

# Service plans can help to bridge the revenue gap in a challenging market

**T**he motor industry has faced numerous challenges in the past year – new car registrations are predicted to fall from their 2016 heights, used car sales are flagging and consumers in general are less confident than they were 12 months ago.

However, EMaC believes it has found a way to help.

Since the start of the year, the Crewe-based business has launched a new service, AutoQuote, boosted its training and development programmes, and moved into the Irish market. It has also welcomed a new managing director, John O'Donnell.

"We are constantly talking to our dealer and manufacturer customers and they recognise that aftersales revenue is a mechanism that they can use to help bridge the gap. Service plans are a tool to help generate that revenue and help cash flow," he said.

O'Donnell was a member of the senior management team of Innovation Group, EMaC's parent company, for three years. In January, he succeeded Neil Hodson, who led a management buy-out of remarketing company Aston Barclay in June.

"I have been interested in this sector for some time, so when the position arose, it didn't take long to think about it," said O'Donnell.

"The market in terms of car sales has been in rude health for the last five years or so. From April 2017, the dealers are experiencing a bit of a slowdown in demand, which has clearly been amplified by March being a record month. Everyone expected April to be below the previous year.

"We have seen a bit of a challenge with new car registrations being anywhere between 8-9% down year-on-year through May, June and July.

"In my opinion it comes down to consumer confidence. Consumers in the UK, as is evident in the housing market and retail in general, are being a bit more cautious."

He is keen to explore how EMaC can broaden its retention solutions.

"We recognise that dealers can be time-caught, and that it can be difficult – even with some of our software developments, such as AutoQuote, helping to cut



down time. EMaC operates as a follow-up solution.

"We try to support the activity of our customers, the dealers and manufacturers, developing loyalty with those consumers directly."

He believes that improving that loyalty and retention is an avenue to help dealers generate more revenue, more efficiently.

"Service plans sold by our dealer customers in the past 12 months will generate more than £200 million of aftersales revenue. Dealers are able to see when that revenue is able to come into their dealership.

"Being aware of where your inbound demand is going to come from is really effective. One of the key components of the valuation process is securing that future service."

EMaC has also been strengthening its direct-to-customer direct services, building up its outbound telephony department with online capability.

"The key development with our call centre operations was creating a follow-up loop between the dealer and the consumer," said O'Donnell.

"Consumers will often be given a service plan quotation, and for whatever reason on that day, they may not have time to absorb it. Or they want to go home and think about it."

EMaC will use its outbound department to contact those consumers to present the quotation again.

O'Donnell said: "We provide email and/or SMS campaigns in line with marketing guidelines that our customers wish to use. Essentially, we can create a digital follow-up and re-proposition them."

He said "dealers can see the value" as even with EMaC's AutoQuote service enabling them to rapidly quote service charges, they can be pressured for time.

The outbound communication team

complements the AutoQuote software that EMaC launched in April. EMaC's contact centre reminds consumers of a service plan, while the AutoQuote "provides an automated approach by which a dealer can send a quote to a consumer".

"We have now got over 120 dealerships using AutoQuote, and it's really proven to meet the market challenge that was making the process of providing a service plan quotation far more efficient. We believe we have achieved this," said O'Donnell.

"AutoQuote makes it simple for the dealership to follow and it takes very little time on our system to produce, but when a service plan is in use, we are seeing over 60% retention rate."

Alongside launching AutoQuote and building up its contact centre, EMaC has developed its training programmes.

It partnered with dealer group Drive Vauxhall to train its aftersales and accounts departments. Drive Vauxhall has since reported that its service plan sales grew 200% in two years.

"The partnership between EMaC and Drive Vauxhall is very good," said O'Donnell.

"It demonstrates the benefits of a fully managed solution. We invest heavily in training and development, which is a really important part as these service control programmes are owned by the dealerships.

"It is the individuals that make a difference. We recognise that and therefore want to provide the best training possible."

EMaC is also keen to build on its operations in the Irish market. O'Donnell believes the two million private cars on the road there offer a wealth of opportunities for dealers and manufacturers to secure service revenues.

"We have been trading in Ireland for just under 10 years and we have seen increased demand in both the Republic and Northern Ireland," he said.

"We have been able to get our own dedicated, Ireland-based sales manager, Martin Purcell, in order for us to pursue that market and support our dealers on a regular basis."

"EMaC is very keen on supporting Irish dealers. It is a great opportunity for them to develop their service plans, a practice that isn't as prominent in Ireland as it is in England."

**SERVICE PLANS SOLD  
BY OUR DEALER  
CUSTOMERS IN THE  
PAST 12 MONTHS WILL  
GENERATE MORE THAN  
£200 MILLION OF  
AFTERSALES REVENUE**

**JOHN O'DONNELL, EMaC**



Email: [support@emac.ltd.uk](mailto:support@emac.ltd.uk)  
Web: [www.emac.ltd.uk](http://www.emac.ltd.uk)  
Phone: 01270 507466

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