

Rewriting the formula for add-on sales success

Supagard is offering its dealer partners a chance to stand out in 2018. While its previous products carried guarantees of between three and five years, the paint and fabric protection company was convinced it could stretch that coverage to a lifetime.

While such a guarantee would offer clear benefits to the end user, the Glasgow-based company had to go back to the drawing board, to improve the chemistry of its paint and fabric protection products. James Smyth, technical and purchasing director, was convinced that Supagard could do it.

After a 24-month process, rewriting the chemistry it has relied on for decades, it has launched a new paint protection product, Bionic Technology. And it does indeed have a lifetime guarantee.

Smyth said: "For nearly 30 years we have enhanced the original technology in our products because things change in the market. From day one, we kept moving it forward. But Bionic has replaced it."

Alan Graham, head of sales, said there have also been updates to the training, around the branding and the design of the product. However, he said the sales and application processes are similar to the previous generation product, and remain crucially important.

"We're offering an invisible product, a chemistry on top of the lacquer of a car, so customers are really buying the trust that the technology has been applied properly and the knowledge that for the ownership of the car they can live their lifestyle with Supagard," he said.

The product was launched at the AM100 Dinner in June, after a three-month 'teaser' campaign. Following the launch, Supagard's field team visited customers to inform them about the replacement product. It has had 100% uptake from clients who used its old system.

Point-of-sale marketing support includes traditional material such as leaflets, but Supagard now also offers many more digital assets, including videos for staff training, videos and animations to show the consumer in the showroom or to email to them, and a consumer app.

Graham said: "Paint protection has become an accepted part of the industry for a decade – pretty much all franchised dealers will have something on offer. As we've become well known and established, we have seen a greater awareness among consumers, so although the number of dealers selling the product hasn't changed, we are finding the market penetration is increasing. The appetite from consumers to buy is improving. That has been quite a change."

Providing an unregulated product, unlike the finance and insurance sector, "certainly does us no harm" in boosting dealers' interest in selling paint protection, he said. However, the company has noted the impact of the FCA's emphasis on customer-centric, regulated add-on products, and Graham believes the development of the lifetime warranty is a sign that Supagard has also put customers at the centre. "Being a family business the morals and values are key for us," he said.

He added that UK dealers are very



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advanced in terms of the marketing and sales practices with paint protection.

About 50% of the UK's franchised dealers use Supagard's products, either in a direct relationship or through one of 16 manufacturer-partner programmes, many of which have joint carmaker- and Supagard-branded materials. This allows the consumer to see the credibility of both Supagard and the manufacturer behind the product they are buying.

Although most of Supagard's business is in the UK, it is increasing its sales in

overseas markets, including the Middle East. It believes the growth is a sign of the confidence in its products – the testing climate in such regions, where cars will regularly be in 40-degree temperatures and occasionally above 50 degrees, make sure the protection capabilities must be credible.

However, its focus remains on the home market. Graham said: "UK is core for us. We're almost 30 years in as a British company and we are keen to keep that core to us. Although growth can come from elsewhere, if you look at 2016 we treated just over 400,000

cars in the UK alone, so the volumes for us here are massive. We're looking to obviously sustain that and build our market elsewhere." A car was treated with Supagard every 78 seconds in 2016, he said.

The new car market in the UK appears to have peaked, with the SMMT forecasting a 3.7% decline this year. Despite this, the market remains historically high and Graham said there are plenty of opportunities for Supagard and its dealer partners.

"Although there is that adjustment, we're probably still ending up with one of the biggest new car markets on record, so the key is to maintain the good work that we and other suppliers do and dealers do to convey that message to the customer. That, and the way technology allows us to promote the products, is important to sustain the strong sell-through.

"Repeat business is a big factor for us as well. We know if a customer likes a product, we have half a chance they will buy it again. It is important how the dealers approach that and convey that to the customer."

2018 marks a major Supagard anniversary, and a suitable celebration will be planned. "It's quite a big milestone for us, of 30 years of successful trading, still expanding and going strong," said Graham.

Supagard's head office in Glasgow has expanded in the past two years, with an office hub that has grown by 20% and a logistics hub which has added two mezzanine floors. As it is in a residential area, further expansion is limited, which has led Smyth to establish two satellite logistics facilities to manage the extra demand from overseas and the UK. Due to the complexity of exporting products, Supagard has formed a specific international department to focus on its overseas markets.

It uses a network of 20 chemists nationwide to manufacture its products. All its bottling is done in Scotland.

Smyth said: "Our vision many years ago was to build a company which puts business back into the UK, hence why we try to manufacture as much as possible in the UK. There's so much competition out there. We're not the cheapest in the marketplace, but what we are is consistent with quality."

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