any dealer's interest to achieve it and be profitable."

Honda's 2018 registrations of 52,570 were 2.47% down on 2018's 53,901 and Webb said the brand – 15.27% down at 21,225 (2018: 25,051) to the end of May – expected to end 2019 with around 45,000 sales.

He insisted the brand would be able to meet its retailers' volume demands, saying: "We will absolutely supply the volume of vehicles that dealers require. We've been

very clear about the amount of vehicles that we can get. But a profitable order bank isn't a bad thing. Traditionally it's not something we've had, but that is changing."

## PRAGMATIC VIEWS

Honda has already begun the latest phase of its network slimming.

Recent closures include Vertu's franchise in Retford and Swansway's Rochdale dealership.

The retailers involved have been left with other Honda franchises and Swansway director Peter Smyth was quick to distance the brand's actions from those of PSA Group-owned Vauxhall last year, which began with the termination of all dealer contracts.

Swansway, which closed its Rochdale Honda franchise at the start of June, now has representation in North Manchester (Bolton) and South Manchester (Stockport), and Smyth said: "Honda has stepped back and taken a pragmatic view of the market and the profitability of its retailers."

"It's a brave step and, really, it's commendable that they are doing things the way they are. They aren't

**“CHANGES WILL BE HANDLED RESPECTFULLY AND IN FULL DISCUSSION WITH FRANCHISED PARTNERS”**  
**REBECCA STEAD, HONDA UK**



Phil Webb: "Dealer requirements will be met"

being dictatorial and they haven't simply said 'right, we're going to tear up our dealer contracts and start again' as they could have done."

Philip Wade, franchise and development director at Stoneacre Motor Group, which has Honda franchises in Chesterfield, Rotherham and Sheffield, said he sees potential growth in the group's representation of the brand, in spite of its plans. He said: "We only have three sites, but we're working to get more opportunities. What Honda is looking to do is to have fewer partners who have more sites. For me, it's the right strategy."

Stead insisted that Honda's 10-to-15 solus operators were not disproportionately vulnerable as the network restructure is implemented.

"The very reason they are still part of the network is that they are strong businesses," she said. "What we will not do is remove a business that is doing very well in the right location."

## LEANER NETWORKS

Stead said that research had determined that more than 80% of customers bought their car within a 35-to-40 minute drive time, with an aftersales visit drive time of 32 minutes often determined by workplace location or shopping habits.



Rebecca Stead: "Right thing at the right time"

Honda's mapping was aligned to that of other manufacturers with a market share of around 2%, she claimed, and reflected many manufacturer's plans to reduce scale.

When *AM* exclusively revealed Vauxhall's plan to slim its network by around a third, in March last year, it had 324 franchised sites. Since then, its retail network has reduced to 278.

Ford's retail locations have fallen from 460 last year to 446 in 2019 while David Peel, brand director at PSA Group-owned Peugeot UK, has overseen the reduction of his brand's network from 211 sites to 183 between 2017 and 2019.

Honda's own retail network had

already been reduced from 174 in 2014 to its current 155.

Stead said franchisees in Honda's smaller network would now be open to consider dual-brand sales locations, "with the right premium partner", adding that proposals would be considered on a case-by-case basis.

There will also be a move to encourage more car retailers to take on a Honda motorcycles franchise, which currently averages 5% RoS. Only four retailers currently operate both elements of the business.

"Everyone knows there is now a drive to sweat the asset," said Stead. "You need to get a return from your physical retail space."

As part of Honda's plan to drive profitability it has reduced retailers' demonstrator volumes by 50% over two years by introducing a hub-and-spoke test drive access model.

It is also targeting 70% PCP penetration – from its current 60% – and better use of its customer data to drive prospecting via Honda Finance to boost customer retention.

Meanwhile, a new Platinum Programme will encourage retailers to forge closer ties with SMEs to improve fleet sales. Webb assumed responsibility for fleet sales, however, following the resignation of fleet sales operations

manager Marc Samuel earlier this month.

## HONDA'S ELECTRIC VISION

Honda retailers' concerns about "sweating the asset" are not confined to the brand's diminishing UK registrations – they also fear for their aftersales takings amid the brand's move into electrification.

At Geneva Motor Show 2018 Honda announced that two-thirds of its vehicles would be in some way electrified within seven years as part of its Electric Vision 2025. Now that figure has been adjusted to 100%.

Webb said the strategy would deliver the range that many retailers craved for their customers.

He added: "By 2025 our retailers will have gone from having four cars in the showrooms to having seven new product lines to sell."

Honda has recently introduced its new CR-V hybrid and the new Jazz hybrid's April arrival will be followed by a new Civic and HR-V.

Deliveries of the brand's first full EV, the Honda E, will start in Q1 2020.

Honda E sales will be completed wholly online and Stead said that 8,500 early expressions of interest suggested that it would provide incremental sales growth, with 75% of customers new to the brand.

**TOM SHARPE**



## ≈ HONDA'S UK COMMITMENT

Honda is determined to reassure its commitment to ongoing car retail in the UK amid news of the closure of its Swindon factory by 2022 and franchised dealership closures.

In a bid to address potentially negative headlines, the president of Honda Motor Europe, Katsushi

Inoue, attended the May 16 Honda dealer conference in London to reassure retailers about their continued place in the brand's future.

Phil Webb said: "Some of our investors had expressed concerns about where Honda now stood following the announcement of the

Swindon factory closure and having Inoue actually come and reassure our retailers at the conference was a huge coup.

"His message was clear: Honda is very much committed to sales and aftersales in Europe.

"The UK accounts for around 37% of that market, so our

importance cannot be overstated."

Webb claimed that relations with Honda's franchisees had "never been better" and insisted that their response to open and honest discussions about changes to the network had reassured him that the brand's new direction was the right one.



## ADVERTISING FEATURE

## How do you slow customers down?

Getting it right at the 'meet and greet' stage is key, says Simon Bowkett of Symco Training



Customers today often try to shortcut the sales process and get straight to the price negotiation as soon as you have said hello and greeted them. They have done their research, they know what they want, and they want the best price.

So how do you deal with that? How do you slow them down, to avoid simply selling on price? That's what my new sales training video on the AM website this month ([www.am-online.com/symcotraining](http://www.am-online.com/symcotraining), or at [www.symcotraining.co.uk](http://www.symcotraining.co.uk)) is all about.

## Word track

The trick is to find out what selling they have done to themselves already, and then to gently take it away from them. Here's a way to structure the initial 'meet and greet' conversation that works really well for many salespeople.

"Hi! What brings you here today?" [customer says the Q5]. "Great, there are three or four different models of the Q5, which one have you been researching online? Ah, the S-Line model. What was it about the S-Line that put it on your shopping list?"

The way the customer answers the final question will tell you what selling they have done to themselves. They may say the leather interior, for instance. So you can then ask: "Why is that so important to you? Is it something you really have to have?" By gently taking it away from them like this, you will be able to hear for yourself the customer selling it to him- or herself.

## Right feature, right customer, right time

When it comes to the demonstration, you're not going to be 'feature dumping', you're going to be talking about the things that really matter to this particular customer.

You can use this information in the negotiation, too. When the customer tells you the figure you have given them is "more than I really wanted to pay", you can easily come back with: "I know, but please bear in mind it's got the adaptive cruise control on it, the leather interior that was really important for you, and the Matrix headlighting you said you really wanted. Isn't it worth spending that little bit extra to get the car that you would really prefer to own?"

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## THIS MONTH'S NEWS HIGHLIGHTS

IN DETAIL  
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MAY

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**JCT600'S RECORD TURNOVER**  
JCT600 celebrated a 2% increase in turnover to a record £1.28bn as profits rose marginally to £23.2m (2017: £23.1m) in a "challenging year". Chief executive, John Tordoff (pictured), said the group had proved it was able to "continue to outperform the market".



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**DOUBLE OPENING**  
TrustFord chairman and chief executive Stuart Foulds travelled to Belfast and Lisburn to join Elena A. Ford, chief customer experience officer at Ford Motor Company (pictured), in officially opening two new FordStore showrooms. In the same week the AM100 group opened Parts Plus wholesale parts locations in Carlisle and Aberdeen.



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**PERRYS CLAIMS TOP SPOT**  
Perrys Motor Sales became Europe's largest independent Mazda retailer with the opening of a new Mazda Canterbury showroom. It will also add to its Ford representation in Kent when a new £2m Transit Commercial and car dealership opens in Dover this September.

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**DEALER FINED £2,500 IN 'SPEAK ENGLISH' CASE**  
A judge has ordered John Mulholland Motors to pay £2,500 after he found that demands for a man and wife to confer in English during the sale of a car had "created a degrading and humiliating environment". Judge Gilpin, at the County Court sitting in Antrim, criticised the way the sales staff dealt with the couple when the man had wanted to explain the deal to his wife in Cantonese.

**FORD STOPS EDGE AND IS IN TALKS ABOUT PLANT CLOSURE**  
Ford announced that it had stopped selling its flagship Edge SUV in a month which raised other question marks over the scale of the brand's UK presence. On June 6, the manufacturer opened consultation on a plan to close its Bridgend engine plant in 2020.

**VAUXHALL £4,000 TRADE-UP CAMPAIGN LAUNCHED**

Vauxhall launched its scrappage-style Trade-Up sales campaign, offering customers a minimum £4,000 guaranteed scrappage allowance or £3,000 extra part-exchange value. The brand has also adopted the PSA Group's Free2Move Lease scheme as its dealer network's new business contract hire funder.



**PETROL EMISSIONS '22.5% HIGHER THAN TESTS' - CLAIM**  
Emissions Analytics said the automotive industry could be facing a new 'petrolgate' emissions scandal. It claims average petrol vehicle CO2 emissions are 22.5% above those recorded in WLTP test results under real-world testing, while diesel's results are "largely aligned".

**FCA/RENAULT LINK DROPPED**

FCA Group withdrew its proposal of a "transformational" €33 billion merger with Renault after representatives from the French government allegedly stalled a potential deal. FCA Group said it was still "firmly convinced of the compelling, transformational rationale" of its proposal to Renault.

**LEXUS ONE LAUNCH**

Lexus partnered with Drove to launch its new Lexus One vehicle subscription mobility service, delivering access to a CT200 hybrid hatchback from £619 per month. The brand joins Jaguar, Land Rover, Volvo, Citroën, Peugeot and DS in offering a subscription service to UK customers.

**PENDRAGON EYES CAR STORE CHANGES IN PROFIT WARNING**

Pendragon said it needs to refocus its Car Store used car supermarket strategy as it seeks out "self-help opportunities". The group's share price fell by more than 20% following the publication of an initial review led by new chief executive Mark Herbert, that found it expected to 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.

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## ADVERTISING FEATURE

## Did video entice customers back to the forecourt?

By Alistair Horsburgh, CEO, CitNOW



Our latest consumer research has found more people now than at the beginning of the decade are looking to visit dealerships as part of the car-buying process.

More than half (54%) said they would visit a forecourt as part of their research when looking for their next car than in 2010 (48%). At the same time, interest in online video reviews as part of the research process has almost doubled, from 13% to 25%.

While these latest figures, due in a new report this month, show a renewed interest in paying a personal visit to the dealership, almost a third of customers (32.5%) would consider buying their next vehicle entirely online.

Woven into both trends is the transparency provided by video and the quality of video footage, still images, and exterior and interior 360-degree shots.

Interestingly, both online growth and the return of the showroom visit suggest a greater consumer trust in dealers, with personalised video helping to bridge their online and offline experiences.

Consumer research has always shown a reluctance to visit a dealer with the fear of haggling often top of the worry list. Video has been a massive stepping stone in changing those customer perceptions.

If genuine end-to-end online sales are to succeed, then transparency, openness and honesty are a must and video plays a key part in showing the vehicle from all angles, including mileage and any imperfections, along with building an emotional engagement with the sales executive on-site.

Customers are more likely to show up on-site if they have seen a video. Add in the uplift in customer satisfaction after receiving the video and it's not surprising video is helping entice customers back into the showroom.

■ For more details, please contact us at [reply@citnow.com](mailto:reply@citnow.com), call 01189 977 748, or visit [www.citnow.com](http://www.citnow.com)





# EVEN IN PREMIUM SUVs, DIESEL LOSES ITS DOMINANCE

Fuel type's market share drops to 27.7% YTD as Euro 6 benefits appear lost on consumers

**B**y 2020, most premium SUVs will no longer be diesel-powered and the fuel type doesn't look too healthy in other segments either. Overall, diesel sales fell by 18.4% YTD, with diesel taking a market share of 27.7%. Numerically, the largest segment for diesel models is the C-segment (small family cars), due to its sheer size (42.7% of all diesels are sold in this segment). It has seen a 16.3% fall in diesel sales, with diesel now taking a 31.4% share. Even in the premium SUV segments (from Land Rover Evoque up to Range Rover), diesel's proportion has dropped to 57.4% YTD from 69.8% in the same period last year.

By next year, the only significant segment that is likely to have a majority of diesel sales is Executive (e.g. BMW 5 Series). This partly reflects the inherent conservatism of the buyers in this sector – after all, if they were not conservative, they would probably have moved to the premium SUV segment by now.

The fact that some Euro 6 diesels are now almost as clean as petrol engines has been completely lost in the general (and incorrect) noise about diesels being intrinsically bad, diesels being forced out of London, diesels being worthless in five years' time,

etc. People have a limited amount of attention for complex issues, and the attitude of "Diesel? Just say no", saves them a lot of thinking time.

At the level of overall segments, the car market is as concentrated now as it was in the early 1980s, when supermini (Fiesta), lower medium (Golf) and upper medium (Sierra) took about 75% of the market. So far this year, the supermini, lower medium and premium SUV segments took a combined total of 80.6%, up from 78.3%. In the intervening 35 years, MPVs have risen and fallen,

**PEOPLE HAVE A LIMITED AMOUNT OF ATTENTION FOR COMPLEX ISSUES, AND THE ATTITUDE OF 'DIESEL? JUST SAY NO', SAVES THEM A LOT OF THINKING TIME**

compact executive models such as the BMW 3 Series have risen and are falling, while upper medium cars have just fallen. A driver of a BMW X3 would not like to be told that they are driving the modern equivalent of a Ford Sierra, but, in market terms, it would be largely true.

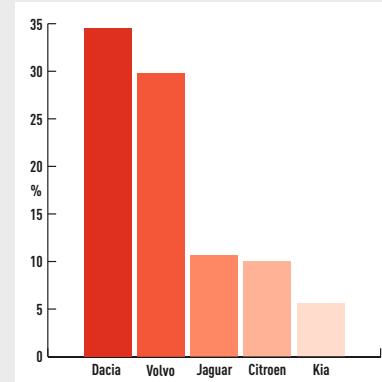
It is remarkable, that in the era of almost limitless consumer choice, we are still focused on three basic vehicle segments. Other segments are becoming ever more peripheral – YTD, city cars have fallen from 7.1% to 6.6% (the segment was at more than 10% in 2010), large MPVs have fallen from 1.4% to 1.2% (for many years they hovered around 1.8%), and sports cars/coups have dropped to 1.3% from 1.6% (they were stable at about 3% for the first decade of this century).

At a manufacturer level, Ford continues to look nervously over its shoulder at VW. The gap between the two is now below 1.5 percentage points (10.1% YTD for Ford vs. 8.7% YTD for VW). The class that sums up the fight is lower medium crossovers – the gap between the Kuga and the Tiguan is 400 units YTD, down from 4,500 in the same period last year.

In third place, Vauxhall managed to increase YTD share to 7.6% from 7.4%, but it is only 1,000 units ahead of Mercedes, which is growing strongly.

Among the other top 10 brands, Kia has made the most notable progress. It has overtaken Nissan, and is 6,000 units ahead of parent, Hyundai. It is nearly 10 years since Kia set a long-term goal of 100,000 registrations in the UK, and it is on target for almost exactly that figure in

## FASTEST GROWING MAJOR BRANDS\* YTD MAY



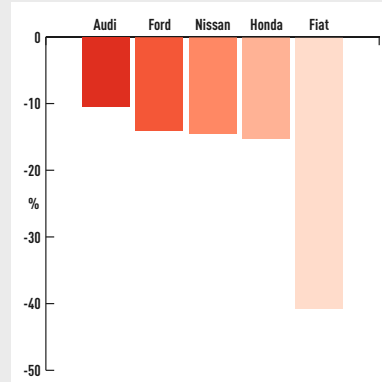
\*Brands with at least 1.0% market share

2019, barring any sudden downturn.

Troubled JLR has some good news, in the UK at least. Land Rover is up to 3.4% share YTD (from 3.3%) and Jaguar is up to 1.6% market share YTD (from 1.4%). All Land Rover models are either stable or rising, except the millstone that is the Discovery, whose sales fell 28.4% YTD. If you are wondering how Land Rover could post a market share increase when one of its best-known models fell so sharply, the answer is that Discovery sales were already pretty small in 2018. In fact, the Range Rover is currently outselling the newer, more affordable Discovery – that is almost like BMW selling more of the 7 Series than the 5 Series.

At Jaguar, the focus is on SUVs and crossovers – only 29.7% of Jaguar sales come from saloons. That is surely not enough to justify three saloons (XE, XF, XJ) in the future. The XE is a good car, but it seems destined to meet the same fate as the unlamented X-Type. Virtually all Jaguar's sales increase is thanks to the new I-Pace, which is a sort of anti-Discovery – a new

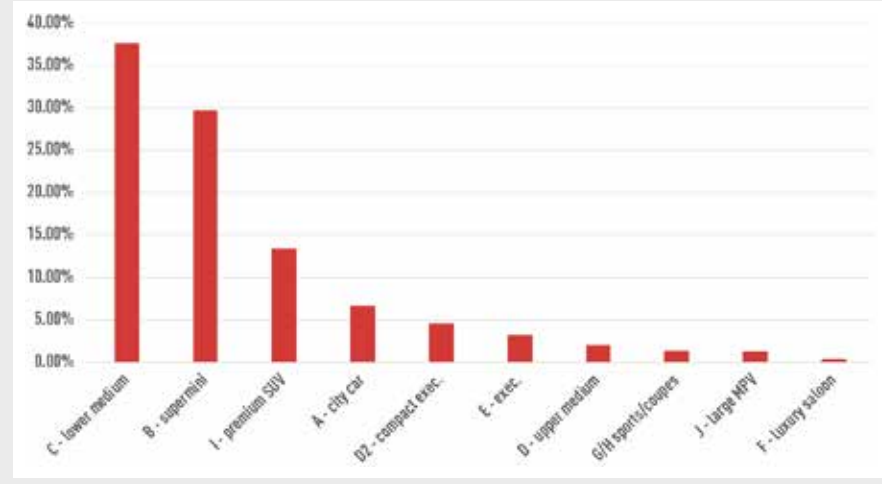
## FASTEST FALLING MAJOR BRANDS\* YTD MAY



model that is perfectly judged for its market.

In fact, Jaguar is now neck-and-neck with Fiat in market share terms (although a long way ahead in terms of revenue). At one time, that would have been cause for celebration, but Fiat and its siblings are in desperate trouble. Fiat is down 40.8% YTD, and may be overtaken by Dacia in the UK. Alfa Romeo is down 27.6% and, with a market share of 0.15%, you have to wonder if Alfa will follow Lancia out of the UK. Maserati's attempted rebirth with the Ghibli and Levante appears stillborn, with registrations down 27.7% and just 450 units registered YTD. Indeed, it is being outsold by Ferrari (481 units YTD), which is a terrible return on a big investment – Maserati was supposed to compete head-on with the upper end of ranges from Audi, BMW and Mercedes. The global sales target for 2018 was 75,000, but it failed to reach even half that. And Jeep is immune to the growth of SUVs – registrations fell 7.1% and market share is just 0.25% YTD. Even the Discovery sold more. **DAVID FRANCIS**

## MARKET SHARE BY SEGMENT YTD 2019



## 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, and the final area to consider is affordability.

The FCA's concern is that some lenders' affordability assessments are not aligned with the latest guidance issued as part of its Policy Statement 18/19. In particular, there were a small number of cases where policies were focused on credit risk rather than affordability, which could have a significant adverse impact on customers' financial situations.

Lenders and intermediaries have a key role to demystify the finance purchase process for customers. At the time of purchase, this includes assessing current affordability and seeking to reach an understanding with customers on the factors that may impede affordability though the lifetime of the product. It means ensuring customers are aware of the terms and conditions of their usage. This requires a clear explanation of the features of the finance product, such as balloon payments and excess mileage charges, and the limitations of any servicing and insurance products, so that customers do not unknowingly incur additional charges.

This all becomes more pertinent in a rising interest rate environment. Lenders must help their customers to consider if they can afford the product long-term, particularly if housing costs go up. Half of customers choose their car finance product based entirely on monthly payment, with only passing consideration to overall costs, which could be problematic in the future.

Reflecting back on all the key findings of the report, we must remember that its purpose is to ensure the market is working well for both a sustainable industry and for consumers. This is something we should all welcome. As I've said before, progression is not a choice, it is a necessity. We are already working with our partners, the FCA and the FLA to continue to develop, refine and strengthen our industry and the customer outcomes it delivers.

NEW CAR REGISTRATIONS

May's 4.6% fall leaves market 3.1% behind year-on-year

New car registrations continued their decline in May as the Society of Motor Manufacturers and Traders (SMMT) data showed the market was 3.1% down year-to-date.

A total of 183,724 units were registered last month, 4.6% fewer than in May 2018. All market sectors were adversely affected – private registrations were down 5%, fleets 3% and business by 29%.

Petrol and alternative fuel vehicles (AFV) each recorded increases – of 1% and 11.7%, respectively – but diesel registrations fell 18.3%, its 26th successive month of decline.

Mike Hawes, the SMMT's chief executive, said: "Confusing policy messages and changes to incentives continue to affect consumer and business confidence, causing drivers to keep hold of their older, more polluting vehicles for longer."

1 MERCEDES-BENZ

Vying to overtake Vauxhall into third place in the UK market, Mercedes outsold its May 2018 result by 1,044 units. A 15% rise in fleet outweighed a 5% drop in retail, thanks to rising corporate demand for the A-Class and C-Class, up 657 and 449 units respectively.



2 AUDI

It sold 1,096 fewer cars than in May 2018, with most of the decline in the fleet market. Most model lines suffered, particularly the A4, down 398 units, and A3, down 340 registrations.

3 HONDA

Its May drop of 997 units (a 26% slump) was balanced across fleet and retail. In fleet, CR-V was the main culprit, 224 units behind, whereas in retail Civic was the main cause, 185 registrations down.

May						Year-to-date				
Marque	2019	% market share	2018	% market share	% change	2019	% market share	2018	% market share	% change
Ford	19,892	10.83	21,136	10.97	-5.89	105,740	10.11	123,207	11.42	-14.18
Volkswagen	15,737	8.57	18,097	9.39	-13.04	90,417	8.65	90,162	8.36	0.28
Mercedes-Benz	14,431	7.85	13,387	6.95	7.80	78,043	7.46	76,414	7.08	2.13
Vauxhall	13,461	7.33	13,983	7.26	-3.73	79,024	7.56	79,732	7.39	-0.89
Audi	12,591	6.85	13,687	7.10	-8.01	66,921	6.40	74,737	6.93	-10.46
BMW	12,415	6.76	12,940	6.72	-4.06	70,036	6.70	69,411	6.43	0.90
Nissan	7,754	4.22	8,699	4.52	-10.86	43,496	4.16	50,941	4.72	-14.61
Kia	7,279	3.96	6,721	3.49	8.30	44,705	4.27	42,344	3.92	5.58
Toyota	7,238	3.94	6,774	3.52	6.85	45,286	4.33	46,702	4.33	-3.03
Hyundai	6,868	3.74	7,387	3.83	-7.03	38,113	3.64	42,378	3.93	-10.06
Škoda	6,231	3.39	6,337	3.29	-1.67	33,903	3.24	34,164	3.17	-0.76
Peugeot	6,115	3.33	6,335	3.29	-3.47	37,031	3.54	37,203	3.45	-0.46
Land Rover	6,069	3.30	6,566	3.41	-7.57	35,597	3.40	35,408	3.28	0.53
Seat	5,471	2.98	5,674	2.95	-3.58	30,988	2.96	29,379	2.72	5.48
Citroën	4,643	2.53	4,408	2.29	5.33	25,407	2.43	23,103	2.14	9.97
Volvo	4,554	2.48	3,621	1.88	25.77	24,729	2.36	19,060	1.77	29.74
Mini	3,952	2.15	5,094	2.64	-22.42	24,588	2.35	25,949	2.40	-5.24
Renault	3,728	2.03	4,964	2.58	-24.90	26,019	2.49	29,030	2.69	-10.37
Suzuki	3,171	1.73	3,117	1.62	1.73	17,178	1.64	16,561	1.53	3.73
Jaguar	2,909	1.58	3,069	1.59	-5.21	16,810	1.61	15,192	1.41	10.65
Honda	2,828	1.54	3,825	1.99	-26.07	21,225	2.03	25,051	2.32	-15.27
Dacia	2,647	1.44	2,516	1.31	5.21	15,633	1.49	11,617	1.08	34.57
Mazda	2,621	1.43	2,408	1.25	8.85	17,712	1.69	18,253	1.69	-2.96
Fiat	2,497	1.36	2,623	1.36	-4.80	15,345	1.47	16,333	1.51	-6.05
Mitsubishi	1,722	0.94	1,400	0.73	23.00	8,301	0.79	8,586	0.80	-3.32
Porsche	1,599	0.87	1,991	1.03	-19.69	5,731	0.55	7,711	0.71	-25.68
MG	1,212	0.66	811	0.42	49.45	5,208	0.50	3,415	0.32	52.50
Lexus	943	0.51	851	0.44	10.81	6,233	0.60	5,602	0.52	11.26
Jeep	737	0.40	652	0.34	13.04	2,655	0.25	2,857	0.26	-7.07
Smart	504	0.27	636	0.33	-20.75	2,620	0.25	3,198	0.30	-18.07
DS	299	0.16	547	0.28	-45.34	1,480	0.14	3,184	0.30	-53.52
Alfa Romeo	270	0.15	355	0.18	-23.94	1,533	0.15	2,117	0.20	-27.59
Abarth	185	0.10	612	0.32	-69.77	1,629	0.16	2,497	0.23	-34.76
Bentley	157	0.09	87	0.05	80.46	718	0.07	604	0.06	18.87
SsangYong	142	0.08	250	0.13	-43.20	967	0.09	1,266	0.12	-23.62
Subaru	138	0.08	231	0.12	-40.26	1,119	0.11	1,362	0.13	-17.84
Maserati	80	0.04	83	0.04	-3.61	450	0.04	622	0.06	-27.65
McLaren	49	0.03	85	0.04	-42.35	253	0.02	353	0.03	-28.33
Infiniti	33	0.02	69	0.04	-52.17	163	0.02	454	0.04	-64.10
Lotus	25	0.01	20	0.01	25.00	79	0.01	112	0.01	-29.46
Alpine	14	0.01	0	0.00	0.00	65	0.01	0	0.00	0.00
Chevrolet	12	0.01	6	0.00	100.00	16	0.00	26	0.00	-38.46
Other British	181	0.10	223	0.12	-18.83	1,005	0.10	901	0.08	11.54
Other imports	320	0.17	372	0.19	-13.98	1,653	0.16	1,851	0.17	-10.70
Total	183,724		192,649		-4.63	1,045,824		1,079,049		-3.08

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FINANCE OFFERS

# Volvo carves itself a nice market niche

**B**rexity is an easy target for the blame on new car sales continuing to stall, but dealers have been consistently telling *AM* that it is not damaging consumer confidence.

However, the SMMT does attribute the downturn to the continued political uncertainty, confusing policy messages and changes to plug-in vehicle incentives that are all causing drivers to keep hold of their vehicles for longer.

Which of these two views dealers subscribe to can perhaps depend on which manufacturers they represent.

Volvo, for example, continues to storm ahead in a retail market that is down 5%. It posted growth of 25% in May to 4,500 units. It still has a way to go to catch up to the sort of volumes its German premium rivals are posting, but the Swedish brand is carving out a nice part of the market for itself. Volvo is up nearly 30% year-to-date, to 24,729 units.

Being ranked as the best premium vehicle brand in the UK for dependability by JD Power may also have given Volvo a registrations boost. Volvo is also looking to build a strong personal leasing business, saying that this form of finance is its fastest growing in the UK, accounting for 15% of overall sales.

The V40 has been supported by a 0% offer in Q2, with customers able to enter the brand for under £200 a month.

The V60 is also getting a bit more of a push from Volvo than other models in Q2, with a 2.9% APR offer that makes it cheaper than any other model excluding the entry-level V40.

Confidence in Volvo's SUV and crossover line-up is evident in the higher APRs across the XC40, XC60 and XC90 models at 5.9% and 4.9%. The XC40's almost 6% APR puts it near some of the highest recorded this quarter (6.9% to 7.9%).

Lexus posted growth of 11% in May, to 943 units, and it is also up 11% YTD, with 6,233 registrations.

While diesel continues to plummet, petrol-electric hybrids registrations grew 34.6% to 7,785 units in May. This area of the market is Lexus' bread and butter.

The CT is available for £259 a month at 3.9% APR as the entry point for the brand. There's a real mix of APRs on offer across the range, with the lowest-rate finance of 1.9% available on models such as the IS, RX and RXL.

Like Volvo, Lexus saves the higher APR rate of 5.9% for SUV and crossover models such as the NX and UX.

Audi is an outlier in Q2, as it's the only German premium brand struggling with registration falls. While Mercedes was up by 2% YTD and BMW's performance was flat, Audi volumes dropped by 8% in March, to 12,591 units, leaving the brand down by 10.5% YTD, at 66,921 units.

TOP FINANCE DEALS FOR RETAIL BUYERS							
Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Volvo							
XC90 T5 AWD Momentum Metallic	PCP	£7,829.73	49	£489.00	£23,838.75	4.90%	30/06/2019
XC60 T5 FWD Momentum Auto Metallic	PCP	£4,921.98	49	£399.00	£16,306.88	4.90%	30/06/2019
XC40 T3 Momentum FWD Manual	PCP	£4,145.66	49	£299.00	£14,308.13	5.90%	30/06/2019
V90 T4 Momentum Plus Automatic Metallic	PCP	£6,734.20	49	£299.00	£16,087.50	3.90%	30/06/2019
V60 D3 Momentum Plus FWD Manual Metallic	PCP	£4,500.60	49	£289.00	£13,345.63	2.90%	30/06/2019
V40 T2 R-design Edition Manual Metallic	PCP	£3,879.55	49	£199.00	£8,380.13	0.00%	30/06/2019
S90 Metallic	PCP	TBA	49	TBA	TBA	TBA	30/06/2019
S60 T5 R-Design Edition FWD Manual Metallic	PCP	£7,650.45	49	£299.00	£14,052.50	2.90%	30/06/2019
Lexus							
CT with Sport Pack	PCP	£5,484.00	42	£259.00	£10,350.00	3.90%	30/06/2019
UX F-Sport (E-CVT)	PCP	£9,296.00	42	£299	£17,505.00	5.90%	30/06/2019
IS with Comfort Pack	PCP	£7,089.00	42	£309.00	£13,320.00	1.90%	30/06/2019
NX with Sport Pack	PCP	£7,636.00	42	£349.00	£18,180.00	5.90%	30/06/2019
ES F Sport with Takumi Pack	PCP	£11,416.00	42	£399.00	£18,135.00	5.90%	30/06/2019
RC	PCP	£11,098.00	42	£359.00	£16,245.00	5.90%	30/06/2019
RX with Premium Pack	PCP	£9,211.00	42	£519.00	£23,040.00	1.90%	30/06/2019
RX L Takumi	PCP	£14,672.00	42	£559.00	£26,887.50	1.90%	30/06/2019
LS with Premium Pack (rear wheel drive)	PCP	£24,029.00	42	£799.00	£33,570.00	5.90%	30/06/2019
LC 500h with Sport Pack	PCP	£21,607.00	42	£799.00	£36,652.50	5.90%	30/06/2019
Audi							
A1 Sportback Sport 30 TFSI 116PS 6sp	PCP	£3,209.62	48	£229.00	£9,386.00	6.30%	30/06/2019
A3 Sportback S line 30 TFSI 116PS 6sp	PCP	£4,317.87	48	£249.00	£10,436.70	5.90%	30/06/2019
A4 Black Edition 35 TFSI 150PS S tronic	PCP	£9,029.93	48	£299.00	£12,903.85	3.90%	30/06/2019
A4 Avant Black Edition 35 TFSI 150PS S tronic	PCP	£9,378.23	48	£309.00	£13,620.15	3.90%	30/06/2019
A5 Coupé Black Edition 35 TFSI 150PS S tronic	PCP	£7,980.82	48	£329.00	£14,530.25	4.90%	30/06/2019
A5 Sportback Black Edition 35 TFSI 150PS S tronic	PCP	£8,811.22	48	£359.00	£15,909.65	5.90%	30/06/2019
A6 Saloon 40 TDI S line S tronic	PCP	£6,725.13	48	£399.00	£16,391.30	3.90%	30/06/2019
A6 Avant 40 TDI S line S tronic	PCP	£7,196.48	48	£419.00	£17,271.00	3.90%	30/06/2019
A6 Saloon S line 50 TDI quattro 286PS tiptronic	PCP	£9,820.51	48	£459.00	£19,610.85	3.90%	30/06/2019
A7 Sportback S line 40 TDI 204PS S tronic	PCP	£7,753.08	48	£479.00	£19,907.25	3.90%	30/06/2019
A8 50 TDI Quattro 286PS tiptronic	PCP	£10,958.65	48	£589.00	£21,558.35	0.00%	30/06/2019
Q2 Black Edition 30 TFSI 116PS 6sp	PCP	£6,840.12	48	£269.00	£12,276.85	6.20%	30/06/2019
Q3 Sport 35 TFSI CoD 150PS manual	PCP	£5,048.87	48	£339.00	£13,590.70	6.10%	30/06/2019
Q5 S line 45 TFSI quattro 245PS S tronic	PCP	£8,180.13	48	£415.00	£21,361.70	5.90%	30/06/2019
Q7 S line 50 TDI quattro 286PS tiptronic	PCP	£13,011.96	48	£549.00	£26,090.80	5.90%	30/06/2019
Q8 S line 50 TDI quattro 286PS tiptronic	PCP	£13,237.14	48	£699.00	£32,471.00	7.00%	30/06/2019
TT Coupé S line 40 TFSI 197 S tronic	PCP	£6,062.11	48	£319.00	£14,825.70	6.20%	30/06/2019
TT Roadster S line 40 TFSI 197 S tronic	PCP	£6,468.78	48	£349.00	£14,940.65	6.20%	30/06/2019
e-tron 55 quattro 286PS tiptronic	PCP	£9,090.87	48	£719.00	£36,991.10	5.90%	30/06/2019

Audi's retail offers don't appear to show a brand gunning for volume in Q2. There's just one 0% offer, but that is on the pricey A8, which needs help to tempt buyers willing to pay nearly £600 a month and put down an £11,000 deposit for a luxury saloon.

The A1 and A3 entry models for Audi are at £229 and £249 respectively, making them on par with BMW's offerings and more affordable than the A-Class.

There is a 3.4% APR offer on the A4, A4 Avant, A6 saloon, A6 Avant and A7 Sportback. The lowest rate Mercedes is offering on its representative examples is 5.7% in Q2 (barring the one 0% offer on the S-Class saloon).

Audi is changing its head of sales at the end of June, with Steve Catlin coming in to replace Peter Brookes. Catlin joins from Seat, a VW Group brand



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



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## ADVERTISING FEATURE

# Digitally enabled vehicle sourcing

By Dene Jones, chief marketing & data officer, BCA



In a market that is seeing margins squeezed for UK dealers and used car operations grow in importance for driving profits, BCA has seen competition increase for quality stock.

Buying patterns are shifting towards seven-day research and purchase cycles as dealers use advanced online tools to locate and bid on the stock they need to meet consumer demand.

BCA is leading the industry in adapting to changing trends and has implemented a continuous programme of rapid technology roll-out to meet the needs of buyers today and into the future.

The BCA Buyer App has streamlined the buying process to ensure that professional buyers never miss a vehicle from the vast range on offer at BCA. The app supports online and in-auction bidding by tracking multiple vehicles in real time, with instant access to catalogue descriptions and BCA Assured reports.

Users can view all the vehicles they want to bid on in one screen and benefit from real-time running orders and notifications when selected vehicles are going on sale.

Recent upgrades have refined the stock search by vehicle type (e.g. car, LCV), model group, colour, mileage, CAP clean price and age. Results can be sorted by factors ranging from sale catalogue to price and the new 'recently added' function.

Technology is transforming the way dealers manage everything from lead management to stock acquisition and, as systems continue to integrate, it will unlock efficiencies and drive profit to the bottom line.

■ Log on to [bca.co.uk](http://bca.co.uk) or call 0844 875 3480



## OPINIONS

# VIEWPOINT



## WILL THE FUTURE OF MOBILITY COME DOWN TO COST?

SHAUN ARMSTRONG is managing director of Creditplus



In March, the Tesla Model 3 – a mid-sized all-electric saloon, with more than 250 miles of range, and available from less than £400 a month – outsold all alternatives across Europe. Most notably, Tesla took more orders than the BMW 3 Series, Mercedes C-Class and Audi A4 combined.

With public consensus seemingly behind EVs, how do the other three pillars of the Future of Mobility compare?

The first pillar is for vehicles to be connected. In the early 2010s, some consumer insurance companies followed the example set by fleet operators in issuing 'black boxes' to high-risk drivers, or those wishing to lower their premiums.

Data collected since has had fairly limited use – informing underwriters of motorists who were speeding, driving at unsocial hours or exceeding mileage limits.

The data collected by vehicles will increase, but who owns it and its potential value is yet to be resolved.

For example, insurance companies could develop dynamic packages that cover drivers only when they are in the vehicle (as little as 4% of the time, according to an RAC calculation). The data collected could also be used to understand extreme weather conditions and alert other vehicles to road issues.

In a more Orwellian example, data on passengers and journeys could be collected (by manufacturers or fleet operators) and sold to marketers looking to increase their customer profiles.

The price tag attached to this data could then be used to reduce the cost of vehicle usage.

With ever greater implementation of autonomous vehicle tech-

## “THE PRICE TAG ATTACHED TO [DRIVER] DATA COULD BE USED TO REDUCE THE COST OF VEHICLE USAGE”

nology, pillar two, it's feasible to suggest that the Future of Mobility will give those who are currently immobile – the young, old and disabled – access to vehicles.

When vehicles are able to achieve full autonomy, the percentage of the population able to access them will increase. It would be easy to assume this would mean more vehicles on our roads, but changes to ownership models will counteract the increased demand.

The Future of Mobility offers an alternative structure, where large fleet operators and mobility start-ups will rent vehicles on a pay-as-you-go basis (see page 26), negating the need for individual insurance or additional running costs.

With access to a vehicle that suits drivers' immediate needs, the demand for service-based transport will be strong from the outset, but this requires the largest infrastructure and financing investment to work effectively.

Tesla's Roadster, launched in 2008, was the first all-electric car to travel more than 200 miles. The current EV line-up, including the Nissan Leaf and BMW i3, has had a successful but humble start.

There are questions about how quickly the infrastructure can be in place to support EVs. The other question is the cost.



## EUROPE AND THE RISE OF FAST FIT OPERATIONS

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



With all the talk of Brexit, it has been interesting to look back to see what impact being part of the EU has actually had on the UK car market.

When, in 1971, the then Prime Minister Edward Heath took Britain into the Common Market, it was on the back of a demand-led reflation. Up until then, the UK had a policy of 'competition and credit control', which meant, in the terminology of the day, that the UK had restrictions on hire purchase, which stopped products such as cars being bought on credit.

To boost the economy, Heath withdrew the policy and unleashed a pent-up demand for motor vehicles. One of the interesting but unintended consequences of this policy was the start of the 'Kwik Fit revolution'.

The dropping of the credit restrictions meant the demand for new cars rose dramatically and the dealership networks were able to make good money simply focusing on the new car side of the business. Aftersales was neglected, with the networks getting a reputation for being uninterested in servicing vehicles and overcharging for inferior work.

The build quality of cars had been historically poor with, in some cases, a built-in obsolescence of nine months on some exhausts. The Government attempted to address the issue with the introduction of the MOT in 1968. The challenge for the public was how to

get poorly built and maintained vehicles through the new testing regime.

Consumers had the option of going to an expensive dealership that was not particularly interested in doing the work, or resorting to a back-street operation stereotypically portrayed in TV soap operas as being underneath railway arches.

The environment gave the opportunity for Tom Farmer to develop a national brand in the form of Kwik Fit that could be trusted and that offered a viable and strong alternative. The company brand became recognised throughout the country, supported by aggressive marketing campaigns.

When the previous pent-up demand for new cars started to wane in the late 1980s and early 1990s, the franchised dealers were left trying to regain the aftersales they had lost to Kwik Fit during the previous decade.

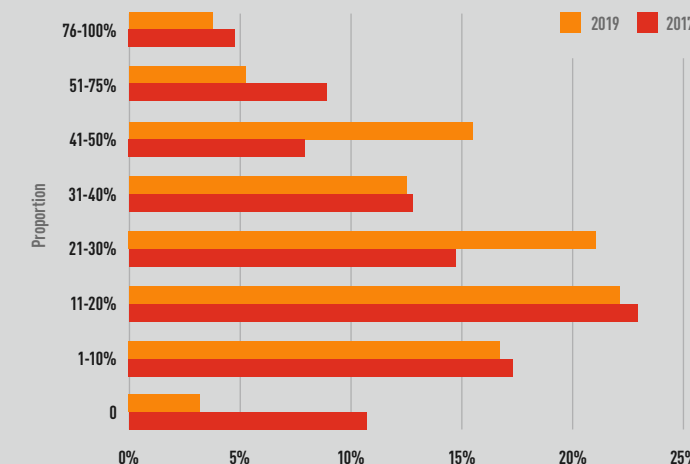
This resulted in the launch of manufacturer-led brands such as Rapid Fit, Master Fit, Better Fit and all the other permutations that a thesaurus could generate to indicate speed in juxtaposition with the word 'fit'.

Although it was never intended, the entry into the Common Market provided an environment that reshaped the service sector in the UK. It was also the low point for the perception of car dealership aftersales servicing – an image that we are still trying to shake off in both the media and the minds of the general public.

## “ENTRY INTO THE COMMON MARKET PROVIDED AN ENVIRONMENT THAT RESHAPED THE SERVICE SECTOR”

# AMPOLL

## WHAT PROPORTION OF YOUR WORKFORCE IS FEMALE?



The results of AM's latest poll suggests the gender imbalance long associated with the motor retail industry is slowly being addressed.

The proportion of AM-online poll respondents who work in an exclusively male workforce has dropped by more than half since an identical poll was carried out in 2017. And there have been considerable increases in motor retail workforces where at least one in five employees is female, rising from 50% to 58%.

Initiatives such as gender pay gap reporting and the UK Automotive 30% Club have ensured the subject of balance of the sexes has been discussed in boardrooms across many dealer groups. And as research has shown that female customers are key decision-makers in more than 50% of private car purchases, dealers seem keen to ensure their mix of showroom staff begins to mirror that.

Some automotive leaders believe the traditional operating hours of dealerships have been a deterrent for some potential recruits. In recent years some motor retailers, such as Arnold Clark and Chorley Group, introduced a five-day working week for sales staff and considered how to provide more flexible working.

"I would love to see more females in my business, but they don't want to work the hours," said one respondent.

Another said the ratio of women was "slowly increasing, but with high staff retention, it is a slow process. It has increased dramatically in the past two years".

Of those who stated that the majority of staff were women, one related to a business development contact centre and another an aftersales development team at a prestige brand.

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# JAGUAR LAND ROVER

The millions invested in new showrooms and more efficient models now needs to be recovered through better profitability, MD Rawdon Glover tells **Tom Sharpe**

**J**aguar Land Rover (JLR) has been the subject of more speculation than perhaps any other car manufacturer over the past three months.

Amid faltering global registrations, a state of intense anticipation appears to have developed about the business's next move, with reports of a possible £300 million bid to acquire Addison Lee emerging just weeks before JLR denied that it was in talks about a potential sale to PSA Group.

At the start of June, JLR finally hit the headlines about a partnership that it could confirm – it is finalising a tie-up with BMW to develop the next-generation of electric vehicles (EVs) and manage a transition toward what it called “ACES” – autonomous, connected, electric, shared – mobility.

JLR posted a £358 million loss in its latest set of annual financial results – the result of a £3.3 billion write-down by its Indian owner, Tata – and many are keen to see how it plans to mitigate the effects of stalling sales in China, which triggered a global 5.8% registrations decline, to 578,915 vehicles, in 2018.

But JLR's UK managing director, Rawdon Glover, who has been in the post since May 2018, is focused on delivering growth for the business in Britain, not to mention for a franchised retail network that has invested heavily to be part of a growing premium market player's plans.

“Our global results get a lot of profile, but I'm focused on the UK results and they are doing very well,” said Glover.

Year-to-date to the end of May, Jaguar's registrations were up 10.7% year-on-year, at 16,810 (2017: 15,192) and its market share up 0.2ppts to 1.61%, while Land Rover's negligible 0.53% rise in volumes, to 35,597 (2017: 35,408), increased its market share by 0.12ppts to 3.4%.

Glover believes the all-new Evoque, launched in March, and a 48V mild hybrid drivetrain, introduced to an updated Discovery Sport, give the Land Rover brand good growth opportunities in the immediate future.

The new 48V system will be joined by a petrol plug-in hybrid that could prove popular with the SUV sector's user-chooser fleet customers.

Glover expects Land Rover's UK retailers to sell more than 13,000 Evoques during 2019 in what is its leading global market – accounting for 20% of the 750,000 sales since its 2011 launch – and the new Defender will add further incremental gains when it arrives in early 2020.

“I'm really pleased with how we are performing in volume terms, but, while we are really strong in retail, fleet is where the real opportunity lies to the latter end of this fiscal year, when we get the plug-in,” said Glover.

“That will open up the fleet market in a way that we haven't had before.”

Consumer sentiment seems yet to be affected by JLR's plan to make £2.6bn in cuts over 18 months – announced in October by JLR's parent company Tata Motors – which led to the loss of about 1,000 contractor jobs in April last year and the

**Despite an initial completion date of 2018, JLR's Arch concept network restructure is only 60% complete**

subsequent plan to cut a further 4,500 jobs, with the substantial majority coming from its 40,000-strong UK workforce.

Nor does Glover believe that JLR's decision to build its latest additions abroad will have an effect.

“E-Pace and I-Pace are both built abroad,” he said. “The fact that they are both engineered in the UK is important. I think the fact that the cars aren't physically manufactured in the UK isn't a particular disadvantage.”

When it announced its EV tie-up with BMW in June, JLR confirmed that all future electric drivetrains would be manufactured at its Wolverhampton-based Engine Manufacturing Centre (EMC), in conjunction with its recently announced Battery Assembly Centre at Harns Hall, near Birmingham.

## NEW MODELS, NEW RETAIL

The manufacturer is looking at a number of mobility solutions and it appears likely that its retail network will be involved in their implementation if trials prove successful.

Glover said short-term rental and delivery

to consumers' doors are both being looked at by the manufacturer's InMotion start-up incubator. Following a soft launch of JLR's ‘The Out’ business, customers in London can rent a Land Rover Discovery Sport HSE for £295 a weekend.

“I don't know what the appetite for this kind of thing is at the current time, but it's good to have the ability to experiment,” he said.

Glover said he is open to the prospect of “blends of traditional car retail”, citing small operations such as Stratstone's operations in Berkeley Square, Mayfair, as the kind of high-footfall, high-cost environment that could be well served by a “hub and spoke” approach with remote aftersales facilities.

He is also a fan of the omni-channel model pioneered by Rockar, which operates a JLR store at Westfield Stratford City, London.

“What I like about Rockar is that the longer they have their online platform, the more people they are able to have a dialogue with and we are seeing that increase in sales,” he said.



**“WHILE WE ARE REALLY STRONG IN RETAIL, FLEET IS WHERE THE REAL OPPORTUNITY LIES TO THE LATTER END OF THIS FISCAL YEAR”**  
**RAWDON GLOVER, JLR**

“They have the ability to evolve their offer and engage with more customers and that is really useful for us to take a look at when we are considering ways that we can use our own data.”

“What is of real interest to us is that online journey. Currently, in our corporate Jaguar Land Rover journey, we're trying to mirror that.”

Of particular importance to Glover is the transition from online to offline. JLR's web-based configurator now produces a QR code that a prospective buyer can take to a local retailer, ensuring that their selections can be easily accessed by a sales executive in the showroom.

“The consistency of the physical and digital experience is something that is really important to us,” he said.

## OVER-ARCHING AMBITION

Glover does not believe JLR has what he would refer to as “a commodity product”, which he said ensures that ‘destination dealerships’ and the expert teams that staff them remain at the heart of the

manufacturer's retail operations.

However, the £1bn Arch Concept corporate identity update has clearly reshaped the Jaguar and Land Rover networks at a time when many manufacturers are reducing the size of their retail networks in an attempt to preserve profitability.

In the space of five years, JLR has whittled its 210 retailers down to 155 locations and that figure will end up at about 125 – resulting in an annual 919 vehicle sales per site at 2018's volumes (114,925).

Glover conceded, however, that the network restructure remains just 60% complete, despite JLR's “aggressive” original schedule, which was hoped to deliver changes to almost every retail site by the end of 2018.

The ambitious project to implement the new corporate identity, and bring the Jaguar and Land Rover franchises together under one roof at many JLR franchised sites, was billed as the “quickest total network re-think carried out by any manufacturer” back in 2016.

But Glover said there will be a further 20 Arch sites opened over the next 12 months. “When we set off, it was an extremely aggressive timeline, but things like gaining planning permission and finding the volume of new sites that our retailers required for relocations has taken time.

“There are lots of reasons why it has taken a little longer than envisaged.”

Glover insisted that retailers were still eager to invest in Arch Concept facilities despite the economic uncertainty associated with the prospect of Brexit.

But some dealers told *AM* otherwise this year, when the returns looked questionable.

Speaking to *AM* in August, 2016, Sarah Nemes, then JLR's network development manager, said each franchised partner would be investing £2m-£15m implementing the Arch concept.

The AM100's number one retail group, Sytner, certainly has not stalled its investment in the JLR brands.

Its new five-storey 17,000 sq-ft Guy Salmon ‘statement site’, just off the A3 in south-west London, will house 27 technical aftersales bays and two MOT test lanes and will be one of just eight similar locations globally when it opens later this year.

Sytner is also investing £12.3m in a 72,000 sq-ft Dual Arch dealership at Cribbs Causeway, Bristol, with work expected to start early next year.

Glover said JLR was keen to see its

## KEY PRODUCTS



### E-Pace

Not only out-pacing the I-Pace, the E-Pace has accelerated away from the XE and XF saloons to become the Jaguar range's key volume player, with a 26.9% registrations increase to 3,051 in Q1.



### I-Pace

JLR's first full EV won countless awards and its drivetrain will likely power a new generation of Jaguar, but just 919 Q1 registrations suggest delivering volume from EVs remains elusive.



### Evoque

The “game-changing” second-generation compact Range Rover was launched in March. Glover hopes the new version – complete with a 48V mild hybrid system – will boost sales in both fleet and retail.



### Velar

Despite being named as World Car Design of the Year 2018, Range Rover's most road-biased SUV has been something of a slow burner. Registration growth of 25.1% in Q1 is expected to continue.





Currently, Land Rover retailers make about 0.4% return on sales, while the JLR network as a whole stands at just more than 1%, which is not where it “wants to be”, Glover said.

“The focus now has to be very much on making those Arch sites profitable and we have a responsibility to help retailers achieve the best performance they can,” he said.

“We’ll be doing that in a number of ways, but the focus will be very much on process, with an increased involvement on older used cars and aftersales.”

“What we have to remember is that a lot of retailers have moved into much larger facilities which have introduced drive-in service bays and increased the number of workshop ramps from 10 to 20 in many cases,” he added.

#### PROFIT FROM PROCESS

Glover said the JLR network would be encouraged to stock older approved used vehicles in an attempt to drive the retention of customers, but insisted that more efficient processes would also be key to improved profitability.

“Those retailers have to have the processes in place to help them achieve the efficiency and capacity that they need to make that move a success.”

Glover said JLR would continue to determine the optimal make-up of the network and retailer model and planned to appoint authorised repairers in an effort to drive efficiencies in aftersales and pre-delivery inspection (PDI) at non-customer-facing facilities.

Glover is particularly interested in how customers move from website to showroom. JLR’s online configurator produces a QR code for prospective buyer to take to their local retailer

Overhead absorption in aftersales is a key area of focus and Glover said he wants retailers to explore solutions such as split-shift operating, which could increase the utilisation of the network’s workshops.

“We’re also looking at flows in the workshop,” he said. “The concept of flow lanes and how that works through the workshop is a primary driver of efficiency.”

Flow management into the workshops could result from a new way of approaching approved used cars.

Glover said selling older used cars would help retain aftersales customers for longer and also open up sales to a new customer base.

Sytner’s planned new Arch Concept dealership at Aston Clinton, Buckinghamshire has an 18-car showroom, but space for more than 100 used cars outside – the

highest number of any JLR site in the UK.

#### ELECTRIC DREAMS?

At the start of June, Jaguar announced that its director of design director, Ian Callum, was to leave the company.

Callum, who was central to the establishment of Jaguar’s current design language, will be replaced by creative design director Julian Thomson.

However, it is clear that the success of both JLR brands will increasingly be dictated as much by technology as design as it looks to move away from its reliance on diesel-powered vehicles.

Glover said diesel accounts for about 70% of JLR sales in the UK, with sales of even the flagship Range Rover and Range Rover Sport models now made up of about 30% plug-in hybrid.

He insisted that legislation – rather than a Dieselgate-triggered dip in consumer confidence – was to blame for a shift away from the fuel, which once powered more than 90% of its products. Glover claimed a 4.3g/km increase in average CO<sub>2</sub> emissions in 2018, as consumers moved away from lower-emitting diesel vehicles, proved that the anti-diesel stance had been “folly”.

AM’s New Car of the Year Award winner, the £63,925 Jaguar I-Pace, is JLR’s first pure EV and generated 919 registrations during Q1.

But the conventionally powered E-Pace was the volume success of the period, delivering a 26.9% year-to-date increase in sales to 3,051, as sales of the F-Pace declined 20.1% to 2,975.

The XF and smaller XE saloons both delivered growth – by 31.8% to 1,932 and 37.1% to 1,781, respectively – but the numbers leave the brand well off the pace of their German rivals.

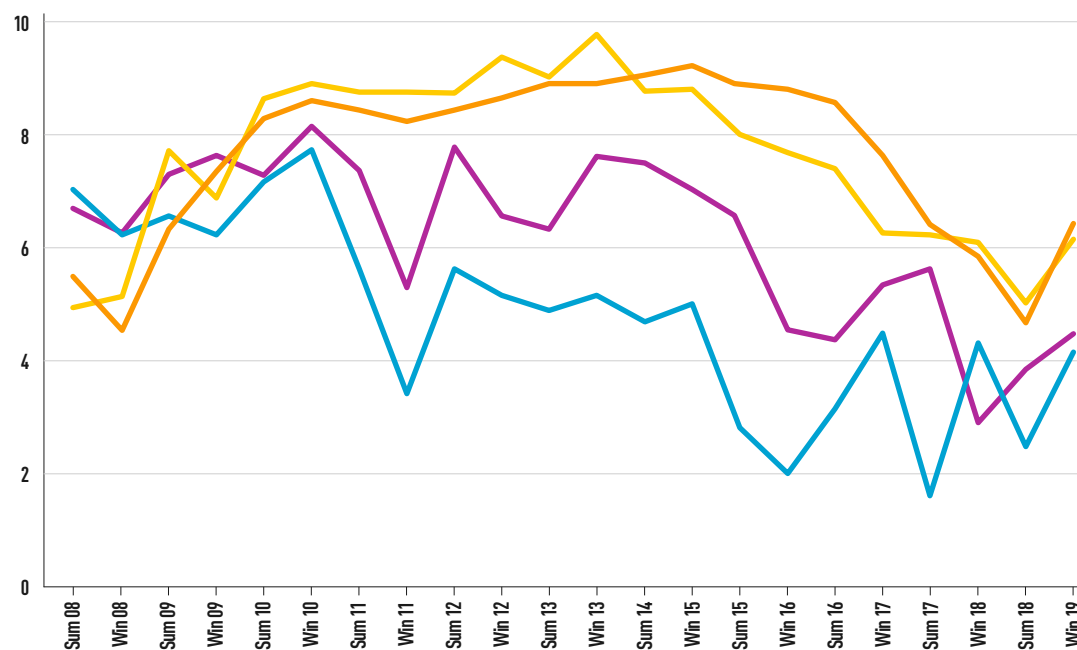
Although the manufacturer has made no official statements about its long-term



“THE FOCUS NOW HAS TO BE VERY MUCH ON MAKING THOSE ARCH SITES PROFITABLE AND WE HAVE A RESPONSIBILITY TO HELP RETAILERS ACHIEVE THE BEST PERFORMANCE THEY CAN” RAWDON GLOVER, JLR

#### JLR PROFIT RETURN 2008-2019

Jaguar - Q4A: Current profit return from representing your franchise  
Jaguar - Q4A: Future profit return from representing your business  
Land Rover - Q4A: Current profit return from representing your franchise  
Land Rover - Q4A: Future profit return from representing your business



Data drawn from the National Franchised Dealers Association’s (NFDA) bi-annual Dealer Attitude Survey shows that retailers at both JLR brands were optimistic about their current and future profitability around the time they were first asked to invest in the new Arch Concept corporate identity. Could a recent uplift be related to glimmers of hope delivered by the arrival and prospect of AFVs into those new showrooms?

product plans, *Autocar* magazine has suggested that Jaguar could become an all-electric brand within 10 years and *Car* magazine believes the XF – due for replacement this year – could start the charge.

For now, the electrification push is entering Land Rover showrooms in the form of mild-hybrid derivatives of the new Evoque and Discovery Sport, which will JLR hopes will trigger a resurgence in sales.

In 2018, Evoque registrations fell 30%, from 24,906 to 17,434, and the far newer Discovery Sport declined by 18.7%, from 24,531 to 19,941.

In its second full year on sale (2018: 12,423), the Velar delivered a 25.1% increase in regis-

trations during Q1 – from 3,199 to 4,002.

Glover wants Land Rover retailers to benefit from a sales boost resulting from JLR’s early move towards electrification.

Commenting on the push for volume with the latest generation of the “game-changing” Evoque (see our review on page 62), he said: “Upon starting sales, we have 150,000 existing customers to approach. For those reasons, we are really, really confident about the vehicle and the success it can bring to the retail network.”

Yet his 13,000 sales aim for 2019 remains well behind Evoque’s UK record.

Early Evoques arrived at dealerships as long ago as February, with launch events attended by 120 to 150 people per site at retail sites across the UK.

In addition, the car was marketed in high-footfall retail destinations, which allowed JLR to collect and collate prospective customer data, Glover said.

“Opportunity will start to present itself in new areas,” said Glover.

“Placing ourselves in front of new customers all the time and impressing with our retailers’ levels of service has to be central to our UK growth. For that, we’re relying very much on our retail network.”

#### THE RETURN OF AN ICON

While Land Rover retailers will be buoyed by the arrival of the new Evoque, the long-anticipated arrival of an all-new Defender should prove even more of a landmark moment.

Although it’s another vehicle that will be built away from the UK – alongside the Discovery at JLR’s new £1bn manufacturing plant in Slovakia – the return of the iconic British off-roader in wholly re-engineered form will test the loyalty of a devoted group of owners.

Engineers have completed 1.2m km (750,000 miles), putting the rugged

4x4 through its paces in some of the world’s most inhospitable environments, ahead of the start of production in January 2020.

Prices for the most rugged Land Rover are expected to start at about £40,000 and retailers are likely to gain more than one additional sales opportunity as a result of the re-birth of the Defender nameplate.

Land Rover’s chief marketing officer, Felix Bräutigam, told *Auto Express*: “One of the exciting things for us is that we are not launching a car, we are launching a family of cars.”





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# MINUTES WITH...

Tom Wood, CEO of Cazana  
and Car and Classic



**Cazana launched a fund-raising exercise earlier this year, with reports that it raised £1.5 million. Did the final amount exceed your expectations?**

We actually raised £2.6m, significantly ahead of what we thought we might raise.

**Will you be able to develop new services, and enhance existing platforms, ahead schedule because the fund-raising was so successful?**

Yes. We can build out the tools for dealers and the insurance sector faster, and it also allows us to build out in new countries ahead of schedule.

We will soon be able to announce details about two country launches. One will be the US, but we can't reveal the other at this stage. Even though we are still a very lean organisation, the Cazana team has grown from 20 in February to 34 by the end of May, reflecting the growth of our business.

**How is the Car & Classic site performing, and what progress has there been on developing a mobile version?**

When we bought the business in August 2018, the mobile strategy was rather old-fashioned and the site wasn't performing as well on mobile as we thought it should, because it hadn't had much investment for a long time.

We have now relaunched the site, so it works effectively on both desktop and mobile, and we are seeing a lot more customers coming from that direction. It doesn't necessarily look a lot different, but it works much better.

**The US has been a graveyard for many British companies over the decades, from M&S to PurpleBricks. Was that**

**WHAT WE'RE SEEING IN THE MARKET... IS AN INCREASING FOCUS BY DEALERS ON THE AREAS THEY CAN CONTROL**

TOM WOOD, CAZANA

**an influence on the decision to begin expansion there slowly – and through a partnership venture, rather than via a Big Bang launch?**

To a degree. Launching a B2B product is different, of course, from a B2C product. We are fishing in a smaller pool and can be more direct.

Saying that, we are not precious about going into a market direct, we are very happy to choose best-of-breed partnerships, with people who already know a market, and so you will see us launch some very large partnerships in the coming months, with key players in different markets.

Our first US partnership, which we announced in June 2018, was with Ed Robinson, of Robinson Advisory, to support our expansion into that market. He was previously the chief executive of BMW Financial Services (USA), and that's very much the calibre of individual with whom we are looking to engage.

**You have already assembled an experienced UK-based executive team, including David Hammond, the chief executive of Camden Ventures; Robert Dighero, a partner at Passion Capital;**

**and Rupert Pontin, as director of valuations.**

Yes. Rupert is another good example of our recruitment philosophy. He has been around in the valuation space for a very long time, he understands how it works, and how we should communicate with the industry, and he's doing a great job.

I still lead the sales team. Having built the company from the ground up, I naturally know a lot about the product, and that approach seems to be going very well.

**Cazana's latest update of the UK auto market predicted an 'exciting and innovative year for all', but what would you say to those dealers who are still feeling apprehensive because of the political and economic uncertainty?**

What we're seeing in the market is an increasing focus by dealers on the areas they can control. We're finding that many dealers who are looking to grow their sales of used cars are keen to use new sources of data to drive increased sales.

However, there is also some uncertainty about the generation of new car sales, with platforms such as Carwow around, and also uncertainty about electric vehicles, where there's less in it for dealers and for manufacturers.

As a result of those influences, we are seeing a lot of savvy dealers switching their strategies more towards used car sales, not least as a way of insulating their business against the current impact, and potential future impact, of the volatile political and economic environment.

It's working, too. The people who are making that shift are reporting some excellent earnings at the moment, and we expect that to continue. IAN HALSTEAD

FACT  
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## SPOTLIGHT: FUTURE OF MOTOR RETAIL

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# Rewriting the retail code

Vehicle-selling businesses are at an evolutionary crossroads

**WHY DEALERS NEED TO RE-ENGINEER THEIR DNA**  
GOVERNMENT TRANSPORT POLICY WILL REQUIRE DEALERS TO RETHINK THEIR MODEL

PAGES 27-29

**WILL PAYG BE TNBT IN MOTOR RETAIL?**  
DEALERS NEED TO ASSESS HOW SUBSCRIPTION MODELS WILL AFFECT THEIR BUSINESS

PAGES 32-33

**THE SMART (TRANSPORT) BOMB**  
EXPERTS ARE SPLIT ON HOW NEW USAGE MODELS WILL HIT DEALER SALES VOLUMES

PAGES 34-36



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## SPOTLIGHT: FUTURE OF MOTOR RETAIL

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# Why dealers need to re-engineer their DNA

Changes to government policy, designed to cut emissions, congestion and illness, will almost certainly affect dealers

**M**otor retailers will have to adapt their businesses in line with a range of government policies focused on creating a healthier Britain that is less dependent on car travel in the years ahead.

The Department for Transport's 'Future of Mobility: Urban Transport' report sets out a number of principles, including considering the wider objectives of an integrated transport system, such as improving well-being and social inclusion, integrating passenger transport alongside housing priorities in planning decisions, and considering prioritising walking and cycling when allocating land use for transport.

The impetus behind Government thinking is the need to reduce greenhouse gases, lower the cost of congestion to the UK's productivity, and to tackle declining levels of physical activity and obesity – a cause of illnesses calculated to cost the NHS about £8.2 billion a year.

The report also refers to the use of 'hard and soft measures', i.e. penalties and incentives, to change the way people travel. VED and the First Registration Tax are already being manipulated to make the most inefficient cars more expensive to own.

The Government announced a review of legislation, focusing on facilitating four areas – micro-mobility vehicles, such as

electric scooters and skateboards; mobility as a service (MaaS); transport data and modernising taxi, minicab and bus legislation. This is in addition to existing work to adapt laws around zero-emission vehicles and self-driving vehicles.

This Government has doubled investment in 'active travel' (encouraging walking or cycling) to £2bn. In June, the DfT announced an updated Cycle To Work initiative, aimed at increasing the use of e-bikes to help tackle congestion, speed up commutes and reduce costs. Last year, there were 70,000 sales of e-bikes, which help a cyclist pedal at speeds up to 15.5mph.

The updated scheme makes it easier for employers to provide bicycles, including e-bikes, worth more than £1,000, through salary sacrifice schemes, and is encouraging workplaces to get staff cycling through loan- and pooled-cycle initiatives.

Regional authorities are also receiving funds to trial their own initiatives. The DfT has allocated £20 million to The West

Midlands Combined Authority, which approved proposals for its Future Mobility Zone recently. Its proposed pilot schemes include capped public transport fares through its Swift ticketing app, taxi-share schemes, adoption of Swift payments for other public services and offering drivers a package of other mobility elements in lieu of their vehicle, to cover the costs of giving up their car.

Nottingham levies a £402-a-year charge on each parking space provided by city businesses for their employees, to encourage other ways of commuting into the city centre. In place since 2012, it has raised £53m towards funding an extension to the city's tramway and a fleet of biogas- and electric-powered buses. The city claims road traffic has fallen by 2.5m journeys.

With a record 31.5m cars on Britain's roads at the end of 2018, demand for replacement models and after-sales will remain strong for years yet. Of these, 70% do not conform to the current emission standards required by the 14 Low Emission Zones (LEZs) currently or soon to be designated for key urban areas.

The Government's Road to Zero Strategy, launched in July 2018, has set a target of at least half of all new cars being ultra-low emission by 2030.

At the same time, it will seek to





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## SPOTLIGHT: FUTURE OF MOTOR RETAIL

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### “THE GOVERNMENT'S KEY POLICIES WILL HAVE A PROFOUND EFFECT ON DEALERSHIPS

NEIL WALLIS, THE LOW CARBON VEHICLE PARTNERSHIP

**C** reduce emissions from vehicles already on the road, as well as building on the Government's commitment to end the sale of new conventional petrol and diesel cars and vans by 2040 under its Air Quality Plan.

The Government's committee on climate change wants the UK to aim for 'net zero' greenhouse gas emissions by 2050, which would require a significant ramp-up of existing policies.

Transport for Quality of Life, a lobby group, believes the 2030 emissions target cannot be achieved by switching to ultra-low emission vehicles (ULEVs) alone, and it believes national action to reduce traffic by 20%-60% will be necessary.

"The Government's key policies will have a profound effect on dealerships," said Neil Wallis, head of communications at the Low Carbon Vehicle Partnership. "The drive for electrification is gathering pace and there is pressure on the Government to accelerate this even further.

"Staff in dealerships will need to learn about and be able to communicate key aspects of new vehicle technologies to customers. Dealers who don't embrace the changes to come will lose business and risk being left behind."

Alastair Crossley, head of motoring services at the RAC, said that in the near-

term the effect of these new strategies was likely to be relatively small, with customers continuing to buy petrol and diesel vehicles.

However, he added that as more cities introduce clean air zones (CAZs) and with possible restrictions of vehicles of a certain age, demand for the cleanest models with the newest Euro classifications will likely peak. This will leave dealers, especially those that serve large urban centres, struggling to sell older, less efficient vehicles.

"The big change for dealers will begin in the next few years, when a much broader range of electrified vehicles go on sale," said Crossley. "As vehicle list prices fall and drivers begin to have more confidence in the range and availability of charging points, demand for conventionally fuelled models will likely drop - although there may still be drivers who seek recent diesel models to allow them to go the longest distances on a single fill."

Crossley added that if the Government's ambition for people to use more alternative mobility solutions becomes a reality there could be a surge in affordable, high-quality car clubs and shared ride services, as well as the use of electric bikes and scooters, resulting in a fall in demand for private vehicles.

Philip Gomm of the RAC Foundation said larger dealerships had a distinct advantage over their smaller counterparts

because they have the resources to invest in keeping track of all these policy changes, passing on best practice and knowledge to their showroom staff.

"In the short term, the market is likely to remain chal-

lenging for dealerships," he said.

David Bailey, professor of business economics at Birmingham Business School, said urban dealers may benefit from motorists' need to change into ULEVs, but there is a lot of uncertainty. "Overall, there isn't actually a consistent picture across cities," he said.

Larger dealer groups, which typically operate the major city outlets, may have to adapt the fastest, according to Jim Saker, director of the Centre

for Automotive Management at Loughborough University. He sees less pressure on the small regional dealers based in more rural settings.

Dr Julia Saini, vice-president of mobility at Frost & Sullivan, said all of these new Government policies will prompt the transformation of dealerships into "experience centres" where they can showcase their manufacturers' EVs, shared mobility and autonomous technology, and serve as pick-up locations for online vehicle subscriptions and manufacturers' shared mobility platforms.

"The cost of such restructuring is limited, but involves different skill sets, and smaller dealer groups could have an advantage if their decision-making is agile."

ALEX WRIGHT

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# Prepare now for the changes ahead

## Five questions every dealer should be asking themselves today about the sales of tomorrow

### What expectations will the iGeneration have when buying a car and is this something automotive retailers should be planning for now?

The iGeneration is a new breed of consumer. They are digital natives, always with a phone in their hands. They are driven by a need for ethical and environmental best practice, authenticity and transparency. They are looking to an uncertain future so it is no surprise that their lifestyle choices are informed by new motivations – and purchasing a vehicle will be no different. Automotive retailers need to find innovative ways to reach these consumers.

With the growing demand for 24/7 connectivity, the challenge for dealers is to offer an 'always on' service. Since the iGeneration is the most mobile of all, this is not going to go away; with 90% of multiple device owners reported to switch between screens to complete tasks, using an average of three combinations each day. These consumers expect to interact with retailers online and in person, seamlessly transitioning between the two, expecting the retailer to know what the last touchpoint was and when it was made. Dealers need to master this now, to develop a robust online workflow to complement the offline one, or they are in danger of losing business.

### How will the move away from combustion engine vehicles to alternative methods of transport impact a retailer?

By 2035 electric vehicles (EVs) will be dominant. As the Committee on Climate Change has stated, this is the date by which all new cars and vans should be electric. Mobility as a Service (MaaS) will also be prevalent across most major cities, whose ultra low emission zones (ULEZs) will be commonplace, driving old-school internal combustion engines (ICEs) out of urban centres. As the world comes to grips with its environmental responsibilities, cities are taking significant measures to clean up their air and reduce congestion, with combustion engines at the heart of

these measures, automotive retailers need to start planning.

We are seeing governments incentivising ownership of EVs and this, combined with an increase in popularity as the cars become more affordable, means we expect to see the market reach a million by 2025.

This will impact dealers from a sales and servicing perspective.

Showrooms will need to display new EVs and retailers will need enhanced product knowledge as they introduce their clients to new vehicle types, keeping them coming back for health checks and aftercare – which will become much easier to fulfil as ICEs start to disappear.

### How will cleaner and more efficient vehicles change the way retailers look after cars and customers when sales have been completed?

The rise in EVs and the shift in power away from combustion engines will change the scope of aftersales servicing. Battery upkeep and charging is going to become the crucial demand of owners moving forward. Dealers need to prepare themselves for this.

In addition, with the emergence of self-diagnostic systems and technology facilitating automatic interventions,

services in the future may be able to take place when needed rather than as scheduled.

This risks putting dealers at an ever-greater arm's length from the owner. With half of drivers already reluctant to go a workshop or dealer service location (74% are willing to pay for invisible services), this is an issue that needs addressing sooner rather than later.

The right CRM system allows dealers to keep track of servicing due dates, stock checks and keep in touch with customers which will be invaluable in times of changing vehicle types. Dealers may also expand their services and offer charging facilities and battery replacements, which means adapting their business models to suit the customer.

### How will the change in ownership models affect traditional dealer relationships with their customers?

As more car subscription services come into play, with market pioneers such as Zipcar and Drivy leading the charge, and MaaS becomes a reality in cities across the globe, dealers need to consider how to capitalise on these emerging trends.

The global car-sharing market is expected to increase to 36 million by 2025. There will naturally be a higher demand in urban areas where car ownership may be an expensive inconvenience. There is, however, space for car subscription to meet consumer demands in both rural and urban environments, as we become increasingly used to the concept of using a type and model of car that matches our need or mood.

Retailers need to start thinking now about how they might diversify to meet emerging ownership demands: customer service will still be crucial as 'owners' check vehicles in and out; forecourts might offer different vehicle brands tailored to customer demand; development of apps could facilitate shared services; and what will happen to aftercare – who will be in charge of the long-term health of a vehicle?

New skills will be required, whether they be customer care and servicing or fleet

## THE RISE IN EVs AND THE SHIFT IN POWER AWAY FROM COMBUSTION ENGINES WILL CHANGE THE SCOPE OF AFTERSALES SERVICING. BATTERY UPKEEP AND CHARGING IS GOING TO BECOME THE CRUCIAL DEMAND

STUART MILES, UK & IRELAND  
MANAGING DIRECTOR

management, and these skills may well be integrated across several branches of a dealership group. Whatever happens, retailers need to be prepared to consider a move into professional vehicle management and servicing.


### How will the rise of autonomous vehicles impact automotive retailers?

Up to 15% of new cars sold in 2030 could be fully autonomous. Google and Uber are reported to be working on self-driving cars and as more businesses are investing in the industry, a greater sense of creativity is injected across the sector, giving the next generation more transport options.

As with all change, retailers need to understand how autonomous vehicles will shape their business as the focus changes from customer service to vehicle servicing. What will happen to the test drive? How will new technology affect servicing? Those retailers who can implement best practice, processes and tools that can manage these changes now, are the ones who will continue to thrive as the market develops throughout the next 10 years.







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# Will PAYG be TNBT in retail?

Car manufacturers and start-ups say their flexible, 'just add fuel' subscription models are catering for changing drivers' needs, but what are the implications for motor retailers?

**A**utomotive retail is often held up as an industry that has not really changed in 100 years. Manufacturers make the vehicles and retailers sell and service them.

However, there have been signs of a market shift on the horizon for some time, in the form of subscription service and mobility packages.

The consulting company Frost & Sullivan has predicted that 10% of all new car sales will be through subscription services by 2025, based on an August 2018 report into growth opportunities for the segment.

If you translate those numbers to the UK, that would mean growing the segment to at least 237,000 units within six years.

Among those seeming to take note are manufacturers such as BMW and Mercedes-Benz, which are joining forces on mobility services Reach Now, Charge Now, Free Now, Park Now and Share Now.

The car subscription start-up Drover has launched partnerships with multiple manufacturers in the past 16 months, including BMW and Volkswagen.

It is also working with dealer groups, as well as leasing and rental companies, to help them monetise poorly utilised stock by leasing it out on subscription packages. This stock can be in

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

Pricing starts at £514 a month for a VW Passat and BMW's offering starts at £472 for a Mini hatchback. The cheapest option through Drover now is £295 a month for a new Fiat 500.

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 months, with discounts available for longer periods. There are plans to extend this to 24-month contracts soon.

Volvo's Care by Volvo offering starts from £799 a month and this includes insurance, servicing, tyres and breakdown cover.

Jaguar's InMotion Carpe scheme starts from £910 and dealers get paid for aftersales work in the same way they currently do, with vehicles sold by JLR on leasing contracts.

## 'WE NEED TO ADAPT'

Claire McGreal, Volkswagen UK's brand strategy and mobility services manager, said:

"Given the changes we face in the automotive landscape, and as drivers' needs change, we need to adapt and diversify from traditional concepts like outright ownership, into more flexible and user-friendly options like subscriptions.

"Our pilot partnership with Drover is VW UK's first exploratory step into subscription services, but represents the first shoots of something much bigger – an evolving brand."

Justin Benson, KPMG UK head of automotive, said that if manufacturers haven't already launched their own subscription services, they are certainly all looking at their potential.

He said: "The biggest issue right now is the price point and I think that's where some scepticism may creep in.

"But these pilot schemes are really there to explore how this model can work and more importantly, how they can forge a closer relationship with the customer over the contract period."

Benson said there is a "push and pull", with consumers looking for more flexibility as the financial situation of the next generation of car buyers has been reversed: "Whereas previously you had asset-rich and cash-poor consumers, we are now seeing consumers that are asset-poor and cash-rich."

Benson believes utilisation will also be a

driver for subscription services.

He said: "I don't think a big enough point has been made of this, but at the moment you're spending tens of thousands on an asset that is sitting there on your drive 95% of the time.

"There's going to have to be a big mindset shift to get consumers thinking about mobility in terms of cost per use and how that makes sense to them financially. But we're already seeing a change."

The new car market has been built on cheap finance – if that crashes, could subscriptions step in to pick up the slack from PCPs?

Benson said: "I'm sceptical of interest rates rising to the point where PCPs would be damaged by being too expensive.

"In a hypothetical situation, car subscriptions could fill the space left by PCPs, but at the moment the options are still too expensive for a volume market."

## GET-OUT CLAUSE

Tobi Lawal, Drover's head of fleet partnerships, said consumers are not really calling for the flexibility to change vehicles on the fly, rather they want to be able to get out of a contract without big exit fees and balloon payments. He believes this is the core of any subscription model.

Lawal said: "With Netflix or a pay-as-you-go gym membership you're safe in the knowledge that you can cancel at any time.

"If customers feel like they have control, they feel more confident to continue paying for that subscription."

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.

Lawal said this is still a cheaper option than having to pay a balloon payment or settle 100%

**CAR SUBSCRIPTIONS COULD FILL THE SPACE LEFT BY PCPs, BUT AT THE MOMENT THE OPTIONS ARE STILL TOO EXPENSIVE FOR A VOLUME MARKET**

JUSTIN BENSON, KPMG UK HEAD OF AUTOMOTIVE



of the remaining contract charges on a lease.

Graeme Banister, the head of Carpe in the UK, said car subscriptions are a catch-all term for anything vehicle mobility-related that is packaged up and lasts for more than 28 days, from PCH, PCP and longer-term rental.

Banister said: "Time will tell if it can reach 10% of the market by 2025.

"However, the appetite is there – if prices can be kept keen, then I'm sure customers will be keen too."

## CAR SUBSCRIPTIONS AND FLEET

Banister said Carpe was started as a niche service, targeting people whose motoring costs were already high. He said Carpe's unlimited mileage offering resonated with those customers who wanted to avoid excess mileage charges.

While Banister wouldn't disclose exact figures on how the Carpe business has grown, he did say 'thousands of customers' have engaged with the brand and he is encouraged at the level of interest in subscription motoring.

He said: "The clear message coming through is that people want flexibility."

Carpe's current customer demographic is made up of people looking at an alternative to a company car and looking for convenience with added flexibility.

Particular target areas include those working in the consulting industry, SME business owners and directors.

Nigel McMinn, Lookers' chief operating officer, thinks flexible leasing or car subscriptions could take hold in the company car market, which is seeing declines in fleet ownership.

This would incorporate the PCH market that has been growing in the UK and focus on fleet drivers or those working on short-term contracts at a company who are looking for a flexible lease option.

Lawal acknowledged that manufacturers are signing up at a pilot scheme stage with Drover and it's difficult to predict how Drover will grow in terms of its vehicle supply.

Rental companies currently account for the largest portion of vehicles on Drover at 33%, followed by 29% from dealerships, 17% from leasing, 14% from manufacturers and 7% from Drover itself.

Drover owns some vehicles, to make sure it had enough stock to meet demand when it launched its consumer offering 16 months ago, but it will be reducing this percentage as it builds up other streams of supply.

AM asked if there is a risk of manufacturers using Drover as a test case before taking the best parts that worked and launching their own subscription platforms.

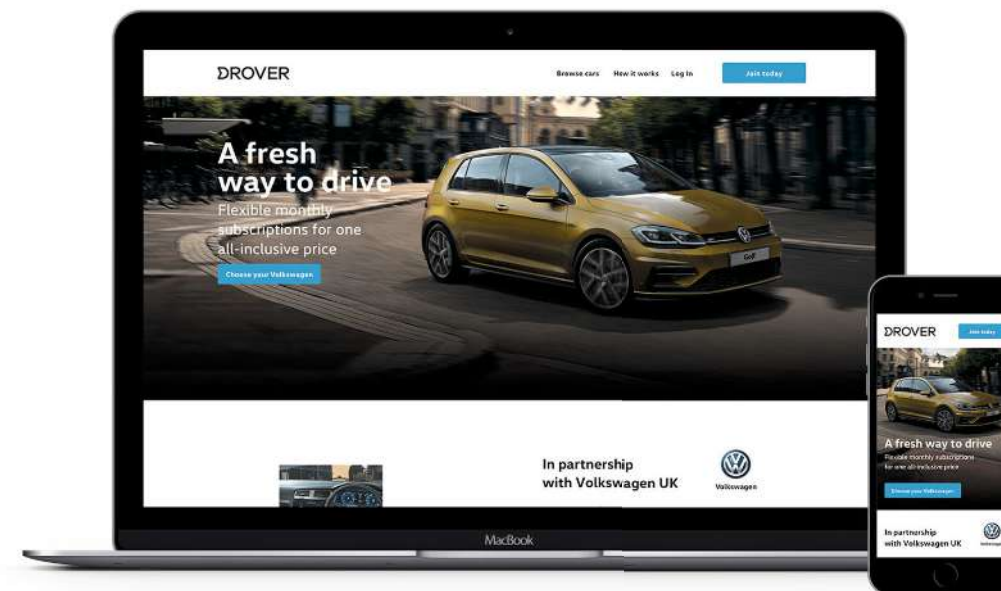
Lawal said: "The average age of the team at Drover is mid-twenties. We're a venture capitalist-backed start-up and we have the ability to iterate and move quickly on ideas and technology.

"I think we're in a position where we add enough value that it won't be an issue for us."

McMinn said there will likely be a place for car subscriptions in the future, but he thinks it will be part of the more traditional mix of PCP, HP and outright purchase options.

He said: "I can see it working for younger customers in the city, but when you reach different stages of your life and if you have a family, your needs change. I'm still sceptical that subscriptions would replace traditional ownership."

TOM SEYMOUR





# Does motor retail face a smart (transport) bomb?

Whether called future mobility, mobility as a service, or smart transport, new usage models are likely to affect retailers' sales volumes, but experts are divided on how much

**T**he car retail model as we know it could be facing extinction if dealers fail to engage with new 'smart mobility' solutions expected to save people cost, time and help them live more healthily.

While dealers have witnessed a shift in the way people buy cars already, the focus is quickly becoming about how people use cars and the way they access them. There has already been a surge in personal leasing, but will privately owned cars even play a part in future mobility?

Ben Lawson, vice-president of strategy and mobility for the UK and Ireland at Enterprise Holdings, said: "We continue to see increases and improvements in shared

asset and shared transport options for consumers. New technologies have enhanced the transparency and accessibility of services and, no doubt, further advances will be made.

"Our relationship with the private car has been a devoted one for a very long time and for a host of very good reasons. Convenience, comfort, 24/7 accessibility and the freedom to travel anywhere at any time are all significant factors."

However, Lawson points out that this relationship is at the heart of many of the air quality and congestion issues that governments and local authorities are trying to improve (see page 27).

Matt Dale, head of mobility at ALD Automotive, believes car usage will decline, but

the change won't be sudden so current dealer networks will be able to evolve as necessary.

"The move to people living in cities and thus, closer to work should lead to a natural reduction in our reliance on the car for commuting. Added to this is the growing pressure on employers to promote healthy travel, car-sharing to work and the reduction in car parking spaces. This will be progressive and will also be impacted by a younger generation coming into the workplace, who are possibly more environmentally aware and happier to embrace different ways to travel with increased shared mobility.

"We also need to consider the increase in home working within



# Use technology to boost sales efficiency and profits

In an ever-changing automotive retailing environment, successful dealers will be the ones that use new technology to transform traditional ways of working

**A**s a new world of automotive retail fast emerges, the pressure to improve business performance and achieve sales objectives is more intense than ever.

That's where the latest technology can make a huge difference – giving innovative retailers the ability to achieve more without making significant capital investment.

## THE DEAL FILE DILEMMA

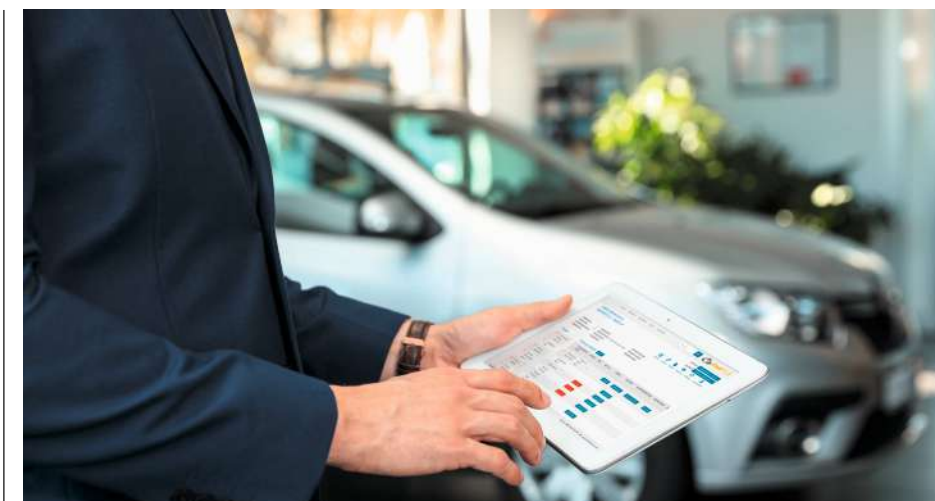
Take the creation and management of deal files, for example.

These important files, which can consist of up to 70 paper-based documents, have always been created, managed and audited manually. This creates a host of challenges:

- Even a single deal file needs input, reviewing and approvals from multiple stakeholders – potentially in multiple locations
  - Deal files need to be stored for up to seven years – using up valuable space on-site or adding costs and complexity of managing off-site storage
  - Paper deal files may need to be taken from one site and duplicated in another to allow for centralised administration
  - Hunting for paper deal files can affect customer response rates or business analysis
  - Manual checks and reviews can increase error counts – rectifying these unnecessary mistakes can use up valuable time.
- As this administration burden increases, retailers lose valuable man-hours in the quest for new sales. But help is at hand.

## BREAKING WITH TRADITION

Developed specifically for the automotive industry by automotive people, iDealFILE is an online deal file platform that gives sales teams a completely new way to create and manage deal files.



It is the first online deal file platform capable of extracting post-sale documents directly from a dealer management system – turning a manual, paper-based process into an efficient, secure, auditable digital workflow.

Using Microsoft's ISO 27001-accredited Azure platform, iDealFILE enables sales teams to take important documents off desks, out of filing cabinets and into a secure cloud area that can be accessed remotely 24/7 via desktop, tablet or mobile.

Thanks to this new way of working, sales and administration teams enjoy time savings

"iDealFILE is, at the very least, cost-neutral... leaving the productivity savings to make a positive impact on a retailer's bottom line"

Andy Mee, iDealFILE

of between two and four hours per deal file. On top of that, they benefit from cash savings of at least £4 per deal file thanks to reduced print, paper storage and retrieval costs.

As a result, iDealFILE is, at the very least, cost-neutral for any dealer that installs the system, as the cash savings more than offset the licence fee – leaving the productivity savings to make a positive impact on a retailer's bottom line.

## A BRIGHT OUTLOOK

The key to successful automotive retailing will never change – it will always be about providing excellent customer service, driving throughput and achieving absolute operational efficiency to maximise profits.

What will change will be the tools at our disposal to help us overcome the operational challenges of the past.

Thanks to its combination of cloud computing, pioneering thinking and automotive insight, iDealFILE is the perfect example of secure, scalable and affordable technology.

A powerful solution that will enable retailers to win the efficiency battle and maximise profits.

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industry. With increased home connectivity and digital networks, the rush hour commute may become a thing of the past, but not completely," he says.

In the largest urban centres, there is a shift from making places for vehicles to making places for people, as planners seek to make urban centres more attractive.

"You can see this in the City of London's new transport strategy," said Jonathan Bray, director of the Urban Transport Group, "which is all about building on the existing trends towards reductions in motorised vehicles and increasing space for walking, cycling and hanging out. I expect this trend to continue and to ripple out to secondary centres."

Since 2009, the number of cars on UK roads has increased, but people are using them less. The total distance driven in cars and taxis has increased from 245 billion miles in 2009 to 255bn miles in 2018, but miles driven per vehicle has declined from 7,900 miles to 7,300.

"Even though people are using their cars less, they are still buying them," said Mark Turnbull, head of consulting at Cap HPI.

He believes the number of cars on the road is unlikely to decline any time soon, as the UK's population grows.

However, powertrain changes will almost certainly have an effect.

Caroline Watson, programme director for transportation and urban planning at C40 Cities Climate Leadership Group, said shifting the transportation system to zero emissions is paramount.

"Electrification of vehicles is essential, but we can't rely on this alone. More vehicles equals more pollution, more congestion and more sedentary lifestyles. Our shift to

## TWO-CAR SUBURBIA COULD BECOME A THING OF THE PAST

MATT DALE, ALD AUTOMOTIVE

a car-dependent society is literally killing us."

Dale said the retail and leasing industries need to embrace the changes ahead so they can help customers to understand what vehicles and services are available: "The traditional routes to market will change and there will certainly be a greater digital presence."

"There will still need to be suppliers of vehicles, be that for leasing or purchase, but will they be a company or direct from the manufacturer?"

Turnbull added: "Online will expand as a channel because it is much more efficient for both the manufacturer and retailer. Savvy retailers are already adapting to this online focus, as well as developing their role as brand ambassadors and centres of expertise for new vehicle technologies."

"Leasing will continue to grow overall, and it will expand in the used sector. We expect it to be given a boost by the development of the battery electric vehicle (BEV) sector because many manufacturers are looking at multiple lifecycle leasing to improve the affordability of BEVs to consumers, and to manage their residual values."

The next step is an all-inclusive model, where the retailer manages the car for the driver (See Will PAYG be the next big thing

in motor retail' on Page 32). Peugeot has been experimenting with its 'Just Add Fuel' model for a while. Fleet companies who have seen company car drivers opt out of traditional schemes and take a financial package instead of a car, have sought to capitalise on this trend by offering these drivers an ownership experience similar to what they had as company car drivers.

"For the 'cash-rich, time-poor' consumer, it is an attractive offer," said Turnbull.

According to Dale, smart mobility (or mobility as a service) is likely to reduce the number of cars on the drive, rather than the number actually available, as households look to embrace new services and travel more 'smartly' but don't want to give up the car altogether.

"Two-car suburbia could become a thing of the past," he said.

But will car ownership ever become a thing of the past? Turnbull thinks it is unlikely and would require significant shifts: "Firstly, personal car ownership would have to become so expensive that it no longer makes sense for people to own cars. Secondly, smart mobility would need to become so efficient that it displaces ownership simply because it is better on all levels."

"Car ownership is deeply embedded in Western culture, and it will not be easily displaced. However, consumers will change their activity when cost becomes an issue."

Cost of ownership is already a problem for younger drivers, where insurance costs are extremely high, and they are the most likely to embrace new mobility solutions in the shorter term.

"For younger non-drivers, ease of use of public and semi-public transport, facilitated by online technology such as car clubs and ride-sharing is already making buying a car a more challenging decision," said Turnbull.

MATT DE PREZ



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## A Self-Service, Customer-Centric Journey



\* Coming Soon

# Mobile technology takes self-service into new realms

Dealers need to up their customer centricity game or risk being overlooked as generation Alpha will organise just about everything through the phone

All industries, including the automotive sector, are seeing a shift towards customer centricity, affording customers the opportunity to serve themselves when they want, and how they want.

The airline industry is a prime example of where customer centricity has become the norm. A customer can search for flights and book tickets any time of the day or night, adding baggage, meals, and choosing their preferred seats. On arrival at the airport they scan their e-ticket and present their e-passport before taking their seat on the plane. They have not had to interact with any other person during the entire transaction. This is the definition of customer self-service.

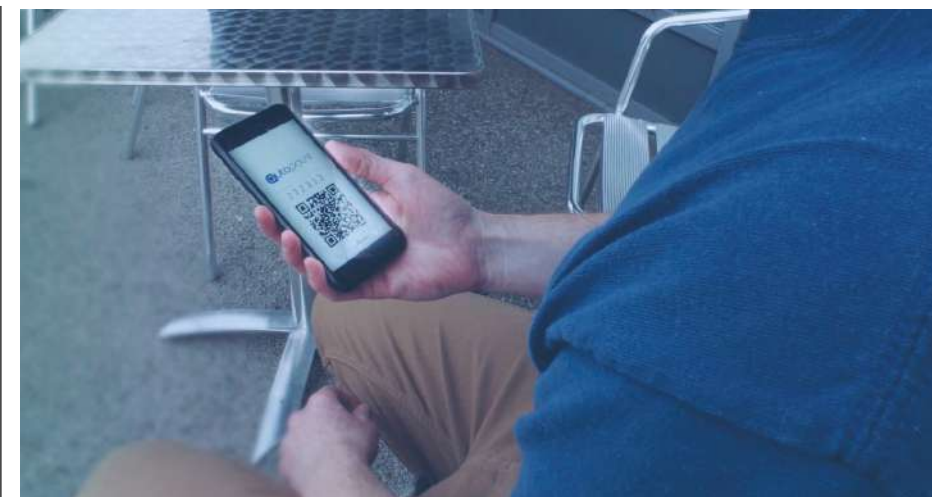
It's quick, efficient and shows how technology has made a huge difference to our lives. It's the kind of process customers are now constantly exposed to and are increasingly expecting.

From buying groceries online and having them delivered to the door at a time to suit, to purchasing cinema tickets online and printing as you arrive, even down to ordering something to eat in fast food restaurants, every industry is moving towards self-service.

Within a digital, self-serve aftersales process a customer should be able to book their vehicle into a workshop online, any time of the day or night, using a link from an automated service, MOT or red or amber work reminder delivered through numerous digital channels.

On this booking page a customer has full control over the service experience, including the addition of courtesy cars or special offers. They will then choose if they would like to

**"The airline industry is a prime example of where customer centricity has become the norm"**



deposit their keys in secure, digital lockers.

On arrival they access the secure lockers using their unique access code on their mobile phone. Once they have checked in their vehicle, alerting staff at the same time that the vehicle is now on site, they can simply deposit their keys inside and leave.

On completion of the vehicle health check the customer can view their report online with supporting videos and photographs, authorising and paying for work from their mobile device. For those customers without a service plan a link can be included to configure and take out the plan online prior to returning to collect the vehicle where the keys will be waiting in the lockers.

During the check-out process a customer can book future identified amber work. They will then receive a digital reminder in the weeks leading up to the booking with a link to amend it through the online bookings platform if circumstances have changed.

These integrated, customer-centric, self-service products and processes offer full customer self-service for the automotive industry.

The need for dealerships to offer customer-centric systems over the next few years is only



going to intensify as generation Z starts to visit dealerships. Dealers now need to start preparing for generation Alpha as they will be growing up in a world where everything is connected and they can control their entire life from their mobile.

They will expect to serve themselves when and how they want and those that cannot offer this facility will undoubtedly be left behind.

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## Employee Car Ownership Schemes Regaining Control Of Your Employee Car Benefit

Providing an employee with a company car is a benefit that has stood the test of time within the motor retail sector. However, due to continued increases in company car tax the landscape has shifted significantly, escalating costs for both employers and their employees to a point where the benefit has for many become unsustainable.

Those franchise dealers looking to the future are seeking alternative solutions which allow them to regain control, boost bottom-line profitability and enhance the level of benefit they provide to their employees.

### Discover a scheme that works for your business and your employees

ECO Schemes are unique in that they can be tailored to meet the requirements of each dealer group, ensuring that scheme design is aligned to business objectives. Below we examine how dealers can meet the future requirements of their business whilst maximising the benefit for their employees:

**Protect employees from the rising cost of company car tax** | A structured ECO Scheme provides a car benefit to an employee in a way which means that company car provisions do not apply. This removes the restrictions of company car tax and all costs are fixed over the term of the agreement.

**Boost staff retention in key skill sets** | Providing that it is structured compliantly and tax efficiently, an ECO Scheme offers an enhanced employee benefit at a lower cost than alternative solutions. Company car drivers can enjoy significant savings in comparison to their existing arrangement and the scheme can be made available to roles such as Master Technicians, enhancing the overall rewards package and crucially boosting retention within key skill sets.

**Optimise profitability whilst enhancing the benefit to employees** | A dealer can significantly reduce write down costs and deliver material savings on Class 1A National Insurance whilst controlling repayments to enhance the employee benefit at no additional cost to the business.

**Control used car stock and meet demonstrator requirements** | In a company car environment vehicles are all too often selected based on CO<sub>2</sub> emissions, employee affordability and late availability. By enhancing both planning and control over all aspects of the solution, ECO Schemes offer dealers the potential to make savings on their employee benefit and demonstrator fleet, while also delivering the most profitable and desirable used car stock.

**Deliver a solution for every driver** | As ECO Schemes allow the employer to determine the level of benefit the employee receives, the benefit can be tiered to complement the management structure of the business or opened out to the wider workforce; boosting staff retention, generating incremental registrations and creating an additional revenue stream.

### The future

Many dealers will be looking ahead and anticipating a challenging period for the industry, with financial pressures at a time when the cost of staff recruitment is rising. As a result, optimising profit opportunities whilst being more efficient with the delivery of staff benefits and rewards, thus retaining the best employees, rather than having to recruit replacements, is critical to success.



*"Our focus for 2019 is to work with dealers to align the provision of their employee car benefits to their business objectives, allowing them to enhance rewards, retain key skills and secure prime used car stock whilst increasing bottom line profitability."*

**James Edwards**  
Head of Network Development

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# Does your customer journey have a blind spot?

And how much is it costing you?



Automotive customer journeys often include hundreds of micro-moments, with Google revealing that 92% of buyers research online before purchasing a car. Clicks, views, searches, and conversations, any one of these moments could be what convinces a browser to buy.

The more a customer becomes interested in a vehicle, the more questions they have. How does it drive compared to another model? Can it take a certain car seat? Is it available for a test drive? But, can a website alone answer all of these and still offer a level of service people expect?

When stuck in a jam, people turn to people. Phone calls are the most direct engagement prior to a dealership visit, but where do they come from? It's time to get full visibility on this blind spot.

Infinity's call tracking platform bridges the gap between online and offline lead capturing. So if someone researches a car on your website, but uses the phone to book a test drive and then buy the car, you'll know it's the same prospective client.

Infinity's Conversation Analytics suite continues to take things a step further. You can define the context behind the calls your business receives, pinpoint the ones that matter most, and act upon them. Imagine being able to catalogue and access calls at scale based on:

- Was a test drive booked?
- Which calls discussed finance?
- How much interest is a certain model generating?
- Which callers showed a higher intent to buy?
- How do people feel about your brand?
- When are you losing revenue from missed calls?

Discovering the hidden value behind these calls is crucial to driving revenue and growth. Brands are having millions of insight-packed conversations with customers every day. Conversation Analytics enables you to finally harness these insights into something that can be searched, quantified, and acted upon.

An automotive customer journey can change lanes from an online touchpoint to an offline one in a matter of seconds.

It may start with a click, but did it end with a call? It's time to get clarity on your blind spots.

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Clarity from conversation





# Marketing Delivery

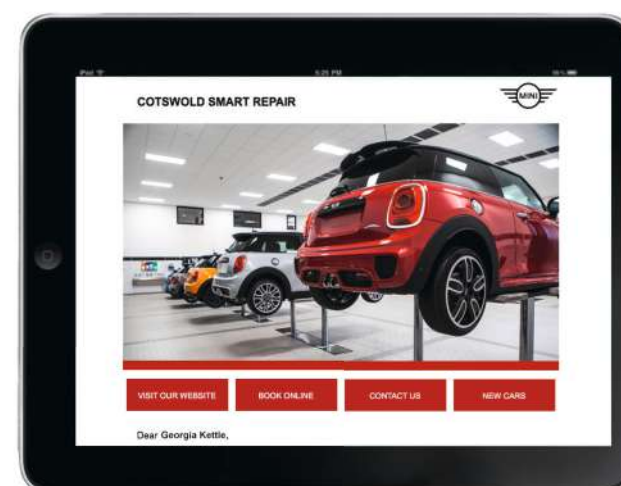
## DATA DRIVEN MARKETING

### Reach Customers Where They Live Their Lives

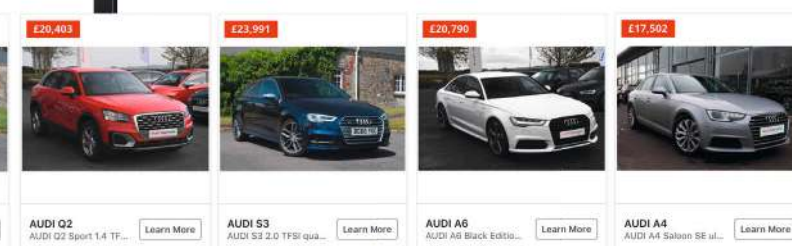
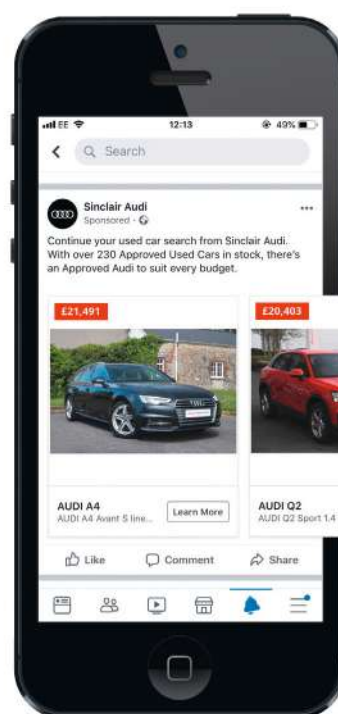
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Aftersales shouldn't be a digital afterthought



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## Advertising feature

# Reaching customers where they live their lives

Establishing and maintaining a comprehensive eCRM (electronic customer relationship management) strategy is vital to keep prospective customers engaged

An ever-growing proportion of car buyers expect their 'purchase journey' to take place online, underpinned largely by electronic interaction with their chosen retailer.

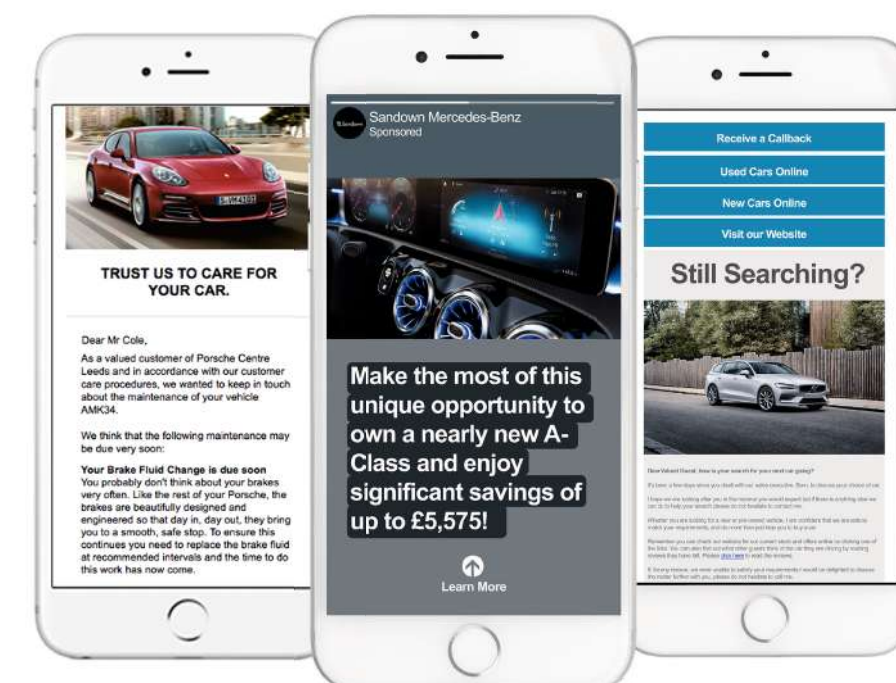
This poses a challenge for dealerships. It's no longer enough to wait for prospective customers to walk through the showroom door or call the reception desk. The communications landscape is increasingly fragmented, and dealers must be ready to engage with prospective buyers via multiple electronic channels.

But the fundamental principle of successful customer engagement remains the same – dealers must reach their target customers where and when they live their lives. Increasingly, that means establishing and maintaining a comprehensive eCRM (electronic customer relationship management) strategy.

### Establishing an effective multi-channel customer contact strategy

A successful eCRM strategy draws on multiple communications channels, with emails, texts and social media posts used to target prospects, generate leads, keep customers engaged while they wait for their ideal car to arrive in stock, and even fill empty workshop bays.

Changing consumer behaviours and preferences must be taken into account. For instance, 40 million people in the UK visit Facebook at least once a month – 80% of those access it more than once a day. And 75% of UK Facebook traffic is during the working week (source: Facebook IQ). Using Facebook's targeting features therefore makes it an ideal platform for customer conquest and lead generation. Tools such as Marketing Delivery's VoiceBox can help larger groups streamline content management across multiple social platforms and for multiple brands and showrooms.



Consumer contact preferences have taken on greater importance since the introduction of the GDPR in 2018. If dealers want to maximise their chance of engaging with a customer in future, email is king. Dealers captured emails in 89% of UK car enquiries in the first quarter of this year 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 (62%).

### Aftersales should not be a digital afterthought

It's important for dealers to adopt a multi-channel, data-driven approach for aftersales communications, too. Marketing Delivery data suggests that 60% of UK motorists are more likely to book a service or MOT with a dealership that reminds them about vehicle maintenance at an appropriate time. An email reminder about

an MOT or service three to four weeks ahead of the due date tends to get the best response, and a service retention report from Marketing Delivery can help service teams to track customer responses to aftersales marketing and target emails more effectively.

In a challenging UK car market, dealers need to keep prospective customers engaged and 'on the boil' until they make a decision. An automated eCRM strategy can keep dealers in touch with prospective buyers and aftersales customers, while reducing the administrative burden on sales teams.

Keeping customers engaged with relevant, timely information can maximise the chance of closing a sale or securing aftersales business. Contact Marketing Delivery on 01892 599 917 or email [get.in.touch@marketingdelivery.co.uk](mailto:get.in.touch@marketingdelivery.co.uk) to learn more about how you can automate the eCRM process.

Call 01892 599 917, visit [www.marketingdelivery.co.uk](http://www.marketingdelivery.co.uk) or email [get.in.touch@marketingdelivery.co.uk](mailto:get.in.touch@marketingdelivery.co.uk)

**Marketing Delivery**  
**DATA DRIVEN MARKETING**



# EMaC.

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partner  
with over  
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Find out more at [emac.co.uk](http://emac.co.uk)

Advertising feature



## Maximising aftersales opportunities to future-proof your dealership

EMaC's training and service plans are designed  
to help steer users towards greater profitability

**T**oday's challenging landscape means dealers need to constantly think about new ways to maximise the profitability of their business.

But what of the future? It may not be possible to predict what lies ahead, but it is becoming paramount for dealers to take steps to secure success for the longer-term, not just the here and now.

### RIGHT KNOWLEDGE, RIGHT TOOLS

The launch of the EMaC Aftersales Academy is one crucial way the company is helping dealers prepare for the future.

The academy helps dealers equip their teams with the right tools and knowledge to drive the success of their business. This free training programme has been designed specifically for motor dealers to help them and their staff maximise aftersales opportunities.

The training is delivered through on-site workshops, webinars, incentives, hosted events and awards for star performers.

Market competition, as well as ever-changing consumer demands mean dealers need access to consistent and relevant training that enables them to support their staff to meet these challenges, as well as boost profits.

EMaC continues to look ahead, ensuring they provide the best services motor dealers need to look to the future with confidence.

### MAXIMISING SERVICE PLAN SALES OPPORTUNITIES

Steering the industry further towards a profitable future, EMaC has combined its latest service plan innovations, AutoQuote and Self-Serve. AutoQuote delivers an automated service plan quotation, alleviating the administration burden dealerships face. Its Self-Serve offering allows consumers to buy service plans online via their chosen dealer website, at



their convenience. Up until now, both services have been available separately, but this new move brings the two together to provide one coherent sales and follow-up solution.

### UPSELL YOUR SERVICES BEYOND SERVICE PLANS

EMaC also continues to work with autoVHC, the electronic vehicle health check provider,

*"All of the workshops have included new, innovative ways of looking at positive experiences for our consumers"*

Colette Murray, Learning and Development Coordinator, the RRG Group

to boost workshop sales and service revenue for dealers. Using the autoVHC tablet, dealers can now identify items covered by an EMaC service plan. As well as improving the consumer experience, the new, integrated service provides dealerships with a key opportunity to maximise upselling by highlighting work that falls outside the service plan cover.

### SUPPORT YOUR CONSUMERS FINANCIALLY AND THEY WILL SUPPORT YOU

Dealers can now offer their consumers the ability to pay for car repairs, parts, MOTs and accessories, interest-free, with EMaC's 'Drive Now, Pay Later' facility. This flexible, monthly instalment plan not only enhances dealer profitability throughout the ownership lifecycle, but builds lasting consumer relationships.

Whatever the future holds, EMaC will continue to support dealers by providing innovative, cost-effective products and services that we believe are best in market.

For more information – Tel: 0330 099 6826  
Email: [support@emac.co.uk](mailto:support@emac.co.uk) • Web: [www.emac.co.uk](http://www.emac.co.uk)

EMaC.

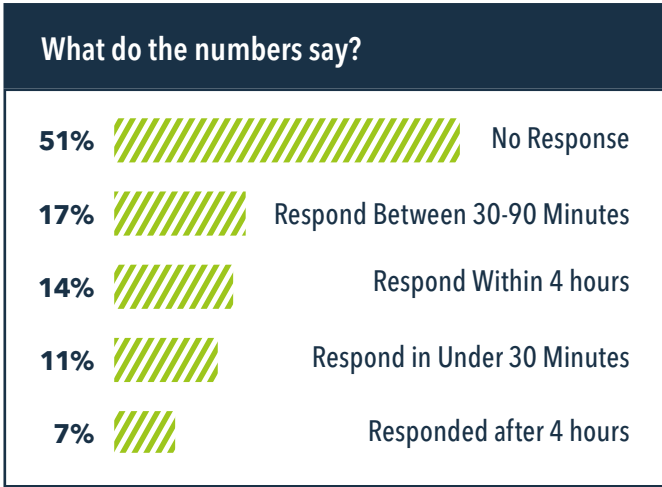




## Never Let A Lead Go Unanswered

### Do you know how many leads your dealership leaves unanswered?

The UK's largest ever mystery shop exercise was conducted by RAPID RTC, the UK's premier Lead Response specialists, and it collected data from over 20 per cent (1300) of UK dealerships. This research revealed a critical problem faced by all car buyers, with 50% of prospective male customers and 51% of prospective female customers, receiving no response to their enquiries.



These results are compelling when one considers the sheer volume of unanswered enquiries, but also the fact that both genders are equally receiving cold shoulders from these dealerships.

According to last year's 'biggest UK automotive analysis', carried out by the Society of Motor Manufacturers and Traders (SMMT), female car ownership has risen by 21 per cent over the past decade – twice as fast as male ownership – despite many saying they feel alienated by the motor industry.

This alienation has led to female car buyers becoming the key driving force behind the growth in online car sales. Research carried out among 1,000 customers of online retail specialist Buy A Car found that, in 2017, the number of women using the online car retailer had doubled, as increasing numbers of women looked to avoid dealership interactions. Last year, the company's growth in female

customers increased by 75 per cent, compared to an increase in male customers by 22 per cent.

This change in user purchasing habits demands that dealers also change their processes to better reach consumers, regardless of the channels they use. With nearly 100% of consumers having conducted car research online, a dealership's digital first impression has become as critical as the one they make in person. Regardless of gender, retailers are now expected to not only reply to every enquiry in a timely manner, but they are to respond with professional, customised messaging relevant to each lead's specific needs and situation. The ability to meet these expectations with consistent branding and messaging across the channels customers prefer is what transfers digital traffic to the showroom floor.

Another intriguing statistic was revealed through the type of vehicle that customers were looking to buy. The mystery shop exercise showed that over 60% of customers shopping for premium vehicles did not receive a response from dealers. When compared to the volume vehicle market (just below 40% of leads left unanswered), this number especially stands out as a disappointment for potential prospects that are receiving unsatisfactory service.

Considering the importance of any brand's reputation to deliver a premium customer buying experience, this begs the question; is there any acceptable percentage of enquiries that should go unanswered? If you posed this question to a salesperson, they would probably tell you that no enquiries should be left unanswered. But, they may also outline reasons that this is difficult to avoid. Fortunately, there is a solution to this problem.

RAPID RTC boasted a 100 per cent lead management response rate, for over 3.4 million enquiries in 2018 in the UK alone, and over 13 million globally. The software company's Lead Manager platform ensures that 100 per cent of enquiries to dealerships are answered with consistently high-quality responses. By aggregating all digital lead sources from their point of capture and, in real-time, distributing those leads directly to the person or people best suited to answer the enquiry, dealers are not only able to convert leads to sales, but also further enhance the customer journey, making it stress-free for the consumer.

The data collected shows that, thanks to easy-to-use processes provided by RAPID RTC's influential Lead Manager platform, dealers can stay ahead of their competition, but also deliver the 'always open' practice that consumers have come to expect from retailers in any industry. RAPID RTC's Chat solution has furthered

this notion with its round-the-clock coverage provided by their world-class Concierge Team who also connect consumers to knowledgeable sales staff, when available, in real-time. These solutions are designed to build rapport instantly, garner trust and break down any concerns or preconceived notions consumers, male or female, may have regarding the car buying experience.

Pontus Riska, Vice-President, Sales and Support for RAPID RTC UK, said: "There is really no excuse for dealerships to be ignoring, and missing out on, half of all enquiries. Our Lead Manager platform automates much of the process of responding, with plenty of room for personalisation, so salespeople can go back to customers in a matter of minutes using ready-made templates to suit all the most common enquiries. With next to no effort, they are helping their dealerships to reduce overall response times, increase sales and enhance the customer experience for everyone."

As digital traffic continues to cultivate showroom traffic, dealerships are competing for every lead and investing heavily in complex online marketing, in order to improve

conversion rates or visit-to-lead ratios. Meanwhile, many existing leads are falling through the cracks, causing wasted ad spends, which could be avoided with proper lead management in place.

RAPID RTC Lead Manager and Chat systems equip businesses with the tools needed to provide a premium, relevant and personalised experience to every digital customer enquiry, while generating more quality leads in the process.

RAPID RTC will be releasing further analysis and results from the mystery shop exercise throughout the year. For a sneak peek, or to see how RAPID RTC could improve your customers' journey, please contact RAPID RTC at [www.rapidrtc.co.uk/](http://www.rapidrtc.co.uk/).

**Phone:** 0800.014.8011  
**Email:** [sales@rapidrtc.co.uk](mailto:sales@rapidrtc.co.uk)





## Hitting Top Speed In The Feedback Economy

Businesses have always been able to control the narrative of their brand. By following brand guidelines, tone of language, marketing campaign activity and so on, a brand was able to heavily influence the opinions of the consumer. In today's world, however, this is not as effective.

2019 so far has continued the trend we've seen over the last ten years or so. Brand marketing is becoming much more C2C – consumer to consumer. Customers are much more feedback-focused, often going so far as to not trust the marketing activity of a brand when compared to the feedback of their peers. In the 'Feedback Economy', the role of a business is simply to assist the customer; they'll find their own way and with the right strategy in place, you can be at the end of this road – no pun intended!

***“Use your dealership's feedback from customers to generate new business, make it work for you.”***

A massive 84% of millennials value user-generated content over traditional marketing activity. This includes the reviews people are leaving about your brand on Google, Facebook, Trustpilot etc., the posts on social media, your business listing accuracy and so on. In fact, this feedback by people they may not even know has the same level of influence as a personal recommendation from a family member or close friend.

### Getting Out of First Gear in the Feedback Economy

The consumer is going to make their own choice based on the experiences of other people that they see online. How do you look online? Does your online presence work as hard as it could do to sell your cars or bikes? Buyers will often look for information away

from your own website, including your Google My Business page.

Use your brand and dealership's feedback from customers to generate new business, make it work for you to attract new customers.

### Reviews

Let's start off with reviews, the lifeblood of any Online Reputation Management programme. How many do you have? Are you requesting them from your customers? What websites are you most prominent on? Do you respond to your reviews? The main platform remains Google, and with over 3.5 billion searches per day, it's the place to be. Do a search for your brand, what do you see? Remember that when someone searches for your brand, or even general terms like 'dealerships near me', for example, what you're seeing is what they see – make it count! 90% of buyers read reviews before making a purchase decision. Request reviews from your customers and make their feedback work for you. Handily, this can be done with the push of a button on the Reputation.com platform across multiple channels, including online, SMS, email, your own website etc. Also, does your location's Google My Business listing show star ratings? This is a fantastic way to highlight to searchers your reputation at a glance.



## Hitting Top Speed In The Feedback Economy

### Social Media

Social media can be both a blessing and a curse to brands, namely because it provides great exposure, but can prove difficult to control the narrative when things go wrong. Larger brands need a way to stay on top of mentions and conversions, even if they're not 'tagged' in the posts. They also need a way to maintain their brand voice and post to numerous locations' profiles at once, as well as collate assets which each dealership can make use of. Social media is evolving into a conversational channel where you can message customers in real-time via posts, comments, and direct messages.

### Business Listings

Having multiple locations can provide a headache to dealerships and manufacturers because anyone can edit them. You may have 10 dealerships, but online everything is multiplied because you may have a business listing on Google, Bing, 192, Apple Maps, etc., so it suddenly becomes a big job to manage. Google My Business in particular accounts for over 25% of Google's local search ranking factors, so ensuring the information shown is correct at all times is essential. With Reputation.com, you can ensure your 'shop window' listing's data is correct 100% of the time, our platform constantly audits your data online against a 'source of truth' database you provide, so customers always see the correct maps info, contact details, opening hours and so on.

### Messaging

This is the next big trend. Consumers will continue to shift to a live messaging preference, and the functionality within live chat will continue to grow. Can you book test drives with customers, check current stock, send confirmations at a touch of a button? Pretty soon you'll be able to do this and more – are you ready?

***The Only All-in-One Platform for Online Reputation & CX Management***



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Rank higher in **Local Search**



### Get Chosen

Manage **Reviews** and Improve Ratings  
Engage on **Social Media**



### Improve Experience

Resolve Issues Fast with **Actions**  
Increase CX with **Surveys**

### Reputation.com and the Automotive Sector

The Reputation.com platform is the only ORM platform in the world which provides a full turnkey solution for brands looking to manage and improve how they look online. As well as the 'solutions' covered, users also benefit from directory management, surveys, case management ticketing, kiosk reviews, and Search Accelerator for Google.

Reputation.com UK is proud to work alongside leading dealership brands including Inchcape, Lookers, Robins & Day, JCT600, Stoneacre, Perrys Motor Sales and more, respectively. We also work with manufacturers including Kia, Hyundai, Renault, Toyota and more – so we understand how to maximise your online estate more than any other business in this sector.

**Contact Reputation.com for a discussion about why ORM is the current focus for automotive digital marketing strategies.**

Email [contact-uk@reputation.com](mailto:contact-uk@reputation.com) or call 0800 066 4781 today quoting 'AM'



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Advertising feature

# It's what happens in between that matters...

Many dealerships use 10 or more applications. Reynolds provides a single dealership-wide system to help reduce errors and increase efficiency

By applying the Reynolds' 'Built As One' philosophy, we've put integrated platforms at the heart of our product designs for years – it's nothing new to us.

Our retail management system (RMS) concept began in 2014. Retailing was changing, the automotive industry was changing, and consumer expectations were changing.

We realised that with so many disjointed systems and platforms (especially outside the dealership management system (DMS)), there was not much 'joined-up thinking' going on in between. We vowed to change that.

We focused on transforming automotive retailing by providing dealers with a single dealership-wide system, encompassing a range of integrated retailing solutions.

Adele Feeney, managing director for Reynolds – UK Automotive, said: "The end goal is an enhanced and efficient process; the removal of errors, cutting dealer costs and driving profitability while also transforming the customer experience."

"It's common for dealers to use 10 or more applications dealership-wide; solutions that simply don't talk to each other."

"We've expanded our suite of retailing tools so that, with Reynolds' products, the future is already here."

"We offer products that share information with each other and many third parties, eliminating the need for multiple vendors and the re-keying of data."

• **POWER Dealer Management System** connects departments in the dealership, sharing data and reporting quickly and accurately in real-time from a single point of data entry, creating a seamless workflow between departments.

• **Contact Advantage**, a customer relationship management (CRM) solution providing dealerships and



manufacturers with a comprehensive tool for managing the complete sales cycle, from initial customer contact and prospect management through to vehicle purchase.

• **Reynolds Integrated Telephone System (RITS)**, a dealership-wide, customer experience management tool, combining advanced phone features with a dealer's biggest assets – customer data from the DMS. It helps drive efficiency and better customer service through targeted phone conversations with consumers.

• **Aptus Websites**, a DMS-neutral website building and hosting platform, which enables dealers to effectively connect

with consumers at any time, on any device. The platform shares real-time vehicle stock data with POWER and Contact Advantage, as well as integration to the lead management system (LMS) hub. Customer enquiries are seamlessly created in the CRM, based on data entered by the consumer.

Marcus Nye, IT manager with Haynes Bros (a long-standing POWER customer), said about Aptus websites: "The platform has been a tremendous success for us, we have already rolled out eight Aptus sites and would not consider any other option now. We have real-time two-way stock integration with the POWER system, speeding up the process of showing our vehicle stock and allowing for changes in the DMS to be immediately reflected online."

He added: "Thanks to the flexibility of the platform we have been able to customise our site designs to suit our different car, commercial, truck and agricultural businesses requirements."

Together, Reynolds retailing tools improve dealership efficiency, employee effectiveness and enhance the consumer experience.

"The platform has been a tremendous success for us – we would not consider any other option"

Marcus Nye, IT manager,  
Haynes Bros

To find out more about Reynolds & Reynolds,  
visit [reyrey.co.uk](http://reyrey.co.uk), email [UKmarketing@reyrey.com](mailto:UKmarketing@reyrey.com)  
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# Video solutions for your retail environment – human personalisation for digital consumers

Personalised video for dealership Sales and Aftersales environments

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Powered by Vehicle Vision®, the system behind Audi UK's pioneering Audi Cam service, which enhances your customers' trust, demonstrates transparency and generates confidence in your dealership.

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- Increase your vehicle sales
- Increase your parts and labour sales
- Increase your customers' satisfaction

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T. 07802 361 722



[www.jewelultra.com](http://www.jewelultra.com)

Jewelultra has a proud history of working in the automotive industry, with products used and approved by leading motor manufacturers and dealer groups in the UK, Europe and throughout the rest of the world – providing thousands of customers with an unrivalled product and service.

Since its origins in 1974, the business has witnessed many industry changes, including collaboration and consolidation at both dealer level and manufacturer level, and between industry suppliers, to achieve the same goals – to reduce costs and increase value for money.

But the most significant development has been the transformative effect of the internet and digital communications – revolutionising the retail automotive environment, the consumer experience and a creating a new relationship between customers and their dealerships.

Personalised video supports this new relationship in a simple, but incredibly powerful way, by breaking down the barriers between the workshop and the customer, and, in sales, supporting the customer through the pre- and post-stages of the buying process.

This not only translates into meeting

*“We are committed to innovative ways of helping dealerships keep ahead and to providing products that can maximise profitability”*

Lance Boseley, Jewelultra



customers' expectations, enhancing trust, showing transparency and generating confidence (you have shown the customer, not just told them), but personalised video has proven commercial foundations – presenting genuine up-selling opportunities, converting more sales enquiries and creating more satisfied customers.

If we observe cultural habits and consumer behaviour, we can see the impact digital technology, mobile devices and video is having on our lives and businesses. For example, on YouTube every day people watch more than a billion hours of video and more than 70% of YouTube watch time comes from mobile devices.

From a dealership perspective, it's necessary to have a strategy in place to support this consumer behaviour and understand how the new and next generation of car buyers (millennials and generation Z) interact digitally with video content; delivering personalised video is a solution and embodies human personalisation within a digital channel.

Collaborating with industry supplier Vehicle

Vision – the developers of the pioneering Audi Cam for Audi UK – Jewelultra has been appointed Vehicle Vision's UK Reseller and they have launched ultravision™ to provide personalised video app and internet browser-based software solutions for dealers – to leverage the benefits of video in their sales and aftersales environments. The Vehicle Vision video systems are used globally to support brands, dealerships and garages and the two businesses share the same values and vision in developing quality products and being committed to making an improvement to the automotive industry.

Lance Boseley, Jewelultra Marketing Director, says: “We are committed to innovative ways of helping dealerships keep ahead and to providing products that can maximise profitability. Through this reseller agreement, we bring together proven and established video solutions with unrivalled dealership support. We see it as a win for the dealer and their strategy in adapting to the retail environment and a win for the consumer, exceeding expectations.”

For further information Email: [lance@jewelultra.com](mailto:lance@jewelultra.com)  
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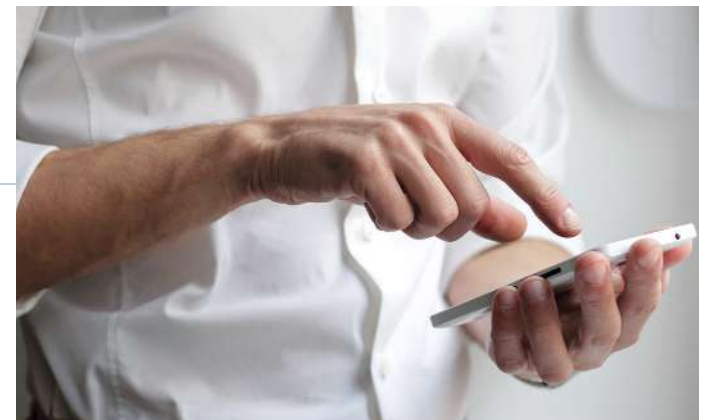
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## Advertising feature

Digital Transformation:

## A new era for automotive.

*Ecommerce isn't new to automotive. In recent years, the Tesla retail model and Hyundai's click-to-buy scheme made many sit up and take note. And many more were willing to cash in on the hype. But, in the end, solutions that delivered on what they promised - complete end-to-end ecommerce incorporating every aspect of the buying journey, have failed to materialise.*



NetDirector® Auto-e is different. We weren't in a rush to get our ecommerce offering to market, we were in a rush to get it right. And as a result, it delivers exactly what we say it does; full end-to-end ecommerce, including online finance application and instant credit approval. All within a retailer's native website.



We weren't in a rush to get our ecommerce offering to market, we were in a rush to get it right.



**Paul Stokes**, Head of Online Retailing, and **Ben Simpson**, Ecommerce Product Manager, have spearheaded our drive to develop the technology. From launching some of the industry's first retail stores, to providing digital transactional security and transparency, their skillset puts our solution on firm foundations.

*Top: Paul Stokes, Head of Online Retailing, GForces  
Bottom: Ben Simpson, Ecommerce Product Manager, GForces*

The platform has also been embraced by independents, franchise groups, and manufacturers alike. Not only is NetDirector® Auto-e therefore a tried and tested solution, but it's inherent flexibility and scalable ecommerce enablement means it can be tailored to suit your business needs. RRG Group, Vantage Motor Group, Croyland Car Megastore, Chorley Group, Infiniti Retail Group, and GM Middle East are all respectively leading the charge and embracing digital transformation via ecommerce.



We are delivering a refined customer journey via engaging, trust-generating touchpoints.

What we deliver goes beyond simply providing a website solution. We take the time to understand your existing business strategy, and your aspirations for lead generation and digital marketing. We identify any areas for improvement and provide the right infrastructure and processes to achieve them. This gives you the right foundation for full 24/7 ecommerce - if that's what you want. But however you may want to start your ecommerce journey, from simply taking deposits or outright payments, to moving on to online finance, you will have that flexibility in place with NetDirector® Auto-e.

Ecommerce will change your business for the better. One retail group saw 5% of their March used vehicle sales transacted through NetDirector® Auto-e. Here are some further stats showing why having a 24/7, ecommerce capable digital dealership should be part of your offering.

54%	of transactions are outside usual business hours
36%	of transactions utilise the trade-in tool
60%	of transactions are made through finance
40%	of transactions are reservations online
51%	of the transactions are from a mobile device
53	is the average transaction distance ( <i>miles</i> )
100%	of transactions have been at list price ( <i>no haggling</i> )

*Source: NetDirector® BI, 2019*

Through NetDirector® Auto-e, we are delivering a refined customer journey via engaging, trust-generating touchpoints that echo the ecommerce user-experiences consumers already expect and know. As we constantly improve and evolve the platform in line with consumer expectation and demand, we'll see more and more customers confidently making their next vehicle purchases online. ■

## G F O R C E S

If you would like to know more about NetDirector® Auto-e, get in touch with the team on **01622 391 947**.



# Supagard®

## Always a step ahead

Market research has helped Supagard identify a new need and we hope to tell you about it and make it available soon

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**N**ecessity is the mother of invention' is an old proverb. Roughly, it means the primary driving force for most inventions is need.

This is as true today as it was back in 1988 when Brian Quinn and John Orrick saw a need for a top-quality automotive paint protection product that could be marketed to car manufacturers. As a result, they founded Supagard.

From humble origins, the company has grown to be the UK market-leader in automotive exterior and interior protection products, with an enviable reputation for identifying needs in the market and developing innovative products to fill them.

As part of our policy of continuous research and development, we have recently performed wide-ranging, in-depth market research in an effort to ensure our product ranges continue to meet the needs of our extensive customer base.

This has allowed us to gather more information about what our customers (and, in turn, their customers) really want and also to identify any needs for which there are currently no solutions.

The research has produced some interesting results which will assist in our product development. But, more importantly, it identified a need in the market that is not being satisfied.



As the proverb says, this new 'necessity' has led us to develop a novel and unique product with enormous potential to provide another effective and long-lasting profit stream to our customer base, in addition to our renowned exterior and interior protection systems and aftercare ranges.

All Supagard treatments undergo continuous and rigorous independent testing to ensure their suitability for purpose and to maintain their technical superiority.

They are among the most advanced treatments available and we have spent many weeks and months developing and refining this new product. We are currently carrying out field tests before we bring it to market, but, because it's such an innovative concept, we can't really reveal what it is and what it does until we're 100% satisfied with its performance and we're putting it through its paces right now before we offer it.

Although Supagard are the undisputed UK market leader, we always like to be a step ahead of our rivals. In addition to developing new products and services,

we've also been recruiting to grow our sales and key account teams to ensure we continue to provide the best products and customer service available and meet the every possible demand from our clients.

We believe it's the quality of our products and the long-lasting protection they give that keeps consumers asking for Supagard every time they change their car – more than 16 manufacturers believe this too.

Manufacturers want hassle-free products which can generate substantial earnings for both them and their dealer network while keeping their customers satisfied – Supagard delivers in every way.

Our comprehensive product range offers world class protection and value to both new and used car customers and an unbeatable source of additional revenue to motor dealers and manufacturers.

Contact Supagard today to find out more about how your business can stay a step ahead of its competitors in partnership with the UK's No 1 in paint, fabric and leather protection and much, much more.

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- ✓ **Increase profit:** improve the accuracy of your valuations
- ✓ **Build trust:** walk customers through the transparent process
- ✓ **Take control:** full visibility of every part-exchange

Designed in partnership with dealers



Upgrade your appraisals with the new BCA Dealer Pro app  
[bca.co.uk/dpapp](https://bca.co.uk/dpapp)

## FUTURE OF RETAILING

**Dene Jones, Chief Marketing & Data Officer at BCA, examines how digitally-enabled dealers are moving to 24/7 vehicle sourcing to meet the changing needs of their retail customers.**

In a market that is seeing margins squeezed for UK dealers and used car operations growing in importance for driving profits, BCA has seen competition increase for quality stock.

Buying patterns are shifting towards seven-day research and purchase cycles as dealers use advanced online tools to locate and bid on the stock they need to meet consumer demand.

BCA is leading the industry in adapting to changing trends and has implemented a continuous programme of rapid technology roll-out to meet the needs of professional buyers today and into the future.

The BCA Buyer App has streamlined the buying process to ensure that professional buyers never miss a vehicle from the vast range on offer at BCA. The app supports online and in-auction bidding by tracking multiple vehicles in real-time with instant access to catalogue descriptions and BCA Assured reports.

Users can view all the vehicles they want to bid on in one screen and benefit from real-time

running orders and notifications when selected vehicles are going on sale.

Recent upgrades have refined the stock search by vehicle type (e.g. Car, LCV), model group, colour, mileage, CAP clean price and age. Results can be sorted by factors ranging from sale catalogue to price and the new 'recently added' function.

BCA put customers at the heart of the development process of the Buyer app, involving significant and ongoing input from a wide selection of buyers as new iterations are launched.

Efficient stock location is vital for dealers as is confidence in the catalogue description, valuation and grading. BCA Assured reports, vehicle grades and guide pricing are provided via the BCA Valuation tool, which generates values based on the condition and specification of the vehicle. It is the most accurate automated way to predict the final hammer price on vehicles that are sold through any channel at BCA. High quality digital images are essential, particularly for remote buyers who do not see the vehicle until it arrives on their forecourt.

BCA has also revolutionised the part-exchange process, ensuring the right cars are

kept for retail, while non-retail stock is sent for remarketing quickly and efficiently. BCA Dealer Pro is used by leading franchised and independent dealers across the UK and is integral to many manufacturers' used car and online retailing programmes.

Dealer Pro delivers an accurate, transparent and professional part-exchange process while building confidence with retail customers and improving profitability. The award-winning tool provides a simple to use appraisal and valuation app for tablet devices, providing dealers with a consistent pathway to manage every aspect of the part-exchange process. Regular upgrades are underway for the platform to widen integration with dealer management systems.

BCA is on a journey to giving its customers a truly personalised digital experience that supports their business needs. Our vision is the delivery of accurate real-time intelligence that connects every aspect of buying and selling with BCA, the UK's largest used vehicle marketplace.







# RANGE ROVER EVOQUE: WE CAN SEE CLEARLY NOW THE CAMERAS ARE HERE

**L**and Rover has all but eliminated the drawbacks of the new Range Rover Evoque by using HD cameras that deliver a wide-angle rearward view and spot obstacles underneath.

The clever ClearSight rear view mirror and (optional) Ground View systems are important additions to the all-new version of the fashionable SUV.

In a vehicle which uniquely maintains a concept car-like high shoulderline and small glasshouse, such innovations are, potentially, a huge selling point.

However, on the UK press launch at Cheshire's Peckforton Castle it soon became clear that the efforts to address the Evoque's limited visibility are just the tip of the iceberg when it comes to the improvements to JLR's crucial volume player.

Prices for the SUV, which has generated 785,000 global sales since 2011, with 20% of those registrations coming in the UK, now start at £31,600 for the front-wheel drive Evoque D150, which can be funded by a three-year PCP offer of £245 per month.

JLR expects the majority of customers to opt for the more premium HSE trim or above, as 80% of the owners of the previous model did.

There are five trim levels – standard, S, SE, HSE and First Edition – which can each be specified with optional R Dynamic sporty design features for an additional £1,500, and a choice of four turbodiesel and

three turbocharged petrol powertrains.

All Evoque models, apart from the entry level D150, are fitted with a new, 48V mild hybrid (MHEV) system. Ironically, the D150 is the most frugal and least emitting engine, at 52.3mpg and 143g/km CO<sub>2</sub>.

A first for Land Rover, the MHEV system works by harvesting energy under deceleration via an engine-mounted starter generator, storing it in the under floor battery, and delivers CO<sub>2</sub> emissions from as low as 149g/km and fuel economy from 50.4mpg.

A plug-in hybrid equipped with an all-new three-cylinder petrol engine will arrive before the end of this year.

The design of the second-generation Evoque is an evolution of the original, with a near-identical silhouette but smoother, sleeker design cues now align it more closely with the Velar and Range Rover Sport.

Slim Matrix LED headlights are fitted and while the footprint of the new Evoque is just 1mm longer and 4mm wider than the outgoing model a longer wheelbase has liberated 20mm of added legroom.

Added to that extra leg room, there's 10% more boot space (591 litres).

The new interior feels far more modern, though, and quality is higher than ever.

JLR's Touch Pro Duo system, already seen in larger Range Rovers, condenses numerous controls into two high-res touchscreens, the upper covering sat-nav and infotainment, the lower operating the drivetrain and climate control.



£31,600-  
£50,400



150, 180, 240PS  
2.0 MILD HYBRID  
PETROL; 200, 250,  
300PS MILD  
HYBRID DIESEL



0-62MPH,  
6.6-11.2 SECONDS;  
TOP SPEED  
122-150MPH



6SP MANUAL,  
9SP AUTO



30.9-50.4MPG



149G/KM -  
185G/KM CO<sub>2</sub>

## KEY RIVALS



Audi Q3

✓ USUAL AUDI  
CABIN QUALITY.  
BOOT CAPACITY

✗ FIRM RIDE.  
LACKS HYBRID  
OPTION



Lexus NX

✓ HYBRID APPEAL  
FOR BUSINESS  
USERS

✗ LACKS RUGGED  
OFF-ROAD  
APPEAL



Volvo XC 40

✓ DECEPTIVELY  
SPACIOUS.  
SWEDISH SIMPLICITY

✗ UNINTUITIVE  
INFOTAINMENT  
SYSTEM

## REVIEW RATINGS

AUTOCAR



TOP GEAR

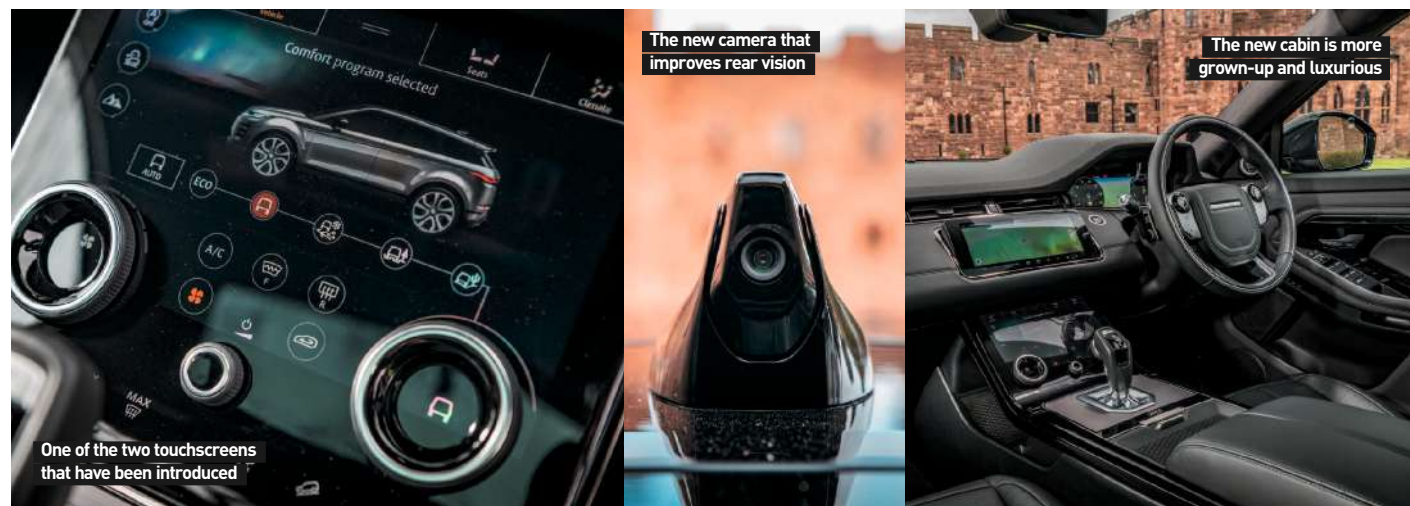


WHAT CAR?



THE CLEVER  
CLEAR-SIGHT  
REAR VIEW  
MIRROR AND  
(OPTIONAL)  
GROUNDVIEW  
SYSTEMS ARE  
IMPORTANT  
ADDITIONS





Ahead of the driver a traditional instrument binnacle has been replaced by a colourful TFT (thin film transistor) cluster which, while not as expansive or graphically sharp as the Volkswagen Group's system, functions well.

A touch of a button at the base of the rear view mirror activates the ClearSight HD rear camera, giving a 180-degree rear view to eliminate the predecessor's blind spots, while the Ground View system gives the driver a view of the road (or off-road surface) via the upper of the two Touch Pro screens.

Controls are evident for JLR's Terrain Response 2 system, which adjusts the chassis and differentials to different surfaces to help make the most of an off-road repertoire which includes the ability to wade through water up to 600mm (up 100mm compared with the previous model).

Terrain Response 2's ability to adjust automatically – without the need for a turn of a dial – renders most off-road work extremely straightforward, though.

We sampled both P250 petrol and D180 turbodiesel MHEV drivetrain options.

Delivering 28.5-30.4mpg fuel economy and 180g/km CO<sub>2</sub> emissions, the former is not the range's most frugal option or its fastest, the P300's 6.3-second dash to 60mph beating its seven seconds and 143mph.

In truth, the P250's performance claims felt a little optimistic. While the nine-speed automatic gearbox proved usefully slick, the two-litre petrol engine did lack some of the

## Q&amp;A



**RAWDON GLOVER,**  
MANAGING DIRECTOR,  
JAGUAR LAND ROVER UK

**Is it possible to overstate the importance of the Range Rover Evoque to the Land Rover brand?**

Globally, Evoque has sold more than 750,000 vehicles for us. People talk a lot about game-changing vehicles but that is exactly what the Evoque was for us and continues to be. The UK punches seriously above its weight in terms of Evoque sales and has made up 20% of the market so far. We want that to continue, but the brand also wants to build its share in other territories, particularly the US.

**How has the new car built on that game-changing formula?**

What I would have asked for in developing this car would have been more refinement, rear legroom and visibility. The old car was a beautiful piece of design but did it drive like – and have the refinement of – a Range Rover? I think it ticks all the boxes. The extended wheelbase and some of the new technology handles those cabin space and visibility issues and are both fantastic solutions when you look at

the overall package. In terms of design it's also aligned itself far more closely to the World Car Design of the Year award-winning Velar.

**Have dealers received the new range well, so far, and what are likely to be the most popular trim and engine combinations?**

The Evoque's 53% residual value is class-leading and the feedback we have had from our retail partners is that they are very happy with the pricing, the trim levels and the walk-through of the range. In terms of the trim levels, HSE and above was where the volume of sales has always been and this time around we can already see that the R Dynamic option will prove extremely popular. I think the R Dynamic trim option and diesel powertrain will continue to be where the centre of gravity lies.

**How will Jaguar Land Rover support the marketing efforts of its retailers with the Evoque?**

We'll kick off our advertising campaign proper in the first part of the third quarter. At the time of this launch event the new Evoque has been on sale in dealerships for four weeks and customers have already made a quarter of a million configurations on our website. Upon starting sales we have 150,000 existing customers to approach. For those reasons we are really, really confident about the vehicle and the success it can bring to the retail network.

effortless delivery you might expect once you've settled into the new, more grown-up and luxurious Evoque cabin.

The mid-range D180 feels like it might be the Evoque buyer's sweet spot.

Without any compromise in refinement, it delivers a respectable 8.8-second acceleration to 60mph and a 128mph top speed alongside claimed fuel economy of 38.4mpg-41.4mpg and 150g/km CO<sub>2</sub> emissions.

On the road the Evoque can act like quite a wide and heavy car, but a very square-set

footprint makes for impressive grip at all four corners.

What the latest Evoque now does far better than before is achieve that trademark Range Rover trick of imperious isolation of the driver and passengers from the efforts it's making – both on- and off-road.

The Evoque offers an evolution in design that aligns it closer to the rest of the range and a stack of new technology, which will require a talented sales executive or 'genius' to communicate to potential customers. Good luck. **TOM SHARPE**

**“THE UK PUNCHES SERIOUSLY ABOVE ITS WEIGHT IN TERMS OF EVOQUE SALES AND HAS MADE UP 20% OF THE MARKET SO FAR** **RAWDON GLOVER, JLR UK**

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PLATINUM



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TRAINING &  
SUPPORT



GLOBAL  
CERAMIC COATING  
LEADERS



MARKET LEADING  
CONVERSIONS



**5**  
YEAR

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**CERAMIC DETAILING TECHNOLOGY**  
**ADVANCED DETAILING TO DEALERSHIP**

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GIVE YOUR CUSTOMERS THE BEST PRODUCTS AND SERVICE, AND KEEP YOUR PROFIT PER RETAIL UNIT FIGURES SOARING.



# LEXUS UX: HEAD-TURNING HYBRID AIMS TO CAPITALISE ON DIESEL'S WOES



PRICE RANGE  
£29,905-  
£39,105



ENGINE  
2.0 184PS  
PETROL-ELECTRIC  
HYBRID



0-62MPH  
8.5-8.7 SECONDS;  
TOP SPEED  
110MPH



GEARBOX  
E-CVT



ECONOMIC RANGE  
46.3-53.3 MPG



94-103G/KM CO<sub>2</sub>

## Q&A



EWAN  
SHEPHERD,  
DIRECTOR  
LEXUS UK

### How important is UX to Lexus in the UK?

We are trying to move the Lexus brand on from where it was historically in terms of being a saloon-based brand to broaden its appeal to more of a lifestyle brand. UX joins our RX/RXL and NX SUVs but puts us into a new segment and so we anticipate a step change in growth and volume. We expect to sell our allocation of 3,900 UX models this year, while in a full year we expect a 6.5% segment share which equates to 6,000 units to make it our best-selling model. We anticipate 70% of buyers will come from another brand, with the remainder being CT drivers. We believe UX is a real winner for us.

### What will attract buyers to UX over one of its rivals?

We think it will stand out from some of the models in the sector because of its design, but also through its low cost of ownership. Its low road tax and fuel consumption means it will have great appeal to retail customers, who we expect to account for 57% of

registrations, but its favourable BIK tax will attract company car drivers. In this market we will be targeting user-choosers and small businesses – we are not after big fleet deals.

### What do you expect the sales mix to be?

We expect UX trim level to take 50% of orders, F Sport 40% and Takumi 10%. There are five optional packs – Premium, Premium Plus, Tech & Safety, Tech & Sound and Takumi Pack – available dependent on the trim level of the car and priced from £1,400 to £6,000. All cars are also available with four-wheel drive, while buyers can also specify a sunroof. Overall, we expect UX with Premium pack to become the best seller.

### How is UX being marketed in the UK?

We think UX will slightly lower the average age of the Lexus buyer and that is where our marketing will be aimed. By using channels such as social media, we achieved 15% of annual volume without spending anything on adverts before the car was launched. Our first advert was on The Voice on March 29, and in total this year we will spend £9.3 million on marketing the car, which is probably 20% more than for any other model we've launched. It demonstrates the strategic importance to us of UX in the UK.

Lexus is a brand full of confidence. It has an ambitious sales target for the UK and a freshness to its model range, while its petrol-

electric powertrains seem well-placed to take advantage of any anti-diesel sentiment.

Its newest model is the UX urban crossover, with the manufacturer expecting the premium C-SUV to become its biggest seller with 6,000 registrations annually – helping push the manufacturer towards its target of 20,000 annual sales in the UK by 2021/22. Last year it registered 12,405 cars.

Lexus expects the retail sector to account for 57% of UX sales, with the manufacturer saying a strong cost of ownership proposition, combined with bold styling, will be key to its success.

Available only with Lexus's fourth-generation 'self-charging' hybrid system, the car is powered by a 2.0-litre petrol engine together with an electric motor to produce

a combined 184PS. Official combined fuel economy on the WLTP cycle ranges from 46.3mpg to 53.3mpg, while CO<sub>2</sub> emissions on the NEDC-correlated model are between 94g/km and 103g/km.

These are class-leading figures, providing running cost savings for UX against its conventionally-powered competitors, while the cost of ownership benefit is even more marked for company car drivers.

The range has three trim levels – UX (from £29,905), sporty F-Sport (from £33,905) and the luxury-oriented Takumi (from £39,105). Two- and four-wheel drive variants are available. Five optional packs costing between £1,400 and £6,000 are offered, dependent on the model's trim level.

Company car drivers who pay 20% income tax will pay monthly benefit-in-kind (BIK) tax of between £109 for UX trim and £149 for Takumi models provided no options are added.

This gives it a sizeable tax advantage



THE UX SCORED  
82% FOR  
VULNERABLE  
ROAD USER  
PROTECTION,  
THE HIGHEST  
FOR ANY CAR  
YET TESTED

compared with rivals. For example, the entry-level Volvo XC40 D3 150 Momentum has a similar P11D price of £30,100, but its driver would face a monthly BIK bill of £166 due to its higher CO<sub>2</sub>.

While these tax savings are likely to attract the attention of company car drivers, the UX's appeal stretches far beyond this.

It looks striking, with its sculpted lines and prominent grille helping it stand out from rivals and the interior nicely complements its exterior.

Materials and build quality are high, while the dashboard and important controls are angled towards the driver, giving it a pleasant cocooning feeling. Interior space, too, is competitive for the class.

The main bugbear is the touchpad which controls the infotainment system. The screen – a seven-inch in UX and F Sport trims and 10.3-inch in Takumi – is out of reach of the driver so has to be operated through a touchpad positioned by the gear-

stick. It gives a clean look to the console, but is fiddly to use.

Other than that, gripes are few and far between. On the road, the UX offers a comfortable and exceptionally refined ride, with a nice weight to its steering.

Standard specification across the range is also good. All models feature Lexus's Safety System+ suite of active safety technologies, which includes adaptive cruise control, lane-keep assist, pre-collision system with pedestrian detection and intelligent high-beam headlights.

UX has also achieved the top five-star Euro NCAP safety rating, scoring 96% for its effectiveness in safeguarding adults and 85% for children. It also scored 82% for vulnerable road user protection, the highest for any car yet tested.

The UX impresses. It offers an accomplished and head-turning alternative to the more established premium C-SUVs, as well as savings for its driver. **ANDREW RYAN**

## KEY RIVALS



Audi Q3



IMPRESSIVE INTERIOR SPACE, GENEROUS EQUIPMENT



FIRMER RIDE THAN CLOSEST RIVALS, NOISY DIESEL ENGINES



Jaguar E-Pace



GREAT DRIVING POSITION, STYLISH EXTERIOR



UNSETTLED RIDE, SO-SO INTERIOR QUALITY



Volvo XC40



REFINED WITH GOOD RIDE, IMPRESSIVE SAFETY TECH



DIESEL ENGINE CAN BE NOISY, MOTORWAY ROAD NOISE

## REVIEW RATINGS

### PARKERS



### TOP GEAR



### WHAT CAR?





## ADVERTISING FEATURE

# Market your stock faster than ever

By Michaela Gunney,  
Secure Group valeting and imaging



Secure is now one of the biggest suppliers to the UK's top 100 dealer groups, auction sites and remarketing businesses, with operational solutions fulfilling the needs of retailers and remarketers at more than 400 locations across the country. The business has grown in each of its 21 years in operation, with more than 1,400 operatives completing the range of services on offer.

### Unified valeting and imaging

The Secure Auto Imaging app is integrating with various DMS systems and online retail sites, such as Auto Trader and Motors. Images are being taken and synced to these platforms right after a valet, when the car looks its best. We find that retailers can market stock 48 or 72 hours faster as a result.

Secure's valeting division has unique Progress Chaser software. Integrated into the app, this provides real-time sight of a vehicle's progress through the valet bay and workshop and can identify those without images that are available.

The workflow management side of Secure's software has persuaded many dealer groups to opt for the "total service solution" of valeting and imaging.

### Total support services

Secure Group has shifted its sights to become an all-encompassing, technology-led outsourcing provider.

Everything from 'meet and greet', driving duties, yard staff, valeting and imaging services are supported with a suite of technology to remove time, stress and frustrations from the vehicle preparation and marketing process.

A major dealer group adopted Secure's services in its Ford, JLR, Nissan and Renault businesses and another top 100 player throughout its JLR division.

These large groups have done their due diligence on Secure Group's compliance with the Modern Slavery Act, GDPR and health and safety laws.

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## SHOWROOM LONG-TERM REPORTS

### MITSUBISHI OUTLANDER PHEV 4H



## OUTLANDER STOLE A MARCH, BUT SMALLER PHEVs ARE CATCHING UP

Last month I urged AM readers to find EV champions among their customers, to help counter some misperceptions about plug-in electric and hybrid cars. A trawl of the internet quickly finds forums with positive comments from owners of the current and last generation Outlander PHEV, as well as numerous professional reviews.

Outlander PHEV has undoubtedly benefited from its [2013] head start over rivals. It has become an established brand, helped by tax benefits and the now removed plug-in car grant, and as rival plug-in cars enter the market (see table for a selection) they have a battle to raise awareness. Also in Outlander's favour is the near £20,000 price gap between it and the similarly-sized Volvo XC60 – the only other mid-range SUV currently available. But the greatest threat to Mitsubishi's hybrid now comes from lower priced, smaller PHEVs that can tempt company car user-choosers seeking to minimise BIK.

Maybe it's time for a PHEV version of Mitsubishi's smaller Eclipse Cross model. **TIM ROSE**

	OTR price	CO <sub>2</sub> g/km (WLTP)	Max pure electric range	MPG (WLTP)	Service interval
Mitsubishi Outlander 2.4 PHEV	£36,755	40	28 miles	139	1 yr/12,500 m
Kia Niro 1.6 PHEV	£31,195	31	30 miles	201.8	1 yr/10,000 m
Toyota Prius 1.8 PHEV	£31,695	28	39 miles	235	1 yr/10,000 m
Mini Countryman 1.5 PHEV	£31,895	55	13 miles	97.4	Variable
Hyundai Ioniq 1.6 PHEV	£28,395	26	32 miles	247.8	1 yr/10,000 m
Volvo XC60 T8 2.0 PHEV	£55,005	43	28 miles	134.5	1 yr/18,000 m

✓ IT'S NO FUSS, RELIABLE, HYBRID MOTORING

✗ THE STANDARD ELECTRIC-POWERED TAILGATE WORRIES MY DOGS

CURRENT MILEAGE 0 3 6 4 2

START MILEAGE 0 0 3 7 2

### SEAT LEON ST SE 1-LITRE TSI



## THERE'S NOTHING 'BASIC' ABOUT SEAT'S LEON ST SE

The arrival of AM's new Seat Leon ST long-term test car provided the rare sight of a few blanked-off buttons but sparked the realisation of just how much standard equipment car buyers now deem to be the minimum.

Gone is the time when the basic trim level meant black plastic bumpers and door mirrors that would turn grey in the sun in the first few months of ownership.

In its most basic form, the Leon ST SE ticks many boxes.

Metallic paint, 17-inch alloys, silver roof rails and LED daytime running lights take care of the exterior styling while cruise control, air conditioning and an eight-inch touchscreen infotainment system all feature inside.

Seat's basic SmartLink set-up might not feature sat-nav, but Apple CarPlay or MirrorLink connectivity deliver an alternative navigation solution.

Helping me on my commute is an adjustable centre armrest and a seating position with ample adjustability in the seat and steering column while, at a weekend, I can take advantage of a 587-litre boot.

At £19,260, the Leon ST looks something of a bargain, even if it's far from the freshest of hatchback-based estate cars on the market – there are the very new Ford Focus, Kia Ceed and Hyundai i30 to consider.

It's 115PS Volkswagen Group engine suggests fairly low running costs, with claims of 45.6-50.4mpg fuel economy and 109g/km CO<sub>2</sub> emissions alongside 10.1 second acceleration to 62mph and a 122mph top speed.

If I sound enthusiastic about the Leon ST SE's arrival it's because I have been genuinely impressed with its looks, the level of standard kit and the prospect of low running costs.

And no, it's not just the novelty of driving a 'basic' spec car... that concept seems to be lost on Seat. **TOM SHARPE**



PRICE RANGE  
£19,260



ENGINE  
115PS 1L PETROL



0-62MPH  
0-62MPH IN 10.1  
SECONDS; 122MPH  
TOP SPEED



GEARBOX  
6SP MANUAL



ECONOMIC RANGE  
46.3-53.3 MPG



109/KM CO<sub>2</sub>

CURRENT MILEAGE 0 2 0 0 3

START MILEAGE 0 0 7 7 9

## ≡ GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Mark Finch, group general counsel and company secretary, Jardine Motors Group, correctly identified the Volkswagen Scirocco Mk1 in last month's issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto:am@bauermedia.co.uk) with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, July 5th.



## ADVERTISING FEATURE

# Adapting to changing times

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



We all know the automotive market is constantly evolving, with environmental demands and intense competition meaning that manufacturers, and, in turn, dealers, are constantly having to adapt to meet ever-changing customer demands.

According to recent research carried out by BNP Paribas Personal Finance, customer loyalty is on the wane, with people increasingly likely to move between brands when purchasing their new car. Increased flexibility when it comes to finance packages is key to this trend, as is the rise of carpooling services and ride-sharing apps, such as Uber.

In fact, according to a consumer survey conducted by Ernst & Young, this is leading many people to shun the car altogether, with a quarter of all respondents saying they no longer feel vehicle ownership is important to them.

Despite this, dealers can and will adapt to this changing world, with a critical look at the buying process key in allowing them to continue to thrive.

This can incorporate everything from a well-thought-out CRM system to upskilling team members, but it is also important to think about brand identity and what the manufacturer stands for, and align the customer proposition with this.

Equally vital is thinking about revenue streams and considering where the bulk of the business's profits are coming from. Ensuring that your finance package is giving you the most bang for your buck can help with this. Analysing your business in this way can help you to sort the wheat from the chaff when it comes to additional offerings, such as insurance and servicing products. You can then use this knowledge to judge the value they bring to your business and act accordingly.

■ For more information, visit [www.bnpparibas-pf.co.uk/our-solutions/motor-finance](http://www.bnpparibas-pf.co.uk/our-solutions/motor-finance)



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TALENT  
PEOPLE DEVELOPMENT

POLICY MAKING

# WHAT'S YOUR EMPLOYEE SOCIAL MEDIA POLICY?

Don't exercise excessive control, but you need to protect the company's reputation

**S**ocial media can be a powerful business tool. It can help a company to stand out and it can also crush careers in 280 characters.

Jeremy Evans, Marketing Delivery managing director, said there hasn't been a huge focus from dealers on making sure they have a social media policy in place, but this is starting to change as the medium has become more ingrained in daily life.

Evans said it was best practice to have a dedicated person, whether that's the marketing team or digital advocate to handle social media posts.

He said: "If the tone is cheeky or comedic, that's fine, but you have to be consistent and happy that it will be the online persona of the brand."

Alex Jones, Carbase head of marketing and digital and highly commended at the AM Awards 2019 for Best Use of Social Media, has a social media policy as part of the company's handbook.

Carbase had a general internet usage policy from 2007 which loosely covered social media, but this was split to provide social media with its own policy in 2011. This policy has been incrementally updated annually since.

It was put together with the help of the

marketing team, HR and outside experts and it includes areas such as bullying and mental health.

Matthew Potter, partner at legal firm Howes Percival, said a social media policy provides guidelines for usage and remedies for misuse.

He said: "Failure to monitor and regulate usage can result in damage to your brand, disclosure of confidential information and even liability for discriminatory or defamatory comments."

Potter said a social media policy will usually be found in the staff handbook and may form part of the conditions of employment. They can cover social media use at any time, whether during office hours or private use, especially if the employer or brand can be identified from the individual or their postings or tweets.

Ideally staff should be trained on the use of social media both in terms of its positive effect and also in terms of what to avoid. The policy should include what happens in the event of a breach and what steps the company is likely to take against an employee.

Dealers should also ensure it is in line with existing policies such as those about discipline, grievance and data protection.

Jones was prompted to introduce a policy after seeing that some staff were posting more personal and throwaway comments while representing the company and some customers would come back and ask if it was the opinion of the company.

There were no major problems, but Jones took it as a warning sign that there needed to be something more structured in place.

The marketing team now handles all social media posts. This doesn't mean content is a watered down corporate

message, but all content follows the mantra of "amuse, admire and inspire". A post has to fit that brief to get posted. Instant emotional responses or "rage responses" are a no-no.

The fact the marketing team control messaging and tone doesn't mean other members of the Carbase team are left out either. With permission, their Facebook profile or Twitter handle can be tagged in posts or projects team members are directly involved in.

Carbase doesn't encourage business-specific social media profiles, so when staff are tagged they can be their own personal ones or specific business profiles if that's what they prefer.

An area Jones thinks doesn't get addressed around social media is closed chat groups like Whatsapp or Facebook messenger. These can be work-specific, just involving people within the business and can be fun, but they can also be a breeding ground for bullying and negativity.

Jones said: "Those chats around the water cooler have moved to group messaging services."

"We haven't had any big problems with this, but we could see warning signs again so we ask that group chats that only involve the business aren't used [for other things]."

Jones acknowledged it can't be guaranteed that staff will read through four pages of social media policy, but it's there for reference and the company's approach to social media is covered in the induction process.

There is also a five-step e-learning course put together by Litmos Heroes to engage staff with Carbase's approach.

Jones said: "We make sure staff see how successful we have been and why this approach works." **TOM SEYMOUR**

“THOSE CHATS  
AROUND THE  
WATER COOLER  
HAVE MOVED  
TO GROUP  
MESSAGING  
SERVICES”



ALEX JONES, HEAD OF  
MARKETING AND DIGITAL,  
CARBASE

RESOURCES

## TIPS ON HOW TO WRITE A SOCIAL MEDIA POLICY

Hootsuite, the social media management platform, has put together some tips on how to draw up a policy, with examples from big corporates like Adidas.  
<https://blog.hootsuite.com/social-media-policy-for-employees/>

## TURNING SOCIAL MEDIA POLICY FROM A LIABILITY TO AN ADVANTAGE

Sprout Social, a social media management company, hosts a session on forming a social media policy that isn't "dry, boring and tyrannical".  
<https://www.youtube.com/watch?v=zIKPfeottBQ>

## THE PERILS OF USING WHATSAPP AT WORK

An article from the *Financial Times* exploring why group chat apps can be risky at work.  
<https://www.ft.com/content/4fbf6c18-a501-11e7-b797-b61809486fe2>



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TALENT  
MOVERS

## TALENT ON THE MOVE



MICHAEL BELL,  
CEO, AVAILABLE CAR

Michael Bell has been appointed chief executive of used car supermarket group Available Car.

He has been involved with the business, which was founded by his parents, in a variety of roles for all his working life.

In his new role, Bell will be responsible for "driving the business forward through innovation" as it seeks to develop its senior leadership team.

He took the job following the departure of Paul Arscott, who led the group as operations director for 17 years.

Arscott left Available Car to pursue

"personal and professional endeavours".

Available Car chairman Graham Bell said: "Michael's grandfather, Vernon Ford, started his car retail business exactly 60 years ago and it's incredibly important to both (my wife) Alison and I that our family values and traditions continue as our business moves forward.

"Michael's appointment brings new ideas and a fresh approach to the business and we are confident that under his dynamic leadership, we are ready to face all challenges for the new digital age."

Available Car has enjoyed rapid growth since Graham Bell and his wife opened the first site in Castle Donington in 2002.

This was followed by Sutton-in-Ashfield in 2007, Cannock in 2012, and, most recently, Leeds, West Yorkshire, in January 2016.

The group holds a stock of more than 5,000 used cars, priced between £4,000 and £24,000, across its four sites.

Michael Bell said: "I have no doubt that our customer-focused approach and our investment in people are what have made Available Car the success it is.

"I am confident that, with our strong management team and great staff, the business will continue to go from strength to strength."



ALEX GERSH, CHIEF  
FINANCIAL OFFICER,  
CAZOO

Cazoo has appointed former Paddy Power Betfair chief financial officer, Alex Gersh, as its first CFO.

Gersh will be responsible for building Cazoo's finance function and managing the growth of the business. He will join the board and executive team, reporting directly to its founder and chief executive, Zoopla founder Alex Chesterman OBE.

Jonathan Howell also joined the business this month from Made.com, taking the role of chief technology officer.



STEPHEN BELLAMY,  
NON-EXECUTIVE  
DIRECTOR, CAFFYNS

Stephen Bellamy has joined Caffyns as a non-executive director and chairman of the board's remuneration committee.

He will also be a member of the AM100 PLC's audit committee and nominations committee, replacing Nick Hollingworth who is retiring following an 11-year tenure.

Bellamy has previous experience of motor retail at Brierley Investments, where he served as executive director of its London operation between 1994 and 2000.



DARREN SINCLAIR,  
CHIEF CUSTOMER  
OFFICER, MODIX UK

Modix UK managing director Darren Sinclair has been given an expanded role as chief customer officer in a senior management reshuffle.

Sinclair has been managing director of Modix UK since 2016, and led the business through a period of technological regeneration and innovative product development.

In his new role, Sinclair will continue to lead the Modix UK team, but will also take responsibility for global customer accounts.

### ADVERTISING FEATURE

## More profiling will help dealers target customers

By James Tew, CEO, iVendi



Do you ever wish you could better profile customers online? Matching them to the vehicle and finance they want more accurately and rapidly? Well, technology that helps dealers do just that is becoming available.

There are two main types. The first looks at a user's past activity. If you know someone has been searching for a specific model of hatchback, priced between £7,000 and 8,000, less than three years old, having covered about 15,000 miles, with a finance deal showing payment range of £140-£160 a month and a deposit of £500, you can provide them with options from your stock.

The second reverses that process, in essence, using data gathered over time. It works by looking at a dealer's used vehicle stock and suggesting the profile of a prospective customer. This will include factors such as gender, age, marital status, residency type, dependents, occupation and income. It can even drill down to profiling customer types by derivative, so identifying the difference between purchasers of a five-seater versus a seven-seater of the same model.

Both types of profiling let car retailers create an online retail journey that fits each customer's specific needs. It's about using the information you know about them to potentially target their requirements more accurately at an earlier stage in the process, thereby increasing your chances of making a sale by meeting their needs more efficiently.

The results of profiling are sometimes predictable, but we are discovering they also deliver surprises that enable dealers to profitably change the way they market particular models or types of vehicle.

In our view, this kind of profiling has many uses for the future. The technology is available now and we are looking at ways of integrating it into our product development plans for the near future.

**iVendi is the international market leader in online motor retailing solutions, working with everyone from dealers and manufacturers to car portals and motor finance providers. Visit [www.ivendi.com](http://www.ivendi.com), email [enquiries@ivendi.com](mailto:enquiries@ivendi.com) or call 0345 226 0503.**





# What is Live Person Automotive?

**LivePerson Automotive – formerly known as Contact At Once – enables and empowers strong relationships between dealers and consumers... on their terms**

**Q What does Live Person Automotive (LPA) do?**

**A** LivePerson Automotive (LPA), a LivePerson company, helps to create satisfying connections and build relationships between consumers and dealers by making it easier for consumers to ask questions and get information in the micro-moments when they shop — whether on a manufacturer or dealer website, via online advertising, on social media or elsewhere.

Through our powerful messaging solution, we help dealers to win customers throughout the car-buying process, keep those customers loyal during the ownership journey and earn the right to sell them their next new vehicle. LPA powers messaging on thousands of dealer websites, many manufacturer sites, and ensures that when a consumer wants to message dealers on Apple, Facebook, Google AdWords or sites such as Auto Trader UK, they can.

In fact, we were the first company to offer Apple Business Chat (ABC) to car dealers. ABC offers a new way for automotive companies to interact with millions of iOS users through messaging. With ABC, consumers will be able to see (and tap) a message icon beside your listings across iOS key dealer discovery points, such as Safari, Maps, Siri and Spotlight. Shoppers can then gather information, schedule appointments and more, with brand app customisations, all within the native Messages app.

**Q Why do we offer more than 'live chat' and why does it matter?**

**A** Some 29 years ago, Robert P. LoCascio, our founder and chief executive, invented web-based live chat and forever changed the way consumers interact with brands. Moving forward to 2019, things have once again evolved and moved beyond just chat. Today, brands have to engage with consumers whenever and wherever they are. Consumers want answers immediately — they are used to having content available

24/7 at their fingertips, which drives the need for dealerships to have real-time messaging around the clock. Mobile-based chat gives the consumer the ability to pick up and put down a conversation with a brand at any point in time, whenever it suits them.

What makes mobile-based messaging so convenient for the consumer and so powerful for the brand is the ability to take the conversation across multiple platforms. Live Person Automotive is able to support customers across multiple platforms, including: Facebook Messenger; Apple Business Chat; SMS; Google My Business and WhatsApp. If that was not enough, with our managed services (powered by Moneypenny), we are able to support brands by allowing them to offer a truly always-open service to their customers.

**Q What makes LPA unique?**

**A** In a word... ecosystem. We are able to offer a unique interconnected ecosystem that can tie in with every brand, from manufacturers to independent dealers. LivePerson Automotive is the only brand in the industry that connects consumers to the

dealers from sales to service through not only messaging on their sites, but also provides our customers with valuable leads.

Our ability to provide our customers with valuable leads from industry-leading platforms such as Auto Trader, AA Motors and Motors.co.uk is what makes our messaging solution so appealing. In fact, such is the power of the LPA ecosystem, we often find that our new customers are almost overwhelmed with the number of new leads we are able to provide them from the very moment that they sign up with us.

**Q So is the LPA solution just for manufacturers and large dealer groups?**

**A** Not at all — we are for everyone from the largest manufacturers to the single-rooftop independent dealer. Our messaging solution is a highly adaptable and very affordable option that can be fully integrated into existing in-house systems. In addition, our managed services help to level the playing field for independent dealers. We help dealers to stay connected with their customers even when the physical dealership is closed for the night.

Our research has shown that customers are extremely active in the evening and in particular from 8pm till midnight. If you are not available when the customer is conducting their research, you are probably missing out on vital leads and, ultimately, sales. If there are three things that every dealer needs to know about the modern consumer it is that consumers are well informed, connected and often have another vehicle lined up. If you miss them, they are not coming back.

**Q What can you expect from LPA?**

**A** Live Person Automotive is an exciting place to be, we are never sitting still or looking backwards. We are constantly seeking new ways in which we can improve and enhance the way our customers interact with their customers

## COMPANY PROFILE

**Key products:** Complete messaging solution for consumer-led conversations

**Key staff:** Thom Coupar-Evans, sales director UK

**Based:** London and Reading

**Visit:** [www.liveperson.com/solutions/automotive/](http://www.liveperson.com/solutions/automotive/)

**email:** [omccarthy@liveperson.com](mailto:omccarthy@liveperson.com)

**Telephone:** +44 (0) 333 666 5483



**“CONSUMERS ARE WELL INFORMED, CONNECTED AND OFTEN HAVE ANOTHER VEHICLE LINED UP**

and build stronger, longer-lasting relationships.

Two exciting things that we are looking forward to introducing to the LPA ecosystem are WhatsApp and Google Rich Communication Services (RCS).

WhatsApp is the global communication app of choice, with more than 1.5 billion users worldwide — a number growing all the time. The platform's ability to offer rich and secure text-based communications

means it is a favourite among an ever growing number of tech-savvy consumers — this is why we will be introducing WhatsApp to the LPA ecosystem in 2019.

Google RCS really will change the digital landscape and revolutionise the way customers interact with brands. Consumers will be able to contact dealers with the same level of simplicity as they currently enjoy with SMS, but with the added advantage of it being a real-time rich media experience.



# SET YOUR STRATEGY FOR THE NEXT DECADE

Dealers must begin changing now to stay relevant through electrification, mobility as a service, and new finance rules



Conference chairman Tony Whitehorn welcomes delegates to the Congress

**I**f the franchised dealer model does not evolve between now and 2030, dealers risk a decline in return on sales of between five and seven percentage points, which would drive every dealer in the country out of business.

Cristiano Carlutti, associate partner at McKinsey and Company, urged delegates at the Automotive Retail Congress to follow the lead of their manufacturer partners and prepare their business plans early for a future of connected mobility.

Carlutti, formerly a flagship development manager and vice-president of used sales for Fiat, and vice-president of sales and operation for Tesla in Europe, said retailers will lose key elements of the value chain if they fail to act.

"There are a lot of opportunities from digital sales and dealers' embrace of apps to offer convenience to customers," said Carlutti. "What we need to see more of is the dealers integrating more closely into the customers' technology ecosystem."

He described the technologies driving a potentially disruptive mobility sector – autonomous, electric, connected and shared technologies – as "completely intersected", saying that "each acts as an enabler to the other".

He added: "Connectivity is the enabler of almost everything else."

Investment in these technologies over the past five years has been "amazing", he said, with much coming from non-manufacturers.

"What we are going to see is a significant disruption of the market. It may be five years from now, but it will happen," said Carlutti.

But he added that European consumers remain far more loyal to manufacturer brands than their Asian equivalents.

Carlutti said dealers needed to acknowledge this – and their role as the "number one deciding factor" in a car sale – when developing their own solution to the challenges posed by new mobility.

"Customers now want to have an experience which is easy, convenient and seamless, from online to offline, and they want the transparency they get elsewhere," he said.

"Also they need some 'wow factor'. These things are important in defining the customer experience.

"The dealer can now become the specialist information service not only for car buying, but mobility. This will ensure that the dealer remains very important to the customer in the new mobility environment."

Carlutti warned against buying into the suggestion that manufacturers and car retailers were vulnerable to mobility disruptors.

He said: "Those looking at the start-up sector could be tempted to refer to the OEMs as dinosaurs, but we must not underestimate their ability to change and adapt."

"[Manufacturers] are now looking to build closer ties with their customers. They are experimenting, piloting, and learning very quickly to hedge their bets."

On used car opportunities that may present themselves by 2030, Philip Nothard, customer insight and strategy director, cars, at Cox Automotive, said the trends of new car buyers using PCP and PCH, and even subscriptions, will be mirrored by many used car customers. It means a second lease opportunity for the finance company and their brokers. "It's not about how we buy, it's whether we buy," he said.

PCP dominates the new car market, accounting for between 80% and 90% of all sales, and is now growing in the used car market, too.

Nothard said: "PCH offers a consumer an 18-month contract with better flexibility. Those will come to the used market, giving that car a second life before it reaches wholesale."

He said PCH is predicted to account for 20% of new car sales this year.

**THE DEALER CAN NOW BECOME THE SPECIALIST INFORMATION SERVICE NOT ONLY FOR CAR BUYING, BUT MOBILITY**

**CRISTIANO CARLUTTI, MCKINSEY & CO**

"Dealers will need to think about how they stop selling cars and start selling the use of a vehicle. PCH was a dirty word to a dealer, but now we see dealers offering PCH to consumers. 'Car as a service' is here, we are quickly moving into 'mobility as a service' (MaaS)."

With the average used car customer only two or three vehicle changes away from 2030, Nothard believes the used car market will look similar to today.

Electrification will become more prevalent and dealers should expect diesel share to reduce to about 20% in favour of hybrid and plug-in hybrid models within the next five years.

In the wholesale market, Nothard said up to 80% of trades will take place online by 2023. The traditional auction model will change drastically as dealers look to speed up transactions.

"The way the vehicle is moved through the physical space will be scaled up," he said. "Vehicle movements will reduce by up to 50%. Everything will be done in the digital space."

"Efficiency through the use of technology will reduce days to sell by 60% by 2023."

Dealers will welcome efficiency in the new and used car departments, because pressure on their lucrative aftersales operations is likely to build. Dr Andrew Tongue, research director at the ICDP, said: "There are structural changes under way in the aftermarket... and they will continue to build over the next 11 years."

Vehicle service requirements, annual mileages and mechanical crash repair volumes have all declined, but those changes have been masked by vehicle parc growth.

The ICDP recorded that total repair jobs in the UK rose 1.4% between 2014 and 2017. Per vehicle, they've fallen by 7.3%. Average cost of repair and maintenance per car has increased by 6.7%.

As EVs become more commonplace, franchised dealers will be well placed to capitalise on their expertise in servicing and repairing these cars. Current research shows 57% of owners prefer franchised dealers to fix their EVs. But Tongue suggested current sales rhetoric about the relative reliability and low maintenance demands of pure EVs could harm dealers by

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## BRIEF INSIGHTS

### THE MOTOR FINANCE OUTLOOK

Since 2017, the Financial Conduct Authority (FCA) has been concerned about affordability, commission and transparency in motor finance. Graham Filmer, director of Rocket Performance, said the recent publication of the FCA's review of motor finance shows it will demand changes to give clarity and security to consumers.

"The regulator has grave concerns that consumers don't know enough about the finance they are buying and the implications for it." He said paperwork is not enough, and the FCA wants dealers and brokers to do more to make consumers

aware of exactly what they are getting, why, and the limitations. Technology will likely make a difference.

All lenders are already supposed to be showing progress on affordability assessments, which are different to creditworthiness checks.

"A lot of people say if the customer is good for credit, surely they can afford the payment. The regulator sees that as entirely two different things," said Filmer.

Following the FCA's review, a consultation period is under way with industry bodies and companies. The outcome of that is likely to be published in Q4, and the FCA may demand implementation in Q1 2020. "If anyone is sitting there

thinking it is business as usual, whether a lender, dealer or supplier, you need to get your act together now."

He said most dealers will think of FCA regulation as stifling, but lenders may see it as an opportunity to build trust.

"As we move from today's purchase model to a usership model, finance is going to be a core component of that. Today, 91% of private new car buyers use dealer finance, it's nowhere near that for used cars. That is a huge opportunity."

Filmer said dealers will have to make it evident to customers that they earn commission from arranging finance. It is their income, not merely an enabler to a car sale. But being open will build trust.

He said the FCA despises cross-subsidisation, such as offering the car at a loss or breakeven price but charging a 19% APR on the finance, and that may need to change.

Finally, the FCA is looking at all general insurance, including GAP, to ensure it offers value to consumers.

"The regulator says you need to make money out of the car. The FCA announcement does have implications for car values and car pricing. That's an issue, but it could be perfectly fine because of the way consumers buy cars... as rental, not as cash price. And people will move to a digital self-serve model, with an absolute audit trail."

Using finance as a digital enabler will help dealers to earn a little from greater volume, he said.





## BRIEF INSIGHTS

### HOW CAR RETAILERS CAN MERGE WITH MOBILITY SERVICES

Car retailers will have to be open to a "cultural shift" towards mobility if they wish to become the unavoidable partner of businesses and consumers keen to adopt mobility as a service (MaaS), according to Giuseppe Marotta, the chief executive of BeMobility.

Funded by seven Italian franchised car retail groups, BeMobility was founded to research emerging mobility trends in Europe's key automotive retail markets in order to identify new opportunities in the MaaS industry.

Marotta said the motivation had been clear. By 2030, the European automotive market, now worth €3.5 trillion (£3.1tn), is expected to have grown to €4.8tn (£4.3tn), an increase of 37%. Over the same period, mobility as a service (MaaS) – currently worth €39 billion (£34.8bn) – is predicted to grow almost 3,000% to €1.3tn (£1.2tn), and make up more than a quarter of the total market.

"This is why those Italian retailers have decided to invest in research into that area and try to establish the best way to get involved in MaaS," said Marotta.

Marotta said the obvious way the MaaS market would evolve was as a single platform catering for all consumers' transport needs, including the transaction process of paying for a wide variety of potential solutions.

Google Maps already delivers a view of how this might look, he said, when it delivers approximate journey times for various transport types.

BeMobility researched 89 European dealer groups to establish to what extent car retailers are embracing MaaS currently. The study delivered evidence of three possible models co-existing across four countries – a standalone model, demanding large-scale investment from groups with a turnover of more than €1bn; a collective mobility solution often embraced by groups with a turnover of about €50m

looking for peers with which to partner; and a valet model, which relied on partnerships and often demanded no investment.

As an example of the standalone model, Marotta highlighted Whim, a solution originally introduced in Helsinki, after it was funded by a car retail group. The app, which brings together all modes of transport on a single app, is now attracting investment from Toyota.

To illustrate the collective model, Marotta cited Flinkster, a platform started by Deutsche Bank that started offering fuel cards outside key train stations in an attempt to facilitate motorists' onward journeys.

Ford retailers then struck up an agreement, which saw them "plug in" to the app-driven platform in order to offer an accompanying car-sharing service.

The 'valet' model, Marotta said, saw open-minded retailers team up with existing car sharing schemes to provide vehicles.

He said the result was that retailers often had to improve their efficiency as fleet management operations, but claimed that the aftersales income from such operations was 15% higher than traditional, privately owned cars.

The key to making profits from an emerging mobility market would be how willing retailers were to embrace the cultural shift and move away from their current dependence on low-margin new vehicle sales, said Marotta.

He said that the technological aspect of the tools needed to break into the mobility sector were now becoming a commodity.

"What is difficult to establish is the customer base, vehicles and logistics, which dealers already have", he said.



L-R: Congress chairman Tony Whitehorn, the ICDP's Andrew Tongue, Cox Automotive's Philip Nothard and McKinsey & Co's Cristiano Carlutti

Opportunities are emerging over the next couple of years that could leave UK automotive businesses well placed for sales success.

The UK automotive sector runs the risk of being left behind in the global race towards electrification, according to David Bailey, professor of business economics at the Birmingham Business School.

Bailey said the economic impact of Brexit cannot be underestimated as manufacturers and consumers have slipped into a period of uncertainty that has both hit sales in the short term and affected the sector's ability to compete in manufacturing in the longer term.

Drawing on insight from his new book, *Keeping the Wheels on the Road: UK Automotive After Brexit*, Bailey said he felt the Society of Motor Manufacturers and Traders (SMMT) was being "overly optimistic" when it forecast a 2.4% decline in registrations for the whole of 2019 – a fact backed up by a year-to-date decline of 3.1% to the end of May.

"They are trying to talk up the industry," he said. "That's their job."

Bailey said the fall in new car finance in the key plate-change month of March (-3%, according to the FLA) was an indicator that consumers' appetite for cars was on the wane.

He added: "I see more of a reduction in volumes than the SMMT. Historically, it's still at a very, very high level. In 2016, I think we were over-trading."

At the time the retail congress was held, diesel volumes were down 18% after 25 straight months of declining registrations, Bailey said.

In late 2015, diesel's share of the European

market was 55%, up from just 3.8% in 1977.

"Consumers have freaked out over diesels," said Bailey. "The industry as a whole has shot itself in the foot. It's not getting a clear message over as to which diesels are clean and which aren't."

"Government has also made a complete cock-up of this."

"The simple truth is that consumers no longer know which cars are the clean ones and they don't know if they will even be able to drive diesels in the places they want to travel to in a couple of years' time."

Bailey said finance companies still face significant risk due to their exposure to diesel vehicles' residual values.

Meanwhile, the planned departure of Honda from its UK manufacturing plant in Swindon and Ford from its Bridgend engine plant are signs that Brexit is taking its toll on the manufacturing sector, a position which could see the UK lose out as the market shifts towards electric vehicles (EVs).

Bailey said the EV market in China is "hotting up in a big way".

He said Chinese vehicle manufacturers had made an early strategic decision that they could not compete against established carmakers with internal combustion engines (ICE), so instead they focused their attention on becoming world leaders in alternative fuel vehicles (AFVs).

Bailey said China had opened the doors to Tesla – the nation will be the home of the Californian carmaker's new battery factory – and would soon "set the global standard for building an electric car".

Mike Jones, the chairman of ASE, said

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## BRIEF INSIGHTS

### DISRUPTER PARTNERSHIPS

Technology start-up Tomorrow's Journey claims to bridge the gap between franchised car retailers and the kind of short-term mobility solution demanded by a new breed of motorist.



David Betteley, a former chairman of the Finance and Leasing Association and a former Jaguar Land Rover (JLR) global board member is now chairman of the business after he teamed up with Ed White, group chairman, White Clarke Group, to fill what they perceived as a gap in the market.

They wanted to show that dealers do not necessarily need to miss out if a segment of their traditional customers ditches car ownership in preference for app-enabled mobility services. Dealers could rent stock to consumers looking for temporary access to a vehicle, they said.

Betteley said: "We don't think dealers have to lose out. To the dealers in the room, I'd like to say that you have got a lot of the basics to participate in this new mobility world. You've got cars and customers. What you haven't got is access to what is a massive market."



2030 if consumers believe there is little specialist knowledge required. Currently, EVs are sold with traditional service intervals.

"For as long as the industry is able to convince customers that simple electric cars still need to come back for service, we don't have a problem. The danger really comes if brands move away from that, and admit what customers may already start to understand, that these things don't require a lot of maintenance. And if you think that's not very likely, well we have a brand that's already done that – Tesla. Service is just a recommendation, not a requirement."

Tongue said the risk is that customers begin to think of their EVs as a domestic appliance in terms of service. Between 2017 and 2030, ICDP forecasts a 12% decline in repair jobs per vehicle. Connectivity will come, but trying to find things

that customers will pay for is difficult. It will keep dealers more informed about the car, and take pre-emptive action, but the ICDP believes customers won't expect to pay extra for that. Tongue warned that manufacturers' belief that connectivity will secure customers for their networks is misguided, because regulation will mandate access to in-car generated data for the independent aftermarket, too. It may also permit independents to offer services to motorists through their in-car screens as well.

The ICDP forecasts a 16% drop in road accidents by 2030 thanks to advanced driver assistance systems, which will be present in 75% of the UK's car parc by then. Tongue said it is great news for society, but not for the crash repair sector.

He said there is a chance that car-share vehicles

will require more maintenance and repairs, but they will require fleet-standard support, such as overnight servicing, roadside repairs and valeting to minimise the downtime.

"We do see mobility schemes contributing towards a broader aftermarket trend that will strengthen over the coming years – 'managed aftersales'," said Tongue. It means a business-to-business relationship, he said, as the businesses owning the subscription/leased cars, business cars and mobility scheme cars will need support. By 2025, the ICDP expects 70% of sub-four-year-old cars to be on such arrangements, mostly on manufacturer-arranged schemes.

"Think about workshop format and service variety, opportunities for specialisation or collaboration, supporting electric vehicles and mobility services," he said.





Advertising feature

# See your valeting future with Autoclenz

It goes without saying that the easiest way to save money on valeting and vehicle preparation costs is to do less of it. You should only prepare a car if and when you need to. Just how many unnecessary valets are going through your system? Answer that question and you will not need a crystal ball to find valuable savings.

## Future-proof dealer margins with effective cost-control

With new car registrations dropping, dealership running costs must be reduced to preserve margins. At Autoclenz, we recognise this and have invested in unique technology to allow you to invest in your future and track your valeting and vehicle preparation costs to the most minute detail.

It's called the Autoclenz Paperless Vehicle Management System (PVMS) and it is unique in our industry.

PVMS is the ultimate tool in controlling the movement of your stock through the valet, preparation and imaging process while controlling the spend. PVMS is web-

"With car registrations dropping, dealership running costs must be reduced to preserve margins"

based and live, showing jobs awaiting, progressing and completed through your valet bay. You can control duplicate valets and configure sign-off by managers for "exceptional" valets. Then you can view weekly exception reports before an invoice is raised. It works across multiple sites, too.

Early signs suggest this can save up to 3% of annual spend, which could amount to thousands of pounds for a typical dealership.

Are you wondering how much PVMS could save you in the future? Contact us and let us work it out for you...

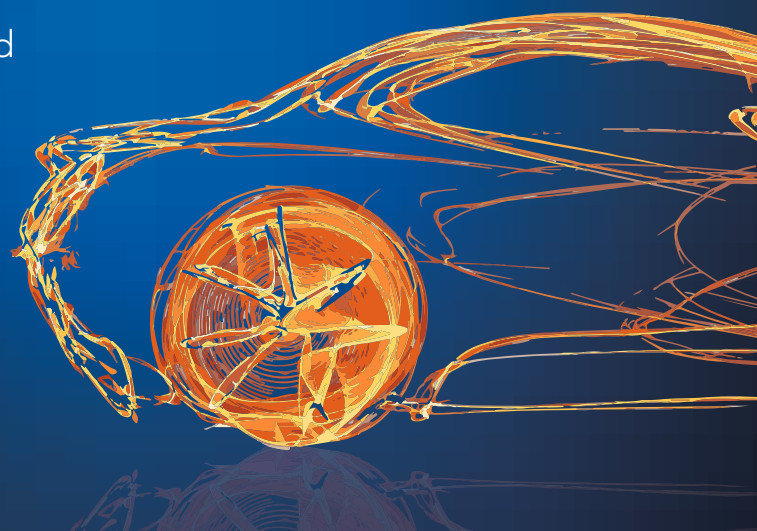


Contact Martin Peters, sales director of Autoclenz, on 01283 554 682, email: [sales@autoclenz.co.uk](mailto:sales@autoclenz.co.uk) or visit: [www.autoclenz.co.uk](http://www.autoclenz.co.uk)

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## BRIEF INSIGHTS

### CITIES AND A NEW ERA OF MOBILITY

Transport for West Midlands (TfWM) is moving towards smarter mobility with an app that offers users a range of transport options.

Chris Lane, TfWM's head of transport innovation, believes mobility as a service (MaaS) could be better than owning a car, as it provides seamless use of public transport, taxis and even car hire for longer journeys.

The app received investment from Toyota, which Lane said was indicative of the motor industry's future direction.

He said dealers should think about what they can do to help improve transport and what role they can play in MaaS.



### THE INVESTOR VIEW

As electrification and shared mobility change car retailing, dealers that offer an omni-channel approach will come out ahead, said Mike Allen, head of research at investment bankers Zeus Capital.

The number of dealerships is expected to fall as manufacturers and consumers demand new methods of interaction, but cars will still need to be serviced and vehicles will still need to be handled.

"Dealerships will remain an essential part of the value chain, albeit on a smaller level," said Allen. "I think test drives are very important and are still key to the dealership process."

"We have got to look not just at car spend, but how people are looking in terms of transport spend. This includes elements of shared mobility and lease cars. Looking at that bigger pot is what gets investors excited. Whatever way we go, there is a lot of annual household spending on transport that is still required."

There will be less capacity in the market, but Allen believes there is still a place for the full-functioning, highly invested dealership sites, accompanied by pop-up stores, city showrooms, used car centres and servicing factories.



dealers must work on building trust with consumers now by embracing electric vehicles, if they want to avoid a reduction in profitability further down the line.

As the mobility landscape broadens and car technology evolves, retailers should expect to face falling registrations and less aftersales work, meaning getting the most from every customer will be even more imperative.

"Customers, particularly those looking at electric vehicles, want a large amount of information, with some spending up to three times as long researching a purchase."

"Historically, we have ranked at the bottom when it comes to trust, but we can change the dial on the relationship between the retailer and the customer. The industry is wide open for disruption as people try to solve this issue," said Jones.

He told delegates that sales staff are not being motivated to specialise in electric vehicles as limited demand means they won't earn a lot of commission from an electric sale.

"We need to cement the position in the customer's buying journey, if they don't find out what they need from within the network they will go elsewhere and getting them

back will be more difficult," said Jones.

In the shorter term, he believes the impact on aftersales from electric vehicles will be minimal: "Electric vehicles will make a massive change to our industry, but, at the moment, those vehicles are only 1% of the market. That impact will come later down the line."

The three-year vehicle parc is shrinking, which suggests a tougher aftersales market will come. Jones recommends that dealers do their best to retain customers for at least five years to stem any losses.

He also pointed out that warranty work, which accounts for 25%-30% of a dealer's aftersales business, is also likely to shrink in the coming years as connected and electric cars suffer fewer failures.

"The opportunity to do business will drop. To continue to make money, we must improve our retention or upsell," Jones said.

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## SUPPLIER SPOTLIGHT

In association with

**traka**  
**ASSA ABLOY**

# Key tracking saves one Jardine Motors service centre £60,666 a year

Assa Abloy's Traka Automotive key safe system has become more than just a hi-tech security solution for Jardine Motors Group – it is also helping to drive efficiency and improve customer service.

The days where general managers ran the risk that cars would “simply disappear between a process like valeting and coming back into the dealership for display or customer pick-up” are gone, said Roger Dawkins, the group's safety, security and facility manager.

“Now all of that has stopped. We have had no incidents of car theft or lost keys since the system was fully networked.”

But the benefits of the system have influenced the broader business much more than Dawkins may have imagined when he brought his knowledge of Assa Abloy's key safe know-how from his time working in pharmaceuticals.

He has overseen the installation of Traka Automotive's intelligent key cabinets, fobs

**“WE HAVE HAD NO INCIDENTS OF CAR THEFT OR LOST KEYS SINCE THE SYSTEM WAS FULLY NETWORKED”**

**ROGER DAWKINS, JARDINE**

and accompanying software at 52 of Jardine's 70 sales, servicing and pre-delivery inspection (PDI) centres.

Not only does the system align closely with his own exacting approach to his job – one that sees him travelling around the AM100 group's UK sites and operating a

drone to assess the condition and capacity

of its various facilities – but it has also delivered unquestionable value for money.

Before wider implementation of Traka Automotive's systems across Jardine, the group conducted a ‘time and motion’ study at its Audi sales and service centre sites in Warrington, focusing on the time it was taking technicians to locate a set of keys, find the car for those keys and then drive it into a servicing bay.

Dawkins found that each of the 20 Audi-trained technicians at the 21-ramp Audi Service Centre was losing an average of 10 minutes a day looking for keys and cars.

“That's 200 minutes, or three hours and 20 minutes of lost earnings at £70 per hour, equals about £233 being lost to the business each working day across the whole team,” he said.

“So, over a five-day working week and an average of 260 working days per year, this was a total loss to the business of £60,666 per year.”

Based on this saving, Jardine worked out that the return on investment (ROI) in the Traka Automotive key management system at this site alone was achievable in just over two months.

Dawkins said: “We reckon there was also a 10% to 15% productivity gain in our service centres and PDI hubs.”

Apart from eliminating uncertainty about the location of keys, Traka Automotive's key cabinets, iFob intelligent key fobs and accompanying reporting software also benefited customer service, said Dawkins.

“If someone has left their £70,000 vehicle with you and you're not sure where it is when they come to collect it and have to spend 10 minutes locating it, then that certainly doesn't fill the customer with confidence, doesn't instil them with much trust,” he said.

“Similarly, if someone has come to take a look at a car with the intention of buying it and simply finding it causes a delay, that can be make-or-break for the sales executive.”

**T: 0333 355 3726 E: automotive@traka.com W: www.traka-automotive.com**

Jardine uses a colour-coded site map as part of its Traka Automotive software, which allows each car to be precisely located in a certain area of the site.

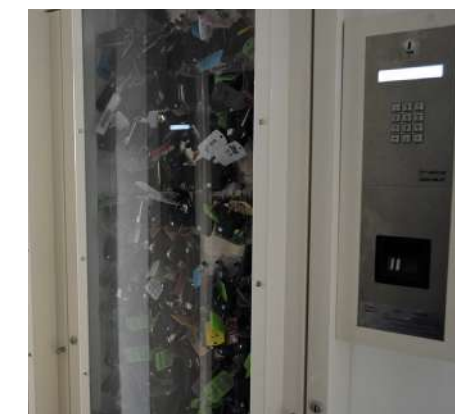
At the end of each day, the system delivers a report detailing every movement of every car in the business.

This has become a vital tool for audits by the group and its manufacturer partners.

The system leaves no question as to the accountability of staff when it comes to the location of keys.

Dawkins said: “The Traka Automotive software's management information and reporting facility enables me to very quickly find out which sets of car keys are not safely secured in a Traka cabinet at the end of each working day.

“Some cars will be out for good reason – perhaps because some specialist body-shop or wheel re-alloying work is being completed on a vehicle offsite, prior to delivery back to us for customer collection – but I'll know who booked it out and for what reason.



The Traka system also helps Jardine in its drive to improve used car sales profitability.

The group uses it to monitor the age of approved used stock, using the system's ‘stationary vehicles report’ function to see how many days any vehicle has been on site and determine when prices need to be dropped as part of efforts to meet a 90-day maximum turnaround deadline policy.

Dawkins said: “If they see used cars not sold for more than 30 days, they will go and have a look at the quality of its online photography, and increasingly video, on Auto Trader and elsewhere.

“They might go to Auto Trader's iControl price comparison tool to make sure it's priced to sell.

“It's just another string to the bow of a system that we have found so much success with.”

“There is no doubt that having full visibility over every set of keys makes all staff think twice about leaving keys in their desk drawer or pocket, or driving one of our more luxurious models out for the night.”

In Milton Keynes, BMW Mini, Audi, and Skoda and Volkswagen facilities, and the 430-car capacity PDI centre which serves them 10 miles away, have all been fully networked into the Traka system to optimise efficiencies.

Across the sites there are a total of 12 Traka Automotive key cabinets and slots for some 2,580 iFobs holding one, two and

sometimes three sets of keys to a single car.

Finger-print recognition provides highly secure access to all cabinets for the 368 authorised staff.

In March 2019 alone, 200 networked laptop and desktop PCs delivered detailed feedback on 55,240 movements across the four sites, revealing the location of a vehicle's keys regardless of whether it is in the showroom, PDI centre, or for servicing or valeting across any of the four sites.

During that same month, 4,481 new sets of keys were added to the Traka Automotive system and 41,453 key searches were performed using the software.





## EIGHT QUESTIONS TO...

# A TECHNICAL EXPERT

It's all about the training for Glenn Makin, of Stratstone Land Rover Nottingham



### What are the main responsibilities of your role?

**MAKIN:** As technical expert at Stratstone Land Rover Nottingham, I am responsible for managing the workflow across our workshop and motivating a team of 16 technicians to meet their goals and targets. I work with the wider dealership team to support our head of business with any customer concerns, to ensure mechanical issues are resolved quickly with minimal impact to our customers and so our customers drive away happy. I also oversee the training of all of our technicians, coaching them day-to-day and ensuring they are motivated to learn more and develop new skills.

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

**MAKIN:** Technology is constantly changing, so our technicians need to be equipped with the training and skills to ensure we stay at the top of our game. We're seeing a move away from diesel to more petrol-hybrid and fully electric vehicles. With these types of vehicles, there is no margin for error as you're dealing with electronics and batteries so training is definitely key. At Stratstone, we have a strong family atmosphere so sharing skills between team members certainly helps to overcome these challenges. If someone has had experience working with a particular type of technology before we will listen to and learn from them.

### How might these challenges be overcome?

**MAKIN:** By ensuring our team members are continually trained to a high standard so they can work effectively and adapt to new technologies. Having team members who are confident and well skilled ensures we are in a much better position to adapt to the new technologies coming our way. A number of years ago we set out a plan to continuously develop our team so they always have opportunities to learn more and stay at their peak performance. We have had great success with this model as the team are passionate about training. We even had one of our apprentices, Mike Wright, crowned the Global JLR Apprentice of the Year 2018, an achievement we were all very proud of.

### What attracted you to this area of expertise?

**MAKIN:** I have always been interested in anything related

to engineering and how things work, particularly cars. I started in the motor trade at 16 and my first job was at a small garage with a mechanic who knew everything about old engines – a true mechanical expert. This inspired me to want to specialise in the field, mixing my passion for the Land Rover brand and my love of engineering. I have been with Stratstone for more than 17 years and my role has grown so much over that time. It's rewarding to see new talent coming in and putting the skills you've taught them into practice. There's always something new at Land Rover which definitely makes work exciting. The new Jaguar Land Rover Arch sites are something I'm really looking forward to as it's an exciting opportunity to get to work across both brands and continue to broaden our skills.

### What's the most important thing you've learned in your career, and how have you made use of it?

**MAKIN:** One thing someone once said to me was that 'no matter how much you know, you will never know it all' and I believe that learning is definitely key. Knowing how to do a job is not just what it's about, you also need to have the drive and passion to want to learn more. I'm not afraid of learning new skills and challenging myself. This is something I try to instil in our apprentices and new technicians.

MATT DE PREZ

## QUICK-FIRE QUESTIONS

### What drives you?

Wanting to learn more – I try to learn something new every day. I also have a wife and four children, so my family drives me to do more.

### What's your favourite app?

WhatsApp – this is a life saver at work, sharing photos of technical fixes across the team.

### How do you relax?

I start everyday with the gym and this gets me set up for the day at work – I then look forward to a relaxing evening at home with my family.

# AM

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### THIS MONTH'S QUESTION TO THE AM TEAM:

What's the most boring sport you have played?

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