

AM AWARDS : 2021

S E P T E M B E R 8 , 2 0 2 1



WHERE IS *YOUR* ENTRY?

Time is running out to put your business forward for an AM Award

THE 2021 AM AWARDS CATEGORIES

We're delighted to be able to present the 2021 AM Awards, our annual fiesta of recognition for UK motor retail's top performers.

Normally held each February, this year the AM Awards are

shifting to September 8 when we'll be able to gather together at the vast Birmingham ICC for a gala awards dinner – socially distanced as necessary.

The 2021 AM Awards is now open

to entries. Put your businesses and your employees forward to receive independent recognition of their skills and excellence from our panel of judges.

Join the host of motor retailers,

large and small, who have collected our exclusive AM Awards over the years.

The categories are outlined here, but full details and the online entry system are at am-awards.co.uk

BEST MARKETING STRATEGY

Marketing should help you to build your brand plus find new customers and help you to grow sales in the short term.

Sponsor: Car Gurus

BEST ONLINE CONSUMER EXPERIENCE

Dealers entering this new award category should provide an excellent, comprehensive, customer-focused digital experience for consumers who are searching online for their next car, whether new or used.

BEST IN CUSTOMER SERVICE

Entrants should have a customer-centric culture and take pride in strong satisfaction scores, but never allow complacency and react robustly to fix the situation whenever things go wrong.

Sponsor: LTK Consultants

BEST AFTERSALES TEAM*

Open to franchised workshops and independent repairers, entrants will have high performing teams of service reception, workshop control and technical staff who deliver great returns for the business.

Sponsor: Vehicle Vision

BEST SALES TEAM (NEW AND/OR USED)*

This award acknowledges the power of multiple individuals working together towards an acknowledged goal in a new and/or used car or van sales department in the past 12 months.

THE COMMUNITY HERO AWARD

We want to recognise dealerships which are deeply rooted in their communities, which support local causes and organisations, and which have a culture of giving something back.

BEST USED CAR DEALERSHIP (INDEPENDENT NON-FRANCHISED)*

Retailing second-hand cars demands many skills and processes, from stock acquisition to marketing and protecting profit margins. Independent dealerships that show strength in many such aspects should enter.

BEST USED CAR DEALERSHIP (FRANCHISED)*

Pre-owned cars will not be the poor relations for the franchised dealership keen to win this award. Entrants should evidence strength in stock acquisition and preparation, marketing, sales and profits.

Sponsor: Santander Consumer Finance

USED CAR OF THE YEAR

Selected by a combination of readers' and judges' votes.

Sponsor: Car Care Plan

NEW CAR OF THE YEAR

Selected by a combination of readers' and judges' votes.

ELECTRIC VEHICLE OF THE YEAR (NEW)

Selected by a combination of readers' and judges' votes.

Sponsor: Diamondbrite Automotive

BEST EV DEALERSHIP* (NEW)

Outlets that have embraced electric vehicle sales should enter this category, demonstrating their success in developing a strong local market.

Sponsor: carwow

BEST DEALERSHIP*

This category is open to single-site owner operators and to best performing dealerships within a larger group network, to reward strong performance across sales, marketing, aftersales and administration.

Sponsor: Autotrader

BEST FINANCE OR LEASING BROKERAGE (NEW)

Entrants should demonstrate how they provide great value and best-in-class service.

BEST DEALER GROUP (UP TO 10 SITES)*

Open to franchised and independent groups. Brand specialists and regional heroes apply here. Entrants should have strong sales and aftersales results, a culture of success and the financial results to show for it.

BEST DEALER GROUP (MORE THAN 10 SITES)*

Open to franchised and independent large groups. Entrants should have strong sales and aftersales results, a culture of success and the financial rewards to show for it.

Sponsor: heycar

BEST USED CAR DEALER GROUP

Open to franchised and independent dealer groups, this award recognises high levels of best practice in used car sales group-wide. Stock management, marketing and financial performance are among the criteria to be examined.

THE BRIGHT SPARK AWARD

This category invites entries about ideas and innovations, no matter how simple or complex, that have come from a dealer's member of staff to make a work process simpler, or save time or money, or solve a problem.

BEST NEW PRODUCT/SERVICE

Open to industry suppliers who are helping to change dealers' fortunes. We expect to see innovation and measurable results, including examples of beneficial use by your customers.

(* = audited by BDO)

HEADLINE AWARDS SUPPLIER OF THE YEAR

Open to entries from industry suppliers making a significant difference to dealers' fortunes. Entries will be reviewed and voted upon by readers and the judging panel.

APPRENTICESHIP PROGRAMME OF THE YEAR (NEW)

Open to the automotive businesses which develop their workforce for the future, whether recruiting new starter apprentices or encouraging existing employees onto apprenticeships for higher level qualifications.

DEALER PRINCIPAL/GENERAL MANAGER OF THE YEAR

The winner will be a dealer principal or general manager who has done incredible things with difficult brands or marketplaces by demonstrating excellent leadership skills, drive and innovative thinking that has helped the dealership achieve business objectives.

DEALER GROUP OF THE YEAR

The ultimate accolade for the best business performance and culture. Selected by the judging panel.

Sponsor: Keyloop

MANUFACTURER OF THE YEAR

This award recognises vehicle manufacturers which are developing and delivering the best products and technology consumers could want now and in the near future. Nominated and voted upon by the judging panel.

Sponsor: Rapid RTC

BUSINESS LEADER OF THE YEAR

To recognise strong leadership, vision, visibility and accountability at the highest level. Nominated and voted upon by the judging panel.

AM HALL OF FAME

We recognise someone who has made an outstanding contribution to the automotive industry. The recipient is chosen by AM editor Tim Rose and editor-in-chief Stephen Briers.

 AutoTrader



Car Care Plan
An AmTrust Financial Company

 CarGurus



PistonHeads
A CarGurus Company



Diamondbrite
AUTOMOTIVE

 carwow

 heycar

 keyloop



 RAPID RTC

 VehicleVision
ENHANCING TRUST WITH VIDEO

 Santander
Consumer Finance

DEADLINE FOR ENTRIES: MONDAY, MAY 24 | VISIT: [AWARDS.AM-ONLINE.COM/REGISTER](https://awards.am-online.com/register)

AM

AUTOMOTIVE MANAGEMENT

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June 2021 £5.50

DEALER RESULTS RALLY / P8

Profits look promising, but lack of semiconductors forms a new 'cloud'

FROM CDK TO KEYLOOP / P27

New chief executive outlines his ambitions for the tech company

FUTURE OF MOTOR RETAIL / P29

The spotlight is on the way ahead, particularly in relation to agency models

POLESTAR PLANS FOR A BIGGER FOOTPRINT

PREMIUM EV BRAND IS HELPING
CUSTOMERS TO BUY / P22



Are you losing one in four customers?



At Startline, we're able to offer motor finance to around one in four potential car buyers who have been turned down by prime lenders.

Some applicants are excellent credit risks but don't quite fit normal lending conventions. The fast-moving pace of recent events mean that there are more of these individuals than ever before - and our belief is that they deserve products, service standards and terms comparable to any leading motor finance provider.

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MOTOR FINANCE

EDITOR'S LETTER

This month I've seen lots of great examples of how motor retail businesses are back to planning their futures and not just battling a pandemic-threatened present. I see it as a really positive sign.

One example was the Dealer Tech competition organised by Keyloop (formerly known as CDK Global International). This has been engaging dozens of students from six universities and getting them to research and understand some of the issues dealers and consumers face in the car buying and owning process. Then, the challenge was to devise technology that helps.

AM helped to judge the final (see *AM-online* for our full report on it). Watching the finalists' presentations, I realised that only by dealer groups and suppliers creating similar initiatives in every university throughout the country will motor retail permanently raise its brand profile among undergraduates. Only then will these bright, curious young people understand the breadth and depth of career prospects car retailing offers and come to help as the industry re-shapes itself.

We know from the AM Awards for community hero and best apprenticeship programme that some of you are already working at this, and many more fly under the radar. So do more. And be visible. The future may depend on it.



OUR WRITING TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor

An AmTrust Financial Company

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Requirement for reduced stockholding may allow dealers to free up cash to bolster used car offering

RETAILERS ARE MOUNTING A COVID COMEBACK

Financial results are encouraging, but global shortage of semiconductor chips 'could have a more significant impact on the vehicle retail sector than coronavirus itself'

Strong financial reports from across the car retail sector have reaffirmed that businesses have weathered the COVID-19 crisis without the "Darwinian evolution" predicted 12 months ago.

Fiscal support from the UK Government and buoyant used car values have been credited with isolating dealers from the worst effects of the economic downturn triggered by the pandemic as experienced by hospitality and other parts of the retail sector.

As car retailers began to set their sights on accelerating their recovery in the months ahead, however, some major headwinds remain. Semiconductor shortages exacerbate existing new car supply issues and threaten to send already buoyant used car values soaring.

Outgoing AES Global chairman Mike Jones (see page 13) hopes that this year's challenges can be weathered by businesses who may have grown used to operating "lean" with the help of Government's fiscal support measures.

Jones said the UK Government's Coronavirus Job Retention Scheme (CJRS) and rates relief had combined with support from car manufac-

turers to such effect last year that "had it not been for the December lockdown car retailers would have made more, on average, than in 2019".

"It's undoubtedly the case that the sector has fared far better than anybody expected last year," he said.

"My main concern is that the results achieved by many operators have been achieved by operating on a very low-cost model. I would expect a lot of those costs to be demanded once again now that showroom doors are back open."

ASE reported in February that the retailers achieved an average return on sales (RoS) figure of 0.94% in 2020, compared with 0.81% in the previous year.

As AM went to press, positivity prevailed as many retailers emerged from Q1 in good financial shape and with hope for the months ahead.

After April's reopening of car showrooms 3,176.6% new car registrations growth prompted the Society of Motor Manufacturers and Traders (SMMT) to upgrade its 2021 market forecast from 1.83m in February to 1.86m – up 13.9% on 2020.

The Bank of England also upgraded its projections amid what governor Andrew Bailey asserted was a "bounce back" and not a "boom".



FURLOUGH WAS A COMFORT BLANKET THAT ALLOWED US TIME TO MAKE PLANS

JOHN O'HANLON, WAYLANDS

It now expects the economy to grow 7.25% this year – the biggest rise since 1941 – as unemployment peaks at 5.5%, compared with its previous estimate of 7.75%.

Optimism for retailers will come from the BoE forecast that consumer spending would be a main driver of the recovery, with people spending an

estimated 10% of their accumulated lockdown savings this year.

RETAILERS RALLY

Among motor retailers posting strong 2020 annual financial results recently are Swansway Garages and Waylands Automotive.

Cambria Automotive, meanwhile, used its recent trading update to communicate its strong balance sheet. As chief executive Mark Lavery revealed that the strength of the sector after a tough 2020 was all that was holding the group back from stage four of its roadmap to recovery – growing through acquisition.

He said: "A year ago I predicted a Darwinian evolution of the car retail sector and, thankfully, that hasn't proved to be the case.

"We were hoping to have the opportunity to buy by now, but if you buy anything in the short-term you'll be paying top dollar."

Cambria's update for the six months to February 28 showed revenues down 16% to £254.7m (H1 2020: £303.1m) but underlying profit before tax was up 55.5% at £9.8m (H1 2020: £6.3m).

Its underlying net profit margin rose to 3.83% (H1 2020: 2.07%) alongside a period-end balance



sheet with net assets of £79.5m (H1 2020: £68.5m) and net debt reduced to £5.6m (H1 2020: £6.0m).

Lavery, who reflected on the "difficulty" of making redundancies during a 2020 restructure, said: "Ultimately, we have to be thankful that we have emerged with a resilient business. We're leaner than ever and remain in a position that allows us to explore the possibility of acquisitions and growth."

At Swansway, pre-tax profits rose by 155% to £10.2m last year as EBITDA (earnings before interest, tax and depreciation) rose to more than £17m. Turnover declined by 1.9% to £712m (2019: £726m).

The group said the results had reaffirmed that directors made the right decision in returning the vast majority of the workforce back into the business in May of last year.

Director Peter Smyth told *AM* that momentum had grown still further in Q1, adding: "We've seen another spike since April 12, particularly with brands like Honda and Peugeot."

"I suspect the older demographic that wants to come into the show-

results in 2020, alongside a level of digital readiness.

O'Hanlon said: "The truth is we make money when people are here. Furlough was a comfort blanket that allowed us time to make plans."

Finance director James Smullen said: "In March, we had 95% of the workforce on furlough and in May we had 85% back in and that really helped us to respond quickly when the market returned."

Waylands Automotive delivered a 4% increase in revenues to £89m and 150% rise in pre-tax profits to £1.25m from its network of four Volvo dealerships last year.

"We could talk about some of the tailwinds, particularly the Government support, but the results also recognise the benefits of the scale of the group now," said O'Hanlon.

SUPPLY UNCERTAINTY

Jones suggested that 2021 may yet prove an acid test for certain retailers as they leave behind the relative comfort of Government support.

A new car volume resurgence stymied by a global shortage of semiconductor chips will be another unwelcome hurdle in the roadmap to recovery.

In April, Nissan adjusted its shift patterns at Plant Sunderland, Jaguar Land Rover (JLR) temporarily closed its Castle Bromwich and Halewood plants, and BMW halted production lines at its Oxford Mini factory for a week, all due to semiconductor supply constraints.

Ford closed its Dagenham engine plant, meanwhile, before chief executive Jim Farley revealed that the US car manufacturing giant expects to lose 50% of planned production in Q2.

Farley said: "Estimates project the full recovery of the auto chip supply will stretch into fourth quarter of this year and possibly even into 2022, making industry volume recovery in the second half of this year even more challenging."

Cox Automotive insight and strategy director, Philip Nothard, said the semiconductor shortages "could have a more significant impact on the vehicle retail sector than coronavirus itself", with a shortage of part-exchanges exacerbating a used car market already short of stock.

"With new-car supply limping, there will be fewer part-exchanges available for dealers to take advantage of, triggering a reduced supply of used cars into the market," he said.



“WE’VE SEEN ANOTHER SPIKE SINCE APRIL 12, PARTICULARLY WITH BRANDS LIKE HONDA AND PEUGEOT

PETER SMYTH, SWANSWAY

"Furthermore, fewer cars will go into fleet channels, affecting de-fleeting and will continue to affect used supply. These challenges could well leave the market reeling until deep into 2022."

Smyth told *AM* the effects of factory closures were already being felt in its dealerships as the group was struggling to get hold of sufficient volumes of cars and vans.

Lavery said one of his group's franchises had a single car remaining in stock during the first week of May, with no new stock expected until the following month.

Waylands' major franchise partner, Volvo, was credited with doing all it could to keep O'Hanlon up-to-date on any production hold-ups, but he said: "There will be reduction in new car supply in Q2 and Q3."

And Waylands was one of many businesses struggling to source used cars as demand starts to outstrip growing supply issues – the group running with 60% of its normal stock.

Prices are expected to continue to strengthen as both the new and used car supplies continue to struggle to meet growing consumer demand. Nothard said: "While we've had a great short-term boost to vehicle retail, dealers should not expect supplies of either new or used stock in great numbers any time soon."

While many of 2021's headwinds might have gone, there remains a sense that this year won't be plain sailing. **TOM SHARPE**



“THE SECTOR HAS FARED FAR BETTER THAN ANYBODY EXPECTED LAST YEAR

MIKE JONES, FORMERLY OF AES GLOBAL

room to see and feel a car before making a purchase has now had their job and that's given them the confidence they needed to get out a little more. It's really encouraging."

Waylands managing director John O'Hanlon joined Swansway in crediting the presence of staff in the business for a strong set of financial

NO STOPPING THE GROWTH OF 'SURVEILLANCE CAPITALISM'

Dealers must help inform buyers what connected technology can do

Motorists have shown uncertainty about the transformation of car makers into tech companies and dealers could be left to explain their franchised partners' 'surveillance capitalism', it has been claimed.

More than 75% of respondents to a survey of in-market car buyers, conducted by Parkers, said they do not want any kind of monitoring device in their vehicle.

But with OEMs currently working hard to source the semiconductor microchips that facilitate a new generation of connected cars, and with in-car e-commerce and customer data central to current and future profit streams, there is no scope for a u-turn.

"The automotive industry is in the midst of a massive transformation, where automakers are no longer hardware makers but are evolving into tech companies, and it represents the largest change to the automotive sector since the invention of the combustion engine," said Mark Brown, the British Standards

Institution's (BSI) global managing director of cybersecurity and information resilience.

He added: "Connectivity is increasingly no longer an optional feature for vehicles, but embedded by design."

E-COMMERCE AWARENESS

More than three-quarters of Parkers' survey respondents stated they are averse to any connected car technology, making it clear that many are likely already unaware of the connected features in their current vehicle.

Parkers editor Keith Adams said franchised dealers would have to be more informative when giving advice about the capabilities of cars that track their owners' behaviour on the road and the web as increasing numbers of OEMs look to monetise the data they gather.

Driving behaviour, location services, in-car internet access and cameras are all part of a growing list of data-gathering devices fitted to many modern cars.

However, Parkers found that just 10% of more than 550 people polled

knew their car had a data agreement in place, as almost 90% asserted they would not like their car to share driving habit data with third parties.

National Franchised Dealers Association (NFDA) chief executive Sue Robinson said: "Consumers' concerns over their personal data indicate the important role dealers play in the car-buying process both in terms of informing their customers about the data collected, the possible benefits of this to the driver, as well as clarifying any concerns the consumer may have.

"NFDA has always encouraged members to be transparent and as clear as possible with customers.

"Regarding personal data, the training received by retailers will depend on respective OEMs in line with type of data gathered by specific brands and the way this is done".

Adams said: "With three-quarters of drivers uncertain about the implication of their car's data-logging capabilities, I see a great opportunity for dealers to take a hands-on approach to advising consumers over the intricacies. Taking time to

explain why their cars are logging data and the possible benefits of this is another touchpoint that dealers can be involved in, and a massive advantage over online sales."

In a magazine for car dealers just after the 2016 US election, former Cambridge Analytica chief risk officer, Duke Perrucci, wrote that his analytic methods revealed "how a customer wants to be sold to, what their personality type is, and which methods of persuasion are most effective".

He added: "It only takes small improvements in conversion rates for a dealership to see a dramatic shift in revenue."

Parkers' study of the current e-commerce landscape in connected cars showed the data usage intentions of the market's key OEMs.

MG and Suzuki were the only brands to claim they gather no customer data from apps or their vehicles.

Many carmakers are using their connected car technology to offer paid-for vehicle upgrades through over-the-air updates, however.

These could include automatic high beam, adaptive cruise control or sat-nav updates delivered over-the-air.

Speaking at the Society of Motor Manufacturers and Traders' (SMMT) recent SMMT Electrified event, Andreas Krüger, Volkswagen's head of e-mobility, suggested that in-car e-commerce was already replacing the options list that had previously boosted dealer margins.

Over-the-air updates deliver a direct profit stream for OEMs and a direct link between the customer and the brand away from the traditional dealer/customer relationship.

"With ID.3 and ID.4 we are able to, in future, bring a refresh of a car every 12 weeks. We can do this like a mobile phone," said Krüger.

"We can also sell a car and when, on a weekend perhaps, a customer desires sat-nav or more power, this can be ordered at a later date. This will change our car industry greatly.

▼ SURVEILLANCE CAPITALISM AND YOUR CAR

Source: Parkers.co.uk



75%
of drivers don't
want a monitoring
device in their car



88%
of people would not be
happy for their car to share
driving habit data with
third-party companies

10%

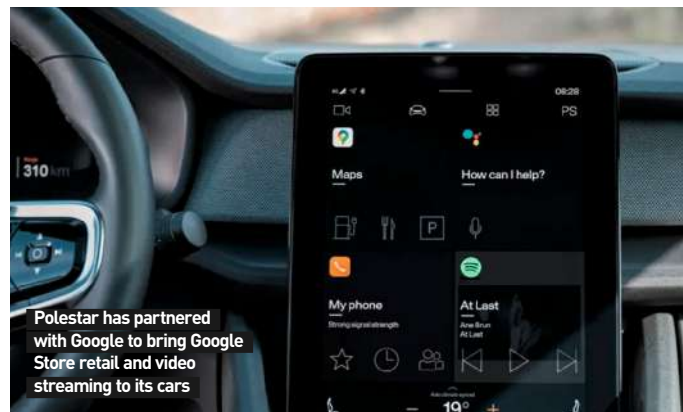
of people know whether
their car has a data
agreement, and 19% of
those people haven't read it



61%

of people do not think
they should be remotely
denied access to their
car if they fail to keep
up payments





"When we sell the car we may have a reduced margin, but, later, we have to see how we can bring a profit pool when we have the car in the market. This will be a change in life-cycle management."

Mark Aryaenia, the chief executive of vehicle data company, Verex – which manages the connected data for 13 car makers in the UK including Jaguar Land Rover (JLR), Renault and Mazda – told Parkers: "Car manufacturers are very much stuck in a product-centric approach, and they want to move away from it."

"They want to bring all different car ownership prospects, including electric charging, into one reference point – a brand's app. This helps manufacturers transition into services too."

CUSTOMER DATA CONCERNS

Consumer concerns are less likely to be about the impact on the relationship with their retailer, or the direct offer of relevant services – having become used to this via social media platforms – than the use of their personal data.

As Google and Apple prepare to update their own data policies – the former phasing out third-party online tracking cookies, the latter requiring app owners to ask for explicit permission to track users across other companies' apps – Parkers highlighted the breadth of data that car makers already gather.

OEMs are increasingly embarking on "surveillance capitalism", it said.

The term was coined by psychologist Shoshana Zuboff and describes a process which "unilaterally claims human experience as free raw material for translation into behavioural data".

While some of this data is applied to service improvement, the rest is declared as a behavioural surplus and can be used to make predictions

about motorists and their habits.

Otonomo, which works with BMW, ingests more than four billion data points per day from more than 40 million vehicles before interpreting the data to create new services.

Automotive manufacturers buy data from Otonomo to create "new revenue streams by enabling the utilisation of the vast amounts of data vehicles generate on a daily basis", Parkers said.

Volvo, its sister company Polestar and Ford are among brands which have partnered with Google to extend the reach of their in-car systems into shopping and entertainment, meanwhile.

Parkers reported that Volvo discloses personal data to companies within the same group of companies and to different business partners, based on information found in the online owner manual of a recent XC90 test car.

It stated: "The business partners can be retailers, marketing research

companies, research and development partners, social media companies and companies that Volvo makes use of for IT products and services."

A Volvo spokesman said the brand was currently updating its policies, however, and added that all shared customer data would be anonymised.

CYBER SECURITY THREATS

In a clear response to the growing prevalence of data capture and sharing within the sector, this year has seen the introduction of the first connected automotive cybersecurity standard – ISO/SAE 21434.

Among other things, this demands an independently-audited cybersecurity management system (CSMS) for all vehicles in order for OEMs to gain Type Approval.

According to the BSI, keyless entry fobs account for just more than a quarter (26.6%) of cyber security threats against a vehicle.

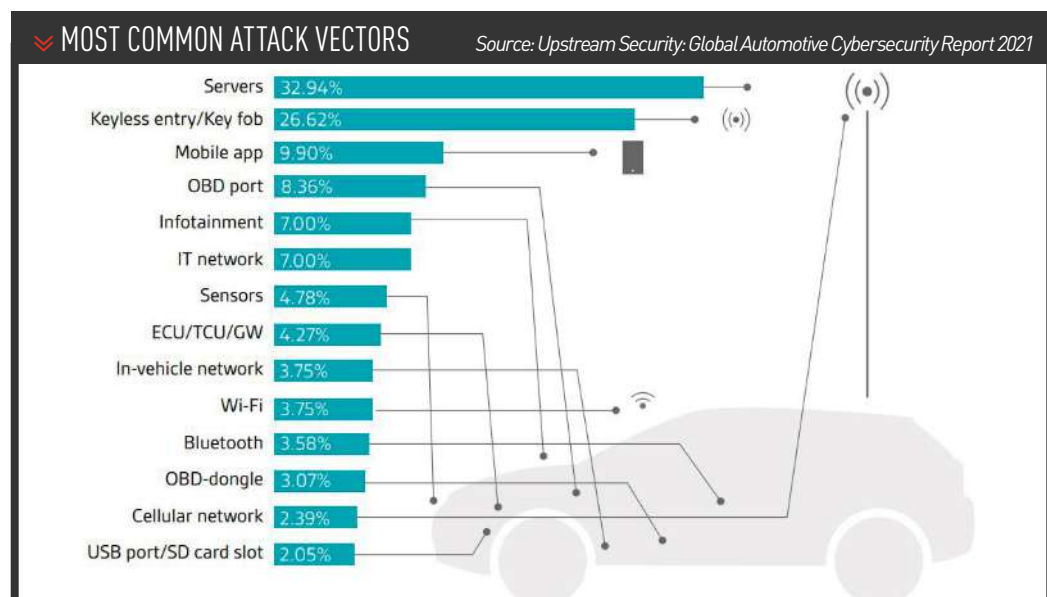
While this is the second-largest threat, it's clear that increased

connectivity is creating potential issues elsewhere, with 32.9% of "common attack vectors" accounted for by a server, 9.9% from a mobile app and 7% from infotainment.

In his BSI whitepaper, Brown suggested the introduction of ISO/SAE 21434 in February this year could not have come soon enough, describing the list of recent hacking examples in automotive as "endless".

Among the most notable data breaches were a ransomware attack on Honda in 2017, the 2018 theft of thousands of files of factory records from Tesla and an attack in the summer of 2018 which exposed secrets of the FCA Group, Ford, General Motors, Tesla, Toyota and Volkswagen.

In 2020, Tesla filed a lawsuit against a former employee after alleging that he uploaded code used in the company's backend software system, WARP drive, exporting gigabytes of proprietary data to unknown third parties. **TOM SHARPE**



ADVERTISING FEATURE

Used market heats up as lockdown restrictions ease

By Stuart Pearson CEO BCA UK



The used car market has proved to be remarkably robust throughout the pandemic and, following the relaxation of some lockdown restrictions in England on April 12, the market has started to heat up.

The lifting of restrictions, the continued good news about the vaccination roll-out and the cautiously improving economic outlook has generated a lot of positivity in the used vehicle sector.

BCA's currently exclusive online sales offering reported a significant and noticeable uptick in demand and increased average values in the week following the relaxation of some lockdown restrictions in England.

Average values rose by £1,223 (15.8%) to £8,946 during the week commencing April 12 as demand heated up and professional buyers competed strongly for stock via BCA Online and the BCA Buyer app.

Conversion rates improved and sold volumes jumped by 17.0%. Performance against guide values also accelerated, rising by 1.7 percentage points to 101.9% across the board.

Bidder numbers continued to climb, with average daily online attendance numbers nearing 5,000 as BCA's digital sales programme offered up to 7,000 vehicles daily during April.

BCA's model provides incredible insight into how the market is operating and it's clear there has been a noticeable increase in confidence and demand, demonstrated by the numbers of joiners, watchers and bidders to our online channels.

Using this insight, we're able to create the most effective sales offerings and market the most appropriate vehicles to the right customers, providing sellers and buyers with the optimum way to sell or buy vehicles.

BCA remains committed to creating the most efficient marketplace for our customers and will continue to deliver innovation into the wholesale buying process along with the widest choice of vehicles and buying channels available.



THIS MONTH'S NEWS HIGH

APR

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TRADE BODIES WANT SUPER DEDUCTION BOOST FOR LEASING
The Finance & Leasing Association (FLA) and British Vehicle Rental and Leasing Association (BVRLA) have called for changes to Government's Super Deduction taxation to provide a "shot in the arm" for car leasing. The industry bodies want vehicle leasing and hire to be included in the 130% allowance attracted by new plant and machinery investments.

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GFORCES MERGER CREATES WORLDWIDE SUPER GROUP

A merger backed by Inflexion Private Equity brought GForces together with Autofutura and its recently-acquired Chrysalis Loyalty operation. The move has created a combined global business which already serves 20 OEMs and 10,000 car retail locations in 96 countries.

22

TESLA OPENS 10 NEW STORES

Tesla revealed the expansion of its retail and service facilities in the UK had brought 10 store openings in the past 12 months, including four in the first part of 2021. New sites have opened in Newcastle, Winchester, Gatwick, Belfast, Birmingham and Chelmsford with Aberdeen, Cardiff, Nottingham and Chester added this year.



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SYTNER TRIALS 'EXPRESS' USED CAR SALES

Sytner Group's Car Shop used car division launched its first Car Shop Express store in Leicester. A new concept for the group, the 15,000sq ft facility opened on May 1 and embraces online leads to do away with the need for an on-site stock of hundreds of cars.



4

RAINWORTH ACQUIRES DUAL-BRAND DEALERSHIP

Rainworth Motor Group acquired a Hyundai and Isuzu dealership after AM's December feature on Rainworth prompted Huddersfield's R N Golden to get in touch about a potential disposal. Rainworth directors Jon Atherton and Simon Beckett met with MD Matt Golden three days later and the dual-brand dealership opened under new ownership on May 1.



DEATHS OF TWO CAR RETAIL EXECUTIVES

The car retail sector mourned the loss of MG Motor UK head of sales and marketing Daniel Gregorious (left) a fortnight after tribute was paid to Marshall Motor Holdings chairman Richard Parry-Jones (right). Gregorious died aged 48 from pancreatic cancer. Former Ford executive and Aston Martin board member Parry-Jones, 69, died on April 16 following a tractor accident near his home.



INCHCAPE'S USED CAR PLANS

Inchcape UK chief executive James Brearley told *AM* of the group's plan to open up to 20 used car retail locations, each with adjoining fast-fit facilities, by the end of 2021. It has recently opened sites in Burton-on-Trent, Bolton, Cheltenham, Derby and Shrewsbury.

CANADIAN COMPANY BUYS ASE AUTOMOTIVE SOLUTIONS

Automotive software, consulting, audit, tax and corporate finance services supplier ASE Automotive Solutions was acquired by Canadian software investment firm Valsoft. Chairman Mike Jones has left the business, but chief executive Rob Jones and chief operating officer Mike Fazal remain.

CAMBRIA BOSS SPEAKS OF OEM COVID 'TENSION'

Cambria chief executive Mark Lavery said the group has experienced "tension" from OEM partners over COVID safety measures which have turned customers away from its car showrooms. His comments came as the group reported revenues down by 16% to £254.7m and underlying profit before tax up 55.5% at £9.8m in H1 of its financial year.

TRUSTFORD ACQUISITIONS GIVE 'CONTROL' IN CAPITAL



TrustFord continued the consolidation of Ford's car retail network in London with the acquisition of Cambria's Croydon and Wimbledon franchises. Croydon's new car and van sales will be handled at the rebranded Wimbledon

site. Trustford chairman and CEO, Stuart Foulds (pictured), said the move "more or less" gave the group control of London and Greater London.

MAY

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ADVERTISING FEATURE

How lockdown has exposed the limits of online retail 1.0

By James Tew, CEO, iVendi



What have dealers needed their technology providers to deliver during the pandemic? Simply, dynamic systems that can easily switch between online and showroom sales models as they have moved through successive lockdowns.

However, many have been stuck using what we at iVendi call "online retail 1.0". Essentially, these retailers offer only a single, linear online sales process. There are some retailers for whom this kind of happy path approach works but, for most, the lack of flexibility is limiting.

Certainly, what we have found produces better results over the past 14 months have been processes that give the buyer greater control. For example, digital tools that mean consumers can look at finance products, run some figures in their own time and save the details, go away for a few hours and consider their options. This is a much better fit for the consumer, our experience shows, and, ultimately, leads to more sales.

Moving forward, we are now seeing dealers place the lessons they have learnt about online retail during the pandemic at the heart of their future sales strategies.

Increasingly, there's widespread investment in more advanced, flexible products and we believe that much of this is because of the frustrations that dealers have been facing when working with their online retail 1.0 systems.

It is clear to us that the consensus view is that, in 2021, digital infrastructure needs to deliver absolute flexibility in order to maximise effectiveness and, for most motor retailers, that means moving to newer technology.

For further details, visit www.ivendi.com, e-mail enquiries@ivendi.com or call 0345 226 0503



SMMT PROJECTIONS INDICATE EARLY SIGNS OF RECOVERY

If its predictions prove correct, sales will still only be at pre-millennium levels

The UK car market was up 16.2% year-to-date (YTD) April, but that is even less meaningful than a statistic in a party political broadcast. April 2020 was the first month of lockdown, when only 4,321 cars were sold, so it would be impossible not to show a rise at this point in the year.

A more significant measure of the health of the car market is that the Society of Motor Manufacturers and Traders (SMMT) expects 2021 to finish at 1.86 million units, which would be 13.9% up on 2020. That would definitely mark the start of a recovery, but 1.9 million would still only be back to where we were in the early-to-mid-1990s.

At a manufacturer level, VW fractionally increased its lead over Ford in unit terms, although both are still on 8.7% market share.

The fact that Ford is still within touching distance of VW is thanks to the Puma, which is the clear leader in B-segment crossovers.

Indeed, in April, the Puma was only 225 units behind the Fiesta – at this rate it could become Ford's best-selling car. That would be something of a mixed blessing for Ford: the Puma has better margins than the Fiesta but, if Ford's B-segment sales are split between two big-selling models, it can no longer claim to make Britain's best-selling car, a crown it has held for most of the past 45 years



through the Cortina, Escort, Focus and Fiesta.

In the battle for third place, Audi is finally making its long-awaited move. After two years of problems homologating cars to WLTP standards from 2018 to 2020, it is now back in the hunt. After a very strong April, it is approximately 200 registrations ahead of Mercedes-Benz and 150 behind BMW. Audi's best-performing model is the new A3, whose

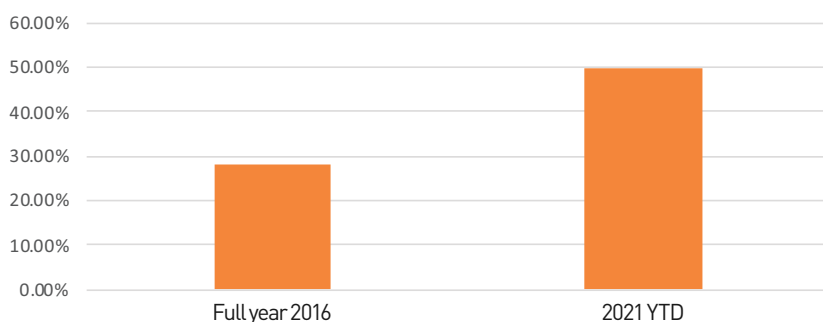
registrations have increased by 193% YTD. Remarkably, it has overtaken the Ford Focus, and is now in third place in the lower-medium segment, behind the Mercedes A-Class and the VW Golf.

Behind the German trio is Vauxhall – sixth place is now considered a good result for the brand which claimed in 2013 that it would take UK market leadership by 2016. The reason for Vauxhall's recovery is the new segment-leading Corsa, which is slowly, but inexorably, pulling away from the Fiesta.

Of the remaining top 10 brands, the most remarkable performance has come from Land Rover, which is up 33.6%, YTD. For the first time since the launch of Datsun in the UK, it is selling more cars than Nissan and has risen to ninth place overall. The main reason is, of course, the new Defender which is proving to be Land Rover's biggest hit since the first-generation Evoque in 2011. The Defender has just become the biggest-selling large premium SUV, overtaking the BMW X5, Volvo XC90 and Range Rover Velar. It could be argued the Defender is not really the same type of vehicle as those three, but it is appealing to the same buyers, albeit with wellington boots rather than designer trainers.

Alas, the precise opposite has to be said of sister-brand Jaguar. It is hard to know whether JLR has given up on Jaguar, the British public has given up

↗ SUV/CROSSOVER MARKET SHARE



SPONSOR'S COMMENT



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

I often find myself reflecting on the huge range of variables we face in the motor industry today and the

difficulties of seeing the best way forward.

True, there has always been a lot to consider in terms of economic development, but, even accounting for relativity, we live in extraordinary times. There are multiple complex drivers of potential change, be it Covid, Brexit, or potential conflicts, and there are lots of moving parts making things difficult to predict.

It was against this backdrop that I watched the output from the recent major summit of governments with interest.

World leader after world leader pointed to a focus on ramping up investment in clean energy to ensure the planet does not reach "the point of no return", to use President Biden's words. And it strikes me that the global political alignment now evident around the environment is very much driven by real events driving real actions.

The list is a long and frightening one driven by extreme weather conditions that are becoming less freak and more the norm, and, of course, the pandemic that has touched everyone around the world. These have produced a dominant view that bad things can – and will – happen if we don't take change seriously.

So, as we look to anchor ourselves and develop the future strategies of our businesses, it is clear that the overwhelming gravitational pull is towards sustainability and the need to recognise and identify how this will change the status quo of the motor industry. If we get this thinking done well, our vision will be clearer and the road will be a smoother one.

**“THE OVERWHELMING
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on the marque, or both parties have lost interest at the same time. Overall, Jaguar is down by 14.9%, and the only model performing well is the F-Pace (up 30.0%). The F-Pace now accounts for 47.2% of all Jaguar sales: given that Jaguar has two mainstream saloons and three mainstream crossovers, that shows how badly the other models are doing. Even the I-Pace is down 30.1% in a market moving strongly towards electric cars.

At a segment level, the UK is approaching a milestone. YTD, crossovers and SUVs account for 49.1% of all sales, and actually hit 50.2% in April. Hence it is likely that the 50% level will be reached for the full year. There has been lots of argument in recent years about whether SUVs should be discouraged or even banned, but this shows how futile that debate really is. If half the cars being bought are crossovers and SUVs (CUVs for short), then somebody who wants to ban them is, effectively, talking about banning new cars. They would also need to explain what Nissan's Sunderland factory and JLR's factories in Solihull and Halewood would do in this scenario.

There are two main reasons behind the growth in CUVs. Firstly, premium SUVs from JLR, BMW etc. now account for 17.3% of the total market. Secondly, C-segment crossovers (for example, the Nissan Qashqai) account for another 20.0% of the market, and 51.2% of all C-segment registrations YTD (see table). Thus,

after hatchbacks rose to prominence in the 1970s (as epitomised by the Golf Mark One) and enjoyed more than 40 years of domination, the CUV bodystyle has now displaced it as the standard vehicle shape for UK car buyers.

This also has big implications for car makers. They have piled into crossovers because (a) it is a high-growth segment, and (b) it offers better margins (i.e. lower discounts) than hatchbacks.

However, the second reason is simply a result of the first. Crossovers are not intrinsically higher margin, they have just been more in demand and there have been fewer competitors to drive down prices.

Once growth flattens out, and all makers have a full range of crossovers (not far away now), those higher margins will be competed away. Car companies had better enjoy the crossover boom while it lasts, because it will offer no long-term profit boost to the industry.

As to the argument that crossovers are much worse for the environment, the numbers prove otherwise. Taking the UK's best-selling hatchback/crossover siblings as an example, the Fiesta 1.0 125PS manual produces 113 g/km of CO₂, the same model with an automatic gearbox produces 119g/km of CO₂ – and the Puma 1.0 125PS manual produces 122 g/km of CO₂.

Thus choosing a Puma manual is about the same as choosing a Fiesta automatic – are we, therefore, to ban automatic transmissions as well? **DAVID FRANCIS**

Total segment share

Segment	Sub-segment	Example model	YTD Apr 21	YTD Apr 20	Change	Market share YTD
B Segment	Hatchback	Fiesta	97,091	87,040	11.55%	17.12%
B Segment	MPV	Soul	329	414	-20.53%	0.06%
B Segment	Crossover	Puma	66,330	49,549	33.87%	11.70%
Total B Segment			163,750	137,003	19.52%	28.87%
C Segment	Hatchback/estate/saloon	Golf	101,783	95,059	7.07%	17.95%
C Segment	MPV	Berlingo	6,164	7,885	-21.83%	1.09%
C Segment	Crossover	Tiguan	113,444	87,513	29.63%	20.00%
Total C Segment			221,391	190,457	16.24%	39.04%
SUV	Lower medium premium	Evoque	38,846	32,563	19.29%	6.85%
SUV	Upper medium premium	XC60	29,473	23,834	23.66%	5.20%
SUV	Full size non-premium	Santa Fe	5,387	4,262	26.40%	0.95%
SUV	Executive	Discovery	18,477	11,059	67.08%	3.26%
SUV	Luxury	Range Rover	10,900	8,830	23.44%	1.92%
SUV	Traditional	Wrangler	183	642	-71.50%	0.03%
Total SUV segment			103,266	81,190	27.19%	18.21%
Total CUV (SUV+Crossover)			283,040	218,252	29.68%	49.91%
Total all segments			567,108	487,878	16.24%	100%

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NEW CAR REGISTRATIONS

April sales show that there's 'light at end of the tunnel'

The Society of Motor Manufacturers and Traders (SMMT) has said April's new car sales shows there is "light at the end of the tunnel" after coronavirus lockdowns. It has notched up its full year forecast to 1.86 million units, a 30,000 increase.

In April, car retailers across the UK were able to drive the market to 141,483 new car registrations, through a combination of remote or distance sales and phased reopening of showrooms in England first and then the remaining UK nations.

A ludicrous increase of 3,177% over April 2020 when the first lockdown was in place, the total still falls short of the last proper April market in 2019 when the total reached 161,000 units.

One-in-eight of April's new cars was either a plug-in hybrid or battery electric vehicle. Only one-in-10 was a diesel.

"A full recovery for the sector is still some way off, but with showrooms open and consumers able to test-drive the latest, cleanest models, the industry can begin to rebuild," says SMMT chief executive Mike Hawes.

1 PORSCHE

The premium performance car brand found more customers in April than Dacia, known for its affordable new runabouts. The Taycan remains its star performer.



2 MG

Its strong sales in April suggests there are cost-conscious new car buyers out there, even if the aforementioned Dacia cannot find many of them.



Marque	April					Year-to-date				
	2021	% market share	2020	% market share	% change	2021	% market share	2020	% market share	% change
Volkswagen	13,323	9.41	210	4.86	6,244.29	49,542	8.74	45,305	9.29	9.35
Ford	12,959	9.15	306	7.08	4,134.97	49,031	8.65	44,141	9.05	11.08
Audi	11,154	7.88	136	3.15	8,101.47	40,557	7.15	30,805	6.31	31.66
Vauxhall	8,972	6.34	479	11.09	1,773.07	33,798	5.96	27,320	5.60	23.71
BMW	8,757	6.19	211	4.88	4,050.24	40,701	7.18	34,473	7.07	18.07
Mercedes-Benz	8,668	6.12	256	5.92	3,285.94	40,368	7.12	34,112	6.99	18.34
Toyota	7,892	5.57	19	0.44	41,436.84	31,675	5.59	27,025	5.54	17.21
Kia	7,529	5.32	156	3.61	4,726.28	27,894	4.92	22,451	4.60	24.24
Peugeot	6,756	4.77	189	4.37	3,474.60	22,461	3.96	15,242	3.12	47.36
Land Rover	6,374	4.50	79	1.83	7,968.35	26,925	4.75	20,154	4.13	33.60
Škoda	5,834	4.12	177	4.10	3,196.05	20,076	3.54	17,507	3.59	14.67
Nissan	5,036	3.56	106	2.45	4,650.94	26,122	4.61	23,669	4.85	10.36
Volvo	4,321	3.05	52	1.20	8,209.62	18,285	3.22	12,157	2.49	50.41
Seat	4,144	2.93	165	3.82	2,411.52	15,604	2.75	15,834	3.25	-1.45
Hyundai	3,958	2.80	64	1.48	6,084.38	17,380	3.06	13,817	2.83	25.79
Mini	3,116	2.20	38	0.88	8,100.00	13,910	2.45	13,036	2.67	6.70
Citroën	2,641	1.87	56	1.30	4,616.07	11,246	1.98	9,208	1.89	22.13
Renault	2,361	1.67	44	1.02	5,265.91	10,427	1.84	9,952	2.04	4.77
Mazda	2,243	1.58	11	0.25	20,290.91	7,545	1.33	7,177	1.47	5.13
Honda	2,231	1.58	7	0.16	31,771.43	6,751	1.19	9,627	1.97	-29.87
MG	2,146	1.52	45	1.04	4,668.89	8,307	1.46	5,510	1.13	50.76
Jaguar	1,993	1.41	396	9.16	403.28	7,121	1.26	8,363	1.71	-14.85
Suzuki	1,315	0.93	5	0.12	26,200.00	5,218	0.92	6,282	1.29	-16.94
Fiat	1,271	0.90	68	1.57	1,769.12	4,484	0.79	6,234	1.28	-28.07
Porsche	1,212	0.86	27	0.62	4,388.89	4,143	0.73	2,782	0.57	48.92
Dacia	1,136	0.80	16	0.37	7,000.00	4,412	0.78	5,071	1.04	-13.00
Lexus	975	0.69	6	0.14	16,150.00	4,368	0.77	4,476	0.92	-2.41
Mitsubishi	716	0.51	34	0.79	2,005.88	2,544	0.45	3,868	0.79	-34.23
Cupra	528	0.37	0	0.00	0.00	1,452	0.26	0	0.00	0.00
Polestar	318	0.22	0	0.00	0.00	1,240	0.22	0	0.00	0.00
Jeep	264	0.19	7	0.16	3,671.43	1,116	0.20	1,013	0.21	10.17
Abarth	159	0.11	18	0.42	783.33	700	0.12	646	0.13	8.36
Subaru	128	0.09	1	0.02	12,700.00	438	0.08	254	0.05	72.44
smart	127	0.09	22	0.51	477.27	534	0.09	270	0.06	97.78
Bentley	118	0.08	4	0.09	2,850.00	424	0.07	395	0.08	7.34
SsangYong	105	0.07	45	1.04	133.33	344	0.06	480	0.10	-28.33
Alfa Romeo	99	0.07	17	0.39	482.35	415	0.07	661	0.14	-37.22
Maserati	53	0.04	1	0.02	5,200.00	210	0.04	179	0.04	17.32
DS	47	0.03	1	0.02	4,600.00	462	0.08	718	0.15	-35.65
Alpine	16	0.01	1	0.02	1,500.00	58	0.01	38	0.01	52.63
Other British	214	0.15	24	0.56	791.67	822	0.14	671	0.14	22.50
Other Imports	374	0.26	822	19.02	-54.50	7,998	1.41	6,955	1.43	15.00
Total	141,583		4,321		3,176.63	567,108		487,878		16.24



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FINANCE OFFERS

Low rate finance on the increase

Average monthly payments for new car finance have remained relatively flat in Q2, according to the latest retail finance offers data from AM.

The first three months of 2021 had shown retail offers had actually become more expensive while retailers were locked down, but now the showroom doors are open there are some positives for car buyers this spring.

Cars across the new market are slightly more affordable with average monthly payments down marginally by 0.8% to £351 compared with Q1, and average deposits are also coming down to a greater degree with a 12.7% drop to £5,877.

Low rate finance has also been given a boost in Q2, with 57 offers recorded by AM this quarter, compared with 44 last quarter.

More than 170 of the offers were priced at or below the average monthly £351 price level, compared with 147 over the previous three months.

While there are areas of new car finance that have become more affordable in Q2, average balloon payments have increased quite dramatically by 135% quarter-on-quarter to £13,277.

The level of funding from manufacturer deposit contributions has also dropped, down by 17.3% on average to just more than £2,000.

While AM data has recorded more than half a million pounds in deposit contributions from representative examples online for Q2, it marks the second quarter where support has dropped.

Deposit contributions also fell by 13.6% to £2,514.09 in Q1, so either vehicle manufacturers are feeling more confident the market is picking up without as much stimulation, or they're looking to claw back some investment due to the ramping up of their electric vehicle campaigns.

While there has been a rolling back of finance deposit allowances, there are still a lot of affordable vehicles available in Q2, with the top 10 most affordable vehicles by monthly payment all on sale for less than £160 a month.

The Mitsubishi Mirage has to be one of the lowest priced vehicles on a PCP deal AM has ever seen. At just £66 a month, customers can get hold of a Mirage Verve petrol model on a four-year contract.

AVERAGES Q2 2021 (% show 1/4 on 1/4 change)

Average deposit: £5,877 -12.7%

Average monthly payment: £351 -0.8%

Average balloon payment: £13,277 +135%

Average deposit contribution: £2,078 -17.3%

Average term: 44 months

Number of 0% offers: 57

173 offers priced at the average monthly level or below

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
TOP 10 MODELS BY LOWEST MONTHLY PAYMENTS							
Mitsubishi Mirage Verve Petrol Manual	PCP	£4,232.00	48	£65.84	£4,455.00	2.90%	30/06/2021
Dacia Sandero Essential SCe 65	PCP	£861.00	48	£114.00	£4,392.00	6.90%	30/06/2021
Hyundai i20 SE Connect 1.0 T-GDi 100PS 48 Volt Hybrid Petrol DCT	PCP	£6,100.00	48	£128.86	£7,352.19	4.80%	30/06/2021
Toyota Aygo 5 Door Hatchback x-trend 1.0 Petrol (72PS) White Flash	PCP	£3,392.00	48	£129.00	£4,410.00	0.00%	30/06/2021
Hyundai i10 - SE 1.0 67PS Petrol 2WD Manual	PCP	£4,000.00	24	£131.35	£6,088.32	4.80%	30/06/2021
Dacia Duster Essential TCe 90 4x2	PCP	£2,821.00	48	£144.00	£5,613.00	6.90%	30/06/2021
Volkswagen up! 1.0 3-dr 65PS S/S manual	PCP	£2,550.40	48	£145.00	£4,344.30	3.00%	30/06/2021
Honda Jazz SE with Solid Paint	PCP	£4,314.34	36	£149.00	£10,707.18	4.90%	30/06/2021
Suzuki Swift 1.2 Dualjet SZ-L	PCP	£2,106.00	48	£149.00	£4,750.00	5.90%	30/06/2021
Citroën C1 VTi 72 5-dr	PCP	£1,656.98	48	£159.00	£4,066.00	3.90%	30/06/2021
TOP 10 0% OFFERS AT LOWEST MONTHLY PAYMENT							
Toyota Aygo 5 Door Hatchback x-trend 1.0 Petrol (72PS) White Flash	PCP	£3,392.00	48	£129.00	£4,410.00	0.00%	30/06/2021
Ford Fiesta Trend 1.0 EcoBoost 95PS 5-dr	PCP	£4,969.00	36	£165.00	£6,136.00	0.00%	30/06/2021
MG3 Excite 1.5 VTI-tech	PCP	£175.00	48	£175.00	£3,725.00	0.00%	30/06/2021
Mazda2 1.5 75PS SE-L NAV	PCP	£2,597.25	36	£189.00	£7,143.75	0.00%	30/06/2021
Renault Clio Iconic E-Tech Hybrid 140 Auto	PCP	£3,743.00	36	£189.00	£9,803.00	0.00%	30/06/2021
Nissan Micra IG-T 92 Manual Acenta	PCP	£1,659.00	36	£193.00	£6,853.00	0.00%	30/06/2021
MG ZS Excite 1.5 VTI-tech	PCP	£197.00	48	£197.00	£5,947.00	0.00%	30/06/2021
Ford Tourneo Connect Titanium 1.5 EcoBlue 100PS	PCP	£8,093.21	36	£199.00	£9,095.00	0.00%	30/06/2021
Renault Zoe Iconic R110 ZE 150	PCP	£5,757.00	36	£199.00	£13,824.00	0.00%	30/06/2021
Renault Clio Iconic SCe 65	PCP	£4,281.00	24	£199.00	£8,343.00	0.00%	30/06/2021
TOP 10 MODELS BY LOWEST DEPOSIT							
MG3 Excite 1.5 VTI-tech	PCP	£175.00	48	£175.00	£3,725.00	0.00%	30/06/2021
Fiat 500 Hatchback 1.0 Mild Hybrid Pop MY21	PCH	£185.00	48	£185.00	N/A	N/A	30/06/2021
MG ZS Excite 1.5 VTI-tech	PCP	£197.00	48	£197.00	£5,947.00	0.00%	30/06/2021
Fiat 500C 1.0 Pop Mild Hybrid MY21	PCP	£230.00	48	£230.00	£4,269.00	4.80%	30/06/2021
MG5 EV Excite	PCP	£326.00	48	£326.00	£9,121.00	0.00%	30/06/2021
Peugeot 108 Active 1.0L 72 5-dr	PCP	£540.85	48	£173.00	£3,777.00	4.90%	30/06/2021
Peugeot 308 SW Active Premium 1.2L Puretech 110 S&S	PCP	£586.84	48	£289.00	£5,929.00	4.90%	30/06/2021
Peugeot 308 Active Premium 1.2L Puretech 110 S&S	PCP	£590.78	48	£279.00	£5,534.00	4.90%	30/06/2021
Dacia Sandero Essential SCe 65	PCP	£861.00	48	£114.00	£4,392.00	6.90%	30/06/2021
Fiat Panda 0.9 Twinair Wild 4X4 MY21	PCP	£925.00	48	£229.00	£4,824.00	4.90%	30/06/2021
TOP 10 BY HIGHEST DEPOSIT CONTRIBUTION							
BMW 745e M Sport	PCP	£6,569.00	48	£799.00	£22,247.18	2.90%	30/06/2021
Audi A8 50 TDI Sport Quattro Tiptronic	PCP	£12,856.57	48	£649.00	£17,247.25	0.70%	30/06/2021
BMW 840i Gran Coupe	PCP	£5,369.00	48	£699.00	£26,100.73	2.90%	30/06/2021
Audi A7 Sportback S line 40 TDI S Tronic	PCP	£7,244.17	48	£489.00	£18,039.55	2.70%	30/06/2021
Volkswagen Touareg SE 3.0 TDI 231PS 4Motion DSG	PCP	£6,016.66	48	£475.00	£14,853.60	3%	30/06/2021
BMW X5 xDrive30d M Sport	PCP	£7,139.00	48	£649.00	£26,517.90	2.90%	30/06/2021
Volvo S90 T8 R-Design Plug-in hybrid All Wheel Drive Automatic	PCP	£6,115.91	48	£529.00	£18,622.50	3.90%	30/06/2021
Jaguar I-Pace EV400 SE	PCP	£12,195.00	48	£649.00	£27,116.00	4.90%	30/06/2021
Peugeot Traveller Active Std 1.5L BlueHDI 120 S&S 6-Spd Man	PCP	£5,732.05	48	£379.00	£11,590.00	4.90%	30/06/2021
A6 S line 40 TFSI S Tronic	PCP	£5,259.42	48	£429.00	£16,097.75	3.40%	30/06/2021

Mitsubishi has affordable offers across its range, presumably to help shift stock ahead of the planned end to new car sales operations this autumn.

All of the lowest priced 0% offers are also available for less than £200 a month in Q2, including the UK's second-best selling model year-to-date, the Ford Fiesta.

There's a supermini and city-car slant to the most affordable models, which is to be expected at the end of the price spectrum, but another Ford stands out in Q2. The Tourneo Connect is a particularly tempting 0% PCP offer for customers looking for a more affordable people carrier at just £199 a month.

The most affordable models in AM's data are still attracting manufacturer discounts to help move stock, with £1,657 off a Citroën C1, £1,500 off a Hyundai i20 hybrid and hundreds of pounds off most vehicles in the lowest priced table.

The UK's premium sector has been leading the deposit contributions, maintaining an average of £10,637 in reductions across the top 10 models with the highest levels of discounting. **TOM SEYMOUR**



SEARCH FOR FINANCE OFFERS

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



VIEWPOINT



HOW MUCH DISRUPTION CAN THE MARKET TAKE?

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School, Institute of the Motor Industry (IMI) president and an AM Awards judge



It is always interesting to reflect on how the emphasis in our sector has changed over the years.

In the 1970s the outlook was on shifting metal, transaction-based selling with little emphasis on aftersales. The pent-up demand that had built up with the hire purchase restrictions in place at that time allowed for the focus to be on sales.

The aftersales neglect allowed disruptors such as Kwik Fit to enter the market.

As the market tightened through the '80s, manufacturers started to launch their own 'fast fit' operations as part of their franchise offering.

During the '90s there was the realisation that the retention of customers was important as it was costing too much money to keep conquering new ones. So, the emphasis changed towards measuring customer satisfaction with dealer bonuses being linked to how well the retailer scored.

This led to trying to manipulate the customer into giving the highest possible rating. The classic being 'if we delivered 10-out-of-10 service – you, the customer, qualify for a bottle of wine.'

In the 2000s the change started to take place where people began to consider the full value of a customer including her/his family and friends. As a result, the focus moved from simple satisfaction to measures such as net promoter scores.

The start of the 2010s saw the

latest wave of disruptors coming into play with the likes of Rockar and Carwow challenging the existing way of doing business.

The move to online has been accelerated by the pandemic and has led to a response with manufacturers developing an online sales presence and increased connectivity with both the customer and the car.

Throughout the decades the industry has always responded to disruption and found a way to continue to add value and survive.

The challenge now is two-edged. The move towards electrification appears ongoing, but, when the value chain for electric vehicles is examined, there are not sufficient 'value add' opportunities for the existing structure to survive if the retailer only manages the first cycle of the vehicle.

If subsequent cycles are surrendered to the disruptors and intermediaries the sector will face a big financial challenge.

The aim for any manufacturer and its franchisees has to be to keep not only the customer but also the vehicle within its franchise network.

This has a double impact. First, it retains the revenue opportunities, but it also cuts off the used vehicle supply to the new entrants in the used market.

The sector has to address not only the customer lifetime value but also the vehicle lifetime value and decide where it wants that value to go. The choice is keep it or allow it to fund the latest group of disruptors.

THE INDUSTRY HAS ALWAYS RESPONDED TO DISRUPTION AND FOUND A WAY TO CONTINUE

ADVERTISING FEATURE

PANDEMIC POSITIVES

By **Michaela Gunney**
UK sales director, **SECURE Group**



We have all adapted to new ways of working during lockdown. The past year has been one of the toughest in history and has forced us to "do things differently". There has been remarkable growth despite showroom closures with more than a third of sales being completed online.

The prediction is that, in future, there will be a combination of physical and online sales, so digital buyers are definitely here to stay.

At **SECURE VALETING GROUP** we offer a range of support services to help drive sales. We have also further developed our software systems to automate workflows.

WHY CHOOSE SECURE?

Leadership and commitment: Our directors have worked together for many years and share full ownership of the business. We believe our experience and passion for service delivery means we can provide the quality our customers demand.

Technology in vehicle preparation. We have invested heavily in the software development of our **SECURE ONLINE** booking portal. In 2018, we helped launch the Auto Imaging App – the best in class app recommended by leading motor manufacturers and dealer groups.

Cost-effective: A unique franchise arrangement with our operators confirms their status and delivers significant cost advantages to our customers. **SECURE ONLINE** software also provides the financial data for dealerships to completely control their spend on vehicle preparation.

Compliance: Modern slavery, GDPR, Health and Safety are all managed by us – full details of policies are on our website. Our apps for checking the right to work in the UK help prevent illegal working and are constantly being updated.

In summary: **SECURE** technology can get your vehicle stock online quicker than ever before.

Safe in the knowledge... it's **SECURE**.

01480 216700 • info@secureplc.com



The Keyloop Partner Programme

In its third year, the pioneering Keyloop Partner Programme has become one of our proudest achievements and a key pillar for our future.

We launched the Partner Programme in response to the need for greater collaboration in the automotive industry. By enabling third-party applications to integrate with Keyloop's open platform, we are building a truly connected automotive retail ecosystem. The results so far include joined-up technology solutions which provide enhanced products to our mutual customers and new business opportunities for our partners.

"Earlier this year we reached the milestone of more than 50 certified partners, including 16 in the UK, proving that Keyloop's open and collaborative approach is resonating with the market. Our Partner Programme has grown rapidly in Europe, the Middle East and South Africa, and we are committed to maintaining this momentum by expanding into other regions."

"Of course, we are always looking to grow our partners in the UK and look forward to introducing more innovative brands to our Programme in the months ahead."

Matt Benns, Global Partner Director, Keyloop

Keyloop's Partner Programme in the UK:



735

Dealer sites
activated with a
Keyloop partner
integration in
2021



70M

Partner transactions
made in 2021



16

Certified partner
applications
available now to
UK dealers



14

Partner applications
currently in the
certification process

Don't just take our word for it. Some of our existing partners tell us about their solutions and why they love being a Keyloop partner.

Vehicle Vision (certified)

By directly transferring customer, vehicle and job data from the Keyloop DMS to Vehicle Vision, our integration harnesses the power of video to improve customer engagement and satisfaction throughout the aftersales process.

We're thrilled at becoming a certified Keyloop partner and enabling workshops to benefit from increased efficiencies as a result of connecting our platforms.

Aidan Rooney, Product Director and Founder, Vehicle Vision



Bumper (certified)

Bumper helps drivers manage their repair bills, so they can keep their car in tip top condition without breaking the bank. Its integration with Keyloop's DMS enables Service Advisors to process payments quickly and accurately.

We're delighted to be part of the Keyloop Partner Programme; delivering flexible payment options from within the DMS directly to the driver, helping automotive retailers maximise aftersales revenue opportunities in the most effective way.

James Jackson, CEO and Co-founder, Bumper

BUMPER

AutoSLM (in-certification)

AutoSLM is a Sales Lead Management System which helps dealers manage customer enquiries and team resources in the showroom.

Our exciting integration with Keyloop will enable a seamless workflow between our CRM system and the DMS, which really improves our product offering to our customers.

Alan Hazlehurst, CEO, AutoSLM



Join the world's most connected automotive retail ecosystem.

Find out more at www.keyloop.co.uk/partner



POLESTAR

Electric- and online-only brand started with a clean slate, which its UK chief exec finds 'rejuvenating'. He explains why to **Tom Sharpe**

When Polestar UK chief executive Jonathan Goodman told *AM* he was "thoroughly enjoying" his role overseeing the roll-out of the performance electric vehicle (EV) brand, it's clear that he means it.

The Geely-owned brand arrives in the UK with a wholly online sales model at a time when many franchised networks are being slimmed down to leverage greater profitability and dealers are working hard to adopt increased digital retail due to COVID-19 lockdowns.

And, as a fully electric brand – once the Polestar 1 hybrid ceases production at the end of 2021 – Polestar has CO₂ emissions credits to spare while other manufacturers battle with the shift to EVs amid fears of stringent EU fines.

Polestar has a sales strategy aiming to "fundamentally change the face of car retail". However, Goodman insists that there was never any doubt it would draw on the know-how of traditional franchised car retailers to deliver industry-leading customer service.

"We took the approach very early on that we were not going to make the mistake that some manufacturers have of thinking that we could run a retail site better than the retail partners can," Goodman told *AM*.

"We wanted it to be a partnership and we wanted it to be a relationship that matters for our investors, so they are making good margin on the cars.

"A partner selling 500 cars a year will be making a very good profit."

LEAP OF FAITH

Now with two retail partners in the UK – Endeavour Automotive at London's Westfield Shopping and Lookers at Manchester's Trafford Centre – Polestar plans to grow its physical footprint to underpin its online

sales offering and BCA sub-contracted home delivery service.

New Polestar Space stores will be opened in Glasgow and Birmingham by the end of a year which Goodman expects to yield "big, big growth in terms of volumes", ahead of expansion with "a fair few more" in 2022/23.

"Our first retail partners had to buy into the Polestar project without having seen or driven the cars," he says.

"They had to commit to something totally different, with no commission, no whole-sale cars and customers who will primarily interact with us.

"They have done a fantastic job, while coping with COVID-19 lockdown, and they're now as excited as a kid in a sweet shop to get on with operating more as we would like and realising the potential of the brand."

Contracts have yet to be signed on the Birmingham and Glasgow sites, but they will follow the same brand guidelines as early adopters Endeavour and Lookers.

“WE TOOK THE APPROACH VERY EARLY ON THAT WE WERE NOT GOING TO MAKE THE MISTAKE THAT SOME MANUFACTURERS HAVE OF THINKING THAT WE COULD RUN A RETAIL SITE BETTER THAN THE RETAIL PARTNERS CAN

JONATHAN GOODMAN, POLESTAR

WHO PAYS FOR WHAT?

The cost of setting-up and running a Polestar Space is covered by the franchisees – along with localised marketing – as well as staffing the site with commission-free product experts.

Demonstrators are funded by the brand.

Goodman says the aim is to establish the facilities in high-footfall areas and offer a hassle-free introduction to people who may just have popped in for a look or made a special trip to take a test drive.

Polestar retailers operate on a non-commission, fixed fee per sale agency model agreement, with all sales completed online and remuneration attributed according to a customer's proximity to a particular Polestar Space.

A network of 100 Volvo franchisees provide Polestar's approved aftersales service,. Collection and delivery of cars –

with the option of a courtesy car – is one of the brand's USPs.

The Polestar 2 sits on the same CMA platform as the new Volvo XC40 Recharge and the brands' shared aftersales set-up delivers incremental aftersales business for franchisees, Goodman says, without any corporate identity (CI) requirements.

Goodman returned to the UK to take on the chief executive role after a spell as the brand's global chief operating officer following the departure of Polestar UK managing director Andrew Pilkington to rival online brand Genesis Motor Europe in July last year.

He says it was "exciting" to be involved with the UK launch of a new EV brand which was starting with a clean slate and no legacy infrastructure, stating: "After 35 years in the automotive sector (mostly with Peugeot and its parent PSA), joining Polestar has been rejuvenating. I'm thoroughly



KEY PRODUCTS



◀ Polestar 1

The brand's debut coupe arrived in the UK in Q2 2019. Production of the £135,000, 617PS plug-in hybrid will cease later this year, with a limited run of 25 matte gold versions marking its run-out.



◀ Polestar 2

Leading the Polestar charge in 2021, the EV crossover helped the brand to 1,240 registrations by the end of April. It was launched last September with prices starting at £39,900.

Jonathan Goodman heads a brand that, he says, will 'fundamentally change the face of car retail'



enjoying it. Starting from a blank canvas, we can pick the best bits of the model and evolve as we go along. Change is difficult for other brands who might have 250 investors who have each invested millions to be part of the franchise."

RANGE EXTENDING

Polestar is currently relying almost exclusively on its Polestar 2 to deliver its sales growth after the first customer cars arrived into the UK last September.

Production of its debut plug-in hybrid, the Polestar 1 coupe, will end later this year.

A coupe-styled Polestar 3 SUV will be added to the model line-up next and the brand has also confirmed that its four-door Precept coupe concept will go into production.

As part of his UK role, Goodman leads Polestar's research and development operation in Coventry, a project he describes

as one of the brand's "best kept secrets".

He says the UK is at the heart of the development of upcoming vehicles, with recruits from aerospace and Formula One assisting the brand's teams at its Gothenburg HQ.

As of the middle of April, Polestar is offering the Polestar 2 in three levels of specification, having previously offered just the long-range, 408PS dual-motor Launch Edition.

Goodman says he felt the market for a £50,000-plus EV was limited, but says that the new choice single-motor variants with the same 78kWh or a smaller 64kWh battery – offering a £39,900 starting price – will broaden the brand's customer base.

"Our biggest issue is stock availability," he says. "We've got additional production for the second half of the year, so we should be okay."

The brand does have around 20 pre-configured vehicles in stock at any one time,

however, allowing customers to avoid a three-month lead time on new orders.

It is also planning to launch a used car element to its online sales, in May, as vehicles start to re-enter the market.

Another hurdle to Polestar's growth potential is Government policy.

The full impact of Polestar's new, more affordable derivatives was lessened by the reduction in plug-in car grant (PiCG) cap from £50,000 to £35,000 – making the range ineligible for the incentive – and Goodman branded the changes "a mistake".

Speaking at the SMMT Electrified event in March, he told Society of Motor Manufacturers and Traders chief executive Mike Hawes that incentives for consumers need to mirror those currently in place for fleet and business, being sustained and consistent.

"There is consistency and certainty in the company car market with the

Polestar 3

Said to be the car to mark a shift away from the design cues of Swedish sister brand Volvo, the yet-to-be unveiled rival to Jaguar's I-Pace arrives in the UK next year. It will share the same architecture of Volvo's next-generation, all-electric XC90.



Precept

Robbed of a 2020 public debut at the cancelled Geneva Motor Show, the Precept is a four-door EV GT. Its interior will be constructed using recycled materials.



“BIK (benefit-in-kind) rates. That’s a policy that people have clear visibility of for the next two years,” Goodman says.

Currently, around 75% of Polestar’s sales are to fleet and business users, with user-choosers a particular area of success.

Goodman says online retail processes ensure retail and corporate customers get the same levels of experience and support, which isn’t always the case with other brands which, he says, are often a less flexible when it comes to serving fleet customers at their franchised sites.

He tells *AM* Polestar will not realign its pricing to follow the Government’s changing incentive policies, as some other brands have done.

“From our perspective we’re looking at a new brand with high demand,” he says.

“I think it’s a very dangerous game to play to reduce margins to get to the (PiCG) threshold. What if that threshold changes again?”

“We know the price point for our cars and we’re going to stick to it.”

He adds: “Government policy has to allow the industry to plan. We’re already on a short timescale to get to 2030.”

Goodman believes Polestar’s Google HMI technology system will help to overcome the infrastructure and range anxiety issues that many industry commentators cite as another hurdle for widespread EV adoption.

“I THINK IT’S A VERY DANGEROUS GAME TO PLAY TO REDUCE MARGINS TO GET TO THE (PiCG) THRESHOLD. WHAT IF THAT THRESHOLD CHANGES AGAIN?”

JONATHAN GOODMAN, POLESTAR

Google maps correlates route data to the available range and will indicate potential charge locations along the way.

Goodman says that work is also underway to integrate with some of the sector’s charge point apps.

But he adds: “There are still readjustments to be made to people’s mindset when it comes to EVs. With a WLTP range of 220 to 230 miles, who needs more than that?”

‘TOUCH AND FEEL’

An introduction to life with an EV is a central part of Polestar’s latest series of test drive events across the UK.

Beginning at the end of April with events in Exeter and Cambridge, the operations

POLESTAR’S POSSIBLE PUBLIC OFFERING

Polestar chief executive Thomas Ingenlath (right) has questioned the “paper value” of rival EV manufacturers as the brand continues to be linked with a possible initial public offering or flotation.

Speaking at the Shanghai International Auto Show, Ingenlath suggested the EV revolution was in danger of becoming a plaything for speculators and urged rivals to get their priorities straight by putting climate change before sky-high market valuations.

Ingenlath’s statement came less than a week after Polestar raised \$550m (£395.7m) from a group of long-term financial investors to further boost its growth potential.

“It, frankly, amazes me that there are companies out there that are worth billions of dollars and have never made a car,” says Ingenlath.

“What is at stake here is not how much financiers think a company is worth, but the chance to revolutionise the auto industry, turn it electric and, at the same time, make a huge contribution to protecting the climate.

“Put against these important themes, a market valuation is a very insubstantial and meaningless marker of success.”





**The Polestar display
at London's Westfield
Shopping centre**

are designed to reach customers who might not be located near a Polestar Space, but want to experience a car in person.

Test drives are hosted from "suitable locations", including hired premises and temporary pop-up facilities.

Polestar franchisee Lookers has hosted test drive events from its Lookers House headquarters in Altrincham.

Goodman says the brand expects to host between 29,000 and 30,000 test drives during 2021.

"People want to touch and feel the cars and these events allow us to reach a lot of people," he says.

"The test drives have been booked-up straight away, so we don't feel we're lacking

enthusiasm from customers, but we have also started marketing the brand more widely now.

"We have a TV campaign up and running now and Film 4 sponsorship started about a week ago, which is great."

He adds: "We're one of the few brands which is on a growth trajectory right now. It's an exciting time for us and our retail partners."

Unlike Polestar's single-minded promotion of its alternative fuel vehicle (AFV) line-up, Goodman says that other manufacturers' marketing activity will be a huge challenge over the coming years as they await full-electrification closer to the UK Government's 2030 target date for a ban on

the sale of all new purely petrol- or diesel-powered cars.

"They have the issue of pushing EV while not putting down their petrol and diesel vehicles, which is still going to make up 70% of their volume for a while to come," he says. "That's a tough task."

Polestar – like EV rival Tesla – is also amassing CO₂ emissions credits as it beats the EU's 95g/km fleet emissions CAFE regulations targets.

Goodman was guarded when asked whether the credits would be used to ensure sister brand Volvo met its obligations, thus avoiding any risk of punitive fines.

He says: "Nothing's been decided. They're our credits to do with as we please."



**Polestar's Precept concept
is set to go into production**

How Bluesky Interactive can increase your website traffic

It's the million-dollar question that Bluesky Interactive always get asked – how can I get more traffic to my dealer site, and turn those visitors into enquiries? And, while the technology and ideas are continuously growing and changing, there is always one consistent element in our recommendations – Pay Per Click advertising (PPC).

Bluesky Interactive are automotive digital marketing experts – and with a team of qualified PPC specialists on-hand, they are also the best people to guide you on boosting your website's traffic and getting exceptional return on your investment.

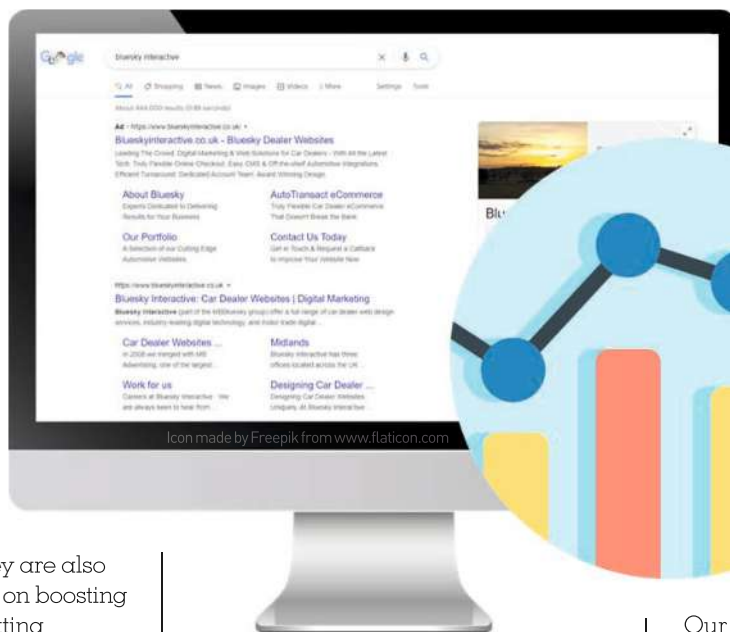
WHAT IS BLUESKY'S EXPERIENCE?

Bluesky Interactive have been running PPC for more than 10 years, specialising exclusively in automotive. As digital marketing experts for a wide range of dealer groups, they turn hundreds of thousands of pounds-worth of ad spend a year into ad views, clicks and (most importantly) qualified website leads.

WHAT IS MODERN PPC?

Modern PPC is a lot more than the "text advert and a click" of yesteryear. While text adverts targeting people looking for specific automotive keywords still forms the lynchpin of a paid search strategy, the portfolio of campaign elements has grown and changed – including Gmail, Bing, YouTube and much more.

However, the same basic principles still apply. You pay either per click or per thousand impressions and you aim to reach the most relevant audience and send them to the most relevant part of your highly-converting cutting-edge dealer website.



WHY DO YOU WANT TO DO PPC?

PPC will let you reach really relevant people at the exact right moments, whatever your strategy. They will then enter your buying cycle and, in an ideal world, will give you a call, drop you an email or even buy a car right there on your site. It's more measurable and transparent than most advertising channels, and it's also as targeted as you want. This also means that it's scalable, suiting budgets of all shapes and sizes.

DIFFERENT STRATEGIES

An ideal PPC strategy for a car dealer will have some activity in each of these key areas – the proportions would generally be influenced by your specific business objectives and performance indicators, and Bluesky would typically do a proposed strategy before launching your PPC campaign:

- Tactical and Search – reaching people who are searching for relevant makes, models and services, and sending them to the relevant page of your site to maximise enquiries.

- Local search – cheap traffic you might also get from organic traffic, but this converts well.

- Branding – building awareness of your company and brand in order to support awareness and other marketing activity (and also, your SEO presence).

HOW DO I KNOW WHAT TO INCLUDE?

This is where a PPC specialist agency like Bluesky comes into play.

Our team can look at your available budgets and objectives and advise where you would be wisest to spend the money. Every dealership will need a slightly different approach dependent on the type of stock they are selling, priorities and objectives.

TOP TIP: Don't go down the road of targeting name/location above all else – it performs well and delivers cheap traffic, but it's also traffic that a strong Google My Business presence may be able to reach all on its own. You want a campaign to build your traffic, not cannibalise it.

Bluesky will also offer bespoke, transparent reporting and full integration with Google Analytics, allowing you to tell what is working, and what isn't. If you already run PPC but aren't sure if it's performing well, then a campaign with Bluesky will ensure that smoke and mirrors are a thing of the past.

Sound good? Request a no-obligation PPC proposal on 01926 651000, or visit www.blueskyinteractive.co.uk

Website: www.blueskyinteractive.co.uk
Telephone: 01926 651000





MINUTES WITH...

Tom Kilroy,
Keyloop chief executive



You moved to Keyloop (formerly CDK International) from its new owner Francisco Partners. What's your background?

I was with Francisco Partners (FP) for the past year as an operating partner. The partners are a group of about 25 people concentrating on doing deals, the operations of the companies FP owns and things they're looking at buying. I'm also a board member at EG Software in the Nordics and I was COO of a software company here in the UK, doing software for banks and financial institutions, with a workforce of around 10,000 people. Uptime and reliability were everything, but around that core people want digital evolution and better data.

What was your involvement in the CDK International acquisition?

I was involved in the due diligence for the acquisition of CDK International at the start. I think we first got inquisitive last October and signed the deal in November. We meant it when we said we wanted to move quickly. Me joining the business was something that evolved over time.

Does FP have experience in automotive?

FP have companies that serve the auto sector, but this is their first purely automotive investment. They specialise in software investment. They have been around since 1999 and have done 300 acquisitions. They do really understand software and that gives you confidence in getting a tech company to perform to its best.

With so much change happening in automotive – including the possibility of greater OEM control through an agency franchise model – what attracted FP to the automotive sector?

There's a tendency to say there is a lot of change going on, changes to distribution and how fast EV is coming along, but once you start to dig into that the reality is much more attractive. Franchisees are the last role in the distribution chain, that touch

WHAT I DO
THINK PEOPLE
WANT, IS A
MORE FLEXIBLE
EXPERIENCE AND A
MORE CONSISTENT ONE

TOM KILROY, KEYLOOP

customers, and it's a physical product. Even customers who would like to do things wholly online may still want to test drive a car and they'll certainly want to have it serviced. Dealerships are a critical part of the industry landscape and I don't think that will change. What I do think people want, however, is a more flexible experience and a more consistent one. I don't think the move to the agency model should be worried about. We have relationships with around 60 OEMs from the work we already do, so what we want to be able to do is to do this together. It's a symbiotic relationship. (Dealers and OEMs) need each other to succeed.

Keyloop moved quickly to acquire RAPID RTC and enquiryMAX. What is the growth strategy going forward?

In the past we've been seen as a dealer management system (DMS) provider but we want to expand on that, thinking about the value chain for our customers, from the parts store to the data analytics, that will help them understand their business better. We want to be open. We really want to be an enabler for dealers that might already be using other systems. We don't see ourselves as revolutionaries. We want to continue that evolution and ensure that our technology continues to be relevant. I think we do see our strategy to build, to buy and to partner. It's a question about which approach is best in each area. We've built models like Advanced Parts ourselves, but the reality

was that we weren't as strong in the showroom and we didn't have any lead management capability. The goal would be to ensure that lead that starts in RAPID ends up in enquiryMAX and results in a sale managed via our DMS. We then want to take all that data and do far more effective lead attribution.

How much focus is on online car retail?

We've active partnership discussions going on. We understand that while some people want to buy online, others don't. We need to be able to enable all the options. I think we need to strengthen our partnerships in analytics. It doesn't make sense for us to build that capability because we won't be able to do that as well (as some established players). We think there are many more applications we can bring to our clients. The DMS market is now fully penetrated.

What is the scale of Keyloop's client base?

As Keyloop, we serve around 3,000 rooftops in the UK, RAPID has around 1,200 in the UK and enquiryMAX 970. Globally, we serve around 16,000 rooftops. We want to take RAPID and enquiryMAX elsewhere, to the Nordics and the Middle East.

And the capacity for revenue growth?

We're around about the \$350 million (£250m) revenue mark. We're solidly profitable and we want to make sure we're scalable. The way we organise our product teams is changing. We want to be organised around the areas where our customers are focused. We've around 600 people in development, around 250 of those based in Hyderabad.

What is the main focus for Keyloop now?

The main thing for me is we don't become internally focused. The key thing is our customers and that the product roadmap is a collaboration with the industry. We want to be a product-led and market-led company. **TOM SHARPE**

FACT
FILE




HEADQUARTERS:
HUNGERFORD;
LEEDS
(ENQUIRYMAX);
WINNIPEG, CANADA
(RAPID RTC)
CUSTOMER BASE:
16,000 ROOFTOPS
EMPLOYEES:
2,500
TURNOVER:
\$350M (£250M EST)

Raise your sales performance – technology to help dealers stay ahead

Keyloop is delighted to welcome enquiryMAX to the family, joining us on our mission of making everything about buying and owning a car better.

enquiryMAX helps you to give customers the car buying experience they deserve, turning enquiries into offers, and supports your sales teams with everything they need to build and complete an offer, smoothly and efficiently, via desktop and mobile.

Let us tell you a little more about the enquiryMAX advantage.

-  **IMPROVE CUSTOMER EXPERIENCE** - Having all the necessary data at your fingertips creates a professional buying experience that your customers will appreciate.
-  **STAY IN CONTROL** - Enjoy complete visibility of enquiries, appointments and sales activity.
-  **CLOSE THE DEAL** - Complete every detail from part exchange to finance and take a deposit, on one platform.

enquiryMAX has a great track record of success, see what our customers have to say:

The integration has been faultless with no downtime whatsoever; it's now fully up and running and has been universally welcomed by the sales team. The feedback has been so good that I'm rolling out to the rest of our sites immediately – there is no point waiting for the pilot to end!

Wayne Edwards, Head of Business – Mercedes Truck & Van at Marshall Motor Group

After rolling out enquiryMAX across our business, we benefited from an almost instant uplift in sales performance and customer experience, whilst also improving our organisation and communication across the team. The system enables us to track each lead from initial enquiry to vehicle delivery, allowing us to analyse our sales process to make continuous adjustments and improvements for the future. It's easy to navigate and use, works as a fantastic CRM, providing detailed reporting.

Mathew Atkinson, Operations Manager at Clapham Commercials

Interested in enquiryMAX for your showroom or sales team?
Discover more at www.keyloop.co.uk/enquirymax



a Keyloop company

SPOTLIGHT:

FUTURE OF MOTOR RETAIL

Sponsored by 



WHERE WILL DEALER'S FOCUS LIE?

Buyers' habits and OEMs' agency contracts will drive change to franchised motor retail operations



A TARGET-FREE FUTURE?

DEALER GROUP LEADERS ALREADY
REPRESENTING BRANDS USING AGENCY
CONTRACTS TALK THROUGH THE PROS AND CONS

PAGES 30-31

FACING MAJOR CHANGE

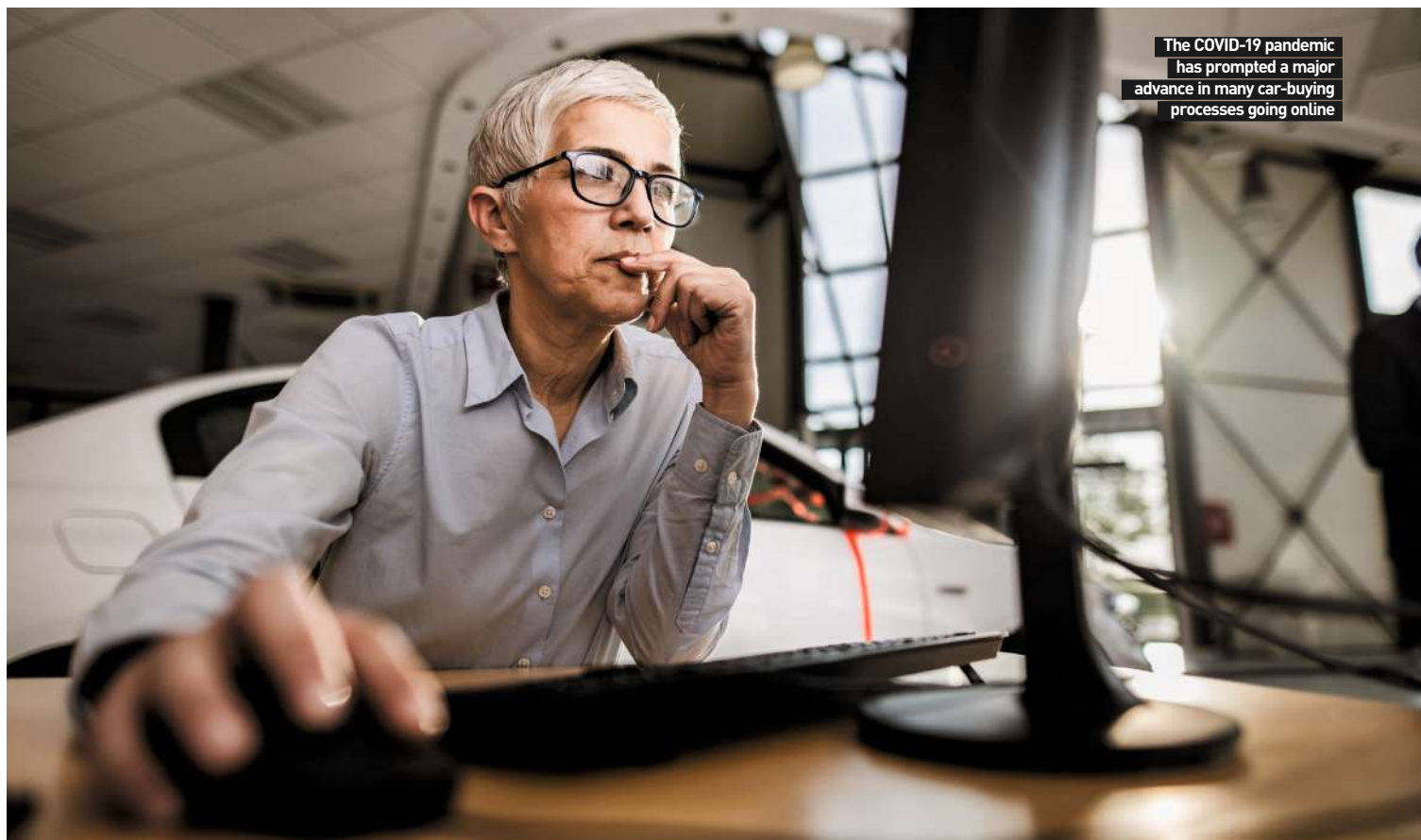
SHOWROOMS WILL NEED TO EVOLVE
TO REFLECT THE INCOMING AGENCY
MODEL; SITES WILL BE SMALLER

PAGES 34-35

ARE USED CARS THE WAY FORWARD?

NEED FOR REDUCED STOCKHOLDING MAY
ALLOW DEALERS TO FREE UP CASH TO
BOLSTER USED CAR OFFERING

PAGES 36-37



The COVID-19 pandemic has prompted a major advance in many car-buying processes going online

Target-free future for new cars?

Dealer group leaders already representing brands using agency contracts talk through the pros and cons

The benefits of an agency-style model, where the new car journey is managed online and manufacturers pay a handling fee to retailers, largely outweighs the disadvantages, according to senior executives at dealer groups already experiencing mixed commissions at work in their businesses.

Daksh Gupta, CEO of Marshall Motor Holdings, is well-known as one of its exponents. He says: "It's nothing new, it's been around for 20 years. Around half [the group] do agency in some shape or form."

Chief operating officer at Snovs Motor Group Neil McCue believes the arrival of the agency

model is inevitable, he says: "Manufacturers have been talking about it so much and it is already running in our fleet operations. However, manufacturers have not said too much about how the model will work, so we are a bit in the dark."

REDUCED RISK V REDUCED TURNOVER

One of the biggest advantages for retailers is new car stock will no longer be incorporated on their balance sheets and the cost of interest on stocking loans will be saved, although turnover will reduce for new cars.

Gupta says: "While our debt will reduce, we should remember that retailers' enjoy a working capital benefit by claiming VAT on

consignment vehicles. In addition, agency will mean that some of the costs that retailers bear today, in addition to interest, such as the write-down of demonstrators, training and marketing will also be absorbed by our brands going forward which also de-risks our business."

Endeavour Automotive represents four brands at 16 sites including partnering Volvo throughout the capital and is responsible for Polestar's first UK Space in Westfield London where agency-style agreements are already operating.

CEO John Caney says: "From a balance sheet perspective, agency de-risks because it is not our stock. That's a positive as manufacturers at certain times force stock on us which isn't necessarily the right stock."

"There's talk about our loss of margin but with the franchises we have got and the work we are doing with the manufacturers, the headline number is a little less than what I think we could negotiate, but I'm quite happy with how it's working out from a margin perspective."

Gupta adds: "While today we may start with a typical 13% margin and only retain 4% of that with the other 9% going in discount and cost absorption, in the future we may only retain 4% but all the costs and discounting will go. I joined the industry in 1992 and the dealer margin was between 17-20%, but we didn't retain any more than we do now, we just don't give away as



“MANUFACTURERS HAVE NOT SAID TOO MUCH ABOUT HOW THE MODEL WILL WORK, SO WE ARE A BIT IN THE DARK

NEIL McCUE, SNOWS

much discount as we did in the past.”

McCue says: “Margin is a big risk for us and we need to understand what the margin is on the cars. Ideally, we want a very sensible handling fee for transacting and we want to handle the part-exchanges. On the servicing side, we would like to see all-inclusive packages so we can retain the customers.”

GOODBYE TO TARGETS AND HAGGLING

In theory, moving solely to an agency model will mean targets will no longer exist since retailers are fulfilling, rather than selling. Manufacturers will be responsible for attracting customers with dealers simply delivering the practicalities of the sale itself.

McCue says: “There are so many unknowns, it’s really hard to predict. At the moment, we have a model where we sell a car, you get targets and bonuses, but how will that look in the future? While you have the risk of target, that’s always going to encourage heavier trading to try to get the numbers done.”

Caney says: “We have seen some great results during COVID when manufacturers relaxed the targets and we didn’t sell any less vehicles within the opportunity. Ultimately, targets are driven by stock and stock is driven by ageing stock. If we are not in that environment where we’re under pressure, where we are holding interest-bearing stock, then it makes it an interesting conversation to be had. Targeting is quite an old-fashioned way to get results.”

Research shows most customers hate the haggling, which makes fixed price new car buying, as determined by the agency model, better for consumers.

Caney says: “A lot of customers don’t want to come in and negotiate, we have seen that with online transactions.”

Gupta says: “It ultimately means the residual

value of cars will be significantly better than we have seen today and, over the long-term, this is great news for customers because when it comes to the cost to change, it is significantly lower.”

McCue says: “The agency model would provide parity in the market and it does need to shift in that direction. If you look at brands like Apple, there’s a price you pay for the products and that’s it, you don’t drive to a different store to get a different deal. McDonald’s is a franchise, but you can go anywhere in the country and you still pay the same price for a Big Mac.”

EVOLUTION OR REVOLUTION

Inevitably, manufacturers will approach the agency model in different ways. Already, some retailers are operating mixed commissioning in a single business and groups are likely to operate a variety of reward methods dependent on franchise and even model.

Caney says: “What the manufacturers have shown to us is evolutionary, but I wouldn’t be surprised if that gathers pace quickly.”

Meanwhile, subscription payments, already offered by Volvo across its range, is running parallel with the move to agency. Endeavour has seen a significant take-up of subscription for certain models, particularly the XC40 under its Care by Volvo offer which operates along agency model lines.

Gupta says: “I expect you will see some OEMs will go quickly and try and make it work, some will dip their toe in car-by-car and it may take them 10 years to roll out and some will move to agency each time a new model is launched. The roll-out will depend on the appetite of each individual OEM.

“There will be lots of ups and downs but long-term, it will be a good thing for our business, customers and our OEM partners.

“I know some people may be concerned that



“WE WILL STILL HAVE A SALES TEAM FOR USED CARS, BUT IT WILL BE DIFFERENT FOR NEW

DAKSH GUPTA, MARSHALLS



“FROM A BALANCE SHEET PERSPECTIVE, AGENCY DE-RISKS BECAUSE IT IS NOT OUR STOCK

JOHN CANEY, ENDEAVOUR

the OEM may cut out retailers, but my question to those thinking this is, if retailers do not exist, how will the OEM run its distribution channel? How will customers test drive vehicles? How will customers have their vehicle serviced? How will manufacturers handle part-exchanges?

“Personally, I believe OEM and retailer interests are absolutely aligned.”

McCue says: “There’s always nervousness when change comes along, but we have to trust the manufacturers. Manufacturers need a dealer network to sell their cars. It’s like online sales, who would have thought we would have been transacting online the way we are now?”

DIFFERENT SKILLSET

The skillset demanded by today’s dealership has already seen new roles created and undertaken by employees far removed from the traditional sales person.

Over the past 12 months, Endeavour has created a range of new roles including product specialists for the showroom floor, digital teams managing online enquiries and sales, and handover specialists. By the end of Q3, Endeavour would have appointed 12-to-16 new employees in these new roles.

At Marshall, Gupta says: “We will still have a sales team for used cars, but it will be different for new. They will be very customer focused, have a higher basic, minimal commission based on looking after the customer and following up leads.”

For third-party so-called digital disrupters that emerged to fulfil the needs of those who do not want to haggle in the showroom, many dependent on dealers discounting in a desperate bid to hit targets, the agency model could well place a question mark over their business model.

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STEP INTO THE FUTURE of vehicle retailing



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The four lessons to learn from lockdown used car retail



By **James Tew**
CEO, iVendi



The key advantage for car buyers in shopping online is the very high level of control they enjoy.

With a connected, modular motor retail product range that engages consumers, converts buyers and manages transactions, iVendi technology interacts with around five million consumers every month as well as thousands of motor retailers, manufacturers and finance providers.

By the end of the last lockdown, it was being widely reported that used car sales were up to around 90% of their pre-pandemic level, a figure that spoke volumes about the ability of motor retailers to adapt to the most difficult trading conditions.

At face value, this statistic also appears to prove that used car buyers were happy to purchase entirely online and used car retailers were meeting that need. However, something much more complex appears to have been happening.

Our statistics show a range of distinctions that are essential, we believe, for all used car retailers to understand, and there are also definite lessons to be learnt for the future of how cars are sold. **There are four key points.**

1 One in three car buyers will self-serve entirely online...

More than a third (37%) of used car buyers during the last lockdown (from January to March) self-served motor finance and other elements of their purchase online. This is a massive increase – up from 15% for the corresponding period in 2020 and 10% in 2019. This will have involved buyers using routes such as the dealer's web site or our Digital Deals product, which builds an online proposition for each individual.

In our view, this shift is interesting because it is helping to create what you might call an 'online literate' consumer base who are relaxed about the process of buying and financing their car entirely online.

2 ...but two in three sales are processed online

A third of buyers were self-serving online but our statistics show that two-thirds of sales made during the lockdown were originated using traditional remote contact methods such as telephone, webchat and e-mail.

It's important to underline that technology will have played a key role in the

processing of these sales. Dealers may be using exactly the same system as the self-serving customer but using it themselves in the showroom to process the deal. Even these sales, which on the surface appear much more conventional, are entirely digitally enabled.

3 The showroom and online are the same sales platform

If all sales were either happening online in a self-serve sense or being enabled by the dealer using the same technology, what does this tell us about the distinctions between online and showroom sales?

The iVendi view is that they have simply disappeared. We've been talking for a while about a concept we call "connected retailing." Dealers and motor finance providers who see themselves as digital-first or showroom-first concerns now exist only in niches. Instead, almost everyone has adopted a hybrid approach and there is a growing and widespread recognition that the majority of car buyers use both paths at some point in their buying journey and expect to be able to switch between these two channels at will.

The lesson is simple - people involved in motor retail need to provide an equally positive and complementary experience for buyers digitally and in the showroom.

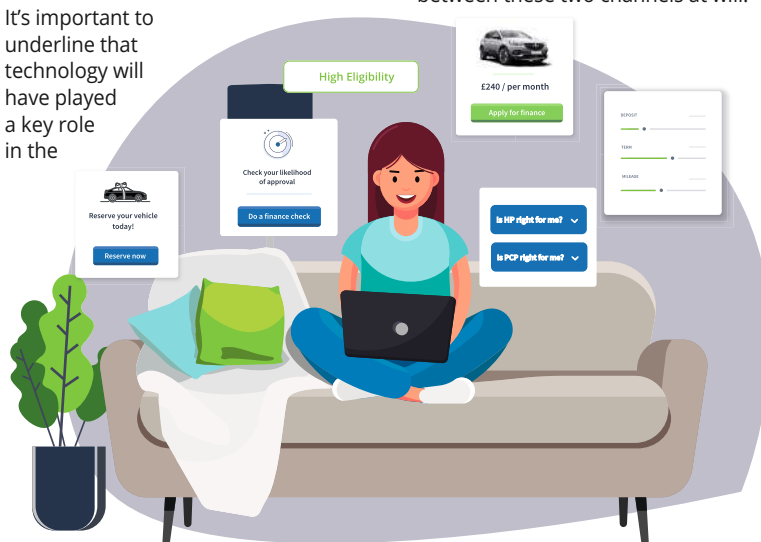


4 The traditional sales model has probably changed forever

Retailers and consumers tend to widely adopt online processes in any market when the benefits of doing so become evident and that is something that could well be happening here and now.

The key advantage for car buyers in shopping online is the very high level of control they enjoy. They can make decisions about everything from the vehicle they want through to the best finance product for their needs, all in their own time. For the dealer, much of the administration surrounding the buying process is passed to the consumer. Sales staff can concentrate on selling rather than taking a customer point-by-point through a vehicle order form, for example.

The question, really, is the extent to which the pandemic has embedded these changes permanently? Our view is that the dominant approach has changed to a much more flexible and sophisticated connected retail approach finally replacing the traditional model that has persisted for decades. In the next few months, we'll find out the extent of this shift.



ENGAGE • CONVERT • TRANSACT



Face of retailing is about to undergo major change

Showrooms will need to evolve to reflect the incoming agency model; sites will be smaller

Car dealership sites are set to undergo a major transformation over the next decade.

As customers are increasingly turning to (and are able to) complete more of their purchase journey online, there will be less need for face-to-face interaction with sales and reception staff.

Yet, they will still have to take their cars in for servicing and repairs, particularly with the advent of electric vehicles (EVs) where specialist diagnostics and equipment are required.

"From a servicing perspective, dealers will still need to offer all that kind of high-tech stuff," says Tim Smith, chief commercial officer at GForces. "And the big service centres continue to be built out of town on lower-cost land, especially for multi-franchise operations."

As a result of this greater omni-channel approach, however, dealer sites will become much smaller, with a centralised hub for vehicle sales and delivery to achieve economies of scale and efficiency, especially in areas such as administration. Dealers will also have to do more with less space, with a bigger focus on using showrooms to sell the brand experience rather than displaying the physical stock.

"In line with other retail sectors, physical retail will remain an intrinsic part of the offer, but the focus will change from point-of-sale to a holistic exploration of brand ethos/culture," says Richard

Adams, director at future strategists Accendia Consulting. "This will manifest itself in product and technology showcasing to promote brand engagement, choice valuation, test drive experiences and other fulfilment services."

Workshops will also become more streamlined, with multiple brands sharing the same site to drive efficiency and mobile servicing more widespread. There will continue to be further divergence between sales and aftersales, particularly in high-cost urban locations.

"Increasingly, customers can now do so much more on the computer than before, yet they still want to maintain that physical interaction with the car and real people," says Mike Jones, until recently the chairman of ASE Global (see page 13). "There will always be some people who want to buy purely online and retailers can facilitate that, but that doesn't mean the showroom will disappear overnight."

"The industry is going to go through a huge change in the next 10 years as it moves towards electrification and, in order to take consumers with them, dealers will play a key role in guiding them on that journey. Therefore, I don't foresee motor retail sites going away anytime soon."

The size of the site and facilities, however, will still continue to be dictated to an extent by individual dealer's franchise agreements, says Jones. But, he adds that brands will also increasingly move towards a hub-and-spoke model with

more local servicing and multi-franchising.

Another factor by which dealers are bound, says Jones, is the existing buildings and leases on sites. Yet they still have the scope to make modifications to their layout, including the introduction of drive-through service lanes, as in the case of JLR Arch, he says.

One given, however, is that showroom sizes are diminishing, for example at Volkswagen, where they will be significantly smaller under its future roadmap, says Jones. That's due, in part, to the wider use of virtual reality and configurators, negating the need for the customer to be physi-

NEW

WAY

cally present to test or select the car, he says.

Greater digital engagement will also reduce the need for sales functions in prominent and high-cost locations. Servicing operations can be undertaken in 'grey box' facilities that leverage the efficiencies of multi-branding and extended service hours too.

"Accessibility and cost will be more important than prominence of location as we migrate to future retail models," says Simon van Oppen, consultant at RS & Co and former group property manager at Volkswagen Group. "In high land value locations, mezzanines can be constructed in high bay industrial units to replicate the traditional low densities of development required by the retail automotive sector."

Future retailing will also become more diverse, with the adoption of a range of physical touchpoints to meet local customer requirements. However, the density of retail representation will be much lower, with investment targeted more at regional locations which emphasise brand ethos and culture, split between high visitor traffic sites where customers can browse at leisure and specific destination locations which focus on experiential physical engagement and test drives.

"While there will be fewer dealership sites than

before, many of them will become much more immersive in the kind of experience they offer," says Smith. "They will use technology as an enabling tool to achieve this through the adoption of showroom displays, multi-media screens and touchpads that allow the customer to immerse themselves fully in the brand and feel the emotion of driving or owning the vehicle."

Retailers and brands will continue to use high street and shopping mall spaces to market their vehicles rather than as a sales opportunity, especially given the size, access and staffing and rental costs associated. However, industrial estates and retail parks are far more productive locations, particularly where they are complemented by other outlets such as coffee chains or convenience stores.

"Shopping mall outlets are more about brand awareness and promotion," says Steve Young, MD of IDCP. "Even with a relatively small site the staffing costs alone can go well beyond the volumes of sales that can be achieved."

"Retail parks are a much more attractive proposition, with significant footfall, good visibility and relatively low costs. It's also convenient for the customer who can, for example, come in for a service while they do their shopping or go for a coffee."

Rather than being confined to one type of location, Smith believes dealers will use a multitude of different retailing formats in the future. That includes everything from pop-ups to small concessions, he says.

"Moving forward, dealers are going to adopt a whole host of different presence points and opportunities for customers to experience their brands," says Smith. "It has already started and we are going to see much more, for example, promotional stands displaying cars that you can buy there and then if you have the right device.



MANY DEALERSHIPS WILL BECOME MUCH MORE IMMERSIVE IN THE KIND OF EXPERIENCE THEY OFFER



TIM SMITH, GFORCES

"It's going to be far more geared towards meeting the customer in the environment they feel most comfortable in. That involves the dealers changing the way they may have done things traditionally in the past and being much more flexible in their approach."

With the move to an agency model, used cars will also become an integral part of franchised dealer sites going forward. Yet, at the same time, stand-alone used car supermarket sites will continue to grow.

"Manufacturers could become more directly involved in used car sales at franchises in the future, for example, with financing and leasing schemes, and service plans," says Young. "Also, the effect of competition from new online players such as Cazoo and Cinch means that dealer groups will now put much more emphasis on selling their own branded used cars, particularly in the showroom."

The motor retail site transformation is already under way. How dealers get there depends largely on their individual circumstances and how they can set up to best serve the customer.

ALEX WRIGHT

WAY



A future in used cars

Reduced stockholding need may allow dealers to free up cash to bolster used car offering

Used car retail has long been an area of the market for retailers to show their entrepreneurial flair. But the focus on this area of the business could be even more important in the coming years.

There are multiple pressure points on new car retail which mean the used market provides relative stability by comparison.

New car sales contracts may move towards a mooted agency structure as manufacturers are increasingly looking to sell direct to consumers online (both Mercedes-Benz and Groupe PSA have announced that 25% of global sales will be online by 2025) and network rationalisations mean the new car pie will continue to shrink.

The introduction of the agency model would see dealers focus on the customer interaction – handovers, servicing and used vehicle sales; while the original equipment manufacturer (OEM) would take more control of the new car sales process, the customer data and the overarching customer relationship.

It's likely there will be a hybrid approach in the medium term with some dealers committing 100% to the agency model, while some multi-franchised and independent dealers will focus more on the used market.

Philip Nothard, insight and strategy director for Cox Automotive UK, thinks any shift to an agency-style model could prove useful for the used car market.

He tells AM: "It may well lead to the growth of more multi-franchise agents who supple-

ment their profit margins by carrying more used vehicle stock.

"There have been reports of a 30% revenue cut through the dealer network as a result of the agency model, as the retailer will only receive the commission and not the complete revenue of the vehicle price.

"However, without the demand for regular stockholding, dealers could find cashflow freed up considerably and many will be tempted to invest this into the used market in an attempt to generate even higher returns alongside their agency-model operation."

Dylan Setterfield, Cap HPI head of forecast strategy, thinks the switch to agency will be gradual and may take longer to happen in the UK compared with continental Europe.

However, he believes electric vehicles (EVs) are likely to be the first area that moves to this new way of working before the impact is felt more widely.

Setterfield says: "OEMs are going to be very careful to present the agency model in a way that means dealers are not missing out."

It's currently too early to say what new car contracts for an agency model will mean for a dealer's used car operations, including any approved used car schemes.

But, regardless of how the agency contracts evolve, there will always be a question of what happens with "the swapper".

Setterfield says there are several routes the OEMs could take when dealing with part-exchanges.

These could include making deals directly with auctions houses or more retail-facing divisions like We Buy Any Car or by offering a closed auction system for dealers to bid on used stock.

Setterfield says: "We may also see a scenario where those dealers with the agency contract for new car transactions are given first dibs on the part-exchange.

"At the moment, it's not clear how that's going to turn out."

While the rise of online car supermarkets has introduced a different buying experience, which dealers have adapted to, Nothard believes there will always be a place for the physical dealership experience.

He says: "We have witnessed that already with dealers recording an increase in customers and sales in the first week of showrooms reopening after the third lockdown."

Cox Automotive research shows buyers are increasingly merging the online and offline shopping experience.

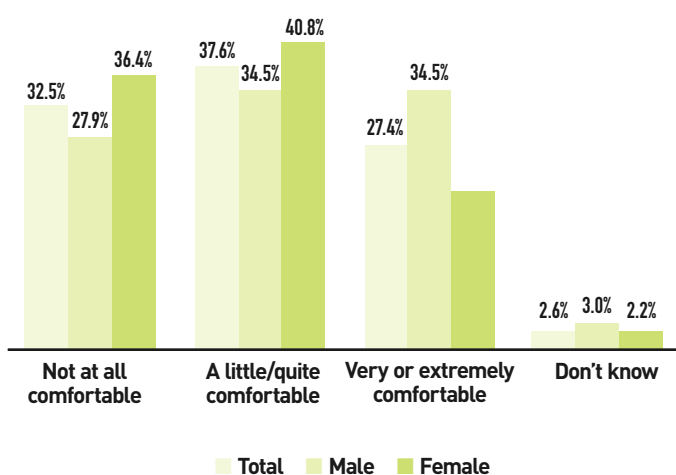
RAPID DIGITISATION

Used car retailing is rapidly digitising as disruptive new entrants like Cazoo and Cinch launch price-competitive business models aimed at simplifying buying and selling.

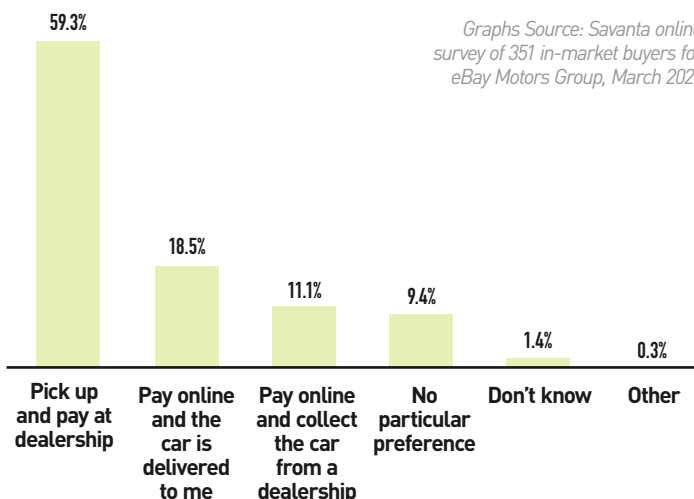
Dealers are now catching up and adapting their own customer experience to digital, another change forced by the lockdowns.

Phill Jones, head of eBay Motors Group, says online car sales platforms provided a

» HOW COMFORTABLE WOULD YOU BE IN PURCHASING YOUR NEXT USED CAR IN AN ONLINE-ONLY TRANSACTION?



» IF YOU WERE TO BUY ANOTHER USED CAR – WHICH TYPE OF CAR PURCHASING WOULD YOU PREFER?



Graphs Source: Savanta online survey of 351 in-market buyers for eBay Motors Group, March 2021

lifeline for dealers throughout the pandemic, enabling them to transact while showrooms were forced to close their doors.

He says: "We should not downplay the agility and reaction from dealers who changed their retail processes to allow them to continue to trade."

As a hint to the future direction of used car sales, research from eBay Motors Group shows that more than a quarter (27%) of used car buyers are now either very or extremely comfortable with the idea of buying their next car in an online-only transaction.

Conversely, the same research shows that for nearly three-quarters of buyers (73%) there remains a strong desire to conduct some elements of the transaction online and some in person.

More than half (59%) of respondents in the same survey said their purchase preference would be to pick up and pay for the car at the dealership, with 30% saying their preference would be to pay online and either have the car delivered to their home or collect it from the dealership.

Jones says: "When taken in the round, what emerges is a desire from many for a connected used car retail journey, blending the online discovery, enquiry and comparison stages, for example, with elements of a physical product experience."

"We urge dealers to recognise the need to stay flexible and provide consumers with the options they want and need to transact with confidence."

Nothard thinks the UK is likely to see more of an omni-channel strategy for used car retailing.

Now, the bulk of new vehicle research is done online with the customer visiting the dealership prior to completing the sale.

Nothard says: "The big change we have

witnessed throughout the past few years is the change in control over vehicle purchasing.

"While control over purchasing traditionally lies with the dealer, the advent of online vehicle retailing has moved control to the customer."

"The agency model is the manufacturers' attempt at gaining more control over vehicle purchasing, but with such a range of choice on offer to buyers and the used vehicle market changing so rapidly, this could prove a bit over-ambitious in the long term."

Jones also thinks going to dealerships in person to see vehicles will remain a vital element of the used car buying experience for the majority.

Research for the eMG Group shows that 57% overall – and 63% of women – said they would not, or would be very likely put off, buying a used car they couldn't physically interact with prior to purchase, with a further 19% undecided.

An omni-channel approach introduces the expectations from consumers for further flexibility.

Jones says: "Dealers need to offer consumers the ability to research and buy in a way that works for them."

"From conversations with our dealer partners we know not all online purchases were carried out purely digitally."

"Instead, dealers reported these transactions often included some form of human interaction through emails, messaging, LiveChat and phone conversations."

THE FUTURE OF THE USED CAR MARKET

The financial impact of COVID-19 will likely make some OEMs change their strategy, with some projects stopped altogether and



FROM CONVERSATIONS WITH OUR DEALER PARTNERS WE KNOW NOT ALL ONLINE PURCHASES WERE CARRIED OUT PURELY DIGITALLY

PHILL JONES, EBAY MOTORS

others accelerated to respond to new consumer needs.

Nothard says: "We'll see consolidation among the dealer sector accelerate as liquidity issues take hold for some, and consumers switch to digital channels far more quickly than was anticipated."

However, he believes used vehicles will be the dominant revenue opportunity for dealers for the next few years at least.

As a result, dealers will need to have some sort of hybrid online and offline buying experience in place.

Finance is also likely to become a USP for used car dealers.

Nothard says: "We experienced almost an immediate drop in lending from traditional sources during the first lockdown, but this did not affect dealer finance quite so much."

"The message of finance availability and competitive pricing can represent an essential building block to the future used car retailing model."

Setterfield says the changes for the used market as a result of further digitalisation will be a "subtle evolution and change of focus".

If distance selling continues to build market share there will have to be an even greater focus for dealers on condition and inspection.

Setterfield says: "You don't want to be transporting vehicles across the country, only for it to be sent back at great expense."

"There's different elements of the business that become more important when you're in that online space."

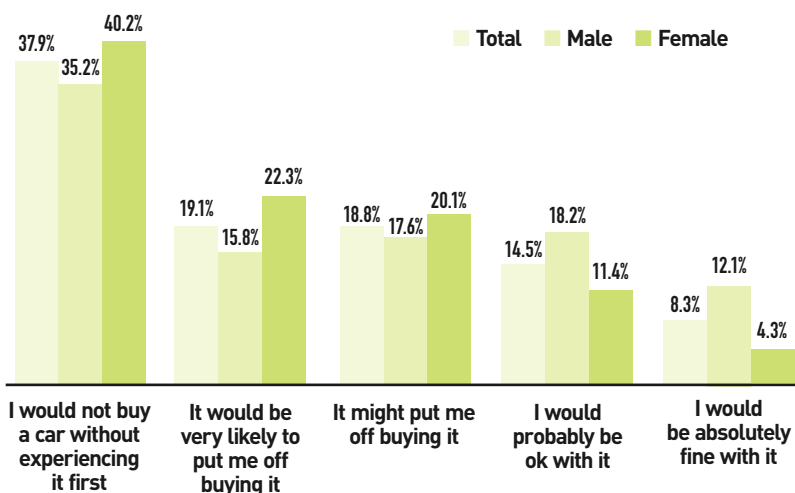
Jones says that with showrooms open once again, dealers can expect to continue to attract a mixture of customers who will choose just how much they want to engage with them online.

He adds: "The difference now is that more dealers have systems and tools in place than they did 12 months ago to help consumers buy in a way that fits with their desires."

"The winners will be those who build on the lessons from lockdown and master the omni-channel, consumer-first mindset."

TOM SEYMOUR

IF YOU COULDN'T PHYSICALLY SEE/DIRECTLY EXPERIENCE THE CAR BEFORE YOU BOUGHT IT, HOW WOULD YOU REACT?



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the vehicle. Consumers enter into a comprehensive relationship with their dealer through the tangible and ongoing benefits of the Lifetime Warranty and, if the worst should happen, they are covered.

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Dealers can offer a Lifetime Warranty because they are regularly inspecting and servicing the vehicle. Covering all major mechanical and electrical components, as well as a full roadside assistance package, consumers will have complete peace of mind. In exchange for this comprehensive offering, dealers are in control of the process. Through having a long-term relationship with the consumer and the vehicle, the variables are reduced and the dealer can stand by its stamp of quality.

THE BENEFITS

EMaC Lifetime Warranty is proven to:

- Increase service income.
- Increase warranty/breakdown repair income.
- Increase add-on sales income.
- Increase repeat car sales.
- Improve retention for the following

keeper of the vehicle (as Lifetime Warranty is transferable).

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'Future of Retail' – the dealers' perspective

We spoke to a number of leading franchised dealers to explore how they plan to flourish in an increasingly digital-focused retail landscape.

JEREMY EVANS, MANAGING DIRECTOR OF MARKETING DELIVERY:

"Our survey data suggests that 40% of customers are now less willing to visit a car showroom as a direct consequence of the COVID outbreak. Do you expect that to change much in future?"

DEAN ADAMS, HEAD OF MARKETING AND CRM, SINCLAIR GROUP:

"We've done a lot to give reassurance about sanitisation at our facilities, but there is obviously a change in attitude toward visits. It's meant even more people are moving enquiries and general communication online, rather than casually dropping in. More consumers are now aligning themselves with our existing digital-centric strategies."

JE: "Given the growing importance of digital communication, is this going to increase your reliance on customer data?"

IAN GODBOLD, MARKETING AND CRM DIRECTOR, CAMBRIA

AUTOMOBILES: "During the lockdowns our ability to use our data to remain in contact with the right people at the right time was a safety net we couldn't do without. In truth, we've felt that having rapid access to high-quality customer

data has been critical for some time, so we were already in a good place when the lockdowns started."

KEITH JACKMAN, HEAD OF MARKETING AND CRM, SANDOWN

MERCEDES-BENZ: "We know that some dealers desperately tried to 'fix' their customer data issues during lockdown, but for us it has been a long-term project, underpinning our digital strategy. Having our data in good shape has enabled us to use the eCRM tools available to us and maintain quality contact with our customers."

"It's about having the right customer consents in place, too. We've done a lot of work to ensure we're ready and able to interact with customers online, and permissions are key. If you don't have consent, it doesn't matter how good your data is. The efforts we have made over the past few years are certainly paying dividends now."

JE: "People talk quite generically about digital interaction, but do you expect certain channels or forms of digital communication to become even busier for you in future?"

IG: "Email has been so important for us. We've utilised email to keep our used car stock in front of our guests at a time when dealerships were closed, and to maintain engagement with the guest electronically until such time as we could welcome

them back or bring associates back into the business to talk to them."

"The ever-changing guidance on vehicle servicing and MOT was a particular challenge and the email campaigns we've run have meant we could keep our guests informed at all times during a worrying and confusing time."

KJ: "Looking across our various digital channels, we have probably had more interactions with customers and prospects than in previous years, even with fewer colleagues available to us. The data-driven electronic communications have been indispensable, doing the heavy lifting and ensuring our customers are aware of the changing situation and how we are continuing to look after them."

DA: "We've used our social media channels even more during the uncertain lockdown periods. As a way of keeping information flowing to our community – and enabling us to continue to present offers and stock – the use of Facebook, in particular, has been very effective. Being able to automate some of that activity has allowed us to maintain a strong local presence. But it's not just about one channel, and it never will be. We have a diverse digital comms approach to reflect the changing needs of a diverse audience. Automation tools help us keep the digital plates spinning."



JEREMY EVANS



DEAN ADAMS



IAN GODBOLD



KEITH JACKMAN

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TAKING CONTROL OF CUSTOMER CONFIDENCE WITH VIDEO

We know that the global pandemic has changed consumers buying behaviour across all industries and buyers are becoming more confident with making purchases online or remotely.



The ability to offer a remote service, be it for sales, aftersales or part exchanges is an essential offering for all dealerships.

This is not all due to the Coronavirus pandemic but is part of a digital transformation that has been accelerated during 2020 and into 2021.

It has been reported that over a third of car sales made in 'lockdown 3' were completed online. This was versus 17% in the first lockdown of March 2020, demonstrating that customers have become accustomed to making many of their transactions remotely.

ENHANCING YOUR REPUTATION

Online and remote transactions give customers more options, however data suggests that since the pandemic buying behaviour favours shopping closer to home, supporting local businesses and that relationships and customer experience are key.

The power of your brand and reputation within a community is essential, and dealerships are turning to tools that give them and their customers a smarter and more convenient way to communicate, make decisions and build trusted relationships.

An example, Vehicle Vision's video software puts the dealerships brand and reputation first. The innovative suite of software products enables dealerships and customers to create videos of vehicles, for sales, repairs, and part exchanges, to name but a few.

INCREASING CUSTOMER EXPERIENCE AND CONVERSIONS

With continued uncertainty in so many aspects of life in 2021, consumers need to have increased confidence to make purchasing decisions. Video in an automotive setting creates increased customer trust, generates confidence, and supports customers through the aftersales and sales buying process. By going beyond traditional channels and fundamentally designed to support personalised distance selling, it is a tool necessary for this time of digital transformation.

In an aftersales setting one dealership using Vehicle Vision's pioneering software saw a small 6% increase in jobs sent in quarter one of 2020 versus quarter one of 2021 but saw an increase in conversions that equated to 31% increase in revenue. This demonstrates that the customers confidence was increased using video technology, resulting in a dramatic increase in conversions and revenue for the dealership.

Vehicle Vision software transforms customer perceptions and creates brand loyalty along the way.

PROVIDING YOU WITH PRACTICAL ADVANTAGE

Adapting a personalised, quality interaction with customers using video is also proven to provide dealerships with practical advantages.

Vehicle Vision's latest innovation, Assist puts the video in the hands of the customer. With Vehicle Vision Assist, jobs go on the ramp once, not twice. Trade-ins are remarketed before you even have them in stock. You are more confident in your quotes, and customers are more confident in you.

Assist Live gives you the opportunity to connect live with customers to fine tune the information you need to make the right quote.

A dealership using Assist to streamline their trade in process in one month saved 94.44% on their car buying costs, based on the number of cars purchased using Vehicle Vision's Assist compared to auction.

As the pioneers of video technology in the automotive sector, Vehicle Vision continues to innovate and offer a suite of web-based software that puts your brand reputation first and takes control of your customer confidence.

For more information visit vehicle-vision.com

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**ADVANCING BRAND
REPUTATIONS WITH
VIDEO SINCE 2010**

In 2010 we launched the world's first video platform for servicing, instantly boosting customer experience (and a few reputations in the process). It went on to transform the way the automotive industry engaged with their customers forever. In 2020, we did it again, this time with the world's first video software that puts control in the hands of your customers, saving you time, money and effort.

Take control of your customer confidence.
vehicle-vision.com

VehicleVision®

AFTERSALES

SALES

ASSIST

The best stock platform for today – and for the future

Debbie Fox, Commercial Director, epyx



What do used car and van dealers want when they look for stock supply solutions that will meet their needs throughout the 2020s and beyond? This was the question we at epyx considered when creating 1link Trade Buyer.

In replacing our long-established and well-liked 1link Disposal Network, the aim was to deliver a complete redesign based on both the availability of new technology and extensive research into the needs of the thousands of existing users. The result, which has been rolled-out to users over the last year, is a platform that has been re-engineered from the ground up with a very sharp focus on one core objective – to enable dealers to identify and acquire the high quality, ex-fleet and rental stock they need as quickly and as easily as possible, whatever device they are using.

1link Trade Buyer delivers a buying experience that we believe exactly meets the needs of stock buyers as we begin to move into the post-pandemic era. Innovative features include advanced vehicle filtering with multi-pick selections and dynamic counts, updated vehicle summary and vehicle record cards with more detailed service history and clearer data presentation, full screen imagery, key information indicators, downloadable stock lists, improved address tools and much more.

The reaction from users has been very positive but probably the single best proof we can provide to illustrate its success in meeting dealer needs is through two sets of statistics. The first is that our user base has increased



“...since the launch of the new platform nearly 500 dealers have registered”

substantially – since the roll-out of the new platform began in Spring of 2020, the number of registered dealers has grown by nearly 500 to around 3500. The second is the dramatically increased volume of business now being processed through the platform – both March and April were within a handful of units of being record months for sales.

Looking to the future, 1link Trade Buyer is the subject of an ongoing programme of improvement and innovation, something that has already seen a whole host of enhancements made. epyx is deeply committed to continuing this process. Also, we have developed a new account management structure around the platform, designed to help you maximise its potential. Given the fast-changing speed of the used car market as we emerge from the pandemic, this kind of support is crucial.

Indeed, as the new normal starts to take shape in the used car and van sector, we believe that 1link Trade Buyer provides a level of efficiency, effectiveness and flexibility that could be a major factor in dealer success. Why not get in touch with us to find out how it could help your business?

To find out more visit
www.1linkTradeBuyer.co.uk

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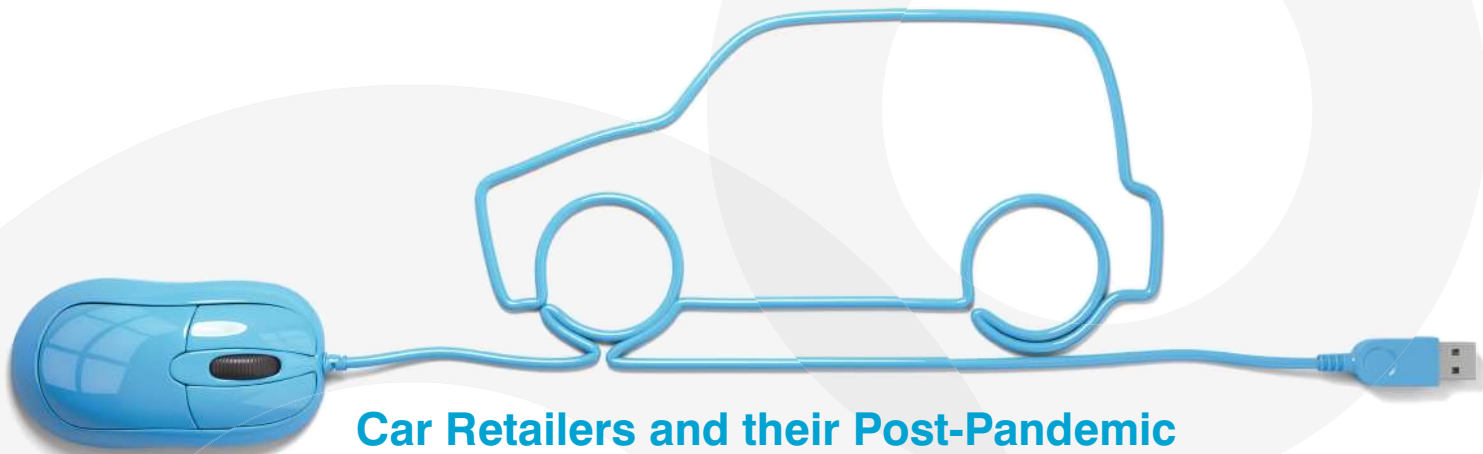
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Easy and convenient access to high quality stock is the key to successful used car retailing. 1link Trade Buyer provides a choice of thousands of vehicles, available around the clock, with a low buyer's fee of just £95 and an effortless online experience. It can really help to unlock your business's potential.

www.1linkTradeBuyer.co.uk



Trading in the Traditional?



Car Retailers and their Post-Pandemic 'Blended' Sales Model

With new research by vehicle solutions provider WMS Group showing that 53% more dealers reported customers buying cars online without even seeing the vehicle during the pandemic, talk of a 'clicks over bricks' revolution in car retailing are reaching new heights.

As such, dealers are now at a crossroads on whether to continue investment in online retailing or revert back to traditional ways of selling vehicles, with added pressure from the rising popularity of platforms such as Cazoo, driving many to consider a 'blended' sales model that combines in-store customer service with online convenience.

What's more, retailers have found more opportunity to sell warranty products, says Craig Grant, Commercial Director at WMS Group. Here, he explains why warranty solutions will be vital for dealers looking to capitalise on the car buying journey – whether in-store or digital.

As we're all aware, the coronavirus pandemic forced the used car market to accelerate its digital sales offering like never before. Indeed, our own research shows 69% of dealers started offering click & collect and delivery services – a stark change if you consider that just 2% offered these services before the pandemic¹.

And the investment didn't stop there, almost a third (28%) of dealers advertised more vehicles on online sites, such as Autotrader, with over a quarter (26%) increasing their activity on social media. Meanwhile, a fifth (20%) of used car sellers not only invested money in their own website but also spent more on advertising the company online.

The success of such initiatives speak for themselves. In January, car retail software specialist GForces revealed that new and used car online purchases made through UK franchised retailers using its NetDirector Auto-e platform increased by 1,228% during 2020².

In fact, our own dealer research shows that 83% of car retailers sold cars without seeing the customer. However, that's not all they sold. With increasing online sales, dealers admitted that they saw greater opportunities to sell warranties, with a fifth (20%) reporting that customers were more interested in buying warranties and extended warranties.

Yet, while car retailers maybe anticipating a bumper summer of sales after showrooms reopened on 12 April, the real question remains whether dealers will continue to invest in online retailing or revert back to traditional ways of selling used vehicles.

From our experience, one trend is clear; whether online or in showrooms, the way consumers are buying vehicles is changing beyond recognition. As such, for dealers to clinch those all-important sales and build customer trust and loyalty - warranties have never been more important.

'Blended' Sales Model

As the sector embarks on its post-COVID recovery, it's likely that we'll see dealers adopt a more blended approach to their customer sales journey. This will seek to maximise and combine online efficiencies such as virtual diary appointments and video pitches, with the engaging customer service used car retailers are renowned for.

Yet, with the growing popularity of online platforms, which are racing to raise staggering sums of capital as they seek to reshape the industry³, undoubtedly dealers will need to continue to develop their own IT systems if they want to compete.

This is largely driven by consumer expectations – car buyers now expect a different level of transparency, education and ease in the car buying process. They not only want to be able to find the car, it's full history, motor finance packages and warranty protection online but often a showroom will be used to simply confirm their choices and complete a transaction. Therefore, dealers will already be thinking of additional ways to seal the deal by creating stand-out propositions from competitors.

¹ WMS Group Research 2021

² <https://www.am-online.com/news/market-insight/2021/01/26/contactless-online-car-sales-to-soar-amid-covid-19-pandemic-in-2021>

³ <https://news.sky.com/story/online-used-car-unicorns-clinch-and-cazoo-in-10bn-race-to-reshape-industry-12258084>

Warranties Warranted

One way dealers can elevate their customer journey and create a genuine competitive advantage is through warranty solutions. While many dealers will seek to fulfil their 6-month liability under Consumer Rights Act 2015 (Sale of Goods Act), by offering a 3-6 month warranty on sale – there's an increasing opportunity to establish long-term customer loyalty and repeat business through such products.

With profit margins growing ever tighter, the sector maybe facing a 'race to the bottom' attitude when it comes to pricing. Yet, this means businesses can stand out and enhance each package with incentives such as extended warranties.

Consumer Education

Again, our own research shows seven in ten consumers (69%) believe being offered a warranty would make them more likely to buy a car. Over half of consumers said they would be likely to get an extended warranty on their next car purchase. In some cases, this may point to the fact that some dealers are still not offering customers a full range of warranty options during the sales process.

Another pivotal point is that, when it comes to extended warranties consumer awareness remains woefully low, with just under a third admitting they're not even aware of them. What's more, we found that almost a fifth (18%) of car buyers said they had not been offered one at all by their dealer.

What this shows is, that as an industry, we have a massive job to do in educating consumers on the value of warranty cover, especially when it could provide added piece of mind to customers facing untold uncertainty due to the pandemic and its after affects. For car retailers specifically, this starts with promoting the benefits of such cover very early on in the sales process and encouraging consumers to invest in extended warranties.

And I'm not just talking about on the showroom floor. Given the success of dealers' online offering during lockdown, customer engagement on warranty cover needs to start on their website and all marketing materials. Online platforms are already ahead of the game on this front – with many hosting easy to access videos educating the customers on warranties front and centre on their website.



The Road Ahead

Lastly, for dealers looking to get the most out of their warranty offer the importance of partnering with a reputable and well-respected warranty provider cannot be overstated. Not only can they offer a great claims handling process, sound advice, useful sales materials but most importantly a unique product offering that can meet the needs of your customers.

For instance, at WMS Group, we know that the economic uncertainty brought on by the pandemic means many car buyers may be considering extended warranties but may assume they cannot afford one with a car purchase. That is why we offer a 10-month payment plan at no extra cost to the customer, but for a small fee to the dealer, means they can offer their consumers a monthly payment plan – giving them added affordability and flexibility when they need it the most.

As car retailers continue to navigate a recovering market post-lockdown, those that invest in a blended approach that combines in-store hospitality with online convenience will no doubt reap the rewards for years to come. A critical part of this is better incorporation of warranty cover within the customer sales journey – both online and in showrooms. On top of this, at a time, when car buyers are seeking that added assurance, clearly then, warranties are warranted.

Providing reliable extended warranty cover and other motoring protection to over 3,500 dealerships across the UK, WMS Group supplies a wide range of trusted solutions. For further information about WMS Group, visit www.wmsgroup.co.uk.

About WMS Group

Established in 2003, WMS Group is one of the UK's leading car warranty suppliers, providing reliable extended warranty cover and other motoring protection to over 3,500 dealerships across the UK.

Acquired by the Opteven Group in January 2020, WMS Group supplies a wide range of trusted warranty solutions to the automotive industry. From a three-month warranty to a three year product covering all mechanical and electrical issues including wear and tear, the company prides itself on helping businesses source the right warranty solution for their customers.

WMS Group regularly works with its partners to help them set up new revenue streams, improve customer loyalty and retention, vehicle protection and ultimately, profitability.

More information is available on www.wmsgroup.co.uk

About Opteven Group

Established in 1985, Opteven is a leading international provider of vehicle warranty and associated insurance products across Europe. It delivers a range of automotive products and services to car dealerships (franchised and independents), insurance companies, vehicle manufacturers, leasing companies and banks.

Opteven also provides roadside assistance services to businesses in France, and has built a roadside assistance network spanning 60 countries and territories, including all of Europe, parts of North Africa and parts of the Middle East.

With its global headquarters in Lyon, France, the company employs approx. 600 people across its offices located in Thame, Warrington (United Kingdom), Milan (Italy), Madrid (Spain) and Berlin (Germany).

More information is available on www.opteven.com

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An Opteven Group Company

MAZDA MX-30



Mazda has a reputation for going its own way and things are no different with its first electric vehicle – the MX-30.

The brand, which has so far side-stepped all-but mild hybrids due to a determination to refine the internal combustion engine (ICE), comes to market with an EV featuring a relatively small 35.5kWh battery offering a range of just 124 miles.

Just as with the Mini Electric and Honda e, the small battery keeps the CO₂ footprint of production down along with the MX-30's price.

Sitting on the same platform as the CX-30, the MX-30 crossover comes in three trim levels, with the SE-L Lux starting at £28,545 before the Government's £2,500 plug-in car grant (PICG).

The first 500 MX-30s to reach the UK will be £30,495 First Edition models, marked out by a door mirror and roof colour which contrasts the body of the car.

All MX-30s feature LED headlights, a reversing camera, adaptive cruise control, sat-nav and a head-up display.

SE Lux adds 18-inch alloys, LED lights, an 8.8-inch touchscreen infotainment system and with Apple CarPlay and Android Auto smartphone connectivity.

Sport Lux (£30,545) adds privacy glass, piano black and chrome trim, heated seats and keyless entry.

The range-topping GT Sport Tech costs £32,845 and features a 12-speaker Bose sound system, a sunroof, heated steering wheel and a 360-degree parking camera.

All MX-30s come with free installation of a NewMotion home charge point.

While a DC socket allows for rapid charging up to 50kW – adding an 80% charge in 30 to 40 minutes – the 7.4kWh home charger will take around five hours for a full charge.

The MX-30 has an air of style and quality which dealers should be keen to expose customers to, Mazda having cherry-picked



**THE MX-30'S
TORQUE-BIASED
OUTPUT OF
145PS AND
271NM IS USEFUL
ON 'GIVE AND
TAKE' B-ROADS**

elements from its design heritage and incorporated them into the new EV.

Most notable are the RX-8 style, rear-hinged 'suicide doors'.

Mazda, which started life as a cork manufacturer, has also incorporated responsibly-sourced cork into the cabin, with the uniquely tactile alternative to traditional wood lining the centre console.

The MX-30 GT Sport I drove also included light grey fabric seats which brightened the cabin and are made using fibres from recycled plastic bottles.

Mazda's widescreen infotainment looks the part and – controlled on the move via a rotary dial on the centre console – is one of the most intuitive systems of its kind.

Although claiming to possess SUV traits, the MX-30 falls short of some C-segment hatchbacks in terms of space, but there was enough head and legroom for my 6ft 1in frame in its rear quarters.

Boot space ranges from 341 to 366 litres dependent on whether the Bose sound



Rear-hinged doors add to the MX-30's distinctive look



(BEFORE PiCG):
£20,545–
£32,845



35.5KWH BATTERY.
141PS MOTOR



0–62MPH. 9.7
SECONDS; TOP
SPEED. 87MPH



SINGLE SPEED



RANGE –
124 MILES



0G/KM CO₂

system is fitted, as its sub-woofer eats into space.

Driving the MX-30 is a lesson in smooth acceleration, forgoing the neck-straining urge of some EVs.

Mazda claims a 9.7 second acceleration to 62mph and a maximum speed electronically limited to 87mph.

While not particularly quick off the line, the MX-30's torque-biased output of 145PS and 271Nm is useful on 'give and take' B-roads.

And, true to its roots, the MX-30 delivers dynamically, employing Mazda's new Electric G-Vectoring Control Plus system to adjust the car's balance through a corner. The system helps to create a very agile SUV.

Mazda UK MD, Jeremy Thomson, concedes that the MX-30 "is not for everyone" as anxiety remains about EV range and charging infrastructure.

But Mazda's range now has a refreshingly different EV model that has a strong set of brand principals at its core.

TOM SHARPE

Q&A



JEREMY
THOMSON
MAZDA UK
MANAGING
DIRECTOR

The MX-30 feels like it's been a long-time coming. Why is that?

MX-30 was launched in Europe about 16 months ago, with around 10,000 sales by the end of the calendar year. We are coming in latterly at the end of March, but also rather fortuitously, given the re-opening of showrooms. The reason we've been relatively relaxed about EVs is market dynamics. While there's been a huge amount of noise surrounding EVs, it's only been over the past 12 months that we've seen a significant increase in consumer demand. As a manufacturer of modest volume we have to be careful where we put our R&D focus.

How does the MX-30 size up against other EVs?

We have points of difference. First, MX-30 is an SUV and that segment's 50% of the UK mix. Also, it's a car with a medium-range battery. People have a binary way of thinking about batteries and range. We are trying to add some nuance to the discussion. Just as a one-litre petrol engine isn't appropriate for all, neither is an EV with a large battery. There is a strong environmental argument about right-sizing. Service records show the average daily mileage for a Mazda is 26 miles. This car has the right range for most needs.

What impact will an EV have on Mazda UK's CAFE commitments?

The amount of those fines will be heavily modified as a result of the MX-30. We'd expect to be penalty-free in the next couple of years.

How have Mazda dealers adapted to EV trading?

Dealers have appropriate vehicle charging, although that might be associated with another brand on the same site. All our dealers have a demonstrator too. We actually brought in around 50 left-hand drive cars from the Netherlands to give customers an early look. Around 50 dealers took that opportunity. Sadly, because of lockdown, many of those cars went back without turning a wheel.

Is it important to get potential MX-30 customers behind the wheel?

Many manufacturers have just shoe-horned a battery into an existing B-segment car so customers have an idea what they might be like. MX-30 is a new platform, with a unique interior and door solution. Hands-on test drives will be important. EVs require more input from the dealer, I believe. I'd never dream of buying my first EV online and having it dropped off on my driveway on a lorry.

Does Mazda's first EV deliver conquest potential?

I'd think around 50% of MX-30 customers will be conquest. EV buyers are well informed and will consider what the whole sector has to offer to fulfil their needs.

≈ KEY RIVALS



Hyundai Kona Electric



300-MILE RANGE
POTENTIAL



PLASTICKY INTERIOR



Volkswagen ID.4



323-MILE POTENTIAL
RANGE, 543-LITRE BOOT



EXPENSIVE IN HEADLINE
SPEC



Citroën e-C4



217-MILE RANGE,
380-LITRE BOOT,
PERSONALISATION



NOT A SPORTY STEER

≈ REVIEW RATINGS

AUTO EXPRESS



WHAT CAR?



CAR MAGAZINE



TALENT ON THE MOVE



**ANDREW HALL,
BUSINESS
DEVELOPMENT
DIRECTOR AT LOOKERS**

Lookers has named franchise director Andrew Hall as its new business development director, tasked with driving the group's electric vehicle (EV) sales strategy.

He will assist with the AM100 dealer group's growth strategy, with a particular focus on EVs and the company's "wider sustainability credentials".

Hall is a long-standing member of the Lookers team, having started his career with the group as a trainee assistant in a Volkswagen Audi Group Oldham showroom and working his way up to franchise director.

He says: "I am very proud to be given the opportunity to take up this newly-created role in what will be a defining period of change and innovation for our company and the wider industry."

"Having worked with customers and brands right across the UK for many years, I intend to use my passion and track record for creating an excellent customer experience to ensure they maximise the opportunities that the sustainability and EV revolution will bring."



**MATT SOLVEN, RISK
AND CONTROLLING
DIRECTOR
AT VWFS**



**DAN JAMES,
MARKETING DIRECTOR
AND CHIEF DIGITAL
OFFICER AT VWFS**

Former Audi UK sales manager Matt Solven and Dan James have joined the board of Volkswagen Financial Services UK (VWFS).

Solven becomes the risk and controlling director; James the marketing director and chief digital officer. Both have been appointed as part of the effort to accelerate towards a digital future.

James joined VWFS in 2007, while Solven has been in various roles at VW Group since 2005.



**TIM HUDSON, CHIEF
SALES AND MARKETING
OFFICER AT
AUTOPROTECT GROUP**

AutoProtect Group has appointed Tim Hudson to the newly-created role of chief sales and marketing officer.

Hudson has extensive experience in the automotive industry in the UK and overseas, including senior board and C-level roles in the leasing, manufacturer, auction and, most recently, automotive data and software sectors.

Prior to joining AutoProtect, he has held roles as managing director for the Mannheim UK vehicle auction business, Aston Barclay Group and LeasePlan International.



**FROM L TO R: LUCIANA BERGER, NON-EXECUTIVE DIRECTOR AND ESG COMMITTEE CHAIR;
DUNCAN TATTON-BROWN, SENIOR INDEPENDENT DIRECTOR AND AUDIT COMMITTEE CHAIR;
MONI MANNINGS, NON-EXECUTIVE DIRECTOR AND CHAIR OF REMUNERATION COMMITTEE;
AND ANNE WOJCICKI, NON-EXECUTIVE DIRECTOR ALL AT CAZOO**

Cazoo has made a string of new appointments following the completion of its business combination with US-based acquisition company AJAX I.

Former Liberal Democrat MP Luciana Berger will join as non-executive director and environment, social and corporate governance (ESG) committee chair. She served as the member for Liverpool Wavertree for almost a decade and held numerous shadow cabinet positions.

Former Ocado chief financial officer Duncan Tatton-Brown will become senior independent director and audit committee chair. He also currently serves on the board of Trainline.

Barnado's deputy chairperson Moni Mannings will be joining as a non-executive director and chair of Cazoo's remuneration committee. She is a qualified solicitor and currently sits on the boards of Hargreaves Lansdown Plc, easyJet Plc and Investec Bank.

Anne Wojcicki, 23andMe founder and chief executive, takes another non-executive director seat.



**JAMES DOUGLAS,
HEAD OF SALES
OPERATIONS AT
VW UK**



**JOHN FRENCH,
HEAD OF PRODUCT
PLANNING OPS AT
SEAT AND CUPRA**

Volkswagen UK has appointed James Douglas as head of sales operations, while fellow VW Group brands Seat and Cupra have welcomed John French as head of product planning operations.

Douglas joins the VW passenger car division, having held the same position at Volkswagen Commercial Vehicles since

2017. He brings experience of rolling-out an agency sales model for VW's fleet business, something French also has experience of.

As former head of sales operations for Škoda, French joins Seat and Cupra in place of Rob Fryer who is pursuing his career outside the OEM after seven years.

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Tony Ray, parts manager at St Leonards Motors Toyota, correctly identified the TVR Chimaera last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is June 4.



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buy and sell cars **profitably**."

Lee Scott, Mercedes-Benz South West



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directors, finance managers,
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aftersales managers.

* Latest July 2019-June 2020 ABC audited
circulation: 11,031

EIGHT QUESTIONS TO A...

HEAD OF HUMAN RESOURCES

Ian Williams, LSH Auto



What are the main responsibilities of your role?

I head up the people function and sit on the board, leading the people strategy. I work closely with our managing director, aligning our people strategy to our commercial objectives.

I have a dedicated and committed human resources (HR) team and I set the strategy for: learning and development; resourcing and talent acquisition; payroll; reward and benefits; colleague well-being; and employee relations. So, the full employee lifecycle.

Over the past 12 months, my focus has been on adapting our workforce to operate in a new COVID-secure way. We have introduced rapid workplace testing to help fight the virus and to support the safety of our colleagues and customers. This has the added benefit of reducing anxiety about returning to a new and different 'business as usual'.

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

Workforce development, colleague well-being and organisational design will be key focus areas.

The new, socially-distanced way of interacting with customers means colleagues will need to learn and adapt to a new way of working. At the same time, the past 12 months have had an impact on mental health and anxiety for many people in the UK, so, as employers, we need to introduce strategies to help colleagues adjust.

Customers can easily buy most things now online, including cars and services, and this trend has accelerated as people have spent more time at home. We need to support our colleagues so they can learn to sell differently and continue to deliver an outstanding customer experience.

How might these challenges be overcome?

Engaging and communicating with the workforce is crucial. LSH Auto has recently introduced a new engagement and communication tool that allows colleagues to socially interact and connect to well-being and mental health services 24/7. We're proud to have more than 50 certified mental health first aiders covering all locations, who can support colleagues at times of need. We intend to grow this number further. Good mental health and a sense of well-being go hand-in-hand with productivity.

Organisational performance monitoring is critical to

ensure financial success. Training and developing colleagues and growing their roles is often beneficial, both in terms of cost advantages and retaining talent.

What attracted you to this area of expertise?

I've worked in HR for more than 20 years and enjoyed training and development when I worked overseas with Thomson Holidays some years back.

I got the coaching buzz because I was a judo coach as my first job and gained my black belt at an early age. Injury halted my competitive judo career, but when I started out in HR, coaching and development gave me the same competitive buzz. I stayed in the HR profession working in all the specialist areas of the HR spectrum.

I got into my current role at LSH Auto five years ago, when the business bought two market areas from Mercedes-Benz Retail Group. At that time LSH Auto didn't have a UK business infrastructure, so it was a complete start-up and an exciting opportunity.

What's the most important thing you've learned in your career, and how have you made use of it at your company?

I remember some years ago, someone I respected said to me 'depth and breadth is important when rising up in your career'. Many people climb up the ladder quickly and don't have the depth and breadth of experience that helps them to make good decisions. A lack of experience, ability, competence or knowledge can cause harm to a business, and if that happens it's often HR that has to fix things. So, the importance of depth and breadth is something that has stayed with me and something that I always say to my team. Learning both and then taking the right steps up the ladder can make you successful.

QUICK-FIRE QUESTIONS

What drives you? Feeling appreciated and knowing that you're making a difference.

What's your favourite app? Just Eat. I mean, it's been heavily used over the past 12 months, but a very close second is Virgin Wines.

How do you relax? Having a six-year-old son, I've forgotten how to relax, but I do play the piano.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

Do you have any special mementoes or keepsakes?

EDITORIAL

Editor Tim Rose 01733 468266 tim.rose@bauermedia.co.uk • @AM_editorTimR

► An SS dagger my grandfather 'acquired' while with the RAF in WWII

News and features editor Tom Sharpe 01733 468343 tom.sharpe@bauermedia.co.uk • @Sharpe_Tom

► A sweet jar from my grandma's bungalow sits on my desk. She passed away last year

PRODUCTION

Head of publishing Luke Neal

► My grandad's masonic sword

Production editor David Buckley

► A spirit level my late carpenter father used

Senior designer Chris Stringer

► A small grey teddy bear named 'Teddy' my uncle gave to me the day I was born, still have him

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AM AWARDS : 2021

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Now start making your first entry. Each time you select an awards category you'll see a description of the criteria and our entry requirements – everything you'll need to supply so that the judging panel can review every entry fairly.

You'll need to give details such as the company on behalf of which you're entering and who would collect the award should you win, plus answers to specific category questions. You can also upload material in support of your entry as attachments.

Having registered, you can save your information at any stage and return to it later in your 'My Awards' area to continue adding information. Just make sure you've clicked to submit it before the May 24 closing date.

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AM AWARDS : 2021

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