

AM

AUTOMOTIVE MANAGEMENT

www.am-online.com

March 2022 £5.50

CAR BUYER CONFIDENCE / P6

Will dealers feel the impact of consumers' rising costs?

AN OMNICHANNEL EXPERIENCE / P21

Experts discuss the steps yet to take in a seamless customer journey

CHOOSE YOUR SUPPLIER / P41

Dealers' crucial partners outline their latest developments



DS GROWTH AIMS TO FILL A HOLE

DRIVERS SNUBBING GERMAN BRANDS ARE A PRIME TARGET / P16



Let's drive... great customer outcomes

Today, much emphasis is placed on treating motor finance customers fairly. At Startline, we aim to go several steps beyond this.

As a flexible lender, we view applicants as not just boxes on a scorecard but as people, so a personalised approach is very much integral into our thinking. Our processes – in showroom and online – are designed to be easy, fast, fair and friendly. Decisions are made in a matter of moments, our rates and conditions are competitive and, once someone becomes a Startline customer, we provide an outstanding level of in-life support.

We recognise that motor finance is an essential element of car buying and aim to support our partners in delivering the best possible experience. Together, we can drive great customer outcomes.

enquiries@startlinemotorfinance.com
startlinemotorfinance.com

startline >

EDITOR'S LETTER

Recently I read a tip for senior management teams on LinkedIn: "If you're not having arguments, you're not pushing hard enough for success." I don't think many of us enjoy blazing arguments, but the principle is sound – without people robustly challenging each other's ideas and strategies how can any of them be optimised?

So, now I look at what's happening in Ukraine, and I surmise that Russia's leadership team was lacking in robust challenges when it came up with a plan to steamroller its neighbouring country. Did they really think Russian forces would be welcomed? Did they not expect world-wide condemnation and crippling economic sanctions?

I suppose the evidence we're seeing daily on TV and news websites suggests Russia's leadership team isn't particularly open to being challenged. Those who do are commendably brave.

I know that when one is very passionate about a business idea, it can be painful to watch that be picked apart and critiqued. But if it can then be reassembled, stronger than ever, shouldn't it just be a part of daily business?

Be brave. What could you do better at your dealership?



OUR WRITING TEAM



Tim Rose
Editor

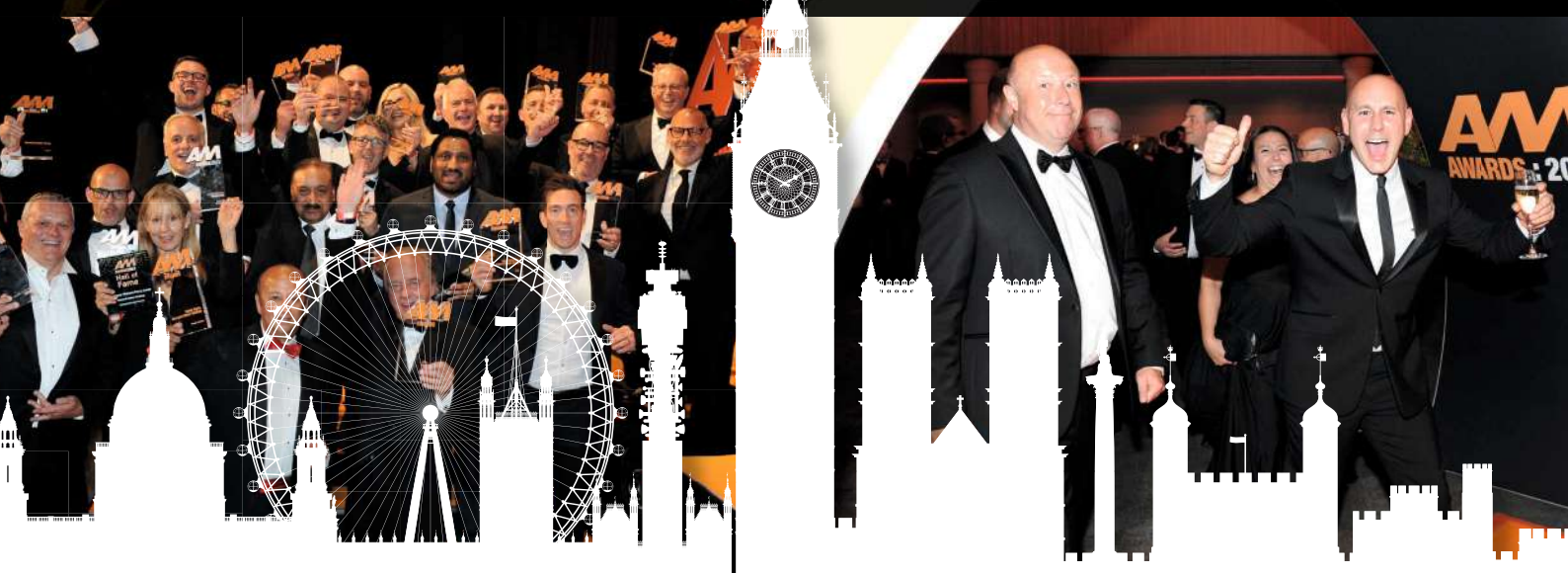


Tom Sharpe
News and
features editor



BOOK NOW

12th May 2022, Park Plaza Westminster Bridge, London



AM AWARDS: 2022

Tables and tickets are selling fast for the AM Awards 2022.

With over 550 guests already booked to attend, this year's awards look set to be THE networking event of the year. Secure your places now to ensure you don't miss out!

Book now at www.am-awards.co.uk

Sponsored by



For bookings or enquiries contact Michaela Brock at michaela.brock@bauermedia.co.uk

CONTENTS

38

Kia Sportage



UP FRONT

- 6 News insight
- 8 News digest
- 10 Market intelligence
- 15 Opinions

SHOWROOM

- 38 Kia Sportage
- 40 Long-term report

TALENT

- 70 People on the move
- 71 Eight questions to a... head of learning and development, Danny Bishop of Lookers

INSIGHT

- 16 Manufacturer Interview: DS Automobiles
With an expanded range and the edge over rivals in terms of shorter lead times, DS is aiming to double new car sales this year

SPOTLIGHT: OMNICHANNEL EXPERIENCE

- | | | |
|--|---|---|
| <ul style="list-style-type: none">22 Is this the end of haggling?
Will retailers be able to discount discounting?
Now consumer demand is outstripping new car supply, it's a seller's market | <ul style="list-style-type: none">28 Making trade-ins truly transparent
There is a need to address the disparities between online part-exchange valuations and those given in dealerships | <ul style="list-style-type: none">33 Delivering the experience
We look at six key areas where online, offline or a blend of the two are reshaping the car buying experience for customers |
|--|---|---|



CHOOSE YOUR SUPPLIER

- | | |
|--|--|
| <ul style="list-style-type: none">42 Auctions/remarketing46 Business intelligence50 Digital marketing54 Reputation management | <ul style="list-style-type: none">56 Paint protection62 Service plans64 Warranty |
|--|--|

UKRAINE CONFLICT COULD HAVE FAR-REACHING IMPACT ON CAR SALES/PRODUCTION

'Perfect storm' of worries has shaken consumer confidence and meant appetite for car buying has diminished as minds turn to 'bigger things'

Growing concerns about the automotive supply chain, a potential energy crisis and consumer confidence crash are feeding fears about the impact of the Ukraine-Russia war on UK car retail.

As car retailers rally to show support for Ukraine following the Russian invasion, many are already expressing concerns about the conflict's ability to cement existing vehicle supply issues as long-term problems while rising living costs threaten buoyant consumer demand.

One car retailer told *AM* his hopes of a much talked-about resurgence in car supplies in Q3 and Q4 had already been extinguished.

"Our manufacturer partners have been living in the hope that things will return to normal in Q3 or Q4 from a supply point of view. With all that's going on now, it's not hard to look at things and say that's completely off-the-cards," he said.

Swindon-based Pebley Beach Group managing director Dominic Threlfall fears the Ukraine war is already impacting on consumers'

appetite to buy cars and expects worse to come.

He said: "We have seen footfall decrease a little recently and we put that partly down to the conflict in Ukraine. I think thoughts of bigger things are putting people off treating themselves to a new car. What's more, I fear that those concerns are likely to become greater. There is more to come from Russia, I think."

COST OF LIVING CRISIS

Cap HPI head of valuation Derren Martin said it was too early to factor in the Ukraine crisis' impact into any industry forecasts, but said: "The main concern at this stage is a potential cost of living crisis that could impact the sector, that and the rising cost of running a dealership as energy costs increase."

Cap HPI reported a 0.5% decline in used car values in February – one of just three downward movements in the month since Black Book Live was launched in 2012 – and Martin said that prices were between 1% and 1.5% down after a week of March trading.

A week into the Ukraine conflict – as the US, EU and UK began discussions

on cutting their reliance on Russian hydrocarbons – the UK National Balancing Point (NBP) benchmark for natural gas prices soared to a record high of 500p per therm and further increases are likely.

Darren Riva, chief executive officer of Journey Energy Solutions, which helps car retailers transition to renewable energy solutions, said: "The way to mitigate against the rises that are coming is to remove your business's reliance on the grid."

For many consumers that move is far less accessible, leading to an inevitable reduction in disposable income.

The average price of a litre of fuel has topped £1.50 for the first time, meanwhile, and some have warned it could reach £1.75 as nations attempt to end Russian oil imports.

Creeping fuel prices and April's raising of the Government's home energy price caps – ahead of further increases in October – meant that consumer confidence was already taking a hit prior to the Russian invasion at the end of February.

The UK consumer confidence index fell seven points to -26 in February,

according to the research company GfK – its lowest level in 13 months.

Joe Staton, GfK client strategy director, said: "Fear about the impact of price rises from food to fuel and utilities, increased taxation and interest rate hikes has created a perfect storm of worries that has shaken consumer confidence."

"The easing or lifting of COVID restrictions around the UK seems to be doing little to lift the public's mood."

IMPACT ON VEHICLE SUPPLY

Resilience may have been inadvertently built into the UK car retail sector by the ongoing supply crisis, which has left most franchised retailers with full order books to fall back on.

But DM Keith managing director Dougal Keith said: "We have had a fabulous economic wind blowing us along recently, but we can see more headwinds than tailwinds in the future. Supply issues and inflation may loom larger than previously thought."

In February, MG Motor UK ordered its retailers to stop placing new orders for petrol vehicles as it made efforts to prevent leads times stretching into 2023.



INDEX SCORE FEBRUARY 2021 – FEBRUARY 2022





PLEDGING SUPPORT

Peter Vardy Group moved quickly to pledge 10% of its March profits to the Ukraine crisis.

The AM Awards 2021's Community Hero award-winning group said in a statement that it had redirected its Giving Back programme to "support humanitarian projects in Ukraine."

Pebble Beach has become a hub for donations to Ukraine's refugee crisis, meanwhile, gathering supplies for two former employees to transport to their home country.

One has already departed, with another heading for the Ukraine in April, managing director Threlfall said.

He added: "It's a cause that's close to us because, at times, the

whole family has worked for Pebble Beach

"We've known them for a long time and it's hard to see them so upset."

UK motor retail veterans Steve Jones and Lisa Ford are filling vans with donated supplies for the Polish town of Zamosc.

Jones, head of southern retail at Autoclenz, and Ford, former MotorVillage managing director and Mana Automobiles operations director are assisting former Mercedes bodyshop boss Steve Taylor who's in Zamosc.

"Zamosc is a town with a population of just 15,000. Now around 800 refugees are arriving daily from the Ukraine by train," said Ford. "It's heartbreaking."

“WE HAVE SEEN FOOTFALL DECREASE A LITTLE AND WE PUT THAT PARTLY DOWN TO THE CONFLICT IN UKRAINE

DOMINIC THRELFALL, PEBBLE BEACH GROUP

Suzuki GB director of automobile Dale Wyatt briefed his franchisees on a reshuffle of its sales campaigns to focus on available stock and confirmed future production in a bid to preserve profitability in "turbulent times".

As OEMs battle to overcome supply line issues linked to the global shortage of semiconductors it is likely that many will now come under increased pressure as a result of the Ukraine crisis.

SUSPENSION OF PRODUCTION

A three-day suspension of production at the Mini factory in Oxford was extended by a week (ending on March 18) as a direct result of the conflict.

A spokesperson for the brand said the war had delivered "a significant impact on the country's automotive supply industry", adding: "Combined with the ongoing semiconductor

bottlenecks, these supply limitations mean further adjustments to the Plant Oxford production schedule are required."

At the start of March Volkswagen revealed that it would be halting production at two VW, Audi and Cupra-producing electric vehicle (EV) plants in Germany after Russia's invasion of Ukraine impacted component supplies. Škoda, meanwhile, has reduced production of its Enyaq EV at its Czech Republic plant.

Volkswagen also joined Toyota and Hyundai in halting production at its Russian car manufacturing plants and Jaguar Land Rover (JLR) in stopping exports into Russia as a result of the impact of sanctions.

Stellantis is one of few European car brands with a manufacturing facility in Russia which would export into Europe, having planned to begin

producing light commercial vehicles (LCVs) for export at Kaluga, about 120 miles south of Moscow.

A Stellantis spokesperson said the OEM "currently sees no impact on our business operations in the UK".

LASTING IMPACT

Birmingham Business School professor David Bailey told AM the repercussions of the conflict are likely to increase for OEMs.

"One big issue for both manufacturers and retailers will be that on further rises to gas and oil prices, which will affect manufacturing and cost of living," he said.

"But the impact on manufacturing – coming in the wake of pre-existing semiconductor shortages – could be far greater than that we have currently seen."

Bailey said that Ukraine's position as the major supplier of both neon – used in the production of semiconductors – and palladium used to produce catalytic converters would be affected. "The impact on this production will be seen very soon and is likely to be ongoing," he said.

According to the Achilles Supply

Chain Resilience Index the Ukraine conflict is set to compound existing shortages of raw materials including: tin, a key component of circuit boards; molybdenum, a trace mineral used in energy creation, defence products and new applications powering electric vehicles; and other materials such as nickel, zinc, copper, oil and gas.

The scarcity of lithium, essential to the production of batteries for EVs and electrical storage, meanwhile, could see some 20 million EVs taken out of production between 2022 and 2029, it warns.

Katie Tamblin, author of the report and chief product officer at Achilles, said: "Supply chain data emerging from Q4 2021 was already indicating that 2022 would be a rocky road for global supply chains, and now with the additional conflict in Ukraine, the outlook is extremely concerning.

"Pummelled by so many challenges over the past two years, supply chains have not had time to recover, and we now face a critical tipping point that could have both supply and cost ramifications rippling through industrial and consumer markets for years to come." **TOM SHARPE**

ADVERTISING FEATURE

Keeping your good name

By Andy Wand, automotive director, EMEA, Reputation



The value of customer feedback is as important as it's ever been. Think about it, whether a consumer chooses a new vehicle or a second-hand one, and where they choose to go for their purchase, is partly driven by cost, and partly driven by online reputation.

Here are some statistics from the most recent Automotive Reputation Report by Reputation:

- 41% of people say they'll read at least five reviews before visiting a dealership
- 80% of consumers say reviews and peer feedback are 'important' when selecting a dealership
- 64% of consumers say they'd travel more than 20 miles for a top-rated dealership

With this in mind, your local competition isn't necessarily the only competition you need to think about. As a potential buyer conducts their research, they'll be looking for top-rated dealerships, the experience of others, reviews of the cars themselves and more.

The automotive sector does, in the most part, understand that customer feedback can be a huge driver in getting people through a dealer's doors.

Each year Reputation authors the Automotive Reputation Report, the numbers make for interesting reading, as the volume keeps increasing.

As well as this, the number of new ways dealers can maximise their online presence increases too. For example, Google now permits multiple GMB (Google My Business) listings for different brands at the same location, and you can now have separate listings for sales, service, parts and more, again all at the same location.

Prioritise online feedback to be seen online and you're halfway to success.

PS: keep a lookout for AM's next 'GM's Guide To' webinar in March, I hope to see you there!

0800 066 4781

contact-uk@reputation.com

 Reputation

THIS MONTH'S NEWS HIGH

FEB

15

INCHCAPE UNDERGOES REBRANDING

Inchcape followed the launch of its new bravoauto used car retail division with a group-wide rebrand. As well as updating its logo, the AM100 PLC launched a new website and applied bravoauto's 21-day money-back guarantee, minimum 12-month warranty and breakdown assistance, and home delivery options to its franchised retail operations.

17

MBRG DENIES UNION'S PAY INCREASE CLAIMS

Mercedes-Benz Retail Group (MBRG) denied Unite the Union assertions that it had agreed a 13% pay rise and £500 lump sum to avoid two days of strike action by technicians at nine of its dealerships. An MBRG spokesperson said: "Interpretations may differ, but the inflationary increase agreed is 3% not 13% and there has been a shift in focus from bonus to base salary to retain our industry-leading position."



18

4,000 VEHICLES LOST AS SHIP SINKS OFF THE AZORES

Volkswagen's car supply headaches were added to by a blaze on a cargo ship containing thousands of Audis, Porsches, Lamborghinis and VWs. The *Felicity Ace* was destined for Rhode Island when it caught fire near the Azores on February 16. All 22 crew members were evacuated, but almost 4,000 Volkswagen Group vehicles remained on board the ship which sank on March 2.



21

RETAILERS CRITICISED FOR NOT RETURNING COVID AID CASH

The Times newspaper's business section claimed its investigations had found motor retailers are set to report best-ever profits from the 2021 financial year thanks to "galloping car price inflation and staff cost-cutting", yet "refuse to return hundreds of millions of pounds in taxpayer handouts which got them through the pandemic".

STORM EUNICE 'DEVASTATES' SUZUKI DEALERSHIP



Bristol's Roadworthy Suzuki dealership was left reeling after Storm Eunice wrecked 15 new cars on its forecourt. Severe winds caused a three-storey scaffold to come crashing down, causing an estimated

£150,000 to £200,000 of damage. Managing director Steve Hoare described the incident as "devastating".



ARNOLD CLARK TO SHED MORE BRAND PARTNERSHIPS

Arnold Clark chief executive Eddie Hawthorne told *AM* the group expects to sever ties with more new car franchises after its exit from Ford and Toyota. Hawthorne said "two or three" more brand partnerships could be drawing to a close as part of a refranchising operation, but insisted the group was "absolutely not" downsizing.



24

STOP TAKING NEW PETROL VEHICLE ORDERS, SAYS MG

MG Motor UK told its retailers to stop taking new orders for petrol vehicles after becoming overwhelmed by "unprecedented demand". Commercial director Guy Pigounakis urged retailers to sell petrol cars from existing pipeline orders. New orders of EVs and plug-in hybrids (PHEV) will be continuing, he said.



MAR

1

PARK'S ACQUIRES BORDERS MOTOR GROUP

Park's Motor Group joined the Lexus franchise in Carlisle through the acquisition of Borders Motor Group. The Hamilton-based AM100 group also added: Toyota dealerships in St Boswells, Carlisle and Dumfries; Hyundai in Carlisle and Dumfries; and Škoda Dumfries through the acquisition.

LEXUS TOPS DEALER ATTITUDE SURVEY FOR SIXTH TIME

Lexus emerged as franchised car dealers' number one retail partner for a sixth consecutive time in the NFDA Dealer Attitude Survey winter 2021/2022. Lexus franchisees scored the brand 9.8-out-of-10 in response to the question "How would you rate your manufacturer overall on a scale of 1 to 10?" as Kia attracted a 9.2 rating and Toyota 8.9.



2

7

JOHNSONS CARS BUYS TRUST GROUP UK

Johnsons Cars added six Volkswagen and Škoda dealerships and its first Trade Parts Specialists (TPS) businesses through the acquisition of Trust Group UK. VW and Škoda dealerships in Redditch, Stourbridge and Wolverhampton will retain their current Trust Group branding under the new ownership of the 31st ranked AM100 car retail group by annual turnover, a spokesperson said.

8

ADVERTISING FEATURE

Cooper Solutions highlights the need for effective customer insight to build relations and maximise car sales opportunities

By Simon Whicher,
sales director, Cooper Solutions



Cooper Solutions is urging dealers to bring together their sales and servicing departments to work cohesively and proactively to nurture relationships and drive sales.

Franchised dealers have a distinct advantage – face-to-face customer interaction. By understanding individual ownership cycles, sales and service teams are in the perfect position to tailor their approach to every customer.

This enables them to engage appropriately and deliver a personal and relevant dialogue. An excellent experience for the customer builds loyalty and long-term retention.

The sales and servicing departments of most dealerships are just metres apart, but they're often a world away from each other when it comes to interacting with customers and maximising revenue opportunities.

Now is the time for dealers to make fundamental changes to the way they operate. It is not enough for sales teams to wait for a customer to make an enquiry; it's time to join-up the two departments to secure future sales.

With data readily at the dealer's fingertips, including information such as where the customer bought their last car, when the finance agreement ends, or whether their preference is to buy new, customers can be contacted in a timely, appropriate way.

In turn, this creates significant potential to turn lost sales into new opportunities.

Find out how data can help you maximise your sales opportunities, contact Simon on 01926 855055 or email Simon.Whicher@coopersolutions.co.uk



CAR MARKET FEBRUARY 2022

RUSSIA THROWS 'HAMMER AND SICKLE' INTO THE WORKS

Sales picture was erratic before the conflict, but the situation has grown rapidly worse

In a month where the world seems to have gone mad, perhaps it is only to be expected that the car market seems to be operating at an entirely random level.

Not only is Kia now the UK's best-selling marque and MG is now outselling the likes of Land Rover, but the pattern of manufacturer sales increases and falls is unprecedented.

Traditionally, the car market (and pretty well all others) follows what is called a "normal distribution" – most manufacturers' sales increases/decreases are close to the market average, and the further away from the average you get, the smaller the number of manufacturers.

Of course, what counts as "normal" has been increasingly hard to define since Brexit, but if we take year-to-date (YTD) 2019 as the last pre-COVID year, we can see that the car market followed the expected pattern (see graph).

However, YTD 2022 shows no pattern at all. Of the 24 major marques (brands with more than 1.0% market share), eight have grown by more than 75%, compared with none at all in 2019. In a market that was only up by 23.0%, that is remarkable. 2022 also saw a larger number of manufacturers with big falls compared with 2019.

The reason may be partly linked to lumpy supply, as manufacturers try to catch up with demand with cars going straight from ports to dealers.

Now Russia has thrown a hammer and sickle into the works, making the situation even worse. MG said on March 1 that it was "temporarily" telling its dealers to stop taking orders for petrol cars.

At least that move seems to be in line with overall market trends: Auto Trader is reporting a spike in electric vehicle (EV) searches as a response to rising oil prices.

Certainly, there is no sign of the traditional response to rising fuel prices – i.e. buy a more economical diesel. Diesel sales have fallen by 34.6%, with market share slumping from 18.9% YTD 2021 to 10.1% YTD 2022. Premium brands still sell a reasonably large number of diesels – approximately 20% of total sales for BMW and Audi, but most manufacturers are far lower.

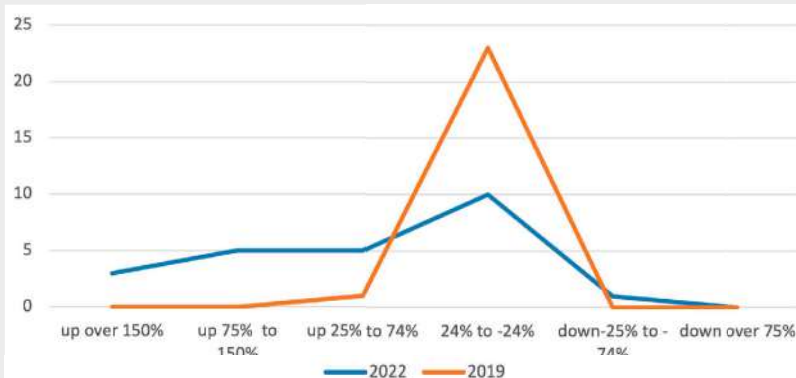
The only outlier is Land Rover, 41% of which are still diesel. One would expect a brand that concentrates on large SUVs to have a relatively high diesel percentage, but it leaves something of a chasm between where Land Rover is now and where it needs to be by 2030.

Quite a number of brands have a diesel proportion of either zero (Nissan, Mini, MG,

Honda, Fiat) or close to zero (Toyota, Hyundai).

In terms of the overall market, it is as much a question of supply as demand. The war in Ukraine is affecting crucial raw materials (e.g. nickel for batteries, palladium for catalysts and neon for microchip production), but Ukraine had also become a significant assembly location for Tier 1 suppliers. It manufactured a large number of wiring harnesses, and also had some factories making key electronic components. One supplier told us it had two weeks' supply in the system at the start of the war. If it was to try to start production in a western European factory, it would need eight weeks for "soft tooling" (tools that can last a year or two before

NUMBER OF MAJOR BRANDS BY GROWTH RATE



wearing out) or 16 weeks for "hard tooling" that will last the lifetime of the product. Of course, the value of the tools already in Ukraine would have to be written off. The only alternative would be to try to source from parallel factories in China, but existing factories cannot suddenly double output.

Returning from geopolitics to the here-and-now of the UK car market, the fastest growth has been seen in superminis, which have developed at double the rate of the overall market (46.5%). This may not reflect any change in demand, but rather a reflection that a lot of manufacturers switched production in 2021 to more profitable larger cars, reducing supermini sales. Until Putin destroyed their plans, car manufacturers had been expecting the chip shortage to ease this year, so production of small cars had been on the rise.

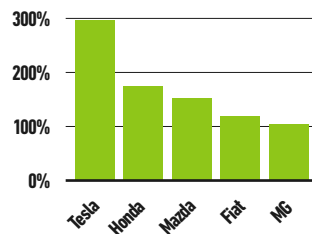
At a manufacturer level, the big news is obviously the market leadership position of Kia. Kia is not going to hold that spot for long, but it would be a mistake to dismiss its 8.2% market share as just a statistical quirk. Kia might be doing well partly because it has greater availability, but every new customer it sells to now is one more customer brought into the Kia fold. If it can keep them in the fold in three years' time, then it has a great platform to build on.

In second place is BMW – another unprecedented result. Of the other top 10 manufacturers, the biggest growth has come from Hyundai (100.6%), although that is more a case of recovery after some poor years, than underlying growth. Notable is the name not in the top 10 – Nissan, whose Sunderland factory is the jewel in the crown of British manufacturing, is in 12th position (down 15.4%).

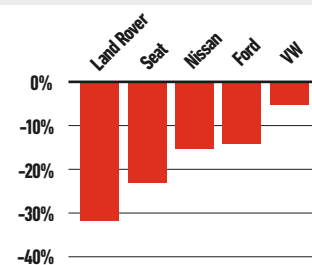
Outside the traditional brands, Tesla continues to make huge progress.

Tesla does not officially report its sales, hiding coyly in the "Others" category of the SMMT (appreciating that the word "coy" is not normally

BEST PERFORMING MAJOR BRANDS* YTD FEB



WORST PERFORMING MAJOR BRANDS* YTD FEB



* Brands with at least 1.0% market share YTD 2021

attached to Elon Musk). However, it is not hard to deduce its market share, which is 1.5% YTD, with the Model Y and the Model 3 both in the top 10 for the month of February.

As for next month, the bigger volumes of the March registration plate change might flatten out some of recent fluctuations. On the other hand, supply problems could mean a very weak March. As a film producer once said about Hollywood: "No one knows anything".

DAVID FRANCIS



ISTOCK.COM/IZENZEN

SPONSOR'S COMMENT



By Richard Jones,
managing director,
Black Horse

So, the new year is underway in earnest and, like the weather at time of

writing (Red Warning Friday), there is plenty of turbulence to deal with as the UK economy starts to readjust and address the long-term effects of COVID.

As fuel costs and prices generally rise for consumers and businesses, interest rates are also increasing to head off this inflation. All-in-all, it is now becoming more and more difficult to provide compelling offers for customers who are under increased financial pressure.

That said, the used car market remains solid, driven by the agility of dealers and their teams reacting quickly to the times and making sure their service and offers to customers remain good value, relevant and compelling.

It's a moment to perhaps reflect on the input our staff have made – and are making – to the success of our businesses. COVID has demanded extremely high levels of focus and energy. There have been many quotes in the press about the industry making years of progress in months during the pandemic – and that means a lot of people working at exceptional levels to deliver this.

As an industry, motor has found staff development and retention a challenge over the years. Currently, job vacancies are outstripping available candidates and there has never been a more important time to engage with the people who have delivered for us.

Ensuring they have a real say in driving improvements gives them a sense of purpose and job satisfaction that will help us to retain their services and energise our businesses for the challenges facing us.

that makes a difference

blackhorse.co.uk

NEW CAR REGISTRATIONS

Sales up, but still well short of 2020

February's new car registrations remained 25.9% down on pre-pandemic 2020 as Russia's invasion of the Ukraine created increasing doubt about a volume recovery for dealers in 2022.

Versus last February, when showrooms closed during the lockdown, sales were 15% up, at 58,994 units. Fleet deliveries accounted for 50.7% of the total, with private buyers 47.1%.

One-in-four cars came with a charging cable. Almost 18% of the new car registrations were battery electric vehicles (BEVs), and plug-in hybrids accounted for another 7.9%, according to Society of Motor Manufacturers and Traders (SMMT) data.

1 BMW

With 4,583 units BMW was the market-leader in February, growing by 644 sales. Two-thirds of that growth was private business, with strong demand for i3 (pictured) and X5 in particular.



2 HONDA

Honda trebled its February 2021 result, growing by 1,123 registrations year-on-year. The Jazz and HR-V (below) are leading its growth drive, the latter winning over private buyers now it is in its hybrid-only third generation and bang on trend.



3 CUPRA

This month's 190% growth (148 units) was purely down to the Formentor SUV, about two-thirds of which was in the fleet market.



	February					Year-to-date				% change	
	Marque	2022	% market share	2021	% market share	% change	2022	% market share	2021		% market share
1	BMW	4,583	7.77	3,939	7.68	16.35	12,963	7.45	10,941	7.73	18.48
	Vauxhall	4,467	7.57	3,359	6.55	32.99	11,029	6.34	8,958	6.33	23.12
	Ford	4,448	7.54	5,129	10.00	-13.28	11,904	6.84	13,835	9.77	-13.96
	Kia	3,795	6.43	2,873	5.60	32.09	14,299	8.21	9,144	6.46	56.38
	Toyota	3,675	6.23	2,358	4.60	55.85	11,705	6.72	6,872	4.85	70.33
	Mercedes-Benz	3,476	5.89	3,787	7.38	-8.21	9,831	5.65	10,387	7.34	-5.35
	Audi	3,310	5.61	3,715	7.24	-10.90	11,877	6.82	10,298	7.27	15.33
	Volkswagen	3,283	5.56	4,952	9.65	-33.70	11,797	6.78	12,521	8.84	-5.78
	Hyundai	3,116	5.28	1,258	2.45	147.69	8,740	5.02	4,357	3.08	100.60
	Peugeot	2,698	4.57	1,950	3.80	38.36	6,736	3.87	4,881	3.45	38.00
	Mini	2,539	4.30	1,557	3.03	63.07	5,989	3.44	3,227	2.28	85.59
	Škoda	1,892	3.21	2,243	4.37	-15.65	5,105	2.93	5,331	3.77	-4.24
	Citroën	1,726	2.93	1,099	2.14	57.05	3,376	1.94	2,578	1.82	30.95
2	Honda	1,618	2.74	495	0.96	226.87	4,163	2.39	1,465	1.03	184.16
	Volvo	1,513	2.56	1,788	3.48	-15.38	4,837	2.78	4,968	3.51	-2.64
	Nissan	1,468	2.49	2,275	4.43	-35.47	5,847	3.36	6,908	4.88	-15.36
	Mazda	1,205	2.04	496	0.97	142.94	3,259	1.87	1,244	0.88	161.98
	Renault	951	1.61	698	1.36	36.25	3,332	1.91	2,279	1.61	46.20
	MG	911	1.54	831	1.62	9.63	4,471	2.57	2,205	1.56	102.77
	Land Rover	902	1.53	1,837	3.58	-50.90	3,729	2.14	5,465	3.86	-31.77
	Seat	882	1.50	1,524	2.97	-42.13	3,049	1.75	3,978	2.81	-23.35
	Suzuki	771	1.31	511	1.00	50.88	1,740	1.00	971	0.69	79.20
	Fiat	667	1.13	425	0.83	56.94	1,995	1.15	837	0.59	138.35
	Dacia	379	0.64	293	0.57	29.35	2,232	1.28	1,127	0.80	98.05
	Porsche	377	0.64	193	0.38	95.34	1,690	0.97	1,112	0.79	51.98
	Jaguar	351	0.59	334	0.65	5.09	1,010	0.58	1,248	0.88	-19.07
3	Polestar	331	0.56	261	0.51	26.82	649	0.37	587	0.41	10.56
	Lexus	300	0.51	192	0.37	56.25	1,158	0.67	818	0.58	41.56
	Cupra	226	0.38	78	0.15	189.74	880	0.51	291	0.21	202.41
	DS	85	0.14	73	0.14	16.44	399	0.23	182	0.13	119.23
	Jeep	78	0.13	120	0.23	-35.00	274	0.16	285	0.20	-3.86
	Bentley	57	0.10	28	0.05	103.57	191	0.11	117	0.08	63.25
	smart	54	0.09	59	0.11	-8.47	149	0.09	143	0.10	4.20
	Alfa Romeo	51	0.09	30	0.06	70.00	149	0.09	114	0.08	30.70
	SsangYong	37	0.06	17	0.03	117.65	157	0.09	64	0.05	145.31
	Subaru	31	0.05	22	0.04	40.91	120	0.07	52	0.04	130.77
	Abarth	25	0.04	65	0.13	-61.54	74	0.04	126	0.09	-41.27
	Maserati	22	0.04	12	0.02	83.33	89	0.05	62	0.04	43.55
	Genesis	5	0.01	0	0.00	0.00	20	0.01	0	0.00	0.00
Alpine	2	0.00	0	0.00	0.00	32	0.02	5	0.00	540.00	
Other British	54	0.09	67	0.13	-19.40	254	0.15	224	0.16	13.39	
Other Imports	2,633	4.46	159	0.31	1,555.97	2,781	1.60	782	0.55	255.63	
	Total	58,994		51,312		14.97	174,081		141,561		22.97

A woman with dark, curly hair is smiling and looking down at a smartphone she is holding. She is wearing a brown quilted vest over a dark turtleneck. The background is dark and out of focus. A large, bright blue diagonal stripe runs from the top right towards the bottom left, partially obscuring the woman and the text.

Flexibility that you and your customers can trust

Give your customers the flexibility
to complete their purchase
remotely or face-to-face with
SignIt Anywhere from Black Horse
– because choice matters.

SignIt Anywhere

For more reasons to become
a Black Horse dealer, visit
blackhorse.co.uk/dealer/why

blackhorse 

FINANCE OFFERS

No need for big discounts as plates change

Average discounts on new car finance deals have continued to drop quarter-on-quarter (QoQ), with carmaker support down by 27% to £1,223 in Q1.

The quarterly discounts had dropped slightly by 1.9% towards the end of 2021, but this further drop reflects the fact that it is still a seller's market.

Car manufacturers are not heavily discounting vehicles to move new car volumes, particularly in the plate-change month of March, which would normally see demand swell anyway.

Discounts on new car offers have been dropping for some time now, going all the way back to Q3 in 2021.

AM collated more than 250 representative examples from vehicle manufacturer websites and this also showed the average monthly price for a new car on personal contract purchase (PCP) continues to increase. The figure was up by 6.3% QoQ to just in excess of £400.

Car manufacturers also appeared to roll back 0% APR offers too, with a reduction of 46% over the first three months of 2022.

However, there were some signs in the market to assist affordability with a much higher proportion of offers priced at, or below, the average monthly payment price of £402.

Average balloon payments also dropped significantly by 31.5% to £10,719 in Q1.

KOREAN AND JAPANESE BRANDS DOMINATE AFFORDABILITY STATS

Hyundai has posted a strong showing for affordability in Q1, with three of its models included in the top 10 models by lowest monthly payment.

This includes the second and third spot with its i10 city car and Bayon crossover at £130.18 and £142.07 a month respectively.

Toyota's Aygo city car was the most affordable model in Q1 at £129 a month on a 0% offer. The Aygo X city car crossover also made it into the top 10 at £159 a month.

All of the most affordable models are available for well below £200 a month.

Meanwhile, the best of the 0% offers were dominated by Toyota and Renault.

The majority of Renault's most popular models are

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							
Toyota Aygo 5-dr hatchback x-trend 1.0 Petrol (72PS) Pure White (solid paint)	PCP	£4,526	42	£129	£4,746	0.00%	31/03/2022
Hyundai i10 SE Connect 1.0 MPI 67PS Petrol	PCP	£4,400	36	£130.18	£6,133.40	5.50%	31/03/2022
Hyundai Bayon SE Connect 1.0 100PS Petrol Manual	PCP	£6,200	36	£142.07	£9,559.55	3.90%	31/03/2022
VW Up! 1.0 3dr 65PS S/S manual	PCP	£3,321.66	48	£145	£4,331.70	5%	31/03/2022
Hyundai Kona SE Connect Hybrid 1.6 141PS petrol 2WD DCT	PCP	£7,300	42	£150.35	£11,520.60	5.50%	31/03/2022
Fiat Panda 1.0 mild hybrid City Life MY21.5	PCP	£3,480	48	£156	£4,269	4.90%	31/03/2022
Toyota Aygo X 5-dr hatchback Edge 1.0 Petrol (72PS) Cardamom Green	PCP	£3,348.50	42	£159	£8,055	3.90%	31/03/2022
Dacia Sandero Comfort SCE 65	PCP	£171	48	£171	£5,415	5.90%	31/03/2022
Top 10 0% offers at lowest monthly payment							
Toyota Aygo 5-dr hatchback X-trend 1.0 Petrol (72PS) Pure White (solid paint)	PCP	£4,526	42	£129	£4,746	0.00%	31/03/2022
Toyota Yaris Hatchback Design 1.5 Petrol Hybrid Platinum White (pearlescent paint)	PCP	£4,613.50	42	£189	£9,787.50	0.00%	31/03/2022
Renault Clio SE Edition E-Tech Hybrid 140 Auto	PCP	£5,168	24	£204	£12,876	0.00%	31/03/2022
Renault Clio SE Edition TCE 90	PCP	£4,411	24	£204	£9,733	0.00%	31/03/2022
Renault Captur Iconic Edition E-Tech Hybrid 145 Auto	PCP	£3,897	24	£229	£15,597	0.00%	31/03/2022
Toyota Corolla Hatchback 5-dr Design 1.8 Petrol Hybrid (122PS) Manhattan Grey	PCP	£5,653.50	42	£229	£11,902.50	0.00%	31/03/2022
Toyota C-HR 5-dr Design 1.8 Petrol Hybrid (122PS) Silver Metallic	PCP	£7,515	36	£239	£14,400	0.00%	31/03/2022
Toyota Corolla Touring Sports 5-dr Design 1.8 Petrol Hybrid (122PS) Denim Blue (metallic paint)	PCP	£5,723.50	42	£239	£12,757.50	0.00%	31/03/2022
Renault Arkana S Edition TCE 140 Auto EDC	PCP	£6,453	24	£249	£15,561	0.00%	31/03/2022
Renault Zoe S Edition R110 EV 50 Rapid Charge	PCP	£5,345	36	£249	£14,286	0.00%	31/03/2022
Top 10 models by lowest deposit							
Kia Rio 'GT-Line' 1.0 Turbocharged Petrol Mild Hybrid Manual	PCP	£-	36	£384.31	£8,281	5.90%	31/03/2022
Kia ProCeed 'GT-Line' 1.5 Turbocharged Petrol Manual	PCP	£-	36	£418.28	£11,943.75	5.90%	31/03/2022
Kia Ceed 'GT-Line' 1.5 Turbocharged Petrol Manual	PCP	£-	36	£422.99	£10,738	5.90%	31/03/2022
Kia Ceed Sportswagon '3' 1.5 Turbocharged Petrol Manual	PCP	£-	36	£432.91	£10,192	5.90%	31/03/2022
Kia XCeed '3' 1.6 Petrol Plug-in Hybrid Automatic DCT	PCP	£-	36	£589.46	£12,512.50	5.90%	31/03/2022
Dacia Sandero Comfort SCE 65	PCP	£171	48	£171	£5,415	5.90%	31/03/2022
Dacia Sandero Stepway Comfort TCE 90	PCP	£199	48	£199	£6,491	5.90%	31/03/2022
Dacia Duster Comfort TCE 90 4x2	PCP	£207	48	£207	£8,295	5.90%	31/03/2022
Hyundai i20 SE Connect 1.0 T-GDi 100PS 48 Volt Hybrid Petrol	PCP	£1,500	36	£118.20	£8,676.85	3.90%	31/03/2022
Fiat 500 1.0 mild hybrid (Red) MY21	PCP	£1,500	48	£219	£5,815	4.90%	31/03/2022

available on 0% finance, including the Zoe electric vehicle, Arkana, Captur and Clio.

Kia was the manufacturer with the lowest deposit in Q1, with models like the Rio, ProCeed, Ceed and XCeed all available without needing to put money down.

As always, the Dacia line-up offers a low barrier to

entry to any customers wanting to access a new vehicle without needing a large deposit or part-exchange vehicle. **TOM SEYMOUR**



SEARCH FOR FINANCE OFFERS

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

AVERAGES Q1 2022

Average deposit: £6,382 -11%

Average monthly payment: £402 +6.3%

Average balloon payment: £10,719 -31.5%

Average deposit contribution: £1,223 -27%

Average term: 43.7 months

Number of 0% offers: 25 -46%

158 +14% offers priced at the average monthly level or below



VIEWPOINT

THE BENEFITS OF KNOWING WHAT WE DON'T KNOW

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



It is Socrates who is credited with saying 'wisdom is knowing what you don't know'.

The problem is that we tend to believe we understand the world more deeply than we actually do.

Stephen Dubner in 'Freakonomics' suggests we should "think of something you have a really strong opinion about ... now think about why you have such a strong opinion. How do you think that you could explain your position?"

Over the past year, as many are aware, I have been assisting with the Institute of the Motor Industry (IMI) taskforce looking at equity, diversity and inclusion, examining gender identity, race and ethnicity, and the area of physical and non-visible disabilities.

It became apparent early in the process that I needed to rethink the things that I thought I knew.

When we started, I would have said that our industry was under-represented in all the three groups – race, gender and disability – and that we needed a strategy to widen participation across the board.

My initial assertion would have been correct for two of the three groups. We are underrepresented in the areas of gender and race, but not in disability.

This may seem at odds with the reality of what we see around us. In physical disability, we do not have a good level of representation and we need to look at this area closely.

The result that was unexpected was that the industry attracts more people with hidden disabilities such as dyslexia, attention deficit hyper-

activity disorder (ADHD) and other areas of neurodiversity than other comparable industry sectors.

This may be due to several reasons including the perception that, apart from the engineering side, the car industry is 'non-academic' and that children who have struggled at school due to a non-visible disability are pointed by careers staff and other influencers towards the industry as being a potential career choice.

On the automotive courses at Loughborough, we became aware of a number of undiagnosed dyslexics and, as a result, provided additional support through the specialist university departments.

How well do you know your staff?

The challenge is that many employees don't wish to disclose a non-visible disability in case they are regarded as a 'problem' and won't be considered for promotion or further personal development.

They are hidden by organisational cultures that don't promote openness and discussion about the topic.

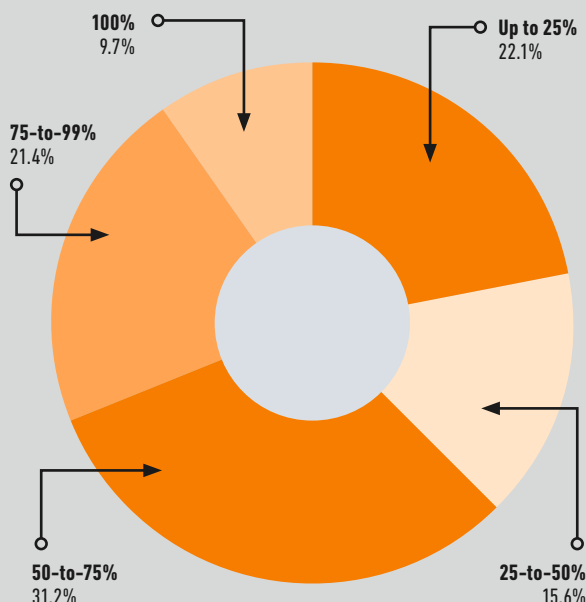
Small changes to working practices can give the opportunity to unleash the full potential of these employees both for their own benefit and that of the organisation.

Most organisations don't know what they don't know about the level of non-visible disability, so nothing is done. The taskforce has started to provide information so we now know what we didn't know. As a result, we should look to take action to allow those people who face visible or non-visible disability to not only be attracted to our industry, but to also thrive within it.

"SMALL CHANGES TO WORKING PRACTISES CAN GIVE THE OPPORTUNITY TO UNLEASH THE FULL POTENTIAL OF THESE (DISABLED) EMPLOYEES"

AM POLL

WHAT PROPORTION OF UK NEW CAR BRANDS WILL HAVE MOVED TO AGENCY-STYLE CONTRACTS BY 2030?



Few industry executives expect all UK car sales networks will be operating under agency contracts by the end of the decade, however the switch to agency is predicted for a sizeable portion. One-in-two of the AM poll respondents believes more than half of the car brands will turn their franchisees into their agents for new car sales.

Of course, AM has already reported that Lotus has made the switch this year, and in 2023 Mercedes-Benz, Volkswagen Group, Alfa Romeo and DS Automobiles will be completing the shift to agency contracts. Opinion suggests this will be even more commonplace. "There will be a domino effect, once the big players go, all will follow," said one dealer boss.

However, one said it will be dependent on the brand, adding: "I suggest some OEMs will continue with franchise contracts due to customer service assurances needed and lack of OEM infrastructure."

Suzuki GB director Dale Wyatt has already spoken out on AM-online against agency models, warning they "want to put the dealer last".

One retailer said: "Dealers will move to pre-owned margins and aftersales. Younger buyers do not need shiny showrooms to buy new cars."

NEXT MONTH: SHOULD DEALERS FULLY CHARGE CUSTOMERS' ELECTRIC VEHICLES FOR FREE AS PART OF A SERVICE?

VOTE NOW AT [AM-ONLINE.COM/POLLS](https://am-online.com/polls)

DS AUTOMOBILES

With an expanded range and the edge over rivals in terms of shorter lead times, DS is aiming to double new car sales this year, reports **Tim Rose**

New dealer appointments and an expanded model range are expected to underpin DS Automobiles' 2022 drive to sell twice as many new cars as it did in 2021.

In a year free of COVID lockdowns, albeit still with industry-wide semiconductor supply constraints, the DS brand is set to attract new customers and continue its steps towards total electrification, says UK managing director Jules Tilstone.

DS is also in the early stages of developing a new agency-style contract for its retailers, which it wants in place from June 2023. Tilstone shared little insight into how that would change the dealer network's responsibilities and rewards and said there's still much to be worked out.

Nine European working groups, including representatives from the network, are looking at key areas of the business, for example digital marketing or finance, to consider how an optimal approach can be developed through an agency agreement.

There are many questions to answer for each area this year, before proposals will be tabled with the European Dealer Councils and then the agreements are finalised.

"The key point is this common purpose – we are trying to build a model that gives the best



customer experience we can possibly give. If we don't come up with a mutually beneficial business model we're not going to have the best retail talent and we won't fulfil our objectives," he says.

Progress updates will be shared with franchisees every quarter, and Tilstone is having regular meetings with individual dealers to listen to their concerns. He said most are open-minded, positive, yet cautious, given the amount of detail still to be determined.

He believes that, ultimately, it will take out some cost for the manufacturer that can help make hybrids and electric vehicles (EVs) more affordable, and it will simplify new car communications, offers and purchasing for the customer, who will know they've paid the same wherever they are in the country.

In 2021, DS swung from being the best (6.3 out of 10) of all Stellantis brands for value of the franchise in the summer NFDA Dealer Attitude Survey to being the worst (4.1). Yet Tilstone claims morale is okay, due to rising sales of higher trim cars.

"I think that's a good indicator of where we're attracting the right audience to DS now who can afford to pay for our product and who

want to specify high trim levels, which is fundamental to the future of our position in the premium market," he says.

Franchisees are excited by the next launches which grow DS to a four-car range. The DS4 hatchback, a rival to the BMW 1 Series and Audi A3, is entering the UK market this month and it will secure much of the sales increase. Some 300 pre-orders had already been placed by the end of February. And the DS9, which entered showrooms in February, will take the fight to the Jaguar XF and Lexus ES in the mid-size premium segment.

Tilstone is also excited that DS will, by the end of 2022, offer buyers plug-in hybrid (DS4, DS7 and DS9), pure electric (DS3 Crossback) and petrol engines. There are still diesels (DS4 and DS7), but in low numbers.

PLANS FOR ELECTRIC-ONLY

From 2024, DS will only build cars with full electric powertrains and from 2025 it will no longer sell internal combustion engine (ICE) new cars. Tilstone forecasts 51% of new DS cars sold in 2022 to be low emission vehicles (producing less than 100g/km CO₂), up from 42% in 2021. He maintains that sales volume

KEY PRODUCTS



DS3 Crossback

Priced from £24,920, its line-up includes DS's only current pure electric car, although that starts at £34,000.



DS4

Launched with combustion engines and a plug-in hybrid, the DS4 range will expand with a pure electric version in 2024.



The DS Store in Eglinton, County Londonderry

"is not of huge importance to us" provided the level is right for the dealer network to make an appropriate return on their investment. What is important is that sales do increase – and do so profitably.

The DS network averaged breakeven in 2021 (versus loss-making in 2019), with the top 75% making 1% return on sales, and the top quartile achieving 4.5%.

By the end of 2022 the DS network should total 35 dealerships, and 45 by the end of 2023, up from 26 in 2021, when the network actually shrank as unviable DS Salons were terminated.

The focus is now on DS Stores – full showrooms rather than the boutique-style DS Salons – with seven new ones set to open by the summer. Much of the DS network shares a location or rooftop with another brand from Stellantis; taking the former FCA Group under Stellantis' wing has opened doors with some Fiat/Jeep/Alfa franchisees.

The DS Stores, alongside digital marketing and events, are crucial for making more potential buyers aware of DS cars, says Tilstone. The carmaker's research shows that by now 79% of premium car customers



“WE’VE THE RIGHT AUDIENCE COMING IN AND DISCOVERING DS, WITH THE RIGHT BUDGETS, LOOKING AT THE RIGHT LEVEL OF CARS, FOR US TO SUCCEED IN THE GROWTH WE ANTICIPATE”
JULES TILSTONE,
DS UK MANAGING DIRECTOR

recognise the DS brand in 'assisted awareness' exercises, where DS is put in a list of other premium competitors.

It has come far from its origins as fancier versions of Citroëns, it seems. "Our ongoing challenge is to make sure they know us because of our stores and because of our latest product. Of course, DS hasn't just arrived, and we need to evolve that view. I think that's reflected in the customers we have coming to the brand."

One in two DS buyers has already had a premium brand car. Tilstone said buyers of DS models are typically from three pools: people in German brand cars who're looking for something different; people in the niche premium brands, such as Lexus and Land Rover, who're putting DS into their competitor set when considering their next car; and people with a Stellantis brand car, such as a Peugeot, Vauxhall or a previous DS, who are now able to afford a premium car.

"We've the right audience coming in and discovering DS, with the right budgets, looking at the right level of cars, for us to succeed in the growth we anticipate."

Given some of the very long lead-times

being quoted by German brands for new car orders, DS has an opportunity to conquest sales and deliver cars within three or four months, he said.

DS doesn't have the vast marketing budget of Audi or BMW to attract UK buyers, so it needs to get cars in front of people and it wants the positive word-of-mouth of existing customers.

DS drivers can register for the 'Only You Privilege' club, which gives them and their friends access to exclusive events and experiences plus discounts with partner brands. The DS Valet service provides collection and return of the car at service time, and delivers national aftersales coverage from a relatively small dealer network.

The 'Test Drive From Your Drive' initiative that was trialled last October, which brings a demonstrator to a prospective buyer's chosen location for 24 hours, will be rolled out nationally in 2022.

There's much to do in the months ahead, but Tilstone is bullish of the outcomes for both the OEM and its dealers.

"It's a joint approach," he says. "We're all in this."



DS7 Crossback

Launched three years ago as a foundation stone of DS's premium positioning, this SUV is sold in petrol, diesel and plug-in hybrid derivatives.



DS9

This substantial saloon suits the SUV sceptic who wants to stand out in a corporate car park packed with German rivals.

Introducing...

Safe & Sound Asset Protection



WMS Group Launches New Asset Protection Products

Leading warranty provider WMS Group has launched a series of new asset protection products under its market-leading Safe & Sound brand.

The new products are designed to help customers keep their vehicles in the best condition possible, and include revamped Guaranteed Asset Protection (GAP), Tyre & Alloy Insurance and SMART Repair Insurance and brand new SMART and Alloy Repair insurance.

With the used car market continuing to experience unprecedented demand, maximising the selling potential of a second hand vehicle is important when it comes to re-sale – which is where WMS' asset protection products can really help.

The complementary products are designed to appeal to dealers looking to meet customers' needs through additional after-sale protection products and are available to dealers trading in all new and used cars.

A range of products to protect the value of your customers' vehicles...

Neil Monks, Retail Sales & Customer Services Director at WMS Group, said: "With increased demand comes the increased need for a range of warranty and after-sale solutions, so we're delighted to have launched four new asset protection products to support retailers in meeting the demands of used vehicle customers.

"In a volatile market that is subject to rapid price changes, these products provide customers with an added layer of protection from unforeseen events and support in ensuring a used vehicle remains in the best condition possible, thus maximising future selling potential.

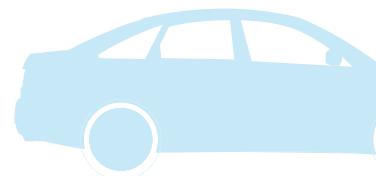
"For dealers, these products can offer an additional revenue opportunity that provides greater cover level and enhancements to customers, increasing trust and reassurance to those investing in a second-hand vehicle. We look forward to working with retailers to continue to improve customer confidence and provide solutions for keeping their vehicles in the best condition possible and keeping them on the move in the event of a write-off."

WMS' newly-launched suite of asset protection products is available to WMS dealers now under its Safe & Sound brand. Re-launched in 2021, Safe & Sound brings together a family of exciting aftersales products under one modernised, re-energised and easy-to-use programme.

For ease of administration, simpler accounting and account management, it makes sense to have one supplier for all your warranty and asset protection products. WMS can offer you the full spectrum.

For further information on WMS, please visit www.wmsgroup.co.uk

"For dealers, these products can offer an additional revenue opportunity..."





Tyre and Alloy

Tyre & Alloy Insurance covers the cost of repairing alloy wheels and the repair or replacement of tyres if they're damaged during everyday driving.

WMS' Tyre & Alloy Insurance covers alloy refurbishments, plus repair and replacement of tyres for up to 36 months, to a combined value of £2,750.



GAP

The revamped GAP product combines 'Return to Invoice Insurance' and financial shortfall cover, to protect the customer in the event of total loss. This allows motorists to insure against the value between an insurance company pay-out and a financial agreement, with a higher level of contribution towards the motor insurance excess of up to £500 and a manufacturers' fitted accessories package to the value of £1,500.



SMART Repair

SMART Repair Insurance ensures small scratches, scuffs and dents can be repaired as they happen. Minor, albeit unsightly, damage can deplete the value of a used vehicle quickly, however SMART Repair Insurance ensures cosmetic damage can be dealt with quickly, easily and without delay to an aggregate limit of £3,000 with the cost of repair up to £250 per claim.



SMART and Alloy Repair

Finally, the new SMART & Alloy Repair Insurance product covers the cost of sudden and unforeseen scratches and scuffs, chips or dents to a vehicle's bodywork or alloy wheels. It is a combined product, with separate claim limits for both SMART and alloy repair to an aggregate value of £4,500.

About WMS Group (UK) Ltd (WMS)

Established in 2003, WMS is one of the UK's leading car warranty suppliers, providing reliable extended warranty cover and other motoring protection to more than 20% of automotive dealers in the UK.

Acquired by the Opteven Group in January 2020, WMS 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 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

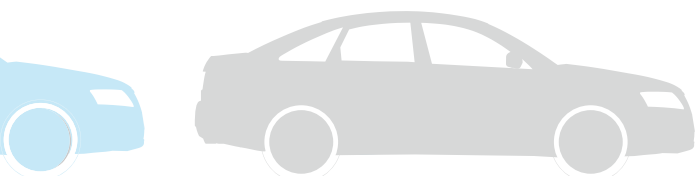
About Opteven Group



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. 700 people across offices in Thame, Warrington (United Kingdom), Milan (Italy), Madrid (Spain) and Berlin (Germany).

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



Changing to power your business

Faster, stronger, smarter, different. The time is now for Northridge Finance to revolutionise how we work. We've invested in advanced platforms and processes to deliver a whole new level of adaptability, service and efficiency.

Streamlining and accelerating our approval processes. Underwriting a wider client range and helping you close additional sales. Making your time more profitable.

Change is already in motion. We're rolling out a host of advantages designed to make Northridge your go to partner for more finance business.

You'll still enjoy the benefits we're known for, alongside expert support and assistance in navigating the regulatory landscape.

Experience the difference, as we evolve from challenger to contender. Starting now.

Change is powerful.

For further information contact:
dealersupport@northridgeuk.com

The many routes to seal the deal



ISTOCK.COM/OLIVIER LE MOAL



THE END OF HAGGLING
NOW CONSUMER DEMAND IS
OUTSTRIPPING NEW CAR SUPPLY, IT
HAS BECOME A SELLER'S MARKET

PAGES 22-23

ARE TRADE-INS TRANSPARENT?
ADDRESSING THE DISPARITIES
BETWEEN ONLINE VALUATIONS AND
THOSE GIVEN IN DEALERSHIPS

PAGES 28-29

THE OMNICHANNEL EXPERIENCE
WE LOOK AT SIX KEY AREAS WHERE
ONLINE, OFFLINE OR A BLEND ARE
RESHAPING THE BUYING EXPERIENCE

PAGES 33-35

Omnichannel retail: Is this the end of haggling?

Will retailers be able to discount discounting in future? Now consumer demand is outstripping new car supply, it has become a seller's market

Automotive retailers were obliged to accelerate their omnichannel retail plans in response to the COVID-19 pandemic, but another by-product of this development has been the demise of the haggle.

Do a deal on your next motor. Consumers still talk about dealers and dealerships, but the industry has fought to rebrand as 'retailer' for almost a decade.

Market pressures around new car supply and unprecedented used vehicle prices has meant haggling during the sales process has not really been a thing for the past two years. There is no haggling in a seller's market.

However, there is also no real desire for haggling to return from a business point of view.

Robert Forrester, Vertu Motors chief executive, told AM the new car haggle has been dead for some time, caused by consumer demand far outstripping available new car supply.

He says: "I don't see a desire from car manufacturers to return to a market of oversupply. Discounting on new car sales has not been happening for some time and, even when supply returns, there is a desire from retailers and manufacturers to keep that window between demand and supply very tight."

Forrester said oversupply was creating profit pressure for original equipment manufacturers (OEMs) and retailers. But Forrester thinks that this time "the penny has dropped".

He says: "A delivery window of two-to-three months is the sweet spot and, if we can keep new car production in balance to that window, there's no reason for discounting to continue."

"A fixed price creates new car price transparency whether you're on an agency or non-agency model."

Steve Young, ICDP managing director, says a lead time of two-to-three months would be a good situation for meeting customer demand more accurately.

However, he says it will only take one national sales company (NSC) to change tack on this for "the whole wall to collapse".

Young says: "If you have one NSC managing director who is under pressure on targets, the

product isn't the best around at the time and competitors are eating their lunch, what happens then?"

"Will they still hold the line?"

The reduction in point-of-sale discounting has meant an increase in new car margins for Vertu, although with a variance between franchises. Forrester declined to define the exact size of the increase, but said it has been "quite considerable".

Young agrees that the market has been moving to intelligent dynamic pricing for a while, particularly for more sophisticated retailers, and haggling over price has started to reduce across the board.

He also says it is too simplistic to say fixed new car pricing would mean higher new car prices.

Young says: "The majority of new cars are sold on new car finance. If we have improved residual values (RVs) as part of less discounting and balanced supply, that will be reflected in the monthly price customers are paying on finance."

"So, in pound notes per month, I don't see there being big price increases as a result of moving to fixed prices."

Pendragon's CarStore used car division operates a fully hybrid customer journey where vehicles can be bought online or in the showroom, with as much or as little digital interaction as they like.

Mark Akbar, CarStore managing director, said fully end-to-end online sales account for around 13% of sales, while the vast majority of customers still visit the showroom before buying.

The expectation for used car sales is that haggling is likely to remain a part of the business model. Used cars are unique and prices will vary dependent on several variables such as mileage, condition, trim and options.

However, CarStore has been operating a one-price model for several years and Akbar says haggling has been eliminated from the customer journey as a result of its omnichannel approach.

He says: "There is a fair price for each model based on our own group data and analysing data from third party sources."

"We make sure we deliver that fair price up front and it has totally removed the haggle from the

customer journey. Our prices might not be the lowest, or the highest, but it's what we deem as a fair price for the market."

Akbar says the majority of customers accept and enjoy this aspect of the sales journey, but adds there is no movement to close a sale by shaving off £100 here or there.

“SOME CUSTOMERS ACTUALLY QUITE LIKE GETTING A DEAL AND THAT PART OF THE PROCESS. SOME DO NOT. BUT TO SAY THAT THE MAJORITY OF CUSTOMERS DON'T LIKE IT IS ABSOLUTE RUBBISH

ROBERT FORRESTER, VERTU MOTORS

Has this also changed the behaviour of sales teams? There are still business objectives to hit for all dealerships, after all.

Akbar says he is more focused on customer service, building value and positive word of mouth through feedback and online reviews to drive sales targets, compared with sales teams pushing stock by discounting.

He says: "If you put the customer at the centre, sales will follow."

THE GLADIATORS

Forrester rubbishes the oft repeated claim that customers don't like to haggle at the point of sale. He says an end to discounting or trying to get a deal on a vehicle may be missed by some.

He adds: "Some customers actually quite like getting a deal and that part of the process. Some do not. But to say that the majority of customers don't like it is absolute rubbish."

Young described customers looking for a deal as "gladiatorial types" that view haggling as an opportunity to prove their worth in getting a spectacular deal beyond what would have been offered by the retailer.

Moving to a fixed price model would mean that even the gladiators would have to accept defeat. Although even in markets like Sweden, where Mercedes-Benz has already introduced fixed pricing for new vehicles, there is still some room for manoeuvre from retailers.

As a result, Young does not think moving to an agency model will fully eliminate room to make a deal, saying: "Dealerships in Sweden can offer non-cash incentives as part of the deal like a roof box or winter tyres."

"Even within an agency agreement, where a dealership is paid a fixed commission by the OEM for each vehicle handover, there can still be volume bonuses in place."

"There is still room within each commission to discount under the agency model."

Young says for those retailers that choose not to go with the agency model, they should expect to see changes to margins and bonus structures.

He says: "While it might not be eliminated entirely, the scope for dealers to discount will be much reduced in the future."

WHAT'S NEXT WITH AGENCY AND FIXED PRICING?

Forrester envisions manufacturers building a digital process online for new car sales where customers can perform their new car purchase online through the OEM's website, but there is a process by which that journey can be shared securely between the OEM and the selected local retail agent.

Forrester says the development of these digital system back-end processes are still in the "very early stages".

Young says while it's termed a fixed price model for new cars, there will still be adjustments.

He likens a new car pricing model working in the same way airlines try to fill their seats.

He says: "The new car price could be adjusted in anticipation of how capacity is being utilised for the delivery week or month the customer is looking for. There could be one price for delivery this month or a price for delivery in three months."

"Customers might still be able to get a better deal, but only in the same sense that you could be sat next to someone on an easyJet flight, but you paid less than them because you bought your tickets at a different time."

Peter Brown, drivn chief executive, says his business is currently working with a number of dealer groups and OEMs on being able to accurately track the customer journey at all contact points both digital and physical.

This is important because, as the retail model moves to a fixed new car price and fee per vehicle handover, it will be important to track who has done what.

How much work did the agent do in the customer journey? How much was done by the OEM?

Brown says: "Retailers expect a fair reward for the work they have put in place and correctly attributing work done during the customer journey is something a lot of our customers are working on."

The company already has a working model to track retailer attribution during the customer journey for the new Citroën AML electric quadricycle.

Brown says: "We're live in several markets in Europe for the AML and orders are now being placed for the new model in the UK too."

"It's going to be a very interesting test case to track activity accurately across the journey."

Brown expects vouchers to largely replace the haggle in the new car sales process. Drivn already has the feature for retailers or OEMs to add a voucher code when purchasing.

He says: "OEMs' quarterly deposit contribution campaigns can be repackaged as vouchers or discount codes at the point-of-sale."

"Customers expect to sign up to get a discount on their first order, or for signing up to a mailing list when they buy anything online. It's something that's become very expected and so introducing vouchers for new cars will be something we'll see expand in the future."

TOM SEYMOUR

SPONSOR
SHOWCASE

in association with
keyloop™



WHAT DO CAR BUYERS REALLY WANT?

A SMOOTH AND SIMPLE SHOPPING EXPERIENCE, BOTH ONLINE AND IN-STORE

Visit **keyloop.com** to find out more

Future-motive technology helps retailers to meet consumer demands

Three key questions that can help retailers plan their omni-channel retailing strategy

How can I engage customers and prospects online, the same way I can in the showroom?

Key consumer stat: 88% of car buyers would like a personalised digital experience with Sales teams*

The key to this is deceptively simple: if you can mimic your customer's in-person sales process with an engaging online experience, digital engagement is cracked.



The Keyloop Solution?

Digital engagement solutions from **RAPID RTC** (a Keyloop company) offer retailers the possibility to give customers a personalised digital communication experience through their preferred channel, including video, chat, email and text.

How can I meet customers' expectations for online shopping?

Key consumer stat: 37% of car buyers are ready and willing to complete their next car purchase online*

Your customers need to feel as at home on your website as they do in your showroom, so put a first class user experience at the heart of your e-commerce strategy.



The Keyloop Solution?

SilverBullet (a Keyloop company) delivers an online retailing platform that increases customer engagement and helps drive sales. It helps to give customers the confidence to buy online, by offering them a quick, responsive and intuitive purchase experience. It favours customer convenience and transparency, as it can remove the stress some car buyers can feel during price negotiations and allows your showroom to be open 24/7.

How do I leverage digital technologies to ensure a smooth in-store purchase experience?

Key consumer stat: 63% of car buyers believe visiting the dealership is an essential step in their path to purchase*

Turning customers into buyers can be a challenge. The key is to have a clear oversight of all enquiries and harness technology to elegantly drive them through the sales process.



The Keyloop Solution?

enquiryMAX, (a Keyloop company) logs enquiries, schedules appointments and gives your sales teams everything they need to build the best possible deal for your customers. It guides Salespeople through every step in the process, from choosing the specs, to part exchange and selecting vehicle finance in one simple and easy-to-use tool.



The demand for tools that provide a personalised omni-channel sales journey has boomed since the onset of the COVID-19 pandemic. And not before time, it's what consumers really want now – and in the future. At Keyloop, we are focused on creating technology that supports retailers in delivering the best possible car buying experience for their customers, both online and in store.

Cameron Wade, Vice President of Omni-channel Strategy, Keyloop

Chill.

When it comes to increasing customer satisfaction, we've got the inside scoop.

We help you make your customers happier, reduce aftersales stress, and make you more money without more effort – so you can really chill out.



Search CustomerLounge today

or visit www.customerlounge.uk



CustomerLounge

Revenue-boosting, call-reducing, customer-satisfying software



Happiness makes the world go round. It also makes great business sense for your dealership. Satisfied customers spend more, come back time and again, and they recommend you to their friends and family.

Unlimited smileage.

What's the secret to happy customers?

We've conducted extensive research into this, and we're confident that the secret is **great, consistent communication**:

- Keep customers informed about their car, don't wait for them to call you
- Give them intelligent and digital ways to talk to you
- Offer them products and services tailored to them

If only there was something that helped you nail customer communications, boosting satisfaction and revenue while reducing pressure on your aftersales team...

Say 'hi' to CustomerLounge

CustomerLounge makes it easy for aftersales teams to give great customer service. Here's how it works:

Chat

Service advisors and customers chat online. Inbound calls decrease, and service advisors can serve customers much faster and more effectively.

Automation

Automatic messages triggered by status updates in Keyloop, or a customer booking their car in with you, keep customers informed without you lifting a finger.

A single view

Every customer, every job, and every conversation, in one place. Service advisors can talk to any customer with confidence, and all chats are archived for reference later if needed.

Sync with Keyloop

CustomerLounge takes key information about customers and job status from Keyloop, so service advisors always give customers accurate information.

Pressure-free promotions

Always-on and targeted campaigns offer customers relevant products and services at moments when they are most likely to buy, increasing your revenue opportunities.

At-a-glance satisfaction

Our Smiley Ratings let customers report satisfaction in one click. You can instantly see how your service advisors are doing, and quickly put things right with unhappy customers.

Does it work?

We've been proven to deliver results including:

31% reduction in inbound calls

Satisfaction scores increase by **25%**

£10k worth of leads per month

We think that's pretty good!

Find out how you are doing with a free Experience Health Check.

We know that everyone is on their own journey when it comes to customer communications. So we've created a free health check that shows you where you're killing it with customer communications, and where you could be doing better.

Visit www.customerlounge.uk to find out more about CustomerLounge and our free Experience Health Check.

Is the trade-in process truly transparent?

There is a need to address the disparities between online part-exchange valuations and those given in dealerships

Today, there are more avenues for car dealerships to sell their vehicles than ever before.

The smartphone, for example, has made it easier to capture high-resolution images and videos of vehicles, and upload them in a matter of minutes.

And yet, despite the latest advances in digital technology, accelerated by the COVID-19 crisis, when it comes to trade-ins there's often a disconnect between the valuation the dealer offers in-store and what's available online.

Why is this? And what do motor retailers need to do to provide a seamless omnichannel customer experience?

There are multiple tools available online for consumers to get a swift trade-in valuation. By entering their car registration, mileage and details about the vehicle's condition, they can get a quote in minutes. But, often they are only indicative and aren't actually binding.

"The point of online valuations is that nobody guarantees them, even if they say they do," says Alistair Horsburgh, chief revenue officer at CitNOW, which launched Tootle, an online part exchange platform, last year.

He adds: "The concept of guarantee depends on the consumer giving you the correct information and the buyer not wanting the price to be reduced because the vehicle is the wrong colour or specification, or it's not in the condition previously stated."

Another problem with guaranteeing the online valuation is if it's subsequently discovered at the dealership there's an issue with the vehicle. It can result in an awkward conversation with the customer. Worse still, the retailer can be forced to absorb the cost, with some even putting aside funds to cover such oversights.

"The danger is that it can create a negative customer experience," says CitNOW's head of sales Callum Wood. "If the wrong details have been input that can lower the vehicle's value and

often the dealer will have to swallow the cost."

Carwow chief executive James Hind believes it's more important to provide an accurate valuation than guarantee the price. For example, because the Sell Your Car platform sets realistic and fair expectations, more than 95% of customers received the price they were initially offered, he says.

"Buyers shouldn't feel pressured into over-paying on vehicles to tie themselves in a knot for the sake of offering a guarantee," says Hind. "Digital valuation tools have been proven to give dealers all the information they need to give accurate valuations in the first place."

Cox Automotive insight and strategy director Philip Nothard takes a different view. He says that, provided the valuation process is simple enough for the consumer to understand and there is no ambiguity, there's no reason why the price quoted shouldn't be guaranteed.

"Subject to the normal declaration of information, as long as the consumer follows the correct process and completes the online appraisal then there's no reason why the price shouldn't be honoured," he says.

"That's because the valuation will have buffers built into it to deal with any anomalies."

Duncan McPhee, chief operating officer of Lookers, says that online valuations should be guaranteed, provided the vehicle condition is the same as described by the customer. But he adds that there needs to be some leeway, given the current longer lead times for vehicle orders.

"It's all about managing expectations," says McPhee. "Ultimately, if a customer obtains a valuation online, the dealer should absolutely guarantee that, provided nothing significant has changed with the vehicle."

The key for dealers is to provide an omnichannel experience, whether that's in-store, online or a hybrid of the two. However, it may not be viewed as truly omnichannel if the consumer has to visit a dealership for a trade-in appraisal and the



online valuation they received then changes.

"At the moment, this is an area of concern for both consumer and dealer," says Nothard. "But, in the future, the consumer should be able to get an online valuation and then drop it off at the dealership or arrange for it to be collected without the need for an appraisal."

In theory, the consumer should also be able to walk into a dealership and receive the same valuation as they would online, as well as the same level of transparency.

But it doesn't always work out that way.

"The on-site and digital appraisals should mirror each other," says Nothard. "And, if a consumer has to bring in their vehicle after doing an online valuation because a secondary valuation is required, then that should be done in exactly the same way."

The biggest problem is consumers value their vehicle at more than it's really worth, with 76% of retailers citing customers overvaluing their existing vehicles as the biggest problem with part-exchanges, according to a recent CitNOW survey. Then there's the issue of providing the wrong information or insufficient detail.

This is because either the consumer doesn't know what content they have to supply or they are trying to hide something about the vehicle. To get the most accurate valuation, if consumers

“ANY RETAILER THAT ELECTS NOT TO USE A DIGITAL PROCESS TO GIVE A PART-EXCHANGE VALUATION IS MISSING OUT ON A BIG OPPORTUNITY. IF THEY DON'T ADOPT THE TECHNOLOGY, THE CHANCES ARE THE CUSTOMER WILL SIMPLY GO ELSEWHERE

ALISTAIR HORSBURGH, CITNOW

are doing a self-appraisal, they need to provide the dealer with the relevant details as well as photographs and videos to show proof of mileage and the vehicle's condition.

But online valuation providers also need to ensure the process is easy to follow and as transparent as possible for the consumer. This requires, for example, providing answers to commonly asked questions.

"It's human nature for sellers to not want the value of their vehicle to go down, which is why it's important that processes are clear and expectations are set," says Hind.

"The ambition should be for dealers to get complete information, to give a foolproof valuation from the comfort of their desk or smartphone."

Despite the opportunity to try to hide any defects, Nothard says that, on balance, most consumers are honest about the condition of their vehicle.

In fact, they are more likely to be upfront about any issues when doing the valuation online as opposed to in-store, he believes.

"The majority of consumers tell us about any marks or damage to their vehicle," says Nothard. "We trust that they will be open and transparent in declaring this information."

Being truly omnichannel means enabling the consumer to do the trade-in using their preferred method. They also want the flexibility to be able to use any channel at a given time.

Whichever platform they choose, however, it's essential to carry out a proper appraisal. If, for example, the customer doesn't want to go to the dealer, the dealer can come to them and inspect the vehicle before taking it away or they can do it virtually by using a video to show them around the car.

The pandemic has caused many people to move to online because consumers feel safer doing a valuation in the comfort of their own home rather than going into a dealership.

This is reflected in the fact that 57% of buyers said they would be more inclined to buy a car from a dealer after receiving a remote part-exchange valuation, according to CitNOW's survey.

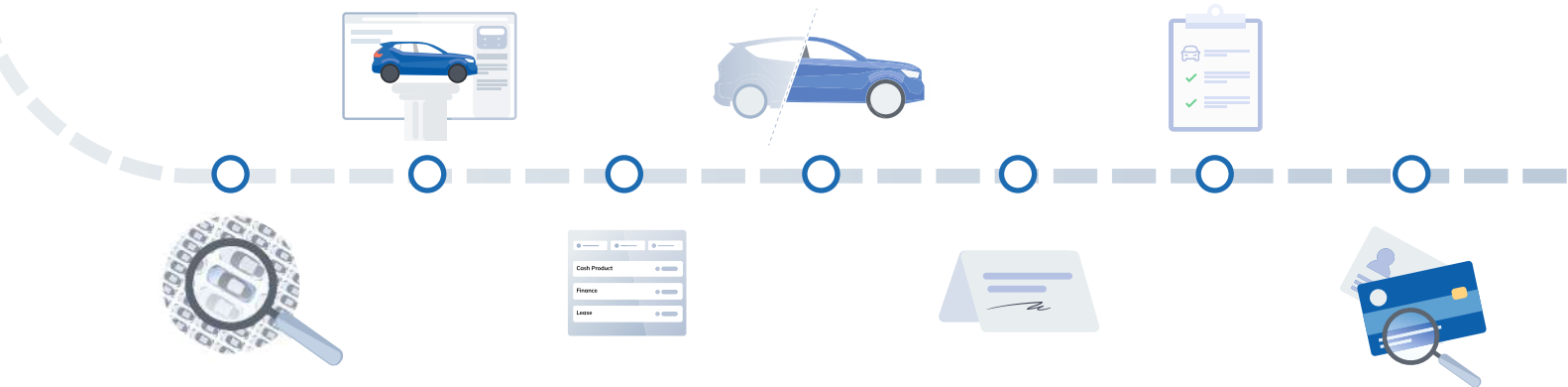
"Any retailer that elects not to use a digital process to give a part-exchange valuation is missing out on a big opportunity," says Horsburgh. "If they don't adopt the technology, the chances are the customer will simply go elsewhere."

ALEX WRIGHT

Omnichannel Customer Experience: More than just a buzzword.

‘Omnichannel Customer Experience’ it’s more than just a buzzword.

It’s the change and drive to create personalised, transparent customer journeys that meet expectations and help pull the automotive industry into the digital age.

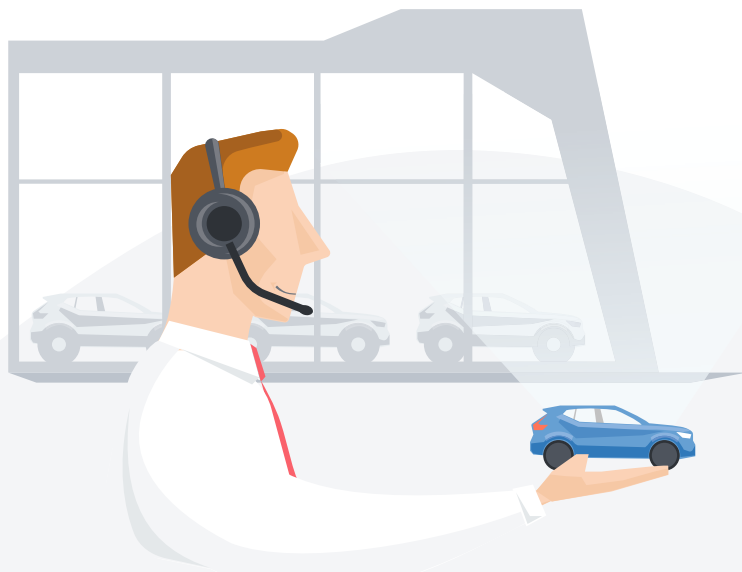


Buzzwords, love them or loathe them, they’re rife within the automotive sector. ‘Digital disruption’ has risen to popularity within the last decade. Appearing in a 2019 Forbes article discussing the ‘10 Industries On The Cusp Of Technological Disruption’, the automotive industry featured far down the list, ranking 8th and focusing on manufacturers ‘morphing into tech companies’ opposed to digital retailing and the omnichannel customer experience.

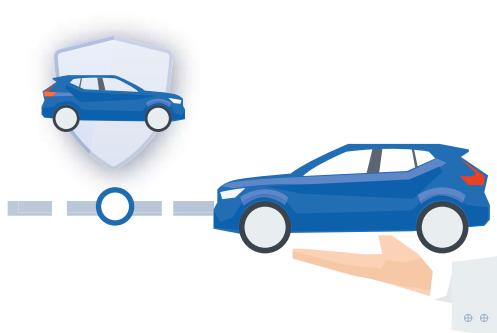
“Worldwide retail e-commerce sales have almost doubled, and we’ve seen customer purchase journeys have changed significantly.”

Since Forbes’ 2019 article, worldwide retail e-commerce sales have almost doubled, and customer purchase journeys have changed significantly. Where we would primarily see in-person interactions taking place on showroom floors, a new omnichannel journey is emerging, toggling between physical and digital for a more connected experience.

This journey has happened by no coincidence; we’ve seen Amazon redefine multiple sectors and continue to expand on what they believe can be e-commerce. Along with many other key players, they produced new expectations and consumer habits, massively disrupting the automotive industry and other historically conservative sectors.



These expectations are being amplified further by digital advances. Consumers are being introduced to new ways to buy vehicles online, pushing manufacturers and retailers to provide a flexible omnichannel journey that meets the expectations of future customers.



Online solutions like the ability to filter vehicle specs and sign paperwork have allowed customers a safe, comfortable experience. This digital journey means that customers are more likely to touch base with dealers when they require more information or support, helping improve efficiency and save sales assistants time while producing valuable leads.

Consumers will meet 3-4 parties in a traditional car ownership cycle whilst passing through 'Discovery' to 'Ownership', with very few of these directly linked. It makes the journey disjointed and impersonal, leaving manufacturers, retailers and finance providers with little room to provide an exceptional experience. Once these dots are connected, customers can choose where and when they want physical and digital touchpoints and toggle between the two to best suit their needs.

Perfect automotive digital retail is no longer restricted or restrained by physicality. Instead, it's elevated by its ability to meet multiple customer types. Ensuring that customers can discover, compare and reserve a vehicle remotely seems revolutionary. Teamed with the ability to provide personalised quotes and finance packages is even more so, especially when each of these services is seamlessly linked. Perfect automotive digital retail is transparent, unique and

flexible and benefits everyone involved. From expanded market reach to improved efficiency throughout the chain, embracing this change not only reconnects you with customers and their needs but allows your business to stay competitive and relevant as times continue to evolve.

Over the past 20 years, Codeweavers has been at the heart of these changes and have continued to learn, progress and collaborate, making it our mission to create an efficient way for our clients to sell and provide the best experience for customers to buy.



To discover more,
get in touch with us at
www.codeweavers.net

"Automotive retail is revolutionising how we can provide unique customer experiences"



Click Dealer are committed to helping dealerships buy and sell more vehicles, more profitably, more often

Independent dealerships can use innovative digital solutions to help support an omni-channel strategy, including website, dealer management system, online reservations, stock sourcing, digital marketing, and more.

The pandemic has shifted consumer buying habits in the automotive sector. Retailers found that they could successfully continue to use click & collect and click & deliver services even when their showroom was closed, and there continues to be appetite for remote or partly remote ways of buying.

Having the right tools in place to support customers is key - whether they want a complete in person experience, are happy with a fully remote sale, or would like a mix of in person or online. It's important dealers offer this choice to consumers, and have the tools in place to accommodate.

THE RIGHT ONLINE PRESENCE

Consumers are typically browsing and researching their next car purchase online; Click Dealer's websites alone have over 1 million visitors per week. In such a competitive market, dealerships need to 'cut through the noise'.

One way is by choosing a supplier who can deliver websites with good technical SEO built in, as well as UX/UI design principles to engage customers once they're on the site. Combine this with PPC, SEO, and social media campaigns, and dealers can grow their online presence and help generate more leads.

However, websites need to be more than just 'an online showroom window'. A good omni-channel strategy provides customers with choice over how they interact with a dealership and a positive experience whichever channels they use.

TAKING ONLINE RESERVATIONS

As well as in person, consumers should have the option to go online to stack their deal, get a part-exchange valuation, apply for finance, and request collection or delivery.



By not giving customers an online option, dealerships could be missing out on deals. Over £170m worth of sales were made via deal building tool **ClickEngage** in 2021, with 8pm typically being the time with most activity through this channel - a time when dealerships are closed. Having this online option, benefits both the customer and the dealership.

BEING MORE EFFICIENT

With continued pressures, from changes in the marketplace through to new regulations, using digital tools to help save time should be high on dealer's priority list. Not only as part of an omni-channel strategy for supporting customers, but also to bring real benefits to the dealership.

Working with a 'one-stop-shop' digital provider could simplify processes, make reporting easier, and improve efficiencies - allowing dealers to spend less time on admin, and more time selling.

This seamless integration can streamline processes for dealerships from website and showroom through to backend administration, stock buying, finance processing, sales management and more.

INNOVATION & DEVELOPMENT

Ollie Moxham, CEO of Click Dealer, said his company are committed to helping dealers buy and sell more vehicles, more profitably, more often.

“Our team supports over 1,600 independent dealerships in the UK. More than £6billion worth of vehicles were processed through our systems in the past 12 months, which is a staggering figure.

But we're not sitting back! Our commitment to helping dealerships has driven exciting new innovations.

Our new **ClickFinance** product is an excellent example of this. We know increasing finance penetration and cutting down on administrative time is a key priority for dealers. This tool will help them manage finance from proposal to e-sign, including auto-proposal of declines, all from within their DMS. Customers can go online, apply for finance, and the proposals drop straight into the dealer's DMS where they can view and manage the applications.

We have a great team here at Click, and each one of our Clickers plays a part in delivering outstanding service to position us as a true performance partner! ”

To book your free demo of our digital tools:
01782 478220 | sales@clickdealer.co.uk



Delivering the omnichannel experience

We look at six key areas where online, offline or a blend of the two are reshaping the car buying experience for customers

Retailers are embracing the omnichannel experience, but there's still much room for improvement.

Auto Trader's findings from 5,000 consumers showed 72% are now open to buying a car online while the platform's 'digital first' retailers are increasing their share of the market.

Richard Walker, the platform's data and insights director, says: "We have no doubt that

the most successful businesses in the coming years will be those that are able to cater for all buying needs and preferences, whether online, offline, or a blend of the two."

The Keyloop consumer research white paper produced in collaboration with Frost & Sullivan, *Digitalisation: An Unstoppable Force In Automotive Retailing and Aftersales (2021)*, revealed 88% of consumers want to use a personalised digital engagement tool, 78% prefer signing documentation electronically

and 96% want to be able to book an extended test drive online.

Cameron Wade, vice-president of omnichannel retailing, says: "We are witnessing a widescale change in customer expectations when it comes to digitising automotive retailing."

Focusing on six specific areas, *AM* explores how well dealers are delivering the omnichannel experience.

DEBBIE KIRLEW



FINANCE

During lockdown iVendi launched Digital Deal to enable dealers to manage the entire transaction within its platform and to encourage dealers to return consumers to online if they go offline, boosting customer numbers self-serving their finance.

Currently, one of the lenders using its platform anticipates that 45% of all finance applications will be generated by the consumer as opposed to by the dealer.

Likewise, the development of GForces' 'my account' area is encouraging customers and dealers not to abandon online as soon as contact is made.

GForces has seen a big growth in digital wallet use, with more consumers opting for Apple Pay and Google Pay. Of the cars reserved in December, 10% of buyers used Apple Pay and it's a continuing trend.

Sales director Paul Hilton says: "Dealers

need to focus on online payment systems and what tools they are offering the consumer to reserve the vehicle; you can't just have the option for debit or credit card or PayPal, you need to have digital wallet as part of that checkout journey."

Around two-thirds to three-quarters of Alphera customers use a digital way to sign either at home or in the dealership which is reflective of omnichannel trends.

Director of Alphera Financial Services Preston Rogers, says: "There's still a hesitancy to undertake the finance process online before you have made the decision to buy."

With most popular questions asked on carwow's site on finance and the majority of those on PCPs, dealers need to ensure consumers have all the information they need to understand the structure of the deal, says its chief executive James Hind.



2

PART-EXCHANGE

The second most common questions asked by consumers on carwow relate to the part-exchange. A growth area following its acquisition last year of a business enabling consumers to list their car directly, 'Sell Your Car' currently hosts 8,000 vehicles with 400 dealers a day buying stock direct from consumers.

Auto Trader launched its Guaranteed Part-Exchange to move the part-exchange online and overcome the pain point for dealers and customers. Around 70% of buyers have a part-exchange and Auto Trader research shows 48% of consumers believe retailers will offer them less than an online valuation and, in such circumstances, 29% are prepared to walk away from a deal.

Nearly three-quarters (73%) of consumers (circa 1,300 surveyed on Auto Trader) would be more likely to visit a car dealership if they had a guaranteed part-exchange agreed in advance, while 29% of deals break down over part-exchange negotiations.

Around half of the UK's franchised dealerships use CitNOW's video platform in their sales departments and dealers can now incorporate a link to its B2C reverse auction platform, Tootle, enabling customers to list their part-exchange and take bids.

CitNOW's 2021 consumer survey found 57% of car buyers said they would be more inclined to buy from a

dealership if a part-exchange offer was made first.

CitNOW chief executive, Alistair Horsburgh, says: "The part-exchange is the biggest area of contention as probably the first time the retailer sees the vehicle is when the customer brings it in and they discover some damage, but they don't want to unwind the finance."

GForces' data shows consumers are generally honest in their vehicle appraisal. More than half (52.8%) of consumers who receive a part-exchange valuation during the online purchase journey, go on to add that vehicle to the online order. Of those, 71% of vehicles are stated as 'average' condition, 13% rate their part-exchange as 'below average' and just 17% think their part-exchange is 'showroom condition'.

GForces' Hilton says: "If dealers are not competitive, consumers have more confidence to dispose of their vehicle in ways other than they would have done before."

It's the part-exchange and the settlement figure which breaks the online process, says iVendi chief executive James Tew. Its Digital Deal product encourages dealers to bring customers back into the online space where interaction with the amended quote, once the part-exchange and settlement figure has been incorporated, provides digital clues as to what the customer is thinking, allowing the dealer to act accordingly.

sending the prospective customer the online deal.

Tew says: "The knock-on effect is dramatic. We have seen dealers achieving around 30% of all transactions now incorporating an add-on. Even when dealers don't discuss the deal in advance, 24% still take-up the add-ons."

Dealers are promoting add-ons on carwow which is boosting conversion online compared with the showroom for all products. Service plans get a 38% conversion rate on carwow compared with 33% in the showroom, optional extras are 39% compared with 29%, extended warranties 34% versus 26% and GAP is 27% on carwow but just 16% in the showroom.

Hind says: "Consumers are calculating them as part of the deal. I think it is because they are not being sold in the showroom, it is not a pressure environment."

Add-ons have the lowest level of engagement in the checkout journey on GForces' websites. To overcome the challenge, GForces is working with its dealers to ensure these products are introduced as part of the purchase journey utilising email and SMS.

However, Hilton acknowledges the technology is struggling. For example, an extended warranty could cost £400 for one vehicle and £500 for another, taken care of by the warranty provider's database, but that information isn't digitally available to plug into and automate that flow of data. Currently, the dealer controls the pricing in a module in its system.

Alphera's Rogers agrees add-ons lag behind in the online space due to a combination of factors including a diverse set of providers who dealers may change on a regular basis together with strict regulation.

ADD-ONS

The number of value-added products (VAPs) sold online is negligible, says iVendi's James Tew. However, its Digital Deal product is changing that together with human intervention to boost online responses whereby a sales person explains the add-ons before

5

AFTERSALES

GForces is live with Pinewood integrating online service bookings with the DMS. The more dealers can have accurate service bookings online, combining exact pricing, diary visibility and loan car management, the more confidence to offer online payment through dealer websites will increase.

Hilton says: "Dealers have always been reluctant to do that because they could never be certain the time and day of that service could be fulfilled or that the price online is exactly what you will pay."

GForces has doubled the conversion rate of consumers starting an online booking process

to completion. However, there's still a high abandonment rate, only around one-in-10 who start an online service booking go on to complete.

Keyloop's white paper also shows that 82% of consumers would like to use digital tools to improve their aftersales experience with dealers. Marketing Delivery's MOTBox tool cross-checks the dealer's database with DVSA records, identifies missing or inaccurate MOT data and emails customers to encourage an aftersales booking.

Similarly, the software can contact customers to make service bookings and assist with managing workshop capacity.

USED CARS

In such a competitive and complex market, it's critical for retailers to offer an exceptional online retail experience or risk losing out to a competitor, says Auto Trader's Walker.

He says: "When data isn't shared between systems in real-time, selling channels can quickly become out of sync, resulting in inconsistencies in key details, as well as incorrectly advertising vehicles that are either no longer in stock or have already been sold."

In a first for the industry, Auto Trader Connect utilises the full scale of its data capabilities, enabling retailers to update multiple back-end and consumer-facing systems with advanced vehicle data in real time.

GForces connects to all marketplaces using a stock API which means the flow of vehicles in from the dealer's inventory system into their website and out to the marketplaces is happening numerous times a day. Days in stock is also reducing: 46% of all vehicles sold in the past 90 days were in stock for just 0-30 days which means dealers must also manage pricing carefully.

Hilton says: "It's important that 'buy now' button isn't available on another system to buy the same car that someone else has bought on another channel."

Meanwhile, communicating speedily and digitally can make all the difference.

In 2019, dealers made 2.3 million videos of new and used cars through CitNOW, with 1.9 million of those unique and emailed to an individual consumer.

Horsburgh says: "We believe it's an imperative part of the purchase journey as it not only improves the customer experience but it is important from an integrity perspective, in particular, to be assured the vehicle really is in stock."

Likewise, Marketing Delivery systems are built to integrate with third-party data, scan the dealer database and interact automatically with customers, with minimal requirement for manual input.

Leads from sales campaigns or third-party sites are aggregated, and prospects are kept engaged digitally until they find the right vehicle.

6

THE HUMAN TOUCH

The best omnichannel experience is a seamless connection between online and onsite.

GForces' Hilton says: "Consumers don't expect to be dropped back into the traditional purchase journey; they want to stay online.

Dealers have a lot of work to do to make sure they are building and training the right teams to deal with digital enquiries."

For iVendi's Tew, dealers are best placed to optimise omnichannel retailing. He says: "Bricks and mortar can have this hybrid approach. It's bringing people in to deal with the niggly bits like a private plate or negative equity. It's these parts that dealers smooth out and where digital struggles."

CitNOW advises sales executives to produce longer videos with some lasting around 15-minutes and delivering high levels of engagement. Meanwhile, sales executives, who traditionally thrive face-to-face, are finding video is helping them establish relationships with customers online and net more sales.

Horsburgh says: "Bridging the gap between the online and the offline is what we do, we bring the showroom and the forecourt to the customer. Every enquiry should be responded to with a video; it sells more vehicles."

Dealers are also now more comfortable interacting with consumers who use the likes of carwow as part of their purchase journey. Hind says: "Carwow, in the early days was quite disruptive, we were used by early adopter dealers, but now we are mainstream and we have shown we are a core part of the car purchase journey."

Finally, what happens in America eventually finds its way across the pond.

Zerolight has teamed up with US-based Lucid Motors, maker of the all-electric Air luxury saloon, to develop a highly advanced 3D configurator, enabling consumers to build their car in detail in life-like environments, on any device.

In true omnichannel fashion, this experience is also available in-store where an immersive version of the configurator is available by donning a VR headset.

In addition, ZeroLight Concierge connects online consumers with product specialists remotely, for final selection and reservation.

Chief executive Darren Jobling says: "Brands need to reach customers in the spaces where they spend most of their digital lives with immersive and interactive retail experiences."

SUPPLIER SPOTLIGHT

In association with



TOTAL CHATBOTS®

Trusted apps are the way to engage with customers

To forge ahead in customer communications and engagement, automotive retailers need to harness the power of the digital tools consumers love, such as WhatsApp and Facebook Messenger, as well as live chat by utilising automation.

Total Chatbots, launched in 2018 by founders and automotive veterans managing director Wes Beard and director Stephen Upton, allows dealers to manage live chat and multi-channel messaging, especially WhatsApp – the biggest messaging channel in the world, from one platform.

With much of the conversations automated, staff time is freed up with leads managed and qualified 24/7.

In particular, its WhatsApp API solution ensures conversations are secure, well managed and audited via a central dashboard, providing managerial oversight and GDPR compliance.

The system also supports the distribution of marketing messages via WhatsApp in a similar way to SMS and, uniquely, can incorporate embedded video as part of a seamless chat.

Upton, former head of marketing for a large franchised dealer group who also runs his own marketing agency with a major focus on automotive, said: "We are a

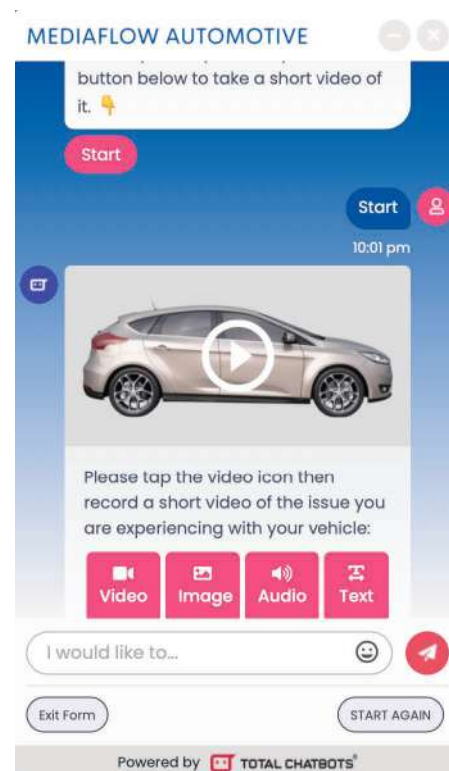
conversational marketing business. It's the next step for customer engagement and dealers without a solution like this are missing out on enquiries. Customers will just go somewhere they can chat how they want to."

A new level

The combination of automation and live chat with the capability of embedding video places Total Chatbots in a different category to traditional live chat. Live chat providers typically operate in a single-channel, web-based environment, often capturing basic information from consumers which relies on a dealership employee to follow-up by email or telephone.

Upton and Beard have come across a host of risky practices including a dealership where the manager bought a 'WhatsApp phone' which was kept under the service desk and created a mass rush to grab the lead whenever it pinged and a dealer who collected executives' phones at the end of the day to check WhatsApp and other messenger conversations.

Beard's background is with manufacturers including Groupe PSA (now Stellantis) and Honda UK before working for Close Brothers Motor Finance. He said: "We believe we are the only providers in the industry enabling



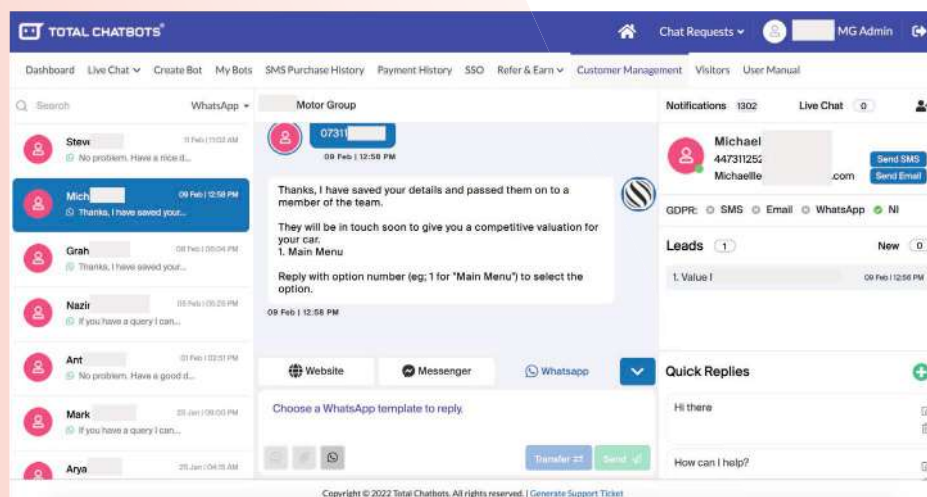
MediaFlow is unique in the chat space

dealers to utilise WhatsApp effectively in the business."

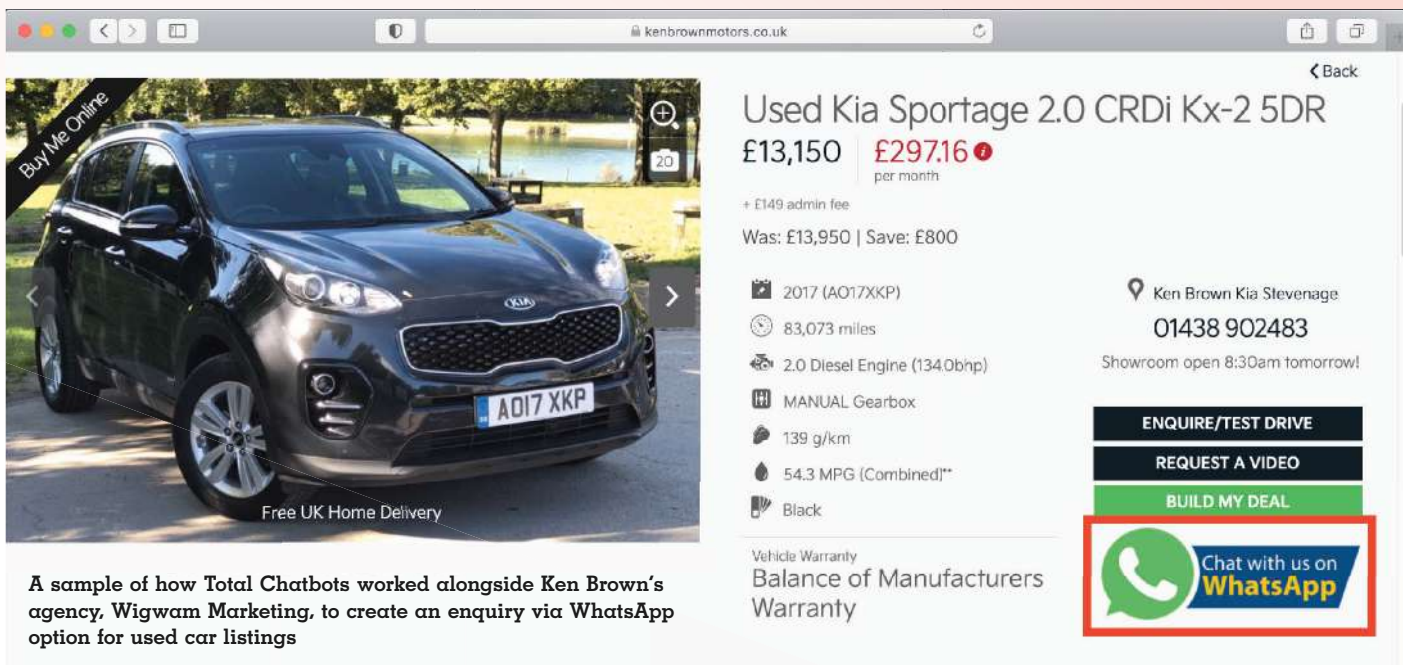
Total Chatbots' WhatsApp API provides every staff member with their own secure log-in and password. WhatsApp chats are managed through its secure system and can be viewed through the dashboard and, should someone leave the company, their account is deactivated.

Total Chatbots also has its own mobile app which allows WhatsApp, Messenger, Web and Instagram, which will be coming in April, to be accessed through any device.

Beard added: "Typically, as a web visitor using live chat, you have a quick conversation, someone grabs your details and the live chat finishes. Once that happens, there's a break point in the process because someone has to try to reach out by email which can go to spam or phone call which may not get picked up. With WhatsApp there is no break in communication. The



Total Chatbots' intuitive Customer Management dashboard allows conversations to be managed easily in one place



Used Kia Sportage 2.0 CRDi Kx-2 5DR

£13,150 **£297.16** per month

+ £149 admin fee
Was: £13,950 | Save: £800

2017 (AO17XKP)
83,073 miles
2.0 Diesel Engine (134bhp)
MANUAL Gearbox
139 g/km
54.3 MPG (Combined)**
Black

Vehicle Warranty
Balance of Manufacturers Warranty

Ken Brown Kia Stevenage
01438 902483
Showroom open 8:30am tomorrow!

ENQUIRE/TEST DRIVE
REQUEST A VIDEO
BUILD MY DEAL

Chat with us on WhatsApp

A sample of how Total Chatbots worked alongside Ken Brown's agency, Wigwam Marketing, to create an enquiry via WhatsApp option for used car listings

chat continues in that channel, creating a much more seamless process."

The system can be configured according to dealer requirements switching between bot and operator, assigning leads to individuals or by department. With its open API, it can integrate with other third-party CRM systems, pushing through information without action from an employee.

Higher conversion rates

Conversion rates with customers engaging in WhatsApp conversation is much higher as the customer is kept in the sales process much more effectively.

Overall, the WhatsApp conversion rate is 47% compared with live chat at around 15-20%. Data from one of Total Chatbots' clients in January, showed 25% of all leads came from WhatsApp.

Particularly effective, is adding a WhatsApp button on each used vehicle listing, requiring just one line of simple code, allowing the customer to instantly initiate a WhatsApp conversation. This can be further enhanced by connecting the WhatsApp number to advanced call tracking systems such as Wildjar to help optimise insight and conversions.

Dealers utilising Total Chatbots include Ken Brown Motor Group, representing Kia and Hyundai in the south-east, and northern Mini and BMW business Bowker Motor Group as well as smaller businesses such as Brown Brothers where automation allows them to successfully manage a higher number of enquiries.

In Q3 2020, during the first lockdown, the bot generated 79 sales leads for Ken Brown

THE CHAT CONTINUES IN THAT CHANNEL, CREATING A MUCH MORE SEAMLESS PROCESS – WES BEARD

without any human intervention, even qualifying leads by capturing part-exchange and monthly budget details. The bot is averaging 400 chats a month equating to 66 hours of time saved.

Videos

Total Chatbots' newly launched video feature, Mediaflow, is unique, not just in automotive, but across the entire chat industry. The technology allows the dealer to incorporate video throughout the customer's online chat journey.

Customers can also respond to different enquiry types via video from their side, removing the logistical issues associated with live video.

Videos inserted into the chat journey from the dealer side can be wide-ranging, including dealer principal welcome and/or promotion of upcoming events and offers to increase trust and engagement between the consumer and the dealer. From the customer side, part-exchange videos can be submitted or reporting of vehicle faults for service, to increase insights and efficiency of each department. More broadly, the technology

can be used to create automated video interviews for recruitment or customer testimonials.

Upton said: "There are very few dealers incorporating video into messaging on this kind of scale. This is a game changer."

Total Chatbots incorporates a number of 'growth' tools such as the ability to provide QR codes which a consumer can scan leading them to a lead generation form or allowing them to 'comment to bot'. The dealer can automatically reply to customers from their Facebook page immediately after a customer comments on one of their posts.

The WhatsApp API also undertakes WhatsApp broadcasting, sending a promotion to the dealer database in a similar way to an SMS campaign. Such broadcasts can be combined with automation or go straight into live chat to start a conversation.

Upton said: "Email marketing still has a place, but proactive marketing has been superseded by message broadcasting."

WhatsApp open rates for Total Chatbots' broadcast messages sat at 97%, in line with general open rates for WhatsApp across most other industries.

The advantage over SMS is its automation platform which allows a customer to interact with the message, increasing engagement. The dealer also can follow up all responded messages within 24 hours of the customer's interaction, with those responses also generating open rates of more than 70%.

Total Chatbots works across different sectors, but, as Beard said: "It's one of those things everyone says, you never really leave the automotive industry, it's the one we want to grow most and become the leaders in the chat space."

Email: hello@totalchatbots.com Phone: 0141 536 0321 Web: www.carli.totalchatbots.com

KIA SPORTAGE



A broad grille plus boomerang-shaped daytime running lights are among the new Sportage's distinguishing features

Few cars have played a more central role in the success of a brand than the Sportage has to Kia in the UK.

The SUV's popularity culminated in 197,626 registrations for the version produced between 2016 and 2021 – well over double that of the third generation (95,626) on sale from 2010 to 2016.

In tandem with a push to electrification, the fifth generation will now play a major part in Kia UK's goal of achieving 100,000 total registrations in 2022.

Kia's is offering customers choice while other brands are slimming down the options.

Running on a new platform developed specifically for Europe, the new Sportage is available with petrol, diesel, mild hybrid and full hybrid drivetrains, with a plug-in hybrid being added in the spring.

There are 2, GT-Line, 3, 4 or GT-Line S trim grades and the option of four-wheel-drive in 4 or GT-Line S hybrid variants.

Prices range from £26,745 for the 2 spec with

a 150PS 1.6-litre turbocharged petrol engine to £43,795 for the 265PS GT-Line S PHEV.

From launch, the mild hybrid diesel's 54.3mpg fuel economy and 135g/km CO₂ emissions make it the most frugal, while the full hybrid is the quickest.

The new Sportage's styling is likely to be as divisive as that of its predecessor.

Its rear end alludes to the EV6 while its new face is dominated by a broad grille – topped by a slender reinterpretation of Kia's 'Tiger' nose grille – and boomerang-shaped LED daytime running lights.

Inside, the EV6 influence is apparent in all but the 2 and GT-Line trims through dual 12.3-inch displays integrated into a single curved panel, housing the infotainment system and instrument cluster. A dial gear selector – used in the EV6 and Niro – is also fitted to automatic models.

Design innovations include front headrests sculpted to double-up as luggage hooks, and fast-charging USB ports on the inside of each front seat back.

“

IF MY TEST DRIVES AND THE VAST SPEC SHEETS PROVED ANYTHING, THOUGH, IT'S THAT CUSTOMERS WILL NEED A LITTLE GUIDANCE ON WHICH SPORTAGE SUITS THEIR NEEDS BEST

I also liked the black panel on the dash which could serve up either climate or infotainment controls at the push of a button.

A 591-litre boot (1,780 litres with the back seats folded) is commodious, but more than 20 litres short of the class-leading VW Tiguan.

Standard on all Sportages are Android Auto and Apple CarPlay smartphone compatibility; front and rear parking sensors and a reversing camera; lane-follow assist; and lane-keep assist.

The safety tech continues with forward collision avoidance assist, which includes sensors monitoring pedestrian, cyclists and junctions.

The sporty GT Line adds 19-inch alloys (18-inch wheels on the HEV), a 12.3-inch infotainment display and 4.2-inch instrument cluster, suede and leather upholstery, keyless entry, adaptive cruise control and a seven-year subscription to Kia Connect (formerly UVO Connect), which allows users to connect with their vehicle via a smartphone app.

The Sportage 3 has 18-inch alloys, cloth and



The black panel on the dash serves up climate or infotainment controls



The rear end alludes to the EV6



£40,245



1.6, 1.6 MHEV AND
1.6 HYBRID
PETROL; 1.6 AND
1.6 MHEV DIESEL



7.7 -11.7
SECS TO 62MPH;
108- 20MPH
TOP SPEED



6SP MANUAL
6SP AUTO
7SP DCT



40.4 - 54.3



129-158G/KM

faux leather seats which are heated front and rear, a heated steering wheel, keyless entry, adaptive cruise control and that EV6-style curved display.

Sportage 4 highlights include a panoramic sunroof, Harman Kardon sound, wireless smartphone charger, 360-degree parking monitor, the blind spot view monitor system also on Kia, Hyundai and Genesis models, and a remote parking system that allows the car to be moved using the key fob.

In GT-Line S guise the Sportage features the exterior styling treatment of the GT-Line with equipment levels of the 4. Plus front occupants have powered, ventilated seats and the boot opens electrically.

With such a vast range to consider, Kia's management told me that customers heading into its dealerships should be assured that the brand "has a car for them".

If my test drives and the vast spec sheets proved anything, though, it's that customers will need a little guidance on which Sportage suits their needs best. **TOM SHARPE**

Q&A



SANKA DE SILVA,
KIA UK
MARKETING
DIRECTOR

Just how important is the new Sportage to the success of Kia overall?

At 50% of the sales mix, it's part of our success now and part of our growth aspirations in the future. Kia UK planned to deliver 90,000 cars in the UK in 2021 and we did that.

Our aim is to get to 100,000 this year and Sportage is a big player in that.

What is the marketing plan to get it in front of customers?

We started the marketing process in December – largely introducing that car through social media – and we have a seven-month campaign mapped out.

Until now we have been in a pre-launch phase. Now we will be across television, radio, social and digital. Television adverts start now and run for two months and then we have a further eight weeks of TV advertising starting in April.

Dealers have the assets they need to do a Sportage takeover of their showrooms and really put the new model in front of potential customers. In March it will also form a part of an

electrification roadshow that will take place across our retail network.

Two months into some softer marketing activity, what has the response of customers been like?

To date, there are 4,500 pre-orders. They have been generated largely by press coverage, word of mouth and awareness among existing customers, so there is huge potential there.

It's a great position to be starting the new year in.

Electrification is a core part of the new Sportage package. What do you expect to be the most popular configuration?

The hybrid (HEV) model is likely to be the big seller and, going on its popularity in the Sportage in 2021, the GT-Line is likely to be the most popular trim grade.

At the end of the day, we wanted to give customers choice, though.

That's why there is still diesel in the line-up alongside petrol, mild hybrid and – from Q2 this year – a plug-in hybrid that will suite fleet customers. It's a great position for our dealers to be in.

A customer walking in saying 'I'm undecided' can be assured that there is a drivetrain option that will suit their needs.

A lot of brands claim to be electrified leaders, but we have the products to back that claim. In 2022, we will have a total of 10 electrified models on offer.

KEY RIVALS



Volkswagen Tiguan



REFINEMENT, BUILD
QUALITY, BOOT SPACE



STAI DYNAMICS AND
STYLING



Nissan Qashqai



STRIKING NEW LOOK,
SAFETY TECH



LIMITED DRIVETRAIN
OPTIONS, SMALL BOOT



Peugeot 3008



INTERIOR AND CABIN
STYLING, DRIVETRAIN
OPTIONS



PEUGEOT'S RISING
PRICES

REVIEW RATINGS

WHAT CAR?



AUTO EXPRESS



PARKERS



VW ARTEON SHOOTING BRAKE R-LINE 2.0-LITRE TSI 190PS

REPORT
PROGRESS



£38,790
(AS TESTED, WITH
OPTIONS: £47,350)



2.0-LITRE TURBO-
CHARGED, 190PS
TRANSMISSION
7-SP DSG AUTO S



0-62MPH 7.8
SECS, TOP
SPEED 145MPH



38MPG



168G/KM (WLTP)

RELAXATION AND THRILLS: THIS ARTEON IS TWO-FACED

Having just got back from a round trip of almost 300 miles, taking in gently winding A-roads, a 'smart motorway' and some tight, rural B-roads, I feel better placed to assess some of our Arteon Shooting Brake's strengths. I also feel ache-free and fairly relaxed, thanks to its comforts.

At times, I felt that every driver should experience its Travel Assist system, a level two autonomous driving package that builds on adaptive cruise control with lane-keeping assistance and traffic jam assistance that'll automatically brake or accelerate in line with a vehicle in front. Even in stop-start traffic jams.

Customise its setting to suit your style and it's like having a supportive driving instructor who gently guides you along and occasionally sneaks their foot on a dual control pedal when the traffic ahead suddenly slows sharply.

In fact, that journey rekindled my admiration for Travel Assist. The prior week I seemed to be greeted daily by a 'bong' sound and an

amber 'Travel Assist is currently not available' message every few minutes once I'd left my village on the school run. It almost had me shouting back at the car.

Once off the motorway and onto Shropshire's B-roads I discovered the thrill-seeking side of Arteon.

Picking the sports option in its driving mode selection screen tightens the electronic steering and sharpens the accelerator pedal's response. It also switches the DSG automatic gearbox to 'S' position, to hold onto the gears for longer before changing up a ratio.

For maximum enjoyment, I stuck it into manual mode and used the gear change paddles mounted behind the steering wheel.

It's not exactly Mazda MX-5 levels of fun. You cannot forget that this is a large car, almost five metres long and 1.9m wide, and not a nimble two-seater sports car; nevertheless, with the right selections for the right road it can live up to that sport setting's name and put a smile on your face. **TIM ROSE**

CURRENT
MILEAGE

1 2 2 0 5

START
MILEAGE

1 0 9 9 3



EFFORTLESS CRUISING



BINGS AND BONGS

» GUESS THE CAR COMPETITION

PREVIOUS WINNER



Derek Hammond, managing director of AW&D Hammond in Halesworth, correctly identified the Daihatsu Fourtrak in the January issue.

No one correctly identified the car in our February issue, so we'll give you another chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, April 8



CHOOSE **YOUR** SUPPLIER

Opening the door on the latest developments
from key suppliers to automotive retailers



ISTOCK.COM/THEMACX



AUCTIONS & REMARKETING **BUSINESS INTELLIGENCE** DIGITAL MARKETING
ONLINE REPUTATION PAINT PROTECTION **SERVICE PLANS** WARRANTY



CHOOSE YOUR SUPPLIER: AUCTIONS/REMARKETING

ONLINE NOW PLAYING BIGGER ROLE IN USED CAR MARKETPLACE

Are car auctions really going... going... gone, or has remarketing's accelerated digital revolution not yet achieved total victory? We take the market's temperature, as used car sales become a lifeline for dealers

The shortage of semiconductors for new car production and ongoing global supply chain issues, coming off the back of two years of pandemic-related disruption, have presented challenges to the remarketing and auction sector.

That said, the disruption has also presented opportunities. Companies have re-evaluated operational practices and found digital solutions to help them continue functioning – all at a time when demand is exceeding supply.

Aston Barclay managing director Martin Potter summed up the situation, saying: "The speed of change over the past 18 months has perhaps been faster than ever. With everything around COVID, people have been finding new ways to work and businesses have had to innovate through that period. Throughout the whole period, we've had a lot of change in practices, with the new car supply not being there. We've had to do a lot to help franchised dealers to source cars."

Autorola group sales director Jon Mitchell adds: "Everyone had a little bit of downtime during the early part of the pandemic to start looking around and think 'are we doing things the best way?'. A lot of businesses have changed in the past two years."

Auction house BCA, for example, responded to the changing conditions by launching a new suite of digital tools, offering a range of self-serve solutions that give customers access 24 hours a day, 365 days a year, across all platforms.

And with lockdowns a daily reality, epyx-owned remarketer 1link Disposal Network was replaced by 1link Trade Buyer. Debbie Fox, commercial director at epyx, says: "1link Trade Buyer represents a complete redesign, based on the availability of new technology and extensive research into the needs of users."

Enhancements include advanced vehicle filtering with multi-pick selections and dynamic counts, updated vehicle summary and vehicle cards with more detailed service history and clearer data presentation.

Data became a part of all our daily lives during the pandemic, but the importance of solid data has also become more evident to the remarketing sector in the past two years.

Mitchell says: "Customers are becoming better informed and better dialled into data, because they've had to. The absence of physical auctions for so long, and the need to move stuff online, made the customers realise that they need to start looking at data, its effect on pricing strategies, how to check prices and what tools are out there. It forced their hand a little bit."

“EVEN WHEN NEW CARS COME BACK, THE SIZE OF THE USED CAR MOUTH THAT WE’RE HAVING TO FEED WILL GROW OVER THAT SAME PERIOD

MARTIN POTTER, ASTON BARCLAY



BCA also had cause to invest in a broader portfolio of digital products. The BCA Buyer app was enhanced to include access to MyBCA account management functionality, improved sale catalogue views and the introduction of Buy Now capability, all geared towards making it easier for customers to buy online.

BCA chief operating officer Stuart Pearson says: "We simplified the online payment process, including the introduction of Open Banking. This gives customers greater control and enhanced transparency over their financial transactions, enabling seamless payment for vehicle purchases, directly from their online bank or building society."

Another initiative is the use of robotic process automation (RPA) to streamline back-office activity and improve customer service, while the continued development of its decision intelligence processes reflect changes in the wholesale sector and provide sellers with real-time data to inform remarketing decisions.

Aston Barclay has also developed its digital products. For client Vauxhall Finance, for example, it has digitised the personal contract purchase (PCP) return



process through the dealership, appraising PCP returns with an app-based tool. A closed group platform then markets all the vehicles to Vauxhall dealers. Any unsold vehicle could then go the open market.

But what does the increasing digitisation of the sector mean for auctions, as physical interaction resumes in society?

Mitchell, from the purely online Autorola, is an interested observer of the auction's fate.

He says: "If we fast-forward five years, will there still be auctions? There's bound to be, but I think it'll be the stuff that doesn't sell 10 times online: someone's really got to touch and feel a car before they actually put their hand up to buy it."

Aston Barclay decided that a physical presence was an important element of its operations. Potter says: "We've come up with a real omnichannel approach to the way that we want to sell vehicles. We've allowed dealers to come to view the product. We still spend the money in preparing them, lining them up for sale. That certainly helped in the fleet sector, because a lot of the large car supermarkets and franchise dealers have been able to come and physically see the cars. We don't drive the cars past their feet anymore: it's all online. After viewing them, buyers can stay in the halls and bid as the auction's going on, or leave us proxy bids."

Cox Automotive, BCA's closest rival, continues to diversify away from a reliance on auctions, and has just launched a mobility division in response to the growing popularity of short-term rental and vehicle subscription business models, plus electric vehicle lifecycle management.

Its Manheim Auctions division, nevertheless, continued to reopen sites to visitors, with Bristol,

Manchester and Washington sales halls taking bids on-site as well as online.

Cox recently hired Lee Fox from GEFCO as managing director of its Cox Automotive Vehicle Solutions division, which includes Manheim Vehicle Services, Manheim Inspection Services and the logistics business Movex.

Manheim Vehicle Services won a five-year extension to its defleet contract with Volkswagen Group UK, covering around 46,000 units per year across rental buybacks, ex-demonstrators and captive fleet. That came after it had already secured around 90,000 units annually with a similar extension from leasing firm Volkswagen Financial Services.

Meanwhile its Dealer Auction online platform, a joint venture with Auto Trader, opened to independent used car dealers in August, to enable them to sell unwanted stock to fellow traders as demand remains high.

Irrespective of how vehicles are remarketed, the current reality is that they are being remarketed – and profitably, thanks to the shortage of new cars. The executives we spoke to don't see this reduced supply ending any time soon.

Potter doesn't see a change in supply anytime soon. His view is that, as most manufacturers are talking about Q3 2022 being the time when production returns to full capacity, retailers will be first in the queue for new product, with a huge leasing order bank to be tackled next, followed by the rental market, some way behind.

All this means that Potter forecasts sustained strength in the used car market.

Despite uncertainty and turbulence, however, remarketing companies and auction houses are busy, with Autorola, for example, reporting 70% growth.

Since its relaunch, 1link Trade Buyer has signed up more than 3,100 dealers and traders, resulting in an 8% year-on-year increase in sales volumes in 2021, compared with its previous 1link Disposal Network incarnation.

BCA has also been busy, renewing deals with, among others, Lex Autolease, Volkswagen Group UK brands, LeasePlan UK, Listers, Vertu Motors, Trust Ford and Group 1.

It's fair to say that the challenges to the sector have been well and truly met, with companies making the most of the circumstances they find themselves in. Innovation and adaptation will be the watchwords for much of the automotive industry over the next decade – and the remarketing sector has already shown that it can lead to success. **CRAIG THOMAS**

BCA – POWERING THE USED VEHICLE SECTOR IN 2022

BCA understands that now more than ever before, to be successful, retail operations have to be flexible and be able to respond quickly to shifting consumer demand.

BCA is energising the end-to-end wholesale supply chain to match that flexibility and help dealers sell more vehicles. A focus on accelerating the time to retail and supporting dealers throughout the entire process makes BCA the leader in its field.

The BCA business model is unique in its quality and breadth of services across the supply chain and therefore creates efficiencies through synergies across all the divisions.

BCA's online sales programme continues to be improved and refined with sales staged seven days a week and Buy It Now sales available 24/7. New sales continue to be added to help buyers navigate the huge choice of thousands of vehicles BCA offers daily.

Improvements to the online bidding process now allow proxy bidding, making it easier for dealer customers to bid on vehicles being offered in BCA's nationwide sales programme.

BCA continues to enhance the Buyer app, making it even easier for our professional buyer customers to acquire stock safely, efficiently and profitably.

Take Control with BCA

BCA have launched a suite of digital tools, offering a range of self-serve solutions that customers can access 24/7, 365 days a year across all platforms, making it even easier to do business with BCA.

Giving buyers better clarity and control over their day to day buying, the MyBCA dashboard gives customers immediate visibility of tasks that require action to manage their search, bidding, buying and post-purchase needs.

Via the MyBCA dashboard, customers can quickly view their saved searches and tracked vehicles, manage their active bids and clearly see the status of their purchases, including checking invoices, making online payments.

These new enhancements to the MyBCA dashboard make it even easier for customers to do business with BCA.

BCA is committed to improving and enhancing the digital experience for our customers by delivering a consistent and user-friendly service on both mobile and desktop platforms.



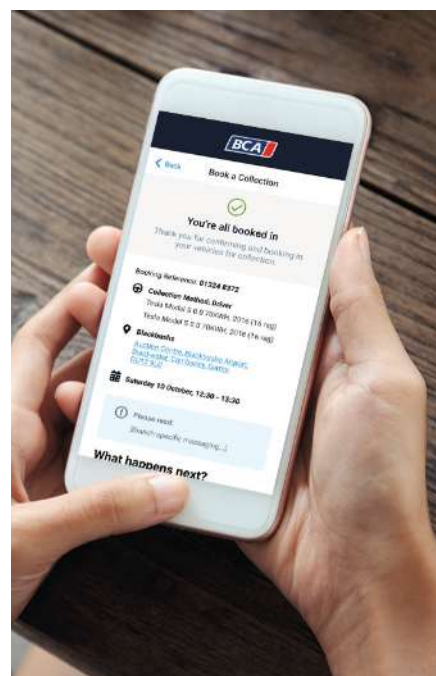
BCA Buyer app

BCA continues to enhance the Buyer app, which is the most widely used transactional mobile app serving the wholesale used vehicle sector, delivering a range of benefits for buyers and generating significant additional demand for sellers.

The BCA Buyer app is an established and highly successful part of BCA's suite of remarketing tools creating an incredibly easy-to-use digital platform to support buyers.

BCA regularly updates the app to meet the changing needs of customers who are increasingly acquiring stock through digital channels.

The app generates insight that helps BCA meet the needs of its buyer customers, creating additional buying power by ensuring that buyers never miss the vehicles that they are interested in and helping buyers bid on any vehicle being sold, whatever their location.





COMING SOON

- An all-new Vehicle Search user experience is currently in beta testing with customers with a full roll out in March. Feature improvements include improved filtering, faster search results and enriched data showing the number of previous owners.
- MyBCA Selling platform provides used vehicle disposal managers with a dashboard of all their stock with BCA. Providing digital tools that make vehicle disposal management easier and provide vendors with more transparency as to where their vehicles are in the remarketing process.
- Partner Finance Online gives customers, with approved funding lines, the ability to manage Partner Finance transfer requests easily and efficiently, saving time and providing visibility of vehicle payment statuses.

BCA Valuations

BCA Valuations predicts the final hammer price on vehicles sold at BCA and uses fully automated machine learning algorithms to calculate fair and unbiased valuations, based on over 200 distinct data points across 5 million real transactions. It is the most accurate automated way to predict final sale prices at BCA auctions.

The pricing model is updated daily using the latest auction results for BCA customers using the BCA Dealer Pro system and underpins a range of pricing services BCA provides for the used vehicle sector. Uniquely, BCA Valuations also provides future auction values, allowing dealers to make informed decisions on retail customers' part-exchange vehicles today that might not come back into their network for sale for several weeks.

BCA Dealer Pro drives sales for dealers

BCA Dealer Pro has revolutionised the part-exchange process and is used by leading franchised and independent dealers across the UK and is integral to many manufacturers' used car and online retailing programmes. Working in close partnership with its customers, BCA continues to introduce a series of innovative enhancements to Dealer Pro, adding to the efficiency and ease of use of the platform.

Using a simple guided process to appraise and then accurately value part-exchange vehicles, using daily updated data from BCA Valuations, the Dealer Pro app ensures dealer sales teams consistently capture all the information needed to enable deals to be done with confidence.

Dealers can then decide to fund and retail a part exchange, retain within the group or remarket through digital auction. Thanks to a series of data integrations, all vehicle data is seamlessly shared with the UK's largest lead management and DMS providers.

Using Dealer Pro, dealers can improve the efficiency of their vehicle sales and improve cash flow back to reinvest in their business. The selling process begins immediately and vehicles gain exposure to the largest audience of trade buyers at BCA, helping dealers get the maximum returns whatever the market conditions may be.

Around 2 million appraisals are carried out using the BCA Dealer Pro app annually and the service has proved invaluable as increasing numbers of part-exchange appraisals are carried out remotely.

Dealer Pro directly integrates with BCA Consumer Pro, which delivers daily updated, accurate P/X valuations to retail customers through the dealers' websites – underwritten by BCA if required. BCA Consumer Pro enables a transaction to be completed by a customer online, remote from the dealership, providing retail customers a transparent part-exchange process as part of their car buying journey and driving sales directly into the dealers' business.

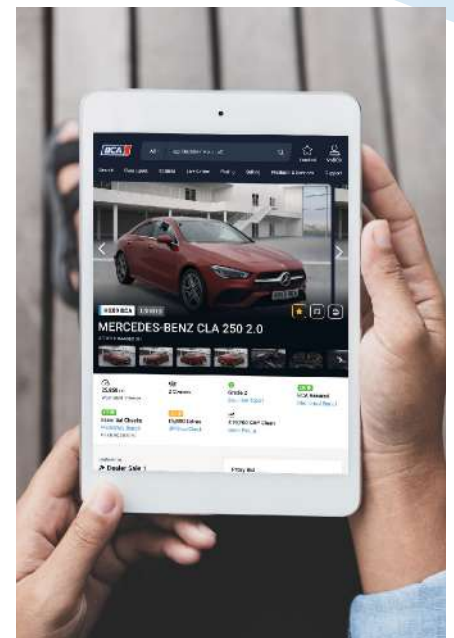
BCA Partner Finance supports dealers as demand increases

BCA Partner Finance helps customers acquire used stock in these exceptionally competitive times, allowing them to compete on a level playing field whatever the market conditions are.

Dealers that are looking to increase their market share and profitability will undoubtedly be constantly reviewing the levels and profile of their stock as they look to meet customer demand. While some will rely on cash generated by the business to support growth, others are looking to stock funding as a more effective way of accelerating and optimising these growth opportunities.

Customers benefit further, as unlike many competitors, BCA Partner Finance funds the full auction invoice price without restricting funding to CAP values, providing liquidity that helps dealers to secure the vehicles they need to meet the demand from their retail customers.

Availability of the right stock in volume and access to increased levels of funding continues to be key to our customers and BCA is well placed to meet these needs.



Go to www.bca.co.uk for full details of the BCA sales programme, services and products.





WHY BUSINESS INTELLIGENCE IS ON AN UPWARD CURVE

BI providers thrive as they strive to slake the thirst among dealerships for better and more easily understood data

As data has become increasingly more valuable to car dealerships, so the business intelligence (BI) industry has grown exponentially to meet their needs over the past 12 months.

This growth has been accelerated by the COVID-19 pandemic and the continued rise of the smartphone, with more people than ever ordering and making bookings and/or payments online.

With demand for more analytical insight of data growing by the day, so new and existing BI providers are moving to capitalise on these opportunities.

One such beneficiary is Keyloop. The company has grown at a rapid rate over the past year, acquiring enquiryMAX, RAPID RTC, MotorDocs, FISC, Silver Bullet and Canadian dealer management system provider Serti.

In terms of new contracts, it has rolled out its Voice Connect telephony product to Steven Eagell, as well as providing Keyloop Documents to Park's Motor Group and Snows Motor Group to help digitally transform their document management.

Škoda has also endorsed its Rapid RTC Lead Manager and is using it to improve its lead management process and customer interaction.

In addition, Keyloop has made significant new hires including Stuart Mills as chief customer officer, Amit Monovich as chief technology officer, Elena Rodriguez as chief product officer and Charlotte deMetz as chief people officer. Megan Harvey and Puneet Soni have also joined as vice-president alliances and vice-president M&A respectively.

"Our focus on the consumer and a clear understanding of their needs when it comes to car purchasing and servicing means we can lead the way in removing the frictions that exist along the journey," said Keyloop chief executive Tom Kilroy.

"We believe that when we support retailers with the right technology to make incremental improvements across the many steps that cause consumers frustration during the car buying and ownership

experience, then we can help them and the industry overall achieve a significant increase in customer satisfaction and, in turn, business performance and profitability."

Another provider at the forefront of BI is Reynolds & Reynolds. Among its biggest achievements has been the completion of upgrades to two major OEM (original equipment manufacturer) hubs and associated reporting tools.

The company has also developed a suite of upgraded APIs (application programming interfaces) to ensure it absorbs richer data sets for the OEM and provides better insight into the sales process, marketing efficiencies, lead volumes and model splits.

In addition, it has created a UK version of the Reynolds Integration Hub to enable quicker integrations with third parties and the presentation of key data from within the dealer management system (DMS).

A number of dealers that use Reynolds & Reynolds' Power DMS have already adopted Claro, its cloud-based customer relationship management (CRM) lead and enquiry management solution. It has also revamped its Claro e-commerce API, allowing the import of everything from a basic lead to a full digital transaction from a third party application and, thus, enriching the data sets available for analysis.

Meanwhile, a significant hire was the appointment



of Rob Lewis as Reynolds & Reynolds' managing director, succeeding Adele Feeney after 23 years in the role.

AutoBI, which only launched in 2019, has gone from strength to strength over the past year. It was formed to bring all the information together that the dealer needs and present it clearly to enable them to make an informed decision about their business.

Set up by Jonathan Sharman and his four-strong team of automotive experts, the initial focus has been on providing aftersales BI to a range of dealers including: Acorn Motors Group in Cheshire and Staffordshire; Halliwell Jones in the North West; Sandal BMW in Harrogate and Wakefield; and Soper of

“WE CAN LEAD THE WAY IN REMOVING THE FRICTIONS THAT EXIST ALONG THE (PURCHASING AND SERVICING) JOURNEY TODAY

TOM KILROY, KEYLOOP



Lincoln. It has since branched out to Jaguar Land Rover and Barretts Group's Honda and Citroën franchises in Kent.

Globally, the company has built a BI platform for an OEM in the Middle East. It has also developed a second version of its initial BI product, which covers everything including sales, aftersales, stock and CRM, which it has rolled out to Arthurs Motor Group in Oswestry, Newtown and Wrexham, and Prentice Group in Northern Ireland.

Now AutoBI is actively looking to recruit developers to build new solutions for its customers. As of February 2021, it also engaged Drive Agency to manage its branding, website, case studies, advertising and social media.

Working on a subscription model, the company has established a direct phone line to management, enabling customers to register any problems, and it works to provide solutions based on their insight and feedback.

Another provider that has prospered is River. In the past 18 months, it has secured a three-year contract to provide its Loop BI platform to Volkswagen Group and Volkswagen Financial Services in the UK for eight of their brands, as well as global contracts with Lotus and Aston Martin Lagonda.

Over the past year, the company has focused on proving the return on investment that its system provides, including evidencing that actions set against key performance indicators in Loop make performance three times faster. It has also improved its dashboarding capacity, added more self-serve features to its models and invested in adapting and speeding up its onboarding process.

Significantly, River has brought in Ben Miller, formerly of Autovista Group, as a dedicated marketing expert. With more than 15 years' B2B marketing experience, the aim is for him to raise the company's profile in the automotive space and win new customers by focusing on updating its website and improving brand awareness.

"One of Loop's most powerful benefits is the insight it provides into the activity going on at every level of the hierarchy," said River managing director Simon Porri. "We're planning to do more with this information and look more closely at whether the activity at a local level is strategically aligned with that of the manufacturer, for example, whether dealers and OEMs are aligned in their focus on EV readiness."

Real World Analytics is also going places fast. After launching the automotive part of its business in 2018, this has been a key driver.

Since the start of 2021, the company has doubled its customers to 17, taking on a range of different sized dealers from those with six or seven outlets, such as TMS, to others with more than 40 sites, and it expects to double that number again this year. It has also branched into Canada, building out a BI system called PBS for Bruce Automotive Group.

In addition, Real World Analytics has forged partnerships with Auto Trader and Pinnacle. With Auto Trader, the main focus has been on its enabling dealers to maximise data provided by its Accelerator product to achieve a better price for their vehicles dependent on the region and demand.

Over the past 12 months, new product launches have also doubled. The company has introduced a product called PriceSmart, which uses Auto Trader data to enable dealers to better price used cars and manage their inventory. It has also launched Management Accounts, which automates retailers' management accounts and presents them all in the same place in an easy-to-understand visual format.

Real World Analytics has increased its team from 10 to 20. It will also invest €200 million (£165m) in artificial intelligence and machine learning this year to determine its potential use in automotive retail.

ALEX WRIGHT

Single source of data will aid your decision-making

Data is the lifeblood of the automotive sector. That's why it's critical to be able to capture and analyse it effectively.

Only by doing so can you truly understand how your business is performing and make the necessary improvements. The challenge is that it can take hours to find and look at the data properly in order to gain this business intelligence.

Given their deep industry expertise, the team at AutoBI understands this problem and has developed an effective solution.

The Hub is a state-of-the-art business intelligence dashboard that provides motor retailers with a comprehensive analytics suite that delivers instant efficiencies and long-term improvement in business performance.

"One of the biggest challenges retailers face is reporting and knowing where the business is at any given time," said AutoBI director Jonathan Sharman.

"Because it's a very time-consuming process, we wanted to automate everything and have one single source of truth that makes the information more easily accessible."

Powered by Microsoft PowerBI, The Hub seamlessly provides near real-time updates on the key information dealers need to know about all aspects of the business from sales, service and parts to finance and customer relationship management. It's also secure, scalable and affordable.

The Hub provides four main commercial advantages. It saves the retailer time, enables them to make better decisions, helps to motivate team members and to be more proactive.

By using The Hub, teams have all the information and KPIs they need at their fingertips presented in an easy-to-understand and visually engaging way, with the option to drill down further into the data.

This does away with the need to



run reports every morning or being overwhelmed with endless spreadsheets.

It also enables retailers to review important data and see how different areas of their business are performing in real time. Because there is one single source of truth the information can be easily shared with the key stakeholders and it minimises the potential for human error in report writing and data collation. It also frees up team members to focus on more value-added parts of the business such as customer service.

By looking at this key information, teams can see how they are performing, creating healthy competition between branches, brands and employees. For example, when technicians can see their productivity and efficiency they know how close they are to triggering bonus payments or achieving their longer-term goals.

With near real-time updates,



OUR USP IS OUR WEALTH OF EXPERIENCE BOTH FROM AN OPERATIONAL AND SYSTEMS STANDPOINT. WE UNDERSTAND HOW THE INDUSTRY WORKS, WHAT TO LOOK FOR AND WHAT WE NEED TO DO TO HELP RETAILERS IMPROVE

JONATHAN SHARMAN

problems are also spotted more quickly, enabling management to swiftly and proactively take steps to avoid or mitigate any upcoming problems, such as dealing with a lack of service bookings or deciding what to do with obsolete parts stock.

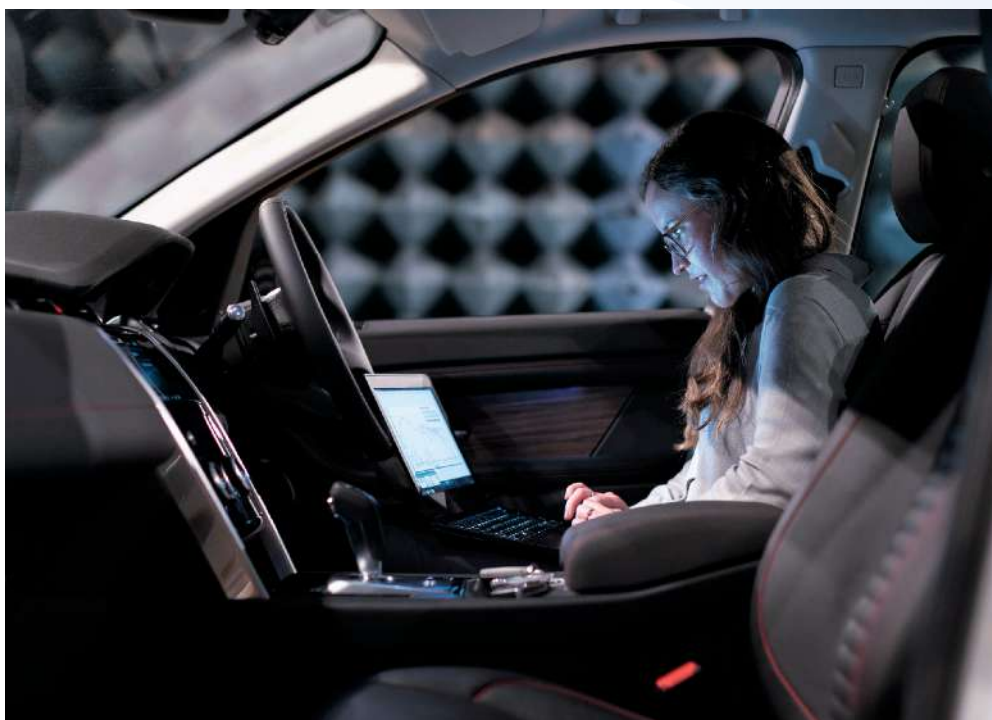
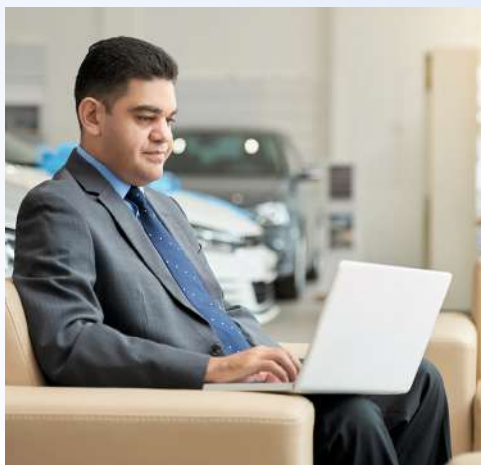
The consistent feedback from users is that it saves at least a couple of hours on each job.

"By having something that tells you in real time where you need to improve, you can make small tweaks and changes in a matter of hours to ensure that you maximise revenue opportunities for those departments," said Sharman.

"In retailers, there are many people whose job it is to look after customers, help sell vehicles, service or parts and a large amount of their time is taken up trying to get that information. But, by using our dashboard, they can gain that time back."

The Hub also enables you to quickly spot key trends specific to

Advertising feature



your operation. For instance, there may be a particular vehicle type that's selling well across your sites or a specific repair that's being requested more than others.

By quickly identifying such trends, you can invest in the appropriate stock, parts, support and customer communications. This will ensure you're prepared when enquiries come in as well as help you boost customer satisfaction and retention.

One client that has reaped the benefits of using an AutoBI

dashboard is Soper of Lincoln.

The family-owned business, with more than 100 employees, that represents BMW and Mini, wanted to tie together all of its data sources into one single reference point, making it easier for teams to drive real-time decision-making.

Working with the retailer, AutoBI quickly developed and implemented a dynamic aftersales dashboard. It has dramatically reduced the time taken by teams to access the information needed

to make key business decisions or tackle problems such as missed sales opportunities or potential cashflow challenges.

The dashboard also displays updated key information for the service and parts departments, enabling technicians to see how much they are completing versus their internal targets and last year's performance. The business can also view invoicing targets and work, costings and videos done for vehicle health checks, providing a powerful visual reminder of the tasks at hand. It can help with people development, highlighting successes and areas for improvement.

"The AutoBI automotive experts understand the data, where it comes from and what you can do with it," said managing director Andrew Tullie. "What's more, they present it dynamically with simple ways to drill down into the detail – it's like delivering the most engaging and important content we need on demand."

In addition to its dashboard, AutoBI provides a tailored consultancy service to retailers, groups and OEMs looking to maximise their data and business intelligence. Currently, it supports major brands including BMW, Citroën, Ford, Kia, Jaguar Land Rover, Peugeot and Vauxhall.

Because members of the AutoBI team are all automotive experts who have worked in the industry, they understand the pressures retailers and manufacturers are under and the common challenges they face. This enables AutoBI to quickly customise its service to meet your needs.

"Our USP is our wealth of experience both from an operational and systems standpoint," said Sharman. "We understand how the industry works, what to look for and what we need to do to help retailers improve."

It has never been more important to have clear and accurate picture of how your business is performing. By using AutoBI's innovative business intelligence dashboard or consultancy services, you can transform your business' performance and efficiency overnight.

For more information about how AutoBI can help you, call 01522 711111, email hello@autobi.co.uk or visit its website at www.autobi.co.uk





CHOOSE YOUR SUPPLIER: DIGITAL MARKETING

DIGITAL MARKETING TAKES GIANT STEPS AS MORE AND MORE TURN TO THE WEB

Online research now the norm before buyers even think of heading to the showroom

The already vast automotive digital marketing sector continues to grow at a rapid rate with suppliers responding to evolving dealer demands over the past 12-18 months. Consumers are increasingly utilising online tools as well as returning to the showroom. Here, we look at just some of the key digital players...

AUTO TRADER

Auto Trader is working with more retailers than ever and, in 2021, partnered with 670 more businesses than in 2020 with around 13,000 retailer partnerships now in place. Auto Trader's marketplace attracted an average of 64 million cross-platform visits in 2021, 15% up on the previous year.

Auto Trader says it influenced 8% more of its retailer partners' sales last year than in 2020, resulting in two-out-of-every-three of their used car sales being generated from its platform.

Two new products were launched in 2021, stock management solution Auto Trader Connect and Guaranteed Part-Exchange (GPX) gives consumers an impartial, haggle-free price.

Utilising the parent company's data capabilities, Auto Trader Connect enables retailers to update multiple back-end and consumer-facing systems with advanced vehicle data in real-time.

Ensuring consistency and accuracy, it maximises vehicle margin and improves the consumer online experience.

The first phase of the solution, Retail Essentials, will be available to all Auto Trader's retailer partners as part of all advertising packages as standard. However, after being offered early access in December, more than 2,500 retailers have already signed up.

Meanwhile, 70 third party system providers, such as stock management and retailer website providers, are currently integrating the service into their platforms.

Guaranteed Part-Exchange (GPX) enables retailers to convert simpler and faster, and to source stock more effectively. Retailers can dispose of unwanted

vehicles through the Manheim underwritten disposal service for free. To help with current sourcing challenges, vehicles acquired from GPX part-exchanges, private sales made through its consumer-facing Instant Cash Offer service and private stock advertised on Auto Trader, are listed on the Dealer Auction platform offering retailers access to a stock of 30,000-live vehicles sourced directly from consumers.

CARWOW

In June 2021, carwow accelerated the launch of its new platform 'Sell Your Car' (made possible by the acquisition that month of Wizzle), which allows dealers to buy used vehicles directly from carwow customers nationwide. Typically, around 7,000 used vehicles are live on the platform at any one time.

Sell Your Car had 600% revenue growth in just six months from launch and carwow plans to open up the platform to trade sellers, including fleet owners and rental companies.

Last year, carwow moved to a cost-per-enquiry commercial model instead of the previous cost-per-sale. Partners are charged when they engage with a live, engaged and qualified lead which has helped level out pricing on the platform.

Dealer partners are now using carwow proactively rather than reactively, with the extremes of pricing and discounting dropping as a result while stronger and more collaborative relationships with dealer partners have been developed.

Each lead generated by its platform is analysed for that retailer, assessing dealer responses, enabling improvements to be made, boosting trust and transparency as well as improving margins and decreasing cost per sale.

As the most popular automotive channel on YouTube for UK consumers, carwow's content is helping drive relevant enquiries, including in response to its electric vehicle (EV)-focused content which includes range calculators and charging maps. In November 2021 there were more combined enquiries for EV and hybrid vehicles (52%) than for petrol (45%).

Last year carwow worked with manufacturers on

direct-to-consumer sales including the launch of Volvo's subscription offering, Care by Volvo. In addition, carwow has partnered with more OEMs to better support their retail networks, including one major mass-market brand whereby a co-funding model was created with fees split between the OEM and retailers.

GFORCES

Part of the Automotive Transformation Group, GForces delivers automotive e-commerce solutions through its multi-award-winning NetDirector software platform which included it being named best new product in 2021 by AM's readers.

It works with global vehicle manufacturers, the world's largest dealer groups, and independent retailers throughout the UK and internationally.

In 2021, new clients running NetDirector increased by a quarter, while there was a 124% increase in transactions last year compared with 2020 and a 44% increase in organic traffic visits compared with 2020.

Key launches include Fords of Winsford in December 2021; the UK's largest Toyota dealer Steven Eagell in January 2022; Scottish dealer group Eastern Western in September 2021; and national approved used vehicle locators for Renault and Dacia Renault UK in August 2021.

Currently, the company is rolling out its front-end vehicle search solution following a major overhaul and the launch of a new feature for 'My Account' as part of NetDirector Retain.

HEYCAR

In November 2020, heycar launched the Free Delivery scheme to support the sector during lockdown and it ran until the end of February 2021. During that period heycar worked with 85 of the AM100 biggest dealer groups including Lookers, Vertu Motors and Marshall Motor Group and fulfilled enough free deliveries to circle the earth more than three times with an average delivery distance of 225 miles.

Its Trade Up scheme was introduced in Q3 2021 to help franchised dealers restock their showrooms by

giving a £250 bonus for every part-exchange they bought from a heycar lead and relisted to its site. The bonus helped to close a deal and protect margins when sourcing stock while creating a part-exchange increase.

The UK team has expanded from 30 people at the start of 2020 to 91 in 2022. The expansion is reflected in the performance of its website with a total of 760,000 cars listed during 2021.

The company has also branched out into other countries in Europe with heycar Spain and heycar France performing well last year and a pilot live in the Netherlands. Its expansion has also now been backed by shareholder investments from Allianz and Renault Group and its subsidiary RCI Bank and Services in 2021. During 2021, significant marketing investment included TV, sponsorships, radio, social and PPC, increasing brand awareness by 11% between Q1 and Q2 2021.

MARKETING DELIVERY

Marketing Delivery's 14th year, 2021, was its largest annual turnover to date, largely attributable to the rise in digital interaction as a result of the pandemic and changing buyer behaviour.

In 2021 Marketing Delivery developed and launched VoiceBox Sales and Aftersales, a multi-platform marketing solution. It links with dealers' existing DMS data to automatically deliver personal, hyper-targeted communications by SMS or email, dependent on the customer's chosen preferences, to comply with GDPR regulations. VoiceBox has been further enhanced by Keyloop integration, which allows a two-way flow of information between systems.

With its data revealing the time between enquiry and sale had fallen dramatically during the pandemic, from 16 days to just six, dealers need to act quickly to keep customers engaged. VoiceBox Sales includes a 'Lost Sales' function which can help to re-engage those leads that may be deemed as 'lost'. Its research has shown that 46% of 'lost' leads are still in the market for a car. In January 2022, 70% of Marketing Delivery clients were active on VoiceBox Sales, with the goal to have migrated 100% by the end of this month. All new clients are automatically onboarded onto VoiceBox for sales, aftersales and social media.

VoiceBox Aftersales automatically sends out MOT and service reminders while its MOTBox module scans the DVSA database and cross-checks it with the dealer's CRM, identifying MOT due dates and building a contact pot. Dealers have been alerted to £30,000 in potential workshop bookings once MOTBox identifies incorrect data.

Also introduced last year as a complementary product to VoiceBox Sales and Aftersales, LeadBox provides a platform for sales and aftersales telephone follow-ups. Generating 'call pots' for service and MOT bookings, it aggregates sales leads for initial response and then into VoiceBox Sales for manipulation and management.

The following have joined Marketing Delivery's customer base in 2021: Heritage Automotive, Sandown, Vindis Group, Trenton, Rybrook Group, HWM Aston Martin, Citygate, Foray Motor Group, Caffyns Group, L&L Automotive and Lipscomb.

DEBBIE KIRLEW

VoiceBox Sales is delivering for Rybrook

Integration and improved customer communications were key for Rybrook, one of the largest privately-owned car dealer groups in the UK, when it selected Marketing Delivery as its digital marketing partner.

Integrations with DMS providers Keyloop, Rybrook's 'source of truth', manufacturer prospecting systems and a host of CRM databases means deploying Marketing Delivery's VoiceBox Sales provides a single view of the customer from enquiry through the sales process and once the car has been driven off the forecourt.

Sophie Heptonstall, Rybrook group marketing manager, said: "We wanted to improve our communications with customers and prospects at different points in their journeys and give sales managers better visibility of where each individual customer was on that journey.

"We were looking for a slick system. While integration has come a long way, integration throughout all our systems had not been achieved. With Marketing Delivery, we could have a seamless customer journey."

Following a trial of VoiceBox Sales, the solution was rolled out across all Rybrook's Volvo sites last spring before it was extended to 18 of the group's showrooms, including Jaguar Land Rover, Mini and BMW, with its specialist Birmingham and Bristol sites to follow shortly.

Since implementing Marketing Delivery's automated and intuitive communications solution, Rybrook Group has increased its sale conversions by 3.6% and email campaigns have seen an average open rate of 68%, 17% of recipients click-through and just 2% bounce rate.

VoiceBox Sales triggers an extensively tested and highly productive communications process

as soon as an enquiry is received. Crucially, VoiceBox Sales is two-way, enabling customers to respond and, even more importantly, that communication is received by the team, including the sales manager, ensuring a prompt response.

Heptonstall said: "We have two-day and five-day sale alerts so it captures different types of people such as if they're a warm rather than a hot prospect."

The five-day 'lost sale' email provides valuable feedback such as if an individual's circumstances have changed, they are still in-market or if a car was bought elsewhere.

She added: "We get that feedback in our system so we can evaluate how we handle enquiries, how we compare with competitors and where those sales are going to.

"The customers are very honest with their feedback, it could be the finance deal, the car itself or the part-exchange evaluation. It gives our sales managers the opportunity to make a decision. It's giving us more opportunities."

Rybrook has also incorporated used car alerts which automatically emails a person who has previously enquired when similar vehicles arrive in stock often resulting in additional conversations for those still looking to purchase.

"It allows us to see which prospects are still looking on our website and what cars they are clicking on so it gives us an idea if they are still warm. We can prioritise them to the sales team," Heptonstall said.

"We have noticed over the past few years that we are receiving more enquiries, but consumers are shopping around more. The level of enquiries is really high but we are then having to filter those enquiries and dealing with them is a bigger job for the sales teams."



2 DAY
ENQUIRY



**CUSTOMERS
ARE VERY
HONEST WITH
THEIR
FEEDBACK,
IT COULD BE
THE FINANCE
DEAL, THE
CAR ITSELF
OR THE PART-
EXCHANGE
EVALUATION**

**SOPHIE
HEPTONSTALL**

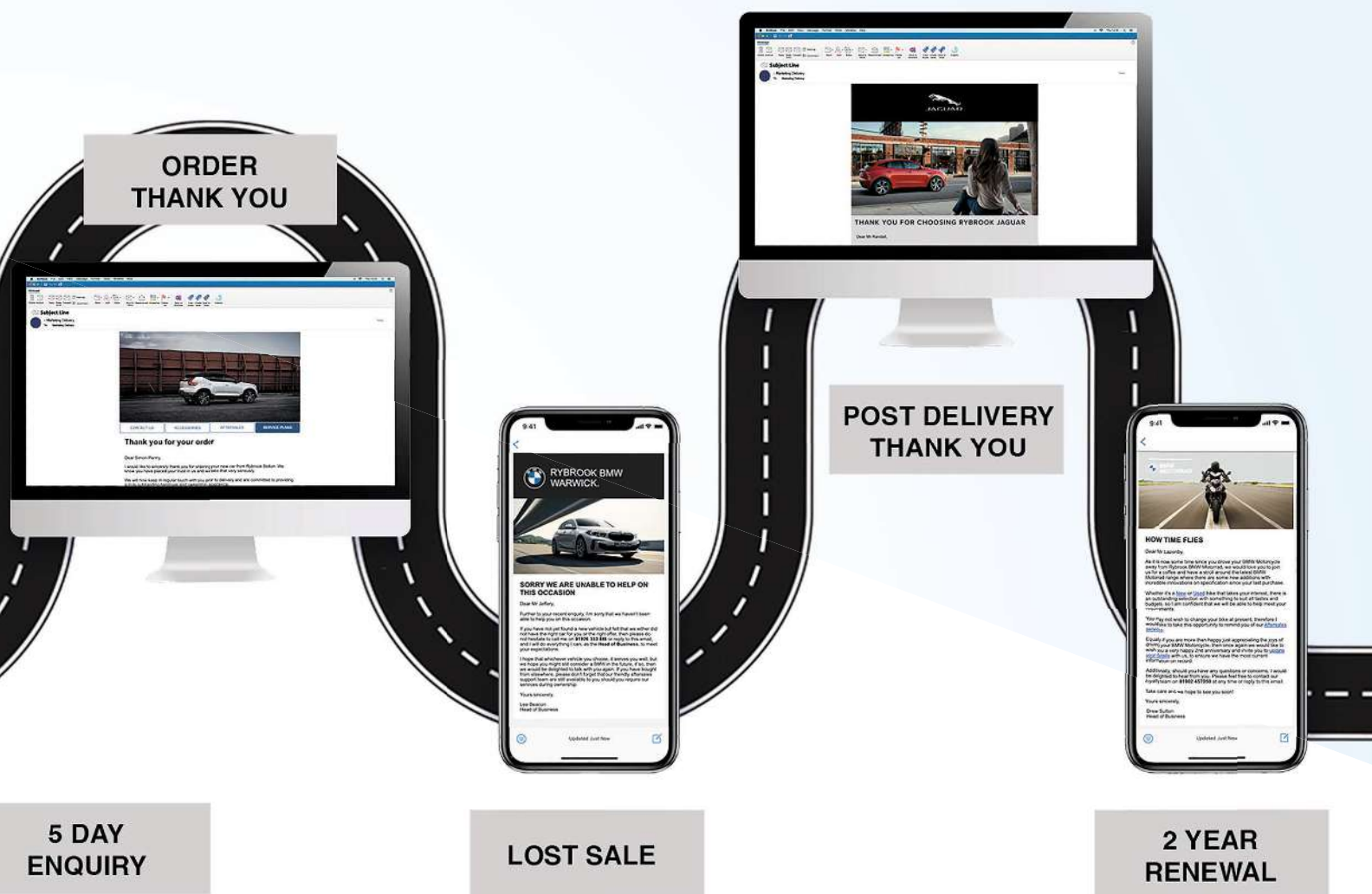
An automated communications system with detailed feedback contained in a simple dashboard screen enables the sales team to focus on those who are further along the purchase journey.

In addition, the system is enabling data to be cleansed as an email is captured. So, if there is a typo, for example, or there is another reason an email bounces, the CRM team is able to respond immediately, contact the customer to update the system.

Heptonstall said: "Our sales managers love the system and the information it provides. They have all said they definitely get incremental sales off the back of it because it's either been missed or it is something they can address.

"The sales teams like the fact that it drills down into more details so we know if someone is still looking and is still warm, it gives them a bit of a prompt."

VoiceBox Sales has evolved from Marketing Delivery's 'Smartmail' email and SMS scheduling platform.



As contact plans became more comprehensive and social media became an integral part of digital marketing in automotive, Smartmail proved to be too restricting which led to the development of the more flexible VoiceBox solution.

Having been developed during the pandemic to respond in part to closed showrooms and an increased demand for digital tools, first clients went live in mid-2021. Currently, 70% of Marketing Delivery clients are active on VoiceBox Sales and it is hoped by the end of Q1, all users will be live on the system while all new clients are automatically onboarded onto VoiceBox for sales, aftersales and social media.

VoiceBox Sales links with existing DMS data to deliver personal and mobile optimised communications via SMS or email in line with the customer's

chosen preferences, ensuring GDPR compliance. As well as nurturing warm leads, VoiceBox can help to re-engage those leads that may be deemed as 'lost' by sales staff as well as incorporating Stock Alerts.

The VoiceBox Sales eCRM messages have an average open rate of 60% and a response rate of up to 15%.

By working closely with dealers before implementation to ensure data accuracy, Marketing Delivery delivers a very low average bounce rate of just 2%.

Marketing Delivery managing director Jeremy Evans said: "Our in-house development team has worked in partnership with dealerships to create a product that has the core functionality they are looking for, as well as the flexibility to suit businesses large and small. VoiceBox enables dealerships to communicate with

customers, on relevant topics via SMS, email and social media, all in a highly targeted and timely way.

"The unique selling point of VoiceBox is that the messaging is not restricted, we can customise it to meet any marketing campaign or stage of the buyer's journey."

With customers demanding 'joined-up' communications that reflect their contact preferences and their stage in the purchase or ownership journey, VoiceBox Sales performs particularly well when working in parallel with other Marketing Delivery services such as its Lead Management System LeadBox and VoiceBox Aftersales.



Website: marketingdelivery.com

Email: get.in.touch@marketingdelivery.com

Telephone: 01892 599 917

Marketing Delivery
DATA DRIVEN MARKETING



CHOOSE YOUR SUPPLIER: REPUTATION MANAGEMENT

WHAT CUSTOMERS SAY ABOUT YOU IS WHAT REALLY COUNTS

If a dealer's online reviews are up to scratch, the likelihood of attracting savvy buyers is much enhanced

With consumers more comfortable than ever in researching and transacting their next vehicle digitally, automotive retailers' online reputation has never been so important with suppliers in this space experiencing increasing demand and delivering new solutions over the past 12-18 months.

JUDGESERVICE

As a result of doubling its team of developers, JudgeService has designed a series of new products, with one launched last year and two undergoing pilots.

The development team now numbers seven, of which four were recruited in the past year, while the company offers a hybrid of office and homeworking. JudgeService has also appointed its own in-house writer who is responsible for all its editorial content and blogs.

Review Booster was launched in January 2021 to encourage the vast majority of happy customers to leave a review. Sitting alongside React, its core review survey programme, customers are asked by email to respond to one simple question rating their overall experience rather than click into a full survey. This is helping to increase the number of positive reviews.

Managing director Neil Addley explains: "If you don't ask for reviews, you will only get two types of people – the ones who absolutely love you and the ones who hate you. This way you end up with scores of ones and fives giving you a mean score of around 2.5. The majority of customers are happy, but not ecstatic enough to leave a review without being prompted. If you ask them a simple question, many will respond and your review scores go up."

JudgeService's expanded team of developers has brought its new product, Resolution, to pilot stage with Carsupermarket.com (formerly Motor Depot) far more quickly, with its roll-out planned throughout 2022.

Resolution collates information from multiple sources across the internet but also offers instant feedback such as a customer who speaks to a dealership receptionist with the information recorded direct in the system, enabling retailer managers to access all manner of feedback via one platform. The system encourages proactivity from dealer staff by recording the response if a customer has made a complaint or recognised superstar service, and subsequent action, such as retraining, to avoid a repeat problem.

JudgeService is also piloting its Referral Manager programme, which captures customer referral information, providing clarity when there is an award system in place at dealerships. With the information provided online, it avoids any future disputes or disappointment.

The company has spent the past year focusing on its account management to ensure its established clients were not only well looked after, but were fully utilising its system. Its portal training has put 500 dealership managers and general managers through training to allow them to identify and action areas of improvement.

Addley says: "Our reporting has detailed information and allows you to see where you are dropping the ball. It allows you to focus on the small things, but they're really important for customer service. For example, we trained a major group on all aspects of the portal and it has made a huge difference. It's increased the usage of our systems which, in turn, helps retailers to improve their service."

JudgeService continues to sign up new dealer groups with latest contracts including Perrys, Stephen Eagell and Westway. Business proposals this year are already suggesting a promising pipeline of new clients.

JudgeService is about to publish its third annual industry report, delving into its mass of data to identify insights and trends. Among its findings are the increased volume of car buyers who are happier to travel further afield to purchase their vehicle and the ongoing impact of digital tools as part of the buying process. While use of digital remains high, it has waned somewhat since the last of the lockdowns and people are returning to the showroom.

Addley says: "There's an absolute link between how well you look after your customers and how quickly you turn your stock. Focusing on customer service is now more important than ever as people have got used to really good service and doing things their way."

REPUTATION

The past 12 months have brought many positive changes for Reputation. Last February, Reputation dropped the '.com' from its name as part of a larger brand refresh. It also re-launched its platform, bringing together Reputation Score X, Experience Insights and Feedback Anywhere, along with other capabilities, into a single, comprehensive platform.

Shortly after – in April 2021 – the organisation deep-



ened its social listening capabilities with its acquisition of Nuvi, a robust social customer experience (CX) software company based in Lehi, Utah. With this acquisition, Reputation created a platform that combines traditional experience management with digital experience and social customer experience management to give brands a true 360-degree view of sentiment.

Reputation also rolled out several platform and product updates. First was Messaging, the central inbox that takes in customer messages from a range of popular messaging applications and services.

It also debuted the Reputation Score Portal, the first tool of its kind to provide at-a-glance rankings of businesses, using vast amounts of consumer feedback data from online channels. Lastly, Reputation became one of the first CX vendors to integrate Messenger's new Messenger API support for Instagram into its platform.

The platform has also gained significant third-party

validation over the past year and was recognised in several analyst reports such as Gartner's Magic Quadrant on Voice of the Customer (VoC), Q4 2021; Forrester's Wave on Customer Feedback Management (CFM), Q2 2021; and Forrester's Wave on Social Suites, Q3 2021.

Most recently, Reputation announced a \$150 million (£110m) growth investment from Marlin Equity Partners to drive further product innovation, expand upon its ever-growing customer and partnership ecosystem, and fuel the company's international expansion – which is already seeing greater than 80% year-over-year growth. In addition to the new funding, Reputation announced that it has surpassed \$100m (£73.5m) in annual recurring revenue (ARR), a key SaaS milestone.

TRUSTPILOT

Neil Bayton, head of partnerships at Trustpilot, says: "With increasingly more franchised dealers now

operating in e-commerce, giving consumers the option to make full purchases or pay deposits online, Trustpilot has seen a growing appetite from businesses to display customers' reviews on their company websites as a signal of consumer trust."

Trustpilot recently renewed agreements with Auto Trader and Motors.co.uk to push reviews to in-market consumers. We are now seeing significant growth in visibility of these reviews on the franchised dealer websites; which help to cement credibility and build consumer confidence when making a high-ticket purchase solely online.

"Research has shown that 89% of consumers in the UK, US and France now check reviews before making purchases online – the reality is these days. A business is no longer who they say they are, but what consumers say they are. Displaying reviews gathered on an independent, open platform like Trustpilot is a really powerful tool in building consumer trust."

DEBBIE KIRLEW



Value of online reputation cannot be overestimated

An unprecedented upsurge in online consumer engagement has sparked an accelerated development of digital sales processes among car retailers over the past two years.

But, although the internet is now the acknowledged first port of call for car buyers, most dealers are falling short in their efforts to grow their brand's profile and appeal in this vast marketplace, according to Reputation EMEA automotive director Andy Wand.

The global business – said to hold the third highest volume of consumer feedback data, after Google and Facebook – has now grown its UK presence and is actively helping automotive businesses grow their online visibility and reputation to secure increased sales and profitability.

"Peer reviews, social media transactions and even complaints: responding to these things, using them to build an online reputation, is the strongest marketing tool any business has right now," says Wand.

Vast volumes of website visits, online search data, social media posts and reviews from platforms including Google, Feefo, Auto Trader and JudgeService are analysed by Reputation in real-time.

Now a single-view customer experience and marketing dashboard developed by Reputation brings together its full spectrum of insight into one place.

According to Wand, a study by Forrester Consulting found that most businesses have to log-in to five separate systems to gain a similar overview of their social media, reviews, online business listings and marketing activity into one place by the system, alongside OEM customer satisfaction scores.

"Everyone is awash with data, pretty much whatever your role in a retail business," Wand says. "The difficult part is finding the right data that you can generate actionable



insight from.

"We've now realised an ambition to bring all aspects of the online consumer journey together in one portal that harnesses all that data and makes that job of managing online marketing and reputation possible in real-time, from a single log-in."

Reputation's single log-in platform builds a thorough, real-time view of all aspects of a business' reputation KPIs to deliver an easily digested overview and to ensure positive responses can be rapidly delivered.

It also draws in online CX data from rival businesses, giving valuable data that could shape decisions to give a competitive advantage.

"Online reputation – a customers' view of your business online – has never been more important," says Wand.

"Visibility, accuracy and trust are the key things to developing customer appeal online and will absolutely grow vehicle sales and profitability."

“

IF CUSTOMERS SEE POSITIVE REVIEWS OR HEAR GOOD THINGS FROM A FRIEND, THEIR DESTINATION WILL BE THAT RECOMMENDED OR TRUSTED CAR DEALER

ANDY WAND, REPUTATION

More than 90% of car buyers read online reviews before deciding which car to buy and where.

In its 2021 Automotive Report audit of car retail groups and manufacturer brands' online presence, Reputation found 41% of car retail customers read at least five reviews before visiting a dealership, with 64% stating they would travel more than 20 miles to a top-rated dealership.

Wand believes both positive and negative reviews should be embraced by car retail businesses to "create a narrative of good customer service".

"Responses to online reviews and social media posts are essential," he says. "In the past we have been asked if we can remove the negative customer feedback online. That is entirely missing the point. Negative reviews give the opportunity to demonstrate great customer service, something that people will read and see exactly how well you respond when things don't go quite right. That's a hugely powerful tool."

Reputation's annual Automotive Report includes analysis of online review ratings, search impressions, social engagement and review responses to assign a 'Reputation Score' for automotive retailers and brands out of 1,000.

The score is fast becoming the "industry standard" across the numerous sectors Reputation operates in, Wand says.

And responding to consumers' online activity is a core element of the success of top-rated OEMs Hyundai, Toyota, Kia and Renault, he asserts.

Snows Motor Group topped this year's dealer group results with a score of 751, finishing ahead of Vantage (746), RRG (722), JCT600 (711) and Listers (699).

Reputation counts 30 of the AM100 among its clients, but the potential of its new single log-in software package is yet to be fully realised, Wand says.

"The system has been rolled-out over the past 12 months, and it will be the catalyst to bring so much insight to the car retail sector. The potential is huge.

"Right now, we're at the very, very edge of this new way of thinking about the value of reputation across all sectors."

A global business, Reputation includes Costco, Ford, Kia, Inchcape, Halfords and Hertz and Parkdean Resorts among its clients. "Even Amazon uses us," says Wand.

US-based Reputation has almost doubled its European workforce since he joined the business a year ago, with the same proportion of growth



seen at its Liverpool offices.

Part of the service being offered to car retailers is a Business Value Assessment – offering an initial view of how a business' online visibility and reputation influences financial impact – and interested car retailers are encouraged to get in touch for a consultation.

Wand says that, in an age of sophisticated online customer journeys, online reputation cannot be ignored.

"The customer journey used to be very binary, you'd choose a brand

because you liked it, you'd research the model you liked and you'd eventually go and buy one," he says.

"Now there is a vast amount of research done online and, once you are seen online as a potential customer, brands will target you with communications.

"You might be in the BMW dealership when you get an alert on your smartphone from Audi telling you about a new feature, model or safety rating and you head out of the door to explore the Audi showroom.

"The deciding factor in most consumers' minds, however, is reputation. If they see positive reviews or hear good things from a friend, their destination will be that recommended or trusted car dealer."

Reputation is offering car retailers the chance to learn more about online reputation and the future of CX at its forthcoming Transform 2022 conference **here**.

Taking place at London's County Hall, on May 11, it will include presentations on 'The Future of Innovation in Reputation Experience Management' and 'Predictions for the Future of Customer Feedback'.

Wand says: "It will offer some real in-depth insight and will be a great showcase of the power of CX."



Call: 0800 066 4781

Email: emea-info@reputation.com

 **Reputation**



CHOOSE YOUR SUPPLIER: PAINT PROTECTION

PAINT PROTECTION FIRMS DON'T TRY TO GLOSS OVER HOW TOUGH IT HAS BEEN

We discover that the devil is in the detailing of post-pandemic paint protection, as the sector reflects on business over the past two years

With the prospect of the country (if not the world) learning to live with COVID-19 on the horizon, business is getting back to, well, business. The past two years have had a profound impact on the operations of most industries, with companies adapting as best they could to the prevailing conditions.

Those involved in the paint protection market are a case in point. A limit on visiting dealership customers to win business or train staff has forced a rethink of their operations, as has the cascading effects of the pandemic-influenced semiconductor supply shortage.

Despite the challenges, though, the outlook does look healthy for the sector.

Many executives for leading brands even expressed something approaching optimism – albeit with one eye on the reappearance of uncertainty – when reflecting on the recent past and future prospects.

One promising avenue for the future is the increasing demand for premium protection products, such as ceramic coatings.

Chris Benham, joint managing director at Zirconite UK, put his finger on the trend, telling us: “Years ago, customers weren’t really savvy about what paint protection really was. They weren’t aware of the difference between a polymer sealant and a ceramic coating. That’s certainly changed in the past year or so. Consumers are now far, far more aware of what

a true ceramic coating is.”

Part of the impetus behind this shift is the rise in vehicle detailing at the premium and luxury ends of the market. The expansion of this market in recent years has driven increased sales of ceramic coatings, as dealerships look to increase their revenues from aftermarket products and services.

Indeed, Zirconite is a new entrant to this part of the market – in a sense. As Benham (who has previously worked for some of the sector’s leading brands) explains, the product has been on sale for around eight-to-10 years, but was just one among more than 300 produced by Manchester-based Concept Chemicals. An exclusive UK distribution deal was struck in January 2020 – in hindsight, not great timing, but even COVID couldn’t prevent Zirconite from impressing detailers and car care professionals. The company now has a network of 120-plus that it works with, as well as nearly 40 franchised dealerships.

It’s a pattern repeated at Gtechniq. Despite the lack of stock affecting all clients, company founder Chris MacDonald tells us that growth of 40% in each of the past two years has been achieved.

He says: “The split between new and used has shifted, so every client we work with has started to sell a lot more used cars.

“But we’re finding that penetration rates are up,

quality is up, we’ve won some new clients. Although the market’s been a challenge for our clients, a lot of them have said they’ve had record years.”

Part of Gtechniq’s increase in business has come from the launch of a new product last year, Platinum Plus, which MacDonald describes as “platinum on steroids” and has a longer guarantee period.

Another of Gtechniq’s initiatives also highlights the influence of the detailing market. The company’s detail pods are being leased to dealerships to help them add aftermarket value.

As MacDonald explains: “They’re designed for dealerships that don’t have specialised detailing capability: we can create that for them. We’re finding more dealers now are really competing against traditional local detailers that customers will go to instead.

“The pods have direct light shining on top of the car as well as waist-high lights. So, if you’re opening a car you can see inside and more at a lower level. There are also power sockets, places to put your polishing machines, product, etc.”

MacDonald thinks that a dealer’s income from a pod could equal that of a servicing ramp – especially as

“WHEN YOU LAUNCH A NEW PRODUCT, YOU NEED TO BE IN FRONT OF PEOPLE TO SHOW THEM HOW IT WORKS

CRAIG HEPWORTH, SUPAGARD



we consider the growth of electric vehicles (EVs), with their lower service and maintenance costs. And, while MacDonald forecasts that pods would probably only work for 10-15% of dealers within the dealer groups that Gtechniq has relationships with, it has been acquiring clients that include Jaguar Land Rover, Porsche and BMW franchises.

Companies in the sector are continuing the diversification of products and services that has been so important to revenue growth in recent years.

Supagard, for example, has seen sales of its paint and fabric protector products hold up, pretty much, during the height of the pandemic, but it is still adding new products to its portfolio. Last year, a new hand cleaner and barrier cream were launched, but an inability to get out to dealers to demonstrate its features has hampered uptake.

"When you launch a new product, you need to be in front of people to show them how it works, or give them a sample to say, 'try that in a workshop.' And that was difficult last year, with all the restrictions on our entry into dealerships," Craig Hepworth, national sales manager for Supagard, tells us.

That hasn't dissuaded the brand from launching new ancillary products, though. Hepworth says: "You want more than just paint and fabric protection as your tools to try and get in front of dealers."

The latest addition to the Supagard range is a new tyre inflator kit that sounds very promising, compared with existing products that, essentially, finish off the tyre's useful life.

Hepworth adds: "You put it into the puncture and, if it isn't that big, it seals the hole and you don't need the tyre to be repaired as a result. Obviously, a bigger puncture still needs to be repaired. But in some cases, when people have gone along to have that done, you can't see where the puncture is. It sealed it that well."

Zirconite also has plans to launch new products in 2022. There are plans for a consumer product, to complement its existing aftercare range, as well as a spray-on, wipe-off, graphene-based coating, ZG365.

As befits a company based in the same city as the recent COP26 summit, Supagard is also focusing on sustainability, reappraising its packaging needs and reducing the amount of cardboard and plastic on its products.

"This is just us recognising that we produce a lot of materials. We recycle cardboard boxes in our premises, but we don't know what happens when they get into the dealership premises, so we're trying to work out how we reduce that level of waste. We just need to realise that what we send out probably isn't getting recycled, so we just need to send less of it out,"

Hepworth says.

Considering the social and economic turmoil and instability of the past two years, there is a genuine feeling that a bounceback effect is on its way. Getting back to 'normal' – travelling to dealers to demonstrate products, for example – will be possible, but brands will continue many business practices online, having learned from experience how they can make efficiency gains through digitisation.

The continuing supply shortage does cast a potential cloud over a return to business as usual, but a booming used market does offer some respite. Dealers preparing used cars for sale will want them to look as good as possible, so a coating could help maximise value in the vehicle.

Despite the uncertainty of the recent years, paint protection companies have survived – thrived, even – and are looking towards a more stable future. A period of reflection has arguably done them a lot of good, focusing minds on what's required to succeed in the post-pandemic economic climate.

CRAIG THOMAS

Supagard is determined to keep reputation untarnished

After 34 years serving the automotive sector with its vehicle protection products Supagard is conducting its business on the motto that “reputation is everything” as it asserts its presence in the car retail sector.

With its paint and upholstery protection products having been applied to more than five million vehicles and approved status secured in long-standing partnerships with no fewer than 15 OEMs, the Glasgow-based supplier continues to raise standards to exceed the expectations of car buyers and dealers alike.

UK national sales manager Craig Hepworth said that Supagard products’ speed and simplicity of application makes them the ideal product for the modern car retailer.

And a “class-leading, no-quibble lifetime guarantee” ensures the business will never stand by to see customers disappointed.

“It’s a real point of differentiation for us,” said Hepworth.

“Our guarantee not only covers the price paid for application at the retailer – as many of our rivals do – but up to £5,000-worth of remedial work to set right any issues a customer might have.

“It really is a no-quibble guarantee. We are determined that customers who use our products are wholly satisfied. Because we’re such an established and well-known name in the sector, we’d never want that reputation to be tarnished.”

Hepworth added: “We’re able to do this largely because of the quality and the simplicity of application of the product.

“Supagard isn’t the cheapest paint and upholstery protection in the market – nor would we want it to be – but we believe it is of a higher quality and we stand by that. If we ever need to respray a bonnet or roof to guarantee customer satisfaction, we’ll do it.”

Among Supagard’s OEM customers are Kia, Ford, the full line-up of Stellantis brands, Mercedes-Benz,



Nissan, Toyota & Lexus and Volvo, some of which feature sell its products under their own vehicle protection branding.

After launching overseas in 2015, the car detailing specialist now operates in China, Italy, Malaysia, the Middle East, Philippines, Vietnam, India and the Czech Republic.

Hepworth said that the positive response of car buyers to Supagard products over the decades has helped to deliver its success, alongside car dealers’ appreciation of the products’ ease of use.

Supagard’s paint sealant creates a high gloss barrier that bonds to the paintwork, seals the surface against harmful UV rays, acid rain and atmospheric pollution in a simple one-stage process that takes 20-to-25 minutes and requires next to “no skill”, he said.

Its upholstery protection, meanwhile, is delivered by a resin-based formula



SUPAGARD ISN'T THE CHEAPEST PAINT AND UPHOLSTERY PROTECTION IN THE MARKET – NOR WOULD WE WANT IT TO BE – BUT WE BELIEVE IT IS OF A HIGHER QUALITY AND WE STAND BY THAT

CRAIG HEPWORTH

that can be applied in minutes and dries – ready to be driven away – in just 90 seconds.

“We understand the issues that many car retailers have with paint and upholstery protection are associated with the team charged with the application process,” said Hepworth.

“Often a valeting team might be made up of people who regularly move between sites and brands using different cleaning and protection products. Using Supagard makes life easier. It takes virtually no skill to apply, and the process is completed very quickly, delivering added efficiency and flexibility.”

He added: “Ultimately, members of the sales team need to have absolute faith in the paint protection products they are selling to customers and having that quick, easy application process helps to ensure consistent quality is easy to achieve.”

Although Hepworth stands by his assertion that it takes “no skill” to apply Supagard products, the business does offer training and support to both vehicle preparation and sales teams.

Posters are provided to adorn valet bay walls, featuring QR codes which link to short, six-minute videos offering best-practice advice.

A new 45-minute virtual training session – delivered via a training room at its headquarters – has been developed to advise on the best sales methods and application techniques, meanwhile.

This is designed to back up the efforts of a 14-strong field team who visit retail sites to help sales teams boost the sales penetration of the Supagard products they offer, and valeting staff deliver the best results.

Hepworth said that Supagard sale penetration levels vary from franchise to franchise.

Mercedes-Benz dealerships average around 60% penetration, he said, with 45% to 50% of new Toyota sales generating a paint protection sale. Other mainstream brands are delivering closer to 40%.

Hepworth said that Supagard does all it can to help those dealers that are “languishing at 20% penetration” to improve towards 40% or 50%.

Key to this is demonstration of the product at the point of sale.

“That really is the thing that makes



the difference: having a half-treated car in the showroom and the dip cards we provide to demonstrate the upholstery protection,” he said.

“Showing how water runs off – or a cup slides off – a treated bonnet can be enough to convince the customer that they want to protect their car and it’s the same with the fabric. They need to see how a treated surface will repel water and



**USING
SUPAGARD
MAKES LIFE
EASIER. IT
TAKES
VIRTUALLY
NO SKILL TO
APPLY, AND
THE PROCESS
IS COMPLETED
VERY
QUICKLY,
DELIVERING
ADDED
EFFICIENCY
AND
FLEXIBILITY**

CRAIG HEPWORTH

protect their seats against stains.

“All too often we hear that manufacturer standards mean a half-treated car bonnet isn’t allowed in a showroom, but it can be done discreetly and the difference to sales will be huge.”

Hepworth conceded that the Covid-19 trading restrictions had seen a “slight dip” in the sales of protection products in the past two years as sales executives working with remote customers struggled to demonstrate the value of Supagard.

But he said that the most successful retailers had continued to ensure the products were offered using video links or CitNOW demonstrations to demonstrate their effectiveness.

He suggested that ensuring add-ons were included in any online or remote sales process was vital to maximising sales at a time when the volumes of new cars passing through dealerships was at a low level due to the current supply constraints.

“There’s no substitute for showing what Supagard products do, in person,” he said. “But online sales can ensure that paint protection is consistently put in front of a car-buying customer, albeit with the offer of a video demonstration.

“Consistency is what we want to be known for. Consistent sales opportunity for retailers, and consistent satisfaction from customers. It’s what makes us the best in the sector.”



Email: info@supagard.com

Visit: www.supagard.com

Supagard®



DEALERS REGAIN THEIR APPETITE FOR SELLING SERVICE PLANS

Volumes were negatively impacted by lockdowns, but dealers adapted quickly and now the future looks brighter

The past 12 months have been a story of recovery for the automotive industry and this has been reflected in the refocusing of interest in service plan sales.

Like other areas of the automotive industry, service plan volumes were negatively impacted by the lockdowns in 2020, falling new car sales and new car supply issues.

John O'Donnell, EMaC managing director, tells *AM*: "Like anyone else, we were severely impacted by the lockdowns and dealerships shutting their doors.

"Our model is directly aligned to vehicle sales and I think that's a healthy dynamic because we only get paid when dealers sell cars and a plan."

O'Donnell says EMaC did not burden its dealers during this time of forced showroom closures and fees naturally reduced as sales slowed.

He says: "It felt as though the world had spun off its axis for a while, but things came back very strongly. The motor trade is a very resilient sector.

"Dealers adapted quickly. They were jolted into responding to digitalisation and it was impressive to see how the market established remote working practice and remote delivery of vehicles.

"We also didn't see customers looking to pause or cancel plans as a result of the pandemic either, which I think has shown how service plans remained a household essential when many were reviewing their monthly budgets."

O'Donnell says there is now a "real appetite" from dealer customers to develop their book of service plan business as a model for retaining customers within the network and providing dealers with the ability to lock in revenue for the future.

Steve Ure, eDynamix strategic account director, agrees that service plan volumes are back on the road to recovery.

A major development for his business has been introducing its AutoRenewal product to help customers and dealers with lapsing plans.

Unlike the insurance industry, where automatic renewals are baked into contracts, this had not been the case for service plans. It meant the process of

renewing for both the customer and dealer had been quite manual.

Ure says: "Introducing automatic renewals is more complex than you would think as there are a lot of legalities around the contract."

The AutoRenewal system works by writing to customers by letter, which is necessary to guarantee they have received the renewal. The information in the letter explains their service plan will be automatically renewed, but they can easily opt out online with details provided should they wish.

The process has now been refined and now 68% of eDynamix plans are renewing automatically.

Ure says: "We're making sure customers don't drop off when they actually do want to continue, but they just didn't have an easy option to do so previously."

EMaC manages renewal programmes for its dealer customers through its contact centre in Crewe, alongside branded emails and SMS plans.

O'Donnell says: "The vast majority of feedback is welcomed from consumers to keep them in the service plan.



"We have a 35% retention rate on policies that are due to expire using that programme and it's been part and parcel of our offering for years now."

What has changed, though, is the method of communication for contacting customers about renewals.

O'Donnell says branded emails, two-way SMS and video calls have all seen growth in the past 12 months.

He says: "The advent of video meetings has almost meant the death of the impromptu phone call. Introducing more digital methods of communication is key."



“THE ADVENT OF VIDEO MEETINGS HAS ALMOST MEANT THE DEATH OF THE IMPROMPTU PHONE CALL. INTRODUCING MORE DIGITAL METHODS OF COMMUNICATION IS KEY

JOHN O'DONNELL, EMaC

asset. Being able to cover all three without too much aggravation is essential. We're trying to make it as easy as possible.

"Customers don't want multiple policies and multiple documents."

Likewise, eDynamix has launched its own rival product allowing customers to bundle service plans, warranty and breakdown cover.

The company is already working with one major car manufacturer client to change the way service plans are structured.

The traditional method has been to add up the

cost of all the services, divide it by 36 months and that gives the customer their monthly payment.

However, Ure says there is now demand for a fixed price menu, a lot like Netflix where there is a set monthly fee and that is the same for all customers (within a set mileage limit).

Ure says: "It's a rolling monthly contract and you're not locked in for three years, so you can switch off the subscription any time."

"We're on the verge of launching it across Europe, including the UK and it's already on trial in Germany."

Ure says eDynamix is working more closely with vehicle manufacturers to go directly to customers with subscription offerings.

He says the industry is moving away from brands allowing dealers to hold the money themselves for service plans.

Ure says: "OEMs very much want to deal directly with the customer and the change to an agency model plays a part in this as well."

"The dealer becomes an agent of the brand to supply and maintain. It then makes sense for a service subscription as a package to be offered to customers as part of that. Pretty much every OEM I know is working on something like this."

eDynamix has also developed its Glovebox offering which acts as an online account area for customers within a dealers' website to manage all aspects of their vehicle ownership, including their service plan, service bookings, as well as things like service history, MOT and service reminders.

Dealers can use Glovebox to communicate directly with customers to target relevant offers like service plans or subscriptions.

TOM SEYMOUR

quite yet and there is a lot of servicing work going through workshops, which is great, but it also means there's not as much time for front of house service teams to spend focussing on service plan sales."

Ure says some service staff volumes might not necessarily build back up as more self-serve options are introduced digitally for customers.

eDynamix has introduced 'calls to action' for customers to get a quote on a service plan when they book or check-in for a service online.

Ure says: "There are new ways of putting service plans in front of customers digitally, but dealers need to make sure they have the right provision for that."

THE EVOLUTION OF THE SERVICE PLAN

There is increasing demand from customers, dealers and original equipment manufacturer (OEM) partners for service plans to be available as part of a bundled monthly subscription package.

EMaC has built its own subscription service, which bundles a service plan, warranty and breakdown cover into one monthly payment.

O'Donnell says: "With those three products, for most consumers, they can in one direct debit achieve significant peace of mind for managing a vehicle

PRESSURE POINTS

Ure says that, while dealers may have increased staff numbers for car sales departments, anecdotally, it seems this has not been the case with aftersales teams that saw headcounts reduce during the pandemic.

The two biggest ways plans are sold are at the point of sale or point of service. When looking at one particular eDynamix customer that has 40,000 service plan customers on its books, just less than 9% were sold online.

Ure says: "It's really important for the industry to recognise that customers don't go out looking for a service plan. You have to put it in front of them and be actively selling."

"We lost a lot of aftersales staff as part of COVID staff reductions. I don't think they've been replenished

Innovative service plans point to a brighter road ahead

Having built its name as a supplier of innovative service plans to franchised dealers, EMaC is on the fast track to becoming the motor retailer's crucial companion for aftersales.

With warranty and aftersales finance products now in its portfolio the Crewe-based company is hoping 2022 and onwards will bring a solid period of growth after the COVID-related disruption that marred the industry in 2020 and 2021.

EMaC revealed its Lifetime Warranty offering, which wraps servicing, warranty and breakdown cover together into one product payable by a single, monthly direct debit instalment, in 2019. That was just months before the words 'coronavirus lockdown' became a permanent part of everyone's vocabulary and dealers became preoccupied with fighting the unprecedented fires that threatened their business and workforce.

"We've developed our product portfolio over the past three years,

and we've been focused on taking it to market through difficult times. The key thing for us now is to really demonstrate excellence in these new fields," said EMaC managing director John O'Donnell.

"I think we've demonstrated a high level of capability to the market in our service plan offering, and that's borne out in the feedback and objective assessments from businesses that review us. So we want to continue to achieve those high levels in these new fields we're developing into; that's my main focus for the next three years."

O'Donnell said one of the attractive things for dealer partners about EMaC is that it doesn't charge licensing fees, and its fees are entirely dependent on the amount of products dealers sell.

It meant that, during the heights of the pandemic, its clients were not incurring unnecessary costs, but, for EMaC, it meant jointly experiencing some of the pain its customers were going through.

"So it's been a choppy couple of

“

WE WANT TO CONTINUE TO ACHIEVE THOSE HIGH LEVELS IN THESE NEW FIELDS WE'RE DEVELOPING INTO

JOHN O'DONNELL

years as we've tracked the peaks and troughs – dramatic troughs at times," said O'Donnell.

As coronavirus lockdowns are slowly being consigned to memory, he feels heartened that he can see dealers' operational disciplines around service plan sales have persisted. Enabling the car buyer to access affordable, convenient, expert-level vehicle servicing remains high on the agenda for so many.

"We work with 75%-80% of the AM100 and that equates to around 2,500 dealerships across the UK, so, in some ways, it's been reassuring," O'Donnell added.

Dealers had seen their MOT and consequent service work reduce in Q2 2021 due to the prior year's MOT deferrals, and many were therefore keen to build upon a solid base of service plan customers to secure a predictable amount of revenue coming in.

"What do you get when you sell a service plan? Well you get a relationship with that customer for

the next three or four years. Invariably service plans will follow the length of the finance arrangement. So, if you're a dealer, you want to keep engaged with that customer. You want them to have a good experience with the car you've just sold them, and you want to hear if there's anything wrong with it so you can keep that repair revenue in your business.

And, at the end, you want that relationship so you can help them keep the car longer or put them into a new vehicle.

"So it's a very logical solution for the dealer and for the consumer it's a relatively small investment for the rewards they get, the convenience they get."

Dealers and OEMs also like their ability to develop and customise products for particular campaigns to their customer base with consultative support from EMaC's

team and its systems. Whether they wish to price aggressively to drive up the volume of business for a year or two, or take a conservative position to optimise profitability, EMaC will advise them accordingly.

"The message is, there's not one EMaC service plan, they'll come in all different shapes and sizes and our job really is to deliver what are the business goals for the dealer or OEM."

The company takes pride in its Trustpilot score of 4.7 out of 5, which has been generated by more than 1,400 reviews, as a demonstration of how seriously it takes the customer experience.

EMaC recently received the AM Dealer Recommended programme's 'Service Plan' accolade for the 11th consecutive year, and its Drive Now, Pay Later product was also recognised in

the 'Aftersales Finance' category.

O'Donnell said: "To be recognised for the 11th year running as the Dealer Recommended Service Plan supplier is very satisfying.

"It evidences that EMaC continues to deliver tailored solutions to our dealer and OEM partners which drive consumer loyalty and increase consumer retention. Everybody in the EMaC business works very hard to support our dealer customers and we are humbled to be recognised for that."

Having built that trusted brand, it was "a natural progression" to expand into the warranty field, and O'Donnell said the Lifetime Warranty has become a huge opportunity for dealers to bring their customers even closer. "Delivering a service plan, a warranty and breakdown cover at roughly £35-to-£45 a month represents good value for the customer and a very effective retention tool for dealers and OEMs," he said.

"Last year was our first of really engaging the market on it, and we did win the award from Motor Trader for warranty provider of the year in recognition of that innovative approach and the customers we've taken on. And, because of our service plan book, it was quite easy for dealers to move onto it. It's been a welcomed development. Dealers had a better 2021 than they had imagined, and it's put them into a position where they've been able to consider new solutions and opportunities to differentiate."

EMaC's Drive Now, Pay Later aftersales finance product also ensures its clients have solutions for when a customer is faced with an urgent, expensive repair. Spreading the cost over interest-free monthly payments means the customer's need can be met and the work done professionally to OEM-specified standards.

"It's a useful solution for dealers to have. Whether they want to use it proactively or reactively, that's their discretion, but it's helping at that point of need," concluded O'Donnell.



EMaC.

Web: www.emac.co.uk Tel: 0330 099 6826 Email: support@emac.co.uk



CHOOSE YOUR SUPPLIER: WARRANTY

USED CAR SALES SURGE IS GOOD NEWS FOR WARRANTIES

Extended warranties will help dealerships form a bridge to customers and retain them

A buoyant used car market has helped warranty business bounce back over the past 12 months, as suppliers and automotive retailers continue to rebuild volumes.

Retaining customers with products like extended used car warranties will be vital in what Real Time Communications (RTC) is estimating to be a £1.3 billion shortfall in new car servicing revenue over the next four years.

John Law, RTC insights and data director, says: "As dealers focus increasingly on used car sales, there is a crucial need to focus on ways to retain these older vehicles, extended used car warranties will play a part in that and help to bridge an inevitable aftersales gap and enhance retention."

WMS Group has brought more than 100 new dealers to the business since it relaunched its Safe & Sound warranty offering last August.

It brings together a family of aftersales products under one programme and includes a range of F&I (finance and insurance) products and, over time, GAP (guaranteed asset protection) and service plans. It provides three options and covers any used vehicle whatever age or mileage that is on the clock.

Neil Monks, who was appointed to the WMS board as retail sales and customer services director, says: "We have plans to significantly grow the Safe & Sound brand with new sector-specific products and associated insurance offerings set to be launched in the coming months."

"We'll also have a focus on developing products that support the move to vehicle electrification."

A big development in the automotive warranty world last year was Autoguard Group forming through the acquisition of Warranty Administration Services and consultancy business Sentience Automotive Solutions. The group also includes the business-to-consumer (B2C) offering Best4Warranty.

Ali May-Khalil, Autoguard Group commercial director, says: "With the formation of the group we're able to provide warranty services, administration services, a B2C offering and sales, training and consultancy services."

The group has around 1,800 franchised and independent dealer customers. The largest is a franchised dealer with more than 60 showrooms, but the business also works with single site operations.

May-Khalil says its USP of having everything under one roof has already won them "significant business"

over the past six months, adding: "Whatever it is a dealer wants, we can either sell on their behalf, train them to sell more, or provide the product for them to sell, as well as measure and manage it for them."

Auto Protect recovered from the challenges of 2020 with a record year in 2021, beating all pre-pandemic sales performances.

Adam Head, Auto Protect northern zone sales director, says: "Warranty products have become very important from a distance selling position."

"Customers are demanding it as part of the transaction. That comes with its own challenges. How do you sell effectively remotely? The real focus has been how do we support our clients and develop our systems to ensure we can do that."

DRIVERS FOR GROWTH

May-Khalil says the business has had a successful year, but that needs to be balanced by the fact that so have many others due to the fact the used car market has been so buoyant.

Autoguard has seen growth as the result of a recruitment surge due to the formation of the group, with the sales team growing by 30% and the telesales team doubling.

May-Khalil says: "We've been aggressive on talent acquisition and they've been helping to onboard more clients. We have also invested in making sure our products can integrate with dealer management systems (DMS). Integration is critical to business growth now."

Another big growth opportunity is for bundled products in the form of monthly subscriptions.

Autoguard has already launched its own white-label subscription offering through Warranty Administration Services after running a successful pilot.

May-Khalil says: "From a consumer perspective, subscriptions offer peace of mind and budgeting. You don't want any unexpected bills and you know everything is covered."

"For dealers, subscriptions are a great retention tool. That's the order of the day, dealers need to keep what they've got from going somewhere else."

Monks says areas of focus for WMS will be developing new products for a range of vehicle types, especially alternatively-fuelled vehicles (AFVs) and motorcycles.

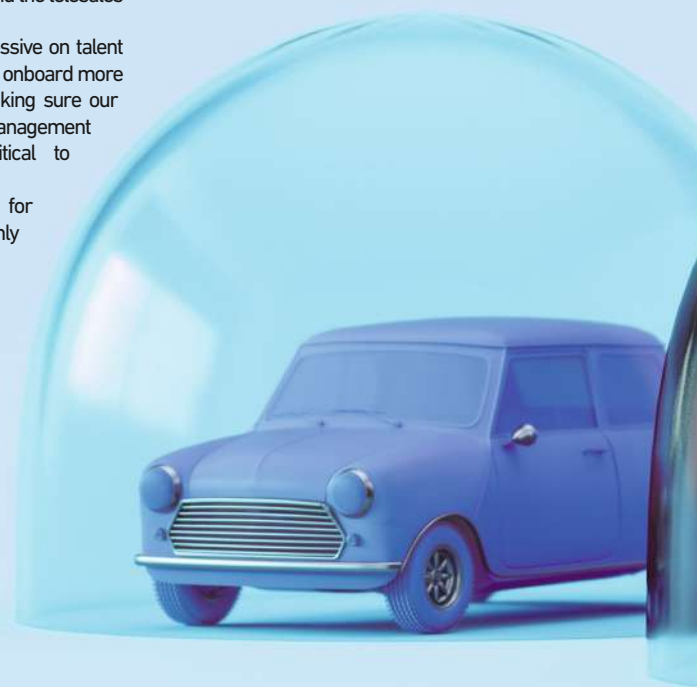
Allianz, which is active in the warranty and extended warranty market in the UK, works directly with 20 motor manufacturers in the UK and Liz Grindell, Allianz Partners UK head of warranty and F&I, automotive division, tells AM the biggest driver for growth has been from the light commercial vehicle (LCV) market.

This has been driven by the surge in demand for the home delivery of goods and the supply chain impact on new vehicles.

Auto Protect has recently launched its Navigate system, which has been designed to enable customers to conclude sales remotely with e-signatures.

Head says: "COVID accelerated the requirements customers expect digitally. You have to work hard to keep up with the pace of change."

Dealers that have used Navigate in pilot have seen around 30% are signing up for warranties remotely.



PRESSURE POINTS

Recent insight from WMS Group's dealer panel found that, before the pandemic, just 2% of car dealers offered 'click & collect' and delivery services.

This boomed to a staggering 88% in 2021, with the same number of dealers having increased their social media presence as a result of the pandemic, and an increase of 55% of dealers who advertise more on online websites.

There has also been an increased pressure on used car stock and pricing as a result of the global shortage of semiconductors.

Monks says: "Our report also found that 85% of dealers are concerned over availability of used car stock in 2022 and 71% over high pricing – showing that this continues to be a sticking point for dealers; especially smaller, independent dealers that rely on that used car stock."

May-Khalil says further consolidation in the market isn't going to help with used car stock pressure.

He says Constellation's acquisition of Marshall and taking 20% of Lookers, in addition to owning Cinch, We Buy Any Car and BCA means the used car stock situation isn't going to get any easier.

May-Khalil says: "Dealers have to be more savvy as a result. So they need to make more out of what they sell, rather than sell more."

"Profitability will be the key for the traditional bricks and mortar dealerships. Are they maximising margins? Replacing that chassis is going to be harder than it has been for some time. I don't see that changing for a while."

Grindell says used and extended warranty products have been critical in supporting dealers and their end customers during these highly unusual times.

She says: "For example, dealers' used vehicle stock profile has increased in age, so we have ensured our product line-up reflects their trading needs."



FROM A CUSTOMER PERSPECTIVE, SUBSCRIPTIONS OFFER PEACE OF MIND AND BUDGETING

ALI MAY-KHALIL, AUTOGUARD GROUP

Another pressure point has been parts price increases and the increasing number of non-serviceable items on cars with the latest advanced systems.

Head says: "This, ultimately, affects the customers because they want their car fixed immediately. The average claim is increasing significantly as a result of COVID, Brexit and parts inflation, which has almost tripled. More components are non-serviceable items so, when they fail, they're complete replacements. We're seeing more of these more expensive component failures. We've adjusted our products to cover for that."

More and more mild hybrids, electric vehicles (EV) and plug-in hybrids are coming to the end of their manufacturer warranties so customers may have exposure to battery failure that might not be covered under their current warranty.

In response, Auto Protect has launched its bespoke EV warranty, which has been designed "from the ground up".

MARKETING AND CUSTOMER INITIATIVES

WMS has been working to develop a new website which seeks to improve user experience for both its dealers and their customers.

The new website, which is expected to launch in Q1 this year, will have a dedicated dealer zone, where clients can manage their warranty portfolio, as well as a new online claims facility.

The group has also developed a new digital service that allows customers to complete their renewal journey fully online.

Allianz has introduced an online training platform for dealership staff who have been working remotely as a result of COVID.

Grindell says: "We are delivering simple to use training modules to enable dealership teams to learn about the importance of warranty products and process these learnings, in a flexible way."

Allianz also introduced greater flexibility around service requirement timings, which are part of the warranty terms and conditions.

Grindell adds: "This was to ensure both customers – and dealerships who have had staff impacted by COVID – have longer to meet the terms and conditions."

"In addition, recognising that consumers are inundated with emails, we have invested in an SMS platform to deliver quick and simple extended warranty messages to improve customer engagement."

TOM SEYMOUR



ISTOCK.COM/AKINBOSTANCI

Warranty for EV buyers should be 'crystal' clear

With the exponential growth of electric vehicles (EVs) on our roads, more and more drivers need a warranty that covers the components unique to their plug-in vehicles. Leading the way with award-winning vehicle aftercare products, Car Care Plan's pioneering used car warranty now includes standard wording to give its clients a programme that covers the wide range of vehicles on offer.

Mike Cowling, head of products at Car Care Plan, explains...

AM: What prompted this innovation with Car Care Plan's used car warranty – clarifying your position on EV and hybrid cover?

MC: While we've been covering electric and hybrid vehicles on some of our manufacturer programmes for some time, we felt the need to incorporate EV and hybrid cover into all our dealer and dealer group warranty models as well. These changes came after extensive market research and collaboration with OEMs, dealer clients and consumers. We wanted to future-proof our range of products to protect the value of customers' vehicles, no matter the engine type.

AM: It's important there is clarity for consumers on what their warranty covers. How will achieving a Plain English Society Crystal Mark help retailers?

MC: Clear and concise wording allows the end customer to fully understand what is covered by their vehicle warranty. With our new EV warranty, nothing is hidden behind complicated legal jargon. Our warranty does what it says in the wording. Period.

The Plain English Society's Crystal Mark is an internationally-recognised accreditation for clarity to consumers. We wanted our new EV warranty to meet these exacting standards to help avoid any confusion or lack of knowledge on EVs, helping build customer confidence in the product.

The new warranty wording even covers one of the biggest concerns customers have when buying an EV – range anxiety. Where a customer is unable to recharge their vehicle during a journey, roadside assistance and recovery can be provided.

AM: Can you outline how the industry has recovered from the challenges of COVID-19 and what that looks like for Car Care Plan's growth in the past six-to-12 months?

MC: We know the industry has faced significant challenges during the pandemic – and the recovery is likely to be ongoing for some time yet.

Despite lockdowns and subsequent economic impact, we've always been there for our customers. Our field development support team had zero redundancies, even recruiting additional staff to meet demand for refresher training when businesses started opening back up again.

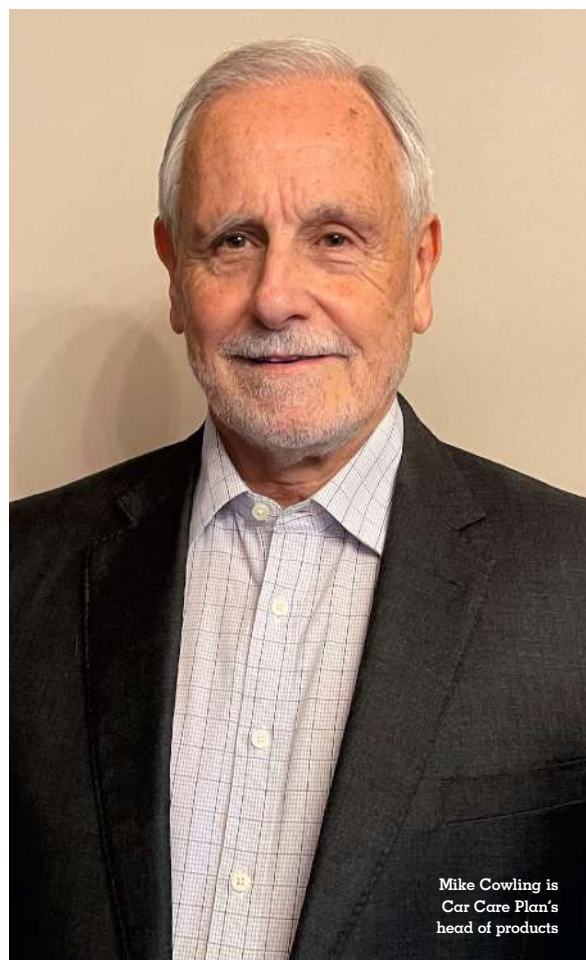
There has been huge appetite among dealer groups for refresher training for their staff after furlough, to bring them back up to peak performance in warranty sales. It's at times like these we need to be ready for the recovery, as sales start to recover and customers return to showrooms and forecourts.

AM: How can Car Care Plan's risk field team of auditors also help support dealers?

MC: Our auditors team comprises experienced engineers, who go into dealerships to investigate out of kilter loss ratios. This ensures high levels of product quality and customer satisfaction in dealers' used car programmes.

Given our experience, we pick up anomalies.

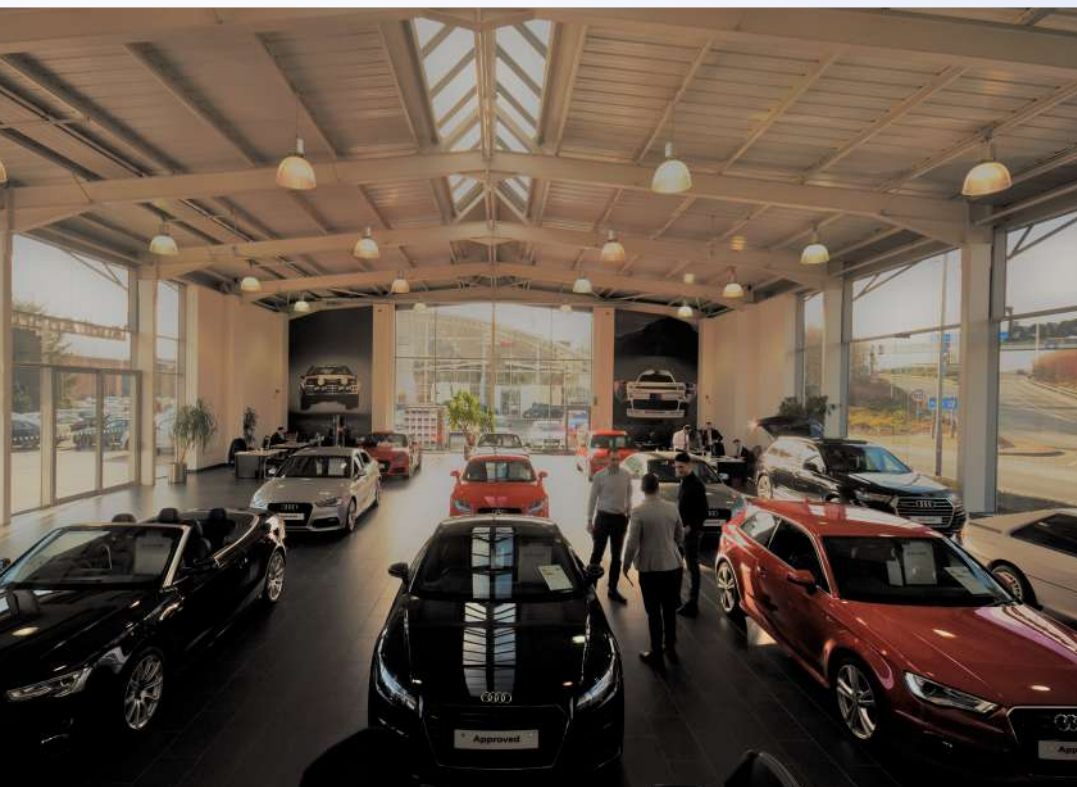
We have extensive experience of UK car stock across all franchises, meaning we have claims data on virtually every model in every franchise, so it allows us to provide that support to dealers. We're protecting them and seeking to ensure their CSI standards are not being compromised.



Mike Cowling is Car Care Plan's head of products



Advertising feature



AM: How have renewals been affected by the pandemic and how is the company helping dealers retain as many customers as possible?

MC: If anything, warranty renewals have been stronger during the pandemic, as fewer people were buying new cars and, instead, protecting their current vehicles for longer.

It was a reliable source of income for our OEM and dealer clients.

Our contact centre in Manchester provides a proactive service to all our clients selling new and used cars, including support for OEM warranty extension sales, and approved used car warranty and roadside assistance renewals. The centre underpins all point-of-sale product activity, backing dealers with a GDPR-compliant contract spanning SMS, email and phone calls.

As expiry nears, the team contacts a client's customers to verify they still own the car and to offer an extension for an additional 12 months. The client (manufacturer, dealer or web-based provider) will be a beneficiary of commission from any sales we successfully perform on their behalf. And, unlike some outsourced call centres, this is our centre and it only sells our products. It's a service that, in our view, is unique

AM: What is the appetite for used car warranty cover for longer than 12 months?

MC: Many dealers see huge potential in the used car market now. Dealers

typically provide 12 months' warranty in their approved used programmes, but there is consumer desire to buy longer cover, so opportunities are there.

AM: Why are insurance products an untapped market for younger used cars?

MC: There is significant untapped potential with insurance products for used car buyers. Buyers of younger used cars are prime customers for alloy wheel insurance and cosmetic repair cover. Since these are high claims frequency products, many dealerships have made these primary products in their sales portfolios, alongside extended warranty and MOT test cover.

AM: Can insurance products go hand-in-hand with used car PCP finance to help keep vehicles in good condition?

MC: A sign of the value these products provide is the high claims frequencies they generate, coupled to the peace of mind customers receive knowing the cosmetic or alloy wheel repair has helped protect the value of the vehicle. This is especially pertinent for PCP customers who are then able to return their vehicles in a good condition.

AM: Can you talk about developments with service plans, warranty and offering subscriptions? What will this look like and what are the benefits to dealer customers and drivers?

MC: The provision of service plans is a significant development for Car Care Plan.

Our service plan platform is second to none in the marketplace and provides a great opportunity for dealers to further strengthen their customer retention levels.

We are gearing up for growth in vehicle subscriptions, by offering monthly subscription to warranty and servicing.

In conjunction with prepayment terms, this would further ensure higher warranty sales penetration levels for our dealer partners.

My message on this to dealers is 'call me'.

“

THERE HAS BEEN HUGE APPETITE AMONG DEALER GROUPS FOR REFRESHER TRAINING FOR THEIR STAFF AFTER FURLOUGH, TO BRING THEM BACK UP TO PEAK PERFORMANCE IN WARRANTY SALES

MIKE COWLING

**For more information, call: 0344 573 8000
or visit: www.carcareplan.com**

TALENT ON THE MOVE



**ROB EAST,
GENERAL MANAGER
FOR NATIONAL SALES,
BMW GROUP UK**

Rob East has been named general manager for national sales at BMW Group UK, as part of a reshuffle of its senior leadership team.

East succeeds Gary Lewington, who has taken up the newly-created role of general manager for future retail, in a move which the German premium car maker said would aim to address "changing customer behaviours and an increasing focus on digital customer interaction".

Steve Roberts takes up East's old role of general manager for corporate sales and Andrew Sargeant becomes BMW's sales development manager.

The changes come around eight months after Chris Brownridge replaced BMW UK chief executive Graeme Grieve on his retirement from the business.

New general manager for future retail, Lewington, has been with BMW for 34 years, with the past eight years in his previous role.

The manufacturer said his experience of the franchised car retail network and his broader knowledge of the company made him the ideal candidate for the new role.

Mini UK and Ireland, meanwhile, is set to welcome Federico Izzo as its new brand director, with the former Mazda man officially taking up his new post on May 1.

Izzo joins from a role as managing director of BMW Group Czech Republic and has worked within the BMW Group since 2007, having started his automotive sector career at Mazda Motor Italy in 2002.

He succeeds David George who moves into the role of president and chief executive of BMW Group Canada.



**STUART FOULDS,
OUTGOING
CHAIRMAN AND
CEO, TRUSTFORD**

Stuart Foulds has retired from his post as chairman and chief executive of TrustFord.

During his tenure, Foulds oversaw the roll-out of the TrustFordNOW initiative to improve the immediacy of sales and aftersales, along with that of PartsPlus trade parts centres and QuickLane fast-fit operations across the UK.

In a short statement, Foulds said: "It has been my privilege to work with an incredible team and lead the business to new heights.

"I would like to thank everyone for their support and contribution to the business' success during my tenure and wish everyone the very best for what I am sure is a great future."

The Ford-owned retail group has appointed finance director Stuart Mustoe as acting chairman and chief executive.



**SIMON LANE,
DIRECTOR OF
ADVANCED
PERFORMANCE
DIVISION, LOTUS CARS**

Former Jardine Motors Group dealer principal Simon Lane has been appointed as director of Lotus Cars' new Advanced Performance division.

The new operation will aim to expand the Geely-owned sports car manufacturer's offering of bespoke vehicles, halo performance car projects, 'money-can't buy' experiences for customers and fans of the Lotus brand alongside a range of vehicle options and accessories.

Lane joins from a position as director of Aston Martin's 'Q by Aston Martin' bespoke vehicle business, a post he had held since moving on from a role as general manager at Jardine's Aston Martin Cambridge and Porsche Centre Cambridge dealerships.

During his time with Jardine, Lane became synonymous with offering limited edition, bespoke cars in partnership with Aston Martin.



**LEE FOX, MANAGING
DIRECTOR, COX
AUTOMOTIVE VEHICLE
SOLUTIONS**

Lee Fox has joined Cox Automotive as managing director for Cox Automotive Vehicle Solutions (CAVS).

He assumes overall operational and financial responsibility for CAVS, which includes Manheim Vehicle Service, Manheim Inspection Services and Movex.

He will report directly to Pete Bell, Cox Automotive Europe's chief operating officer and sit on the European board.



**TOM MARLEY,
CHIEF EXECUTIVE,
ASTON BARCLAY**

Aston Barclay has appointed Tom Marley as its new chief executive as it plans to ramp up the volume of vehicles it remarkets.

Marley had been managing director of Aston Barclay's vehicle acquisition business, The Car Buying Group.

He said he was "excited to be leading the group" after it successfully navigated its way through two years of "unprecedented" sector headwinds.



**CRAIG HEATHERSHAW,
CHIEF OPERATING
OFFICER,
AVAILABLECAR**

Craig Heathershaw has been named chief operating officer at AvailableCar after two years with the Renault Retail Group. He has more than 15 years' experience in automotive retailing.

The former Inchape operations director takes up his post alongside Simon Proudler, who has been named chief financial officer at the independent used car supermarket group, after eight years with the business.



**ROB LINDLEY,
ASSOCIATE,
ENNIS & CO**

Former Mitsubishi Motors in the UK managing director Rob Lindley has joined Ennis & Co as an associate.

Lindley has held roles as marketing director, sales director and MD at Mazda Motors UK, and sales and marketing director at McLaren Group, various roles in the UK and Europe at Ford Motor Company, and VP and MD Europe, Middle East and Africa at Harley-Davidson Motor Company.



**ROBIN CUNDELL,
UK FINANCE DIRECTOR,
WMS GROUP**

Warranty provider WMS Group has appointed Robin Cundell as its new UK finance director.

He will work with the senior team to implement its business strategy and ensure compliance and control in line with FCA regulations.

His appointment follows the retirement of Rani Ponnuthurai and the restructuring of the business' senior management team.

EIGHT QUESTIONS TO A...

HEAD OF LEARNING & DEVELOPMENT

Danny Bishop, Lookers



What are the main responsibilities of your role?

I joined Lookers in September 2021 to lead the group Learning and Development team to create and deliver a compelling learning strategy to support our growing business needs and deliver strategic priorities.

For us, it's vital that we continue to create a great place to work by fostering a learning culture and environment which provides our people the opportunities to enhance their professional and personal growth and their potential. We want to make sure we have the right people with the right talent, skills and capabilities in roles where they can thrive both now and long into the future.

It's an exciting time to be at Lookers under the leadership of our chief people officer, Chris Whitaker, and we're delighted to be building and progressing our learning programmes and initiatives for colleagues at all stages of their career, and particularly for newer generations, focusing on apprenticeships, early careers, in technology and in technical areas.

We're also creating a new learning academy and we're thrilled to have just launched our largest apprenticeship programme yet, which has been designed to develop and nurture the careers of more than 200 young people.

At Lookers, our people are our top priority and it's our major focus as part of our continued transformation.

What are the most significant challenges ahead?

The speed of change in the motoring industry is creating challenges but also many opportunities. A digital revolution is firmly under way and more people are now better equipped to use and access information and technical resources at the touch of a button and to attend webinars and classes remotely. There's now significantly more interest and much more demand for developing tech-based learning resources than before, so ensuring this continually meets the needs of our people requires attention and focus so we can always ensure that content is relevant, engaging and resonates for continual professional development and improvement.

How might these challenges be overcome?

Staying up to date with learning and development best practices and to the fast-evolving learning technology is key, which is as equally important to being in tune with learning needs and areas that need ongoing improvement.

With a strong, expanded team, priority focus and

investment, we're making great inroads in this area and we're delighted with our achievements to date.

We regularly engage with external networks, partners and attend events to ensure our learning proposition and programmes are the best in the industry.

What attracted you to this area of expertise?

I love people, listening to and improving the quality of people's work and lives through learning. I got my first taste of developing people by coaching and mentoring starters at Co-op call centres. This positive experience helped me to progress quickly into people management. I then moved into L&D and have loved it ever since.

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

One of the most useful leadership development programmes which has always stuck with me is Stephen Covey's circle of concern and circle of influence. It really helps focus your mind and thoughts on what you have direct control over and what you don't. It's helpful when coaching and supporting others to navigate issues. This and many other models will feature in our academy learning programmes.

QUICK-FIRE QUESTIONS

What drives you?

Positive engagement, feedback and knowing I'm making an impact to help people grow and develop their skills, talent and capabilities motivates me every day.

What's your favourite app?

LinkedIn is a helpful way to keep up with developments in the industry and for sharing pertinent information and insights while also being a good and cost-effective way to network. I follow the regular news and current affairs apps, and, for downtime, I recently got into the wordle craze which seems to have gone viral.

How do you relax?

Daisy Nook Country Park in Tameside is just 10 minutes from our house, so I get to enjoy lovely walks. I also love a good Netflix binge-watch.



AM, Media House, Lynch Wood, Peterborough PE2 6EA
Email: AM@bauermedia.co.uk

THIS MONTH'S QUESTION TO THE AM TEAM:

What was the last TV series that you binge-watched?

EDITORIAL

Editor Tim Rose 01733 46826
tim.rose@bauermedia.co.uk • @AM_editorTimR
► **Trigger Point (ITV)**, but I wish I'd quit half way
News and features editor Tom Sharpe 01733 468343
tom.sharpe@bauermedia.co.uk • @Sharpe_Tom
► **After Life (Netflix)** – heart-warming stuff

PRODUCTION

Head of publishing Luke Neal
► **Currently watching** *The 100* (Netflix) – five seasons in with two to go
Production editor David Buckley
► **Reacher** (Amazon Prime) – guy in title role much more convincing than Tom Cruise is in the movies
Senior designer Chris Stringer
► **All six seasons of the excellent** *Superstore* (Netflix)

CONTRIBUTORS

Matt de Prez, David Francis, Debbie Kirlow, Tom Seymour and Alex Wright

PROJECT MANAGEMENT

Head of project management
Leanne Patterson b2bpm@bauermedia.co.uk
Project manager
Ella Harrington

ADVERTISING

Group advertising manager
Sheryl Graham 01733 366467
Account managers
Sara Donald 01733 366474
Kelly Crown 01733 366364
Recruitment enquiries 01733 366473

EVENTS

Event director Chris Lester
Event manager Sandra Evitt 01733 468123
Event manager Kate Howard 01733 468146
Head of exhibitions Katie Gordon-Hill 01733 468289

PUBLISHING

Editor-in-chief Stephen Briers
Head of digital/associate editor Jeremy Bennett
CRM & marketing manager Lauren Annis
Managing director of Commercial,
UK Publishing Nicky Holt
Office manager Jane Hill 01733 468319
Chief financial officer Lisa Hayden
MD Automotive group Niall Clarkson
CEO of Bauer Publishing UK Chris Duncan
President, Bauer Global Publishing Rob Munro-Hall

Subscribe to AM

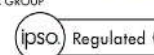
Visit: am-online.com/subscribe
Email: am-online@circdata.co.uk • Call: +44 (0)1635 588494 • UK: annual £56.10

AM is published 10 times a year; five in print; five digitally only.
Bauer Consumer Media Ltd is a company registered in England and Wales with company number 01776085, registered address Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA. VAT no 918561701. Bauer Consumer Media Ltd is authorised and regulated by the FCA (Ref No. 710067).

No part of the magazine may be reproduced in any form in whole or in part, without the prior permission of Bauer Consumer Media. All material published remains the copyright of Bauer Consumer Media and we reserve the right to copy or edit any material submitted to the magazine without further consent. The submission of material (manuscripts or images etc) to Bauer Consumer Media, whether unsolicited or requested, is taken as permission to publish that material in the magazine, on the associated website, any apps or social media pages affiliated to the magazine, and any editions of the magazine published by our licensees elsewhere in the world.

By submitting any material to us you are confirming that the material is your own original work or that you have permission from the copyright owner to use the material and to authorise Bauer Consumer Media to use it as described in this paragraph. You also promise that you have permission from anyone featured or referred to in the submitted material to it being used by Bauer Consumer Media. If Bauer Consumer Media receives a claim from a copyright owner or a person featured in any material you have sent us, we will inform that person that you have granted us permission to use the relevant material and you will be responsible for paying any amounts due to the copyright owner or featured person and/or for reimbursing Bauer Consumer Media for any losses it has suffered as a result. Please note, we accept no responsibility for unsolicited material which is lost or damaged in the post and we do not promise that we will be able to return any material. Finally, whilst we try to ensure accuracy of your material when we publish it, we cannot promise to do so. We do not accept any responsibility for any loss or damage, however caused, resulting from use of the material. ISSN 0953-8526.

Complaints: Bauer Consumer Media is a member of the Independent Press Standards Organisation (www.ipso.co.uk) and endeavours to respond to and resolve your concerns quickly. Our Editorial Complaints Policy (including full details of how to contact us about editorial complaints and IPSO's contact details) can be found at www.bauermediacomplaints.co.uk.
Printing: PCP, Telford



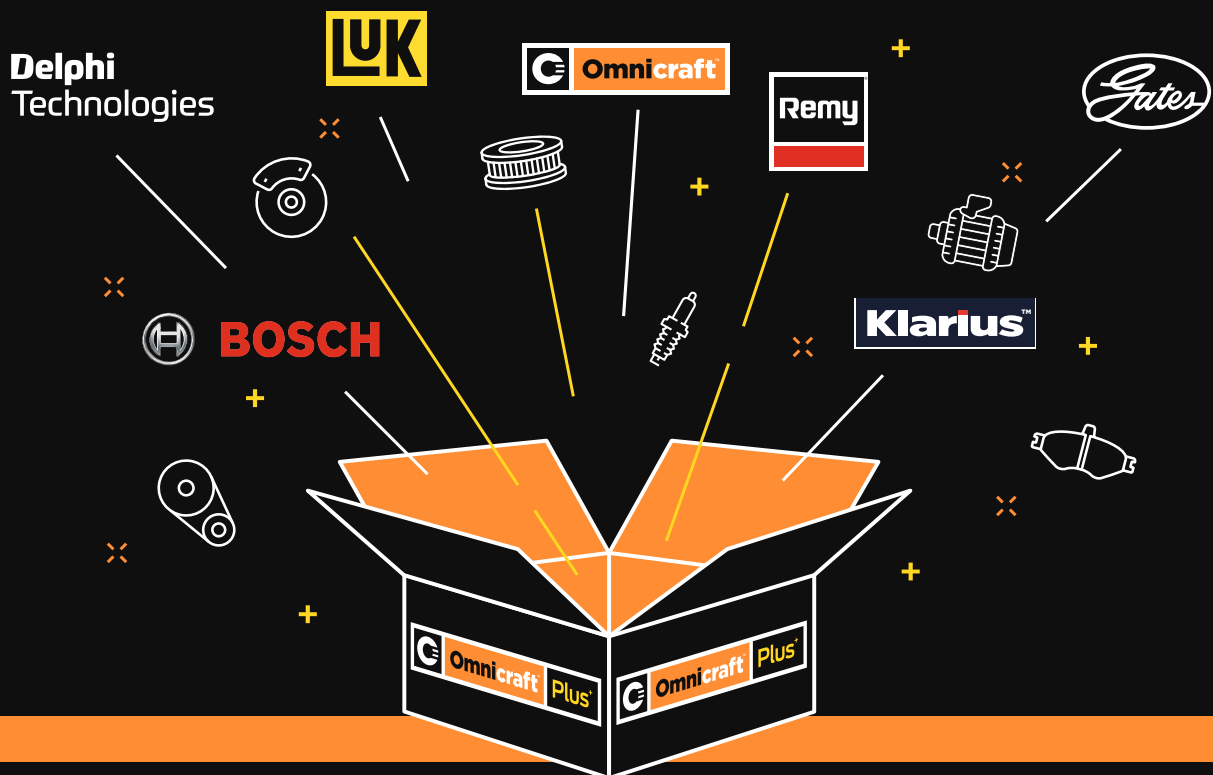
The text paper used in this publication is 100% recycled, produced from post-consumer waste.

PartsPlus⁺

Parts for All Vehicles

Our Omnicraft branded products are now supported by Parts and components from some of the world's most trusted automotive brands.

Meaning you can get all the Parts you need, for every vehicle you're working on, with less hassle and all with one call, from a supplier you know you can trust to support your business.



The answer is yes

PartsPlusUK.com