

AM

AUTOMOTIVE MANAGEMENT

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LEAN, MEAN AND EFFICIENT / P26

How chief executive Stephen Snow views his family-run AM100 dealer group

BRING ON THE SUBS / P37

Familiarity with subscription services will help Drover grow

DON'T FORGET BREXIT / P42

COVID-19 gave the industry a jolt. Now Renault UK boss fears hard Brexit



**SMASHING
SEPTEMBER**
together

UP TO THE PLATE

AM AND COMMERCIAL PARTNERS PLEDGE TO HELP DEALERS
MAXIMISE THE PLATE-CHANGE OPPORTUNITY - INSIDE


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EDITOR'S LETTER

By the time you read this we'll be halfway through the September plate-change campaign. The '70' registration is a great opportunity for UK franchised networks. After the March '20' plate introduction was soundly stuffed up by the COVID lockdown, now's the time for everyone in the industry to pull out all the stops.



Let's regain the lost glories of 2020. Claw back those lost profits. Smash September Together.

This month is a special one for *AM*, too. The coronavirus lockdown forced us to stop posting out this monthly magazine for the first time in its history. For the past four months we temporarily published in just digital 'e-zine' form (go to <https://www.am-online.com/digital-issue/> to read any past issues).

Well, now we're back, in digital and print formats with an issue packed with positivity, motivation, best practice and exclusive insights. So, if you enjoy turning paper pages, please go ahead, or, if you find the identical e-zine more convenient, that's great too.

Just like our commercial partners in this issue and the dealers and carmakers we've interviewed, *AM* wants everyone to Smash September Together.

UK motor retail needs to regain its financial health and its confidence in the remainder of this year. Do your utmost.

MEET THE TEAM



Tim Rose
Editor



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News and
features editor



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Editor-in-chief



Jeremy Bennett
Head of digital/
associate editor

Now is the time to create exceptional experiences

Digital interaction is something customers increasingly want – and expect!

As the UK emerges cautiously from the coronavirus pandemic, dealerships are finding car drivers more digitally-savvy and engaged than ever before.

Last year, before the lockdown, we found that 85% of consumers wanted their dealership to engage with them digitally when their car was in for a service.

With many dealers looking at new ways of satisfying increased customer demand for convenience and safety, it's the ideal opportunity to exceed their expectations with simple, clever digital engagement.

Many customers are looking to limit physical contact and have grown much more comfortable communicating remotely with businesses in everyday post-lockdown life.

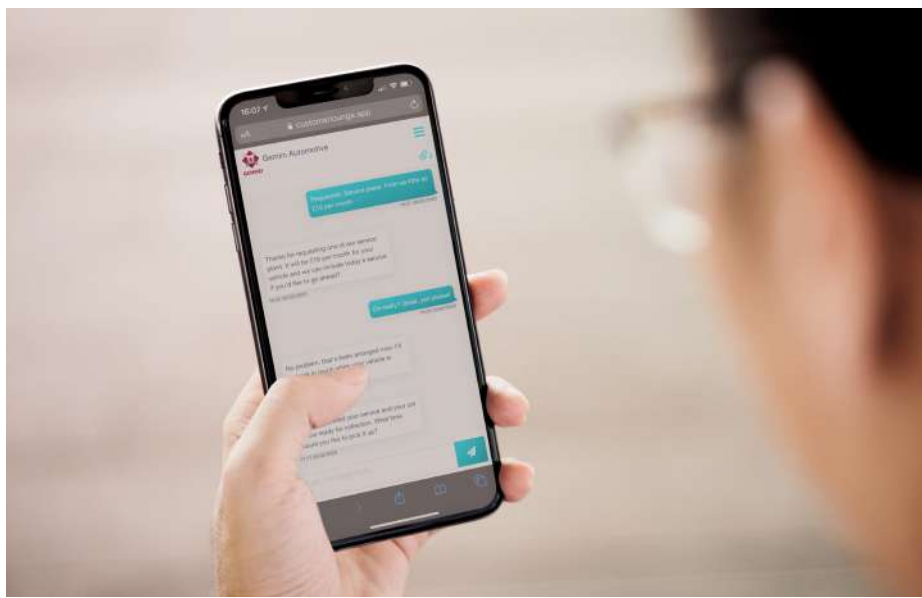
Established online retail in other industries has been perfectly poised for this new way of working, with booking, purchase, delivery and customer service delivered seamlessly online. But, for many dealers, they've been forced to look at rapid digital transformation in order to cater for new ways of dealing with customers, from selling cars online to hands-free service drop-offs.

This is where CustomerLounge is helping dealers adapt to the new 'rules of engagement'. Powered by up-to-date DMS job info, smart automated pre-visit messages keep customers informed and provide opportunities for engagement from point of booking.

On the day, automated advisor introductions and messages keep customers in the know.

Chat messages, VHCs, images, videos and authorisation requests can be sent in seconds and accessed on any device, eliminating the phone tag that can often result in unhappy customers.

It's all delivered through a branded, consistent and convenient environment



"We don't just want automotive to recover, we want to come out of this tough period with a stronger industry"

that allows them to discover other promotions and offers at any time, with none of the sales pressure.

When it's time for vehicle return, collections can be arranged effortlessly, payments taken securely, and customers followed up to address any concerns. All in one place, for your whole team to see.

We're already seeing impressive results across the platform, with some customers reporting a 50% reduction in phone calls and several thousands of pounds in additional sales every month.

We're also helping boost customer satisfaction. Head of business at BMW retailer Partridge of Hampshire, Mark Bray says: "CustomerLounge is allowing us to stay in close contact digitally with

our customers, which is more important than ever as we enter a new way of retailing. We've reduced phone calls into our business, enabled instant online work approvals and helped enhance satisfaction scores by providing easy-to-use, familiar communications to our customers."

With this new way of engaging comes a new, fairer way of paying for the service. We don't charge a licence fee and there's no fixed length contract. Instead, dealers simply pay a commission on additional services sold.

We're proud to offer this unique, transparent billing that shows a clear return on investment, while requiring little commitment for our customers.

At Autino, we don't just want automotive to recover, we want to come out of this tough period with a stronger industry that offers the exceptional experiences your customers now expect in their lives.


Autino
automotive innovation

Watch our video and find out more today at customerlounge.ge/AM

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Snows
Motor
Group

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Servicing of older cars is set to grow in importance as the newest cars require less maintenance

HYUNDAI, FIAT AND VAUXHALL GET COVID-19 'THUMBS DOWN'

But there's little change at the top in the NFDA's summer survey of dealer attitudes

The efforts of Hyundai, Fiat, and Vauxhall to support their franchised car retail networks through the COVID-19 lockdown were found wanting by respondents to the National Franchised Dealers Association (NFDA) Summer 2020 Dealer Attitude Survey.

The response rate for the bi-annual survey – from a total of 4,304 surveyed retailers – rose from 39% in the Winter 2019 survey to 60% in what NFDA director, Sue Robinson, described as an “extremely positive” record response as the average overall rating increased from 5.9 to six-out-of-10.

It appeared, however, many used it as a platform to air displeasure at their treatment during testing times as two COVID-19-specific questions were added to the mix.

The status quo remained largely intact among the survey's top performers, with Lexus, Kia and

Toyota the top-ranked franchises when scored ‘overall’ and the lead trio also gained the most praise for the levels of support offered in response to the pandemic.

Lexus was scored an average of 9.5-out-of-10 by dealers asked to rate their overall satisfaction with their partner brand, with Kia scoring 9.4 and Toyota 9.0 against a survey average of 6.0.

Hyundai, Jeep and Fiat tailed the pack with scores of 2.5, 3.3 and 3.7.

While the retailers AM has spoken to throughout the COVID-19 crisis have widely praised the support offered by manufacturers in terms of guaranteed bonus payments, funding assistance, and a pause to corporate identity (C)

demands, a 6.4-out-of-10 average rating of OEM support throughout the early months of COVID-19 suggests some believed more could have been done.

Lexus (9.6) and Toyota (9.5) were given near-perfect scores for their support for retailers as Kia (8.9) stayed 1.2pts ahead of the rest of the pack.

Hyundai struggled to find favour in its response to adversity, however, with a 2.7 rating from franchisees for its COVID-19 support measures. Also, FCA Group brands Fiat (3.9) and Jeep (4.1) were marked down during what was a testing period for some working relationships.

Crucially, Hyundai (2.4) and Jeep (3.7) were marked down for the

levels of financial support that were forthcoming as their franchisees battled to balance the books during the three-month lockdown period between March 23 and June 1 (average: 5.9), with Jaguar (2.3) also slipping to the bottom three.

Unusually, franchisees of Jaguar's sister brand, Land Rover, scored their OEM 5.1-out-of-10.

'JUST' A COVID CRISIS?

One Jaguar Land Rover (JLR) retailer who spoke to AM about the survey results said the OEM's COVID-19 response had been the same for both brands, suggesting the scores were linked to dissatisfaction in other parts of the business.

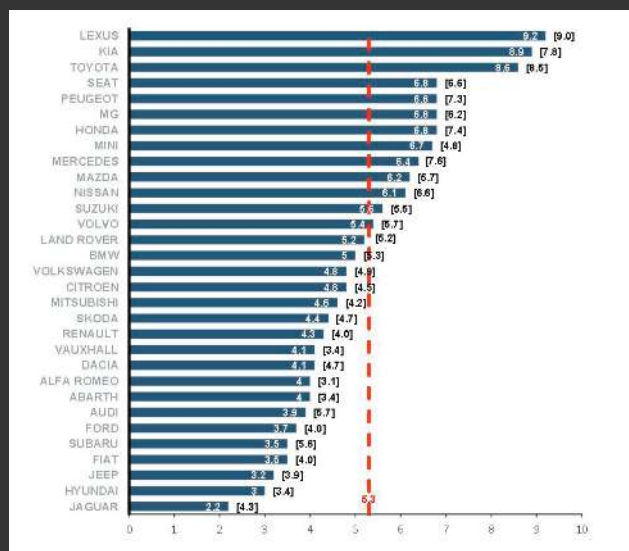
The franchisee said: “Is there a perception that Jaguar is playing second fiddle to Land Rover right now? Yes, there is.

“Is there a supply issue that is making it hard for Jaguar retailers to be profitable right now? Absolutely.

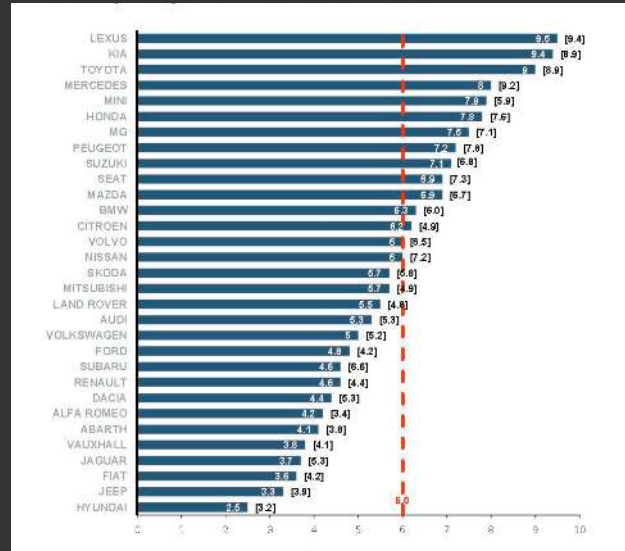
“JLR's COVID-19 support was the



HOW SATISFIED ARE YOU WITH THE FUTURE PROFIT RETURN FROM REPRESENTING YOUR FRANCHISE?

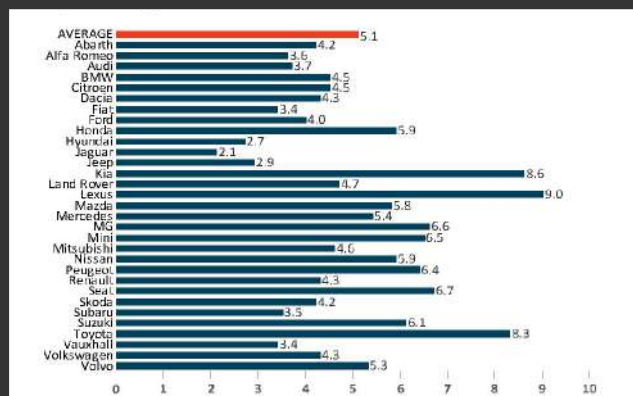


HOW WOULD YOU RATE YOUR MANUFACTURER OVERALL ON A SCALE OF 1 TO 10?

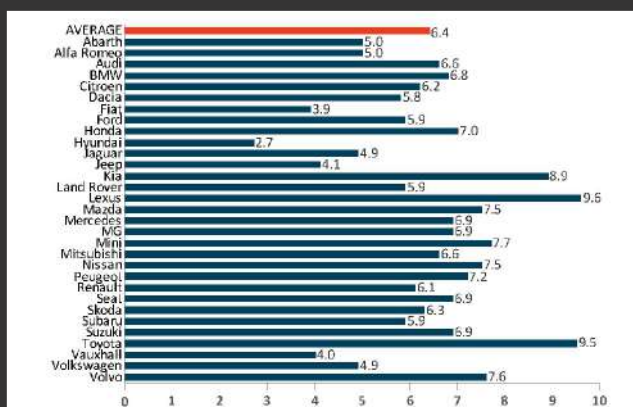




HOW SATISFIED ARE YOU WITH THE CURRENT PROFIT RETURN FROM REPRESENTING YOUR FRANCHISE?



HOW SATISFIED ARE YOU WITH THE LEVEL OF MANUFACTURER SUPPORT THROUGHOUT THE COVID-19 CRISIS?



same across both brands, but clearly one part of the business isn't operating as well as the other and that's what we've seen in the results."

JLR managing director, Rawdon Glover, said: "We are disappointed with the NFDA survey results, particularly for Jaguar in relation to our support throughout the COVID-19 crisis, as the results are incongruent with the feedback we have received directly from our network."

"Going forward, I encourage more of our retail partners to participate in the NFDA survey so future results reflect a larger sample size and generate more accurate data so we are represented fairly against our competitors."

Jaguar's survey response rate was 34%, compared with 32% for Land Rover.

Hyundai attracted the survey's second-highest response rate of 83%.

Hyundai managing director, Ashley Andrew, conceded that his franchisees' expectations had "not been met" by its COVID-19 response.

The Korean brand also retained its bottom-ranked 'overall' rating from the Winter 2019 survey, when it scored 3.2-out-of-10.

According to a Hyundai retailer who spoke to *AM*, retailers are showing their displeasure that "too many changes are being rushed through far too quickly" at the OEM, impacting profitability.

Changes to the wholesaling practices may be to among the issues, the brand being ranked bottom in bonus and rebate rates, scoring 1.9.

AM's source said: "Before, you would go for your target and earn bonus. Now bonus is dependent on how many cars you take into stock. You pay for the vehicles straight away, taking them off the hands of the brand."

"It's brought the franchise model in-line with other brands, but it's thrown up funding issues and forced some franchisees down an avenue they didn't want to go down."

Responding to his brand's NFDA survey response, which also delivered a score of 1.9 in reply to a question of whether retailers felt their views were taken into account by their franchise partner, Andrew said: "Naturally, all of us at Hyundai Motor UK are disappointed to have seen a further decline in our NFDA rating in the summer survey."

"Throughout this difficult period, Hyundai Motor UK has been working closely with the franchise board to support our network and to improve our ways of working, ensuring greater collaboration and clear and regular lines of communication."

"Dealer expectations though have not been met in certain areas and we fully understand the reasons for that."

"We are committed to building a stronger partnership for the future with all our retailers, but we recognise that we have some work to do in the short term."

Lee Titchner, network development director at FCA Group UK, told *AM* that the OEM behind the Abarth, Fiat and Jeep brands had worked hard to support its retailer network during the COVID-19 lockdown in partnership with its franchise board.

He added that FCA continued to provide a comprehensive package of assistance for all FCA brands while preparing for "a raft of new electrified models".

POINTS FOR PROFITS

As ever, the fate of the winners and losers in the NFDA Dealer Attitude Survey appeared to be closely tied to the profitability each brand represents for its retailers.

When asked how satisfied they were with the profit return from representing their brand, the three top and bottom ranked OEMs from dealers' overall ratings stayed put.

Lexus was scored nine-out-of-10 for current profitability (average: 5.1), while Kia received an 8.6 score and Toyota an 8.3.

Jaguar floundered at the bottom of the rankings with a current profitability rating of 2.1, as Jeep scored 2.9 and Hyundai 2.7.

The legacy of JLR's ambitious Arch Concept CI programme also still seems to be affecting retailers' stance towards Jaguar. Ranked in terms of the required level of capital investment it represents, fran-



GOING FORWARD, I ENCOURAGE MORE OF OUR RETAIL PARTNERS TO PARTICIPATE IN THE NFDA SURVEY SO FUTURE RESULTS REFLECT A LARGER SAMPLE SIZE AND GENERATE MORE ACCURATE DATA
RAWDON GLOVER, JLR

chisees scored the brand 1.7-out-of-10 – the survey's lowest score in response to any question.

Franchised car retailers of all but one brand were hopeful of improved future profitability – Subaru scored 3.5 for current and future profitability – despite the fallout from COVID-19, Brexit, the rapid shift towards alternative fuel vehicles (AFVs) and increased 'agency model' remuneration driven by increased digital sales.

Lexus (9.2), Kia (8.9) and Toyota (8.6) all see further potential for improved future profitability, against an average score of 5.3, while Jaguar (2.2), Hyundai (3.0) and Jeep (3.2) appear to be keeping their fingers crossed for marginal gains.

Robinson said: "Looking at the future of the market, it is encouraging to see that most dealers are satisfied with their alternative fuel vehicle offering and that average satisfaction levels in this area continue to rise."

"As our industry's stability is threatened by a number of external challenges, it is vital that manufacturers and dealers continue to closely work together for the benefit of the whole automotive sector."

TOM SHARPE

PENDRAGON TAKES BIG STEP INTO ONLINE SALES MARKET

Chief executive feels established retailers have the upper hand as Cazoo gets physical

Pendragon has joined the “race to restructure used car retail” with a new digitally-led model where online sales followed by delivery or handover are the order of the day.

In the same week that Cazoo founder Alex Chesterman insisted that the opening of its first physical ‘Customer Centre’ was “no u-turn”, the AM100 group’s chief executive, Bill Berman, asserted: “Pendragon has the scale to succeed in the new digital marketplace.”

Both companies are looking to strike the perfect balance between online sales and the logistics of vehicle preparation and delivery.

Speaking to *AM* after Pendragon announced its new strategy for growth on September 2 Berman clearly felt that established retailers were at an advantage.

“I’ll admit there’s a sense that we are joining the race to restructure car retail for a new digital age a little towards the back of the pack,” said Berman, who plans to replace the ill-fated Car Store network with a new, digitally-led proposition.

But he added: “Even with Cazoo they have outside people preparing their vehicles and, logistically, they realised that they needed physical sites to mitigate their costs.

“We have the scale and the infrastructure in place to make that omnichannel approach work pretty

quickly. Our aim is to allow our customers to transact with us in any way they like.”

Berman said Pendragon’s strategy would create eight £7.5m facilities in a hub-and-spoke used car retail network as part of a strategy aiming to deliver underlying profit before tax of £85m-to-£90m by 2025.

Berman said: “We believe that a combination of a digital proposition and these physical stores will allow us to gain a meaningful share of the target market.”

Unlike Car Store, Berman’s used car business will see vehicles prepared at each location, scrapping Pendragon founder Trevor Finn’s vision of centralised preparation factories, the idea of which Berman said he “hated”.

“It just doesn’t make sense logistically,” he said.

Chesterman is also working on a solution for digital car retail.

Despite claims that Cazoo’s original investor pack contained no reference to a physical presence, Chesterman told *AM* that physical locations had always been part of the plan, asserting that anyone who felt his business had made a u-turn “fundamentally misunderstands our offering and e-commerce logistics in general”.

Cazoo’s sales will continue to be conducted wholly online, with the Customer Centres offering local car buyers a one-hour handover slot in place of its usual two-hour delivery.

They will also boost vehicle storage and preparation capacity across the UK and allow Cazoo to provide an aftersales service.

“We are no different to Amazon or Ocado in that we have to have a physical distribution network. Both have physical storage and distribution across the UK,” said Chesterman.

“From day one we have operated from the central operation centre at Corby and 10 distribution locations across the UK and this is an extension of that, allowing us to get closer to our customers.”



Chesterman said that Cazoo had been on the search for customer-facing locations for some time, adding that the July acquisition of Imperial Cars would allow it to roll out its Customer Centre network more quickly.

The business – reputedly the fastest UK business ever to achieve a valuation in excess of \$1 billion (£800.8m) – opened its first centre in a former Swansway Honda dealership in Stockport on September 1.

It now plans to open 16 locations by the end of the year, with Chesterman stating that it may end up with “a couple of dozen” as it aims to be within 30 miles of potential customers.

Stock remains a challenge for Cazoo, volumes having shrunk from around 2,500 vehicles to less than 1,500 in June, but Chesterman wants to ramp-up preparation to grow that number to 5,000 vehicles by the end of the year.

Big Motoring World chief executive Peter Waddell and former Cox

Automotive president of international operations John Bailey are looking to digitally remodel used car retail with their new Carzam venture.

It has a ready stock of around 3,000 vehicles and intends to utilise Big Motoring World’s existing 14-acre vehicle preparation centre in Peterborough to deliver on its aim of selling 20,000 vehicles in year one.

The site will aim to prep 350 cars a day to feed vehicles into the Carzam sales funnel.

Following Cazoo’s acquisition of Imperial, Steve Young, managing director of research company ICDP, suggested its adoption of physical retail sites – like Pendragon’s plan to combine clicks with bricks across the UK – may be proof that the “traditional business model is not fatally broken”. The acid test would be whether Cazoo’s physical network continues to expand, Young said.

The chips are down and car retail’s leaders are already placing big money bets. **TOM SHARPE**



WE HAVE THE SCALE TO SUCCEED IN THE NEW DIGITAL MARKETPLACE

BILL BERMAN, PENDRAGON



Save money by looking at process

Control costs with Secure Valeting

Secure Valeting Group provides vehicle valeting, digital HD imaging, backdrops and bespoke video to top 100 dealer groups, refurbishment centres, de-fleet and auction sites across the UK.

SECURE case study – Site A:

Volume of work did not warrant three historic dedicated valeters working six days per week. Secure's site survey recommended that by introducing unit rates the company could share some valeting duties and provide additional resources during busy periods. Team leader and site maintenance duties were also analysed. By sharing schedules and introducing staggered start times we ultimately achieved savings of almost £1,000 per week for our client.

IT systems and support

Our automated touchscreen and progress chaser portal allows you to run every aspect of your business smoothly AND control costs with the Secure Online financial management system. Using your own log-in, our web-based system allows you to book jobs from the drop-down menu and view past transactions and vehicle history. There is a precise



record of all jobs booked and savings are achieved by using the financial management information produced.

Auto imaging and video

Visit our sister company at www.autoimaging.com to see the benefits of our app. Imaging for hand-held and turntable, stock web video, personal enquiry and handover, live Q&A and real-time feedback are all available. We can also provide backdrops and branding with mature digital networks and immediate aggregation.

Supplier relationship

SECURE work closely with clients to upsell additional services and generate extra profit for the dealership. Our 20-plus years of motor trade experience



takes care of complying with the regulatory issues presently facing the sector. Health and Safety, GDPR, Modern Slavery and COSHH, along with a robust induction policy and a well-established Customer Care Programme are handled by our long-established management.



safe in the knowledge...it's SECURE

Please contact Michaela Gunney (pictured), Executive Director, for a review or a no-obligation meeting. E: michaela@secureplc.com
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ADVERTISING FEATURE

Our industry needs these podcasts

By Simon Bowkett of Symco Training



There are so many different podcast to listen to and there are some really great ones out there. However, lots of them tend to just talk about news and what's happening in the motor industry.

Selling in the Motor Trade is a weekly podcast which is all about best practice, tips and ideas.

Topics include how to sell more cars, put more profit into those deals, improve your service department and customer satisfaction.

We've all attended that training course that was 'ok', and everyone says that if you get one good idea out of it, then it was worth it. But, how often do you get the one sensational idea in a coffee break, from someone else on the course?

That's a great analogy to describe the Selling in the Motor Trade podcast. It's like the conversations in training course breaks.

Be inspired

The podcasts include amazing conversations with the managing directors of manufacturers like David Peel from Peugeot and William Brown from Isuzu to come.

Gavin Hydes from Joe Duffy Group, Chris Wiseman from Wessex Garages and Paul Brayley from Brayley Cars have also shared their top tips and inspiring motor trade journeys.

Soon to be aired are interviews with industry leaders like Peter Smyth from Swansway Garages, Sean Kelly from Vines Motor Group and James Weston from Robins & Day.

Search for **SELLING IN THE MOTOR TRADE** on Apple or Spotify to listen to the podcast or go to www.symcotraining.co.uk to watch the video or visit www.symcotraining.co.uk/ podcast to listen.

THIS MONTH'S NEWS HIGH

AUG

14

EXPRESS CAR BUYING LAUNCHED BY VINDIS

Vindis Group launched its 'Express Car Buying' online retail platform promising up-front, fixed pricing, online finance and home delivery of all its franchised brands and used car stock. Group sales and marketing director, Peter Toop, told *AM* that the platform had been in development for three years.

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MARSHALL STILL 'WELL PLACED' DESPITE LOSS

Marshall Motor Group chief executive Daksh Gupta said the group remains "well placed to capitalise on value accretive growth opportunities" despite the impact of COVID-19. Gupta made the comment as the business announced revenue down 24.1% to £895.3m (2019: £1.18bn) and profit before tax down 172.3% to a £10.7m loss (2019: £14.8m) in the six months to June 20, 2020.



19

LEVC EXPANDS ITS SMR NETWORK THROUGH RIVUS

LEVC (London Electric Vehicle Company) revealed that it will double its authorised service and maintenance network to



37 locations after signing a partnership with Rivus Fleet Solutions. LEVC will authorise 20 of the end-to-end fleet management company's service centres.

20

VERTU FIGURES 'STRONGER THAN EXPECTED'

Vertu Motors delivered an adjusted profit before tax of £7.4m in July after post-lockdown trading proved "significantly stronger than envisaged". The group introduced a 0% finance used vehicle sale at the majority of dealerships and also made 345 redundancies in order to 'future-proof' the business during the first month of post-lockdown trading.



25

MORE WORK NEEDED ON LOOKERS' FINANCES

Lookers' aims to publish its 2019 financial statement by the end of August was derailed by ongoing investigations into its financial irregularities. The group's board and auditors Deloitte found more work is needed on the Lookers Leasing division and vehicle financing arrangements, plus on balance sheets of previous years to make necessary adjustments.

25

LARGEST DS SHOWROOM OPENS

Robins & Day opened the UK's largest DS Automobiles showroom in Leicester. The group opened the doors at the new Abbey Lane facility, which shares a roof with the Peugeot brand, and has plans to host a fashion show-themed official opening next Spring.





THREE TEST POSITIVE FOR COVID-19 AT PERTH SHOWROOM



Staff at John Clark Motor Group's Pentland Land Rover dealership in Perth were ordered to self-isolate and a deep clean of the premises was carried out after three team members

tested positive for COVID-19. A health board spokesperson said there had been "an immediate response to the cases" adding that "all close contacts have been advised to self-isolate for 14 days".

SIMILAR SLOGANS LEAVE PENDRAGON 'CONFUSED'

Pendragon officials were left "angry and confused" by the launch of a Motorpoint television advertising campaign featuring a near-identical slogan to its own. An AM source said that officials from the AM100 group felt the 'Your Car, Your Way' marketing drive would trigger confusion among consumers.



'SIGNIFICANT REDUCTION' IN CAMBRIA HEADCOUNT

Cambria Automobiles revealed that it was embarking on a series of cost-cutting measures which including a "significant reduction" in employee headcount due to the impact of COVID-19 lockdown. In a trading update for the 11 months to 31 July, 2020, it said that trading had been ahead of management expectations post-lockdown, but not good enough to fully mitigate the pandemic's impact.

STONEACRE FOUNDER INVESTS HEAVILY IN VERTU

Stoneacre Motor Group's founder and owner Richard Teatum invested more than £3m in Vertu Motors shares. ASE Global chairman, Mike Jones, remarked that it was a "shrewd investment in an undervalued asset" and questioned whether it could indicate a potential future tie-up between Vertu and Stoneacre.

TESLA HAS BIG CONVERSION PLANS IN GLASGOW

Tesla appeared poised to double the scale of its electric vehicle (EV) dealership network in Scotland after applying for planning permission to convert a former Evans Halshaw Car Store showroom in Glasgow. The California-based EV maker has submitted a planning application for signage and a brand totum to be applied to the car retail facility on the city's Kennedy Street.



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SEP

2

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ADVERTISING FEATURE

BCA introduces new Click and Collect service

By Stuart Pearson COO BCA UK Remarketing



BCA continues to enhance its online buying service to meet the changing needs of customers in the post-COVID market and has now introduced a streamlined digital Click and Collect service for auction purchases.

With Covid-19 continuing to impact operations across many parts of the automotive value chain, BCA is committed to developing innovative digital solutions to support all our customers and keep the motor industry moving.

Click and Collect is a new and convenient way for BCA customers to pre-book collection slots for the vehicles they purchase online.

More than 5,000 buyers used the new BCA Click and Collect service in the first two weeks following its launch in early August.

Customers simply follow the online booking process through the My Collections portal in MyBCA. This displays all the vehicles ready for collection and sorted by remarketing centre location.

Buyers can select any available date and time that suits them to book a collection for one or more vehicles and we provide details of the driver or transporter who will collect.

Everything is arranged online, saving time and improving efficiency and BCA ensures vehicles are sanitised and ready on time.

BCA customers who use Click and Collect get to control when they pick up their vehicles and improve efficiency and save time because their vehicles are ready and waiting for them at the pre-booked slot. It's by far the most convenient option for our buyer customers.



GOVERNMENT'S CLEAN AIR PLAN GETS BOTH BARRELS

Whitehall criticised for 'cake-and-eat-it' approach to promotion of BEVs and charge points

The sales decline of 5.8% in the month of August was mildly disappointing, but largely academic, given the small size of the August market.

The most notable figure was the record market share for all electrified vehicles (EVs – see table). If battery electric vehicles (BEVs) were a segment, they would have been the fourth-biggest in August at 6.4%, outselling city cars and compact executive models.

Hybrids were only 50 units behind BEVs, while plug-in hybrids took a very respectable 3.3% share. Nor was this a freak result: BEVs sales are up 157% year-to-date (YTD).

One might have expected the car industry to be celebrating this one chink of light in an otherwise terrible year. Not a bit of it: the figures were accompanied by a fusillade of criticism aimed at the Government. Or rather two fusillades coming from apparently opposite directions.

The first came from a coordinated campaign by the Society of Motor Manufacturers and Traders (SMMT) in tandem with major car manufacturers.

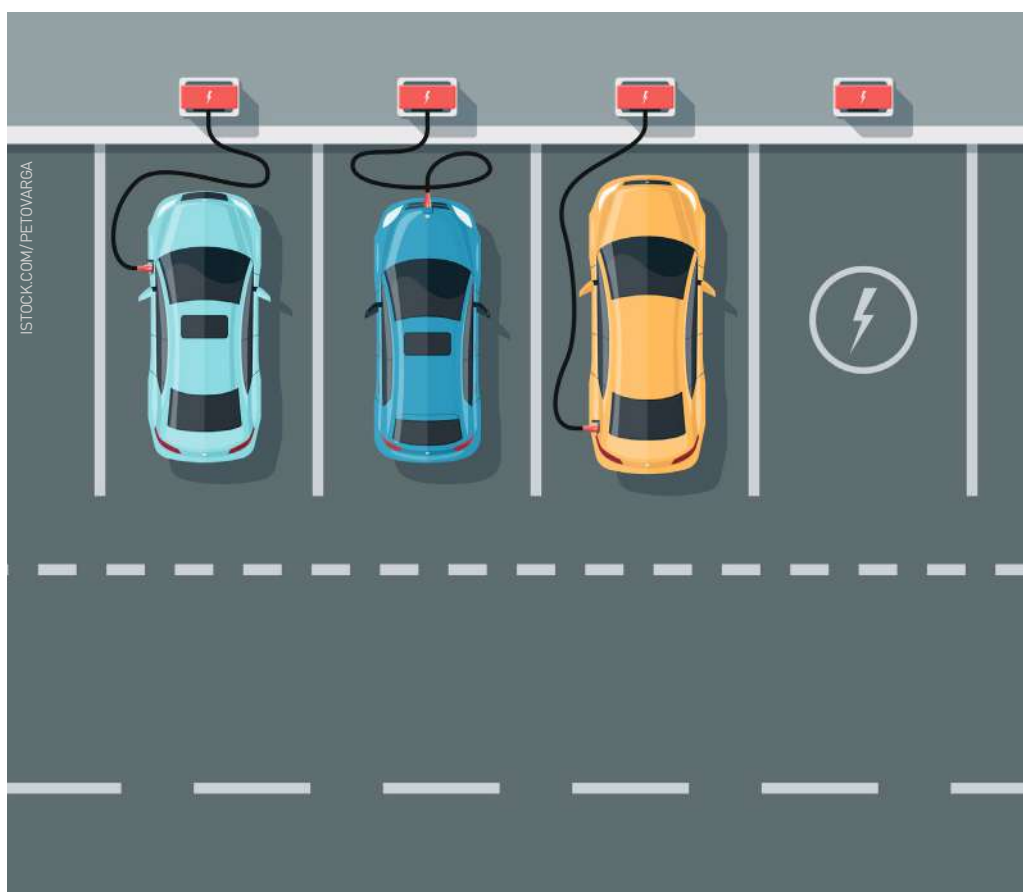
The SMMT said spending of at least £16.7 billion is required to get the UK's public charging network ready for a mass EV market, with 507 new charge points needed every day to 2035 to bolster buyer confidence.

Days later, Ford's UK managing director, Andy Barratt, said the UK needed a 'Minister for Electrification' to kick-start an EV strategy.

Research commissioned by Ford showed that 46% of respondents said they don't intend to buy an EV in future, while 21% said they were unlikely to consider one in the next five years.

A further 20% said they are likely to purchase only in the next three-to-five years. Given that only leaves 13% of the car buyers who might consider buying a BEV, the figures (if accurate) suggest that the rate of growth of BEVs is likely to slow over the next three years.

The second fusillade was, paradoxically, against the Government's proposal to bring forward the ban on all cars except BEV and plug-in hybrid (PHEV) from 2040 to 2035 – and ban PHEVs for



good measure. There were even rumours that the Government was considering 2032 as the date.

That could lead to some strange consequences.

For example, Toyota has made the UK a European centre for hybrid production – Burnaston now makes nothing but Corolla hybrids. Would Toyota then be making cars in Britain that would be illegal to sell in Britain?

MIXED MESSAGES

The UK car industry is extremely unhappy at the mixed messages from Whitehall. It thinks the

Government is in full "pro-cake and pro-eating cake" mode: on one hand, it seems to want petrol and diesel cars to magically disappear but, on the other, does not want to do much to make it happen.

The industry has pointed out that Germany, France and Spain have responded to COVID-19 by increasing incentives for consumers to buy electric cars, as well as huge government funds for manufacturers to develop them – more than €10 billion (£9.2bn) between the three countries.

The UK Government has promised nothing – or

SPONSOR'S COMMENT



By Richard Jones, managing director, Black Horse

After such a long time away I'm sure many of us are feeling some sense of normality as children return for the new school term – I've certainly welcomed the

familiar routine!

The car market has flown out of the blocks as the UK emerges from full lockdown, and residual values have remained robust.

However, COVID's true economic impact will come later this year and, as forbearance and Government support schemes steadily unwind, times remain precarious and volatile for the economy.

Amid the news relating to COVID-19 we have received confirmation from the FCA on commission models and disclosures in motor finance, with a deadline of January 28, 2021, for firms to implement the new rules.

Here, at Black Horse, we fully support the FCA's aim of ensuring consumers receive the right outcome when taking out motor finance and continue to work closely with the authority to achieve this.

Black Horse does not offer finance schemes which allow dealers to adjust APR for them to gain increased commission, including the 'Difference in Charges' model highlighted in the original FCA report.

Additionally, Black Horse carries out robust affordability assessments aligned with FCA policy, taking care to ensure lending is affordable for customers for the duration of the agreement. We have already helped a number of dealers change their finance offering in anticipation of the new FCA regulations.

Over the coming months we will work with each of our partners to implement the changes, which go alongside a broad set of services we use to support both dealers and customers.

These include dealer training programmes, customer and dealer product information and videos, mandatory disclosure of information through the sales process, and regular MI and engagement through our field teams.

Our role is to help and support. We will continue to do that to land these changes successfully and safely. Done right, this will build consumer confidence in auto finance.

For now keep safe and enjoy any final days of sun we may get before we head into the final quarter of the year.

almost nothing. Last September it announced its imminent intention to launch an Automotive Transformation Fund of "up to £1bn" to fund the production of batteries and other EV components.

In the middle of the crisis, the Government announced not £1bn, but a £10 million fund for feasibility studies into the development of the EV supply chain.

Given that a battery Gigafactory costs upward of £3bn, it is not clear what £10m can achieve.

What also concerns the industry is that, if the Government does somehow meet its target, the UK could become detached from the global automotive market.

Most independent studies suggest the global market share of BEVs will be around 25% in 2030, or slightly higher if PHEVs are included.

If the UK is to be 100% BEVs (notwithstanding a small proportion of fuel cell cars) only a couple of years later, the UK market will be a real outlier.

The problem is that the UK exports 80% of its production which implies that Jaguar Land Rover, for example, would need a production line for cars exported to markets like the USA and Middle East, but not sold in the UK. Conversely, it would need models for the unique British market that would be hard to sell in more open markets.

With car manufacturers looking at the terrifying sums needed to design future connected, electric and automated cars, they really don't need the balkanisation of the industry – regional

markets splintering into completely different patterns of behaviour.

Many in the industry feel the UK Government is falling into the classic trap of defining the means instead of the ends. They have decided battery electric is A Good Thing, forgetting the goal is the maximum reduction in emissions.

BEVs are just a means to that end, and not automatically the best one. Batteries take a huge amount of energy to manufacture, which means they have a CO₂ 'deficit' compared with a petrol engine when they first hit the road.

According to Ricardo, one of the world's leading engineering consultancies, it takes 15,000 miles for an electric car with a small 30 kw/hr battery to reach "break even", and about 35,000 miles for a 100 kw/hr electric car to do so.

There is an engineering argument that a plug-in hybrid, with a small engine acting only as a generator for the battery, could have lower lifecycle CO₂ than a BEV, because the savings in battery size would more than outweigh the CO₂ from occasional use of the generator.

If the generator could be powered by synthetic fuels, it would have considerably lower lifetime CO₂.

That argument is still unproven, but the problem is that, even if true, we may never get the chance to find out. If the Government has decided that the answer is BEV, it is hard to ask questions.

"BEV is the route to low emissions" is a good soundbite, but it might rule out technologies that could give us even lower emissions.

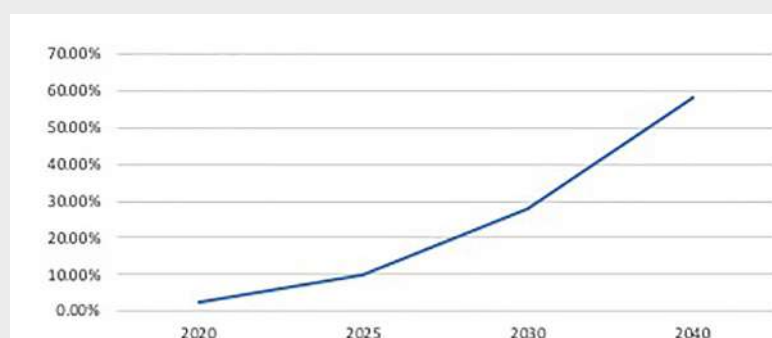
DAVID FRANCIS

MARKET SHARE OF ELECTRIFIED VEHICLES

	Total Aug 2020	Total Aug 2019	% change	Total YTD 2020	Total YTD 2019	% change
Battery electric vehicle (BEV)	6.4%	3.4%	77.6%	4.9%	1.1%	157.0%
Plug-in hybrid vehicle (PHEV)	3.3%	1.0%	221.1%	3.3%	1.2%	67.7%
Hybrid electric vehicle (HEV)	6.4%	4.3%	38.2%	6.3%	4.0%	-5.1%

FORECAST FOR GLOBAL BEV & PHEV MARKET SHARE

Source: Bloomberg New Energy Finance



NEW CAR REGISTRATIONS

Will September registrations pick up August slack?

The pressure was on for the UK's franchised retailers to deliver a bumper September after new car registrations for August fell by 5.8% to 87,226 units.

August was unable to maintain the momentum built by pent-up demand in July, although retail registrations were relatively stable, in what is, historically, a quiet month.

Society of Motor Manufacturers and Traders (SMMT) data showed that the private market was only down slightly by 1.7%, just 699 units behind last year's performance.

It's a positive sign that retail buyers are back in the market for a new car, while business and fleet registrations saw a much more substantial decline of 5.5% and 57.9% respectively.

Mike Hawes, SMMT chief executive, said that while August's decline is disappointing, it is important not to draw too many conclusions from these figures alone.

"September is likely to provide a better barometer," he said.

"As the nation takes steps to return to normality, protecting consumer confidence will be critical to driving a recovery."

Sales of zero emission-capable cars increased by 110% as new models hit the market, but still accounted for less than 1-in-10 registrations.

The SMMT is calling for binding targets on charging infrastructure development and long-term commitments to incentivise the purchase of zero emission-capable vehicles to accelerate demand.

1 MG

The Chinese manufacturer led growth in August up 52% to break 1,000 units. None of its models made it into the top 10 best sellers, however.

2 SEAT

The Volkswagen Group's Catalan brand saw a 38% drop in registrations to end August, 42% down year-to-date. It was offering £1,000 off its SUVs until September 30 and three months payment-free when taking out finance at 6.9%.

3 BMW

BMW stayed just ahead of Mercedes-Benz with growth of 10.5% to 5,360 units in August. German premium rival Audi saw volumes drop by 32%.

Marque	August					Year-to-date				
	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
Ford	10,843	12.43	10,764	11.63	0.73	89,531	9.78	155,602	10.24	-42.46
Volkswagen	8,790	10.08	11,334	12.24	-22.45	83,340	9.10	137,408	9.05	-39.35
3 BMW	5,360	6.14	4,853	5.24	10.45	63,386	6.92	104,072	6.85	-39.09
Mercedes-Benz	5,234	6.00	5,040	5.44	3.85	61,171	6.68	110,086	7.25	-44.43
Audi	6,120	7.02	9,062	9.79	-32.47	58,542	6.39	100,513	6.62	-41.76
Toyota	4,137	4.74	4,205	4.54	-1.62	53,396	5.83	69,023	4.54	-22.64
Vauxhall	5,075	5.82	4,864	5.25	4.34	52,422	5.73	109,826	7.23	-52.27
Kia	4,179	4.79	3,452	3.73	21.06	42,259	4.62	63,799	4.20	-33.76
Nissan	2,621	3.00	2,328	2.51	12.59	39,305	4.29	61,262	4.03	-35.84
Land Rover	2,042	2.34	1,677	1.81	21.77	33,396	3.65	47,922	3.15	-30.31
Škoda	3,603	4.13	2,802	3.03	28.59	32,836	3.59	49,368	3.25	-33.49
Peugeot	3,520	4.04	3,608	3.90	-2.44	31,362	3.43	53,618	3.53	-41.51
2 Seat	2,236	2.56	3,610	3.90	-38.06	27,860	3.04	46,779	3.08	-40.44
Hyundai	3,076	3.53	2,686	2.90	14.52	26,202	2.86	54,251	3.57	-51.70
Mini	2,013	2.31	1,819	1.96	10.67	24,731	2.70	38,052	2.51	-35.01
Renault	2,805	3.22	1,872	2.02	49.84	24,672	2.69	36,172	2.38	-31.79
Volvo	1,381	1.58	1,268	1.37	8.91	23,037	2.52	35,545	2.34	-35.19
Citroën	1,689	1.94	1,798	1.94	-6.06	16,636	1.82	35,655	2.35	-53.34
Honda	1,744	2.00	2,592	2.80	-32.72	16,505	1.80	30,641	2.02	-46.13
Jaguar	1,059	1.21	1,049	1.13	0.95	14,356	1.57	23,312	1.53	-38.42
Mazda	1,128	1.29	1,509	1.63	-25.25	12,679	1.38	25,724	1.69	-50.71
Other imports	1,025	1.18	2,293	2.48	-55.30	12,244	1.34	5,097	0.34	140.22
Fiat	1,077	1.23	881	0.95	22.25	11,354	1.24	20,105	1.32	-43.53
Dacia	1,180	1.35	1,031	1.11	14.45	11,171	1.22	21,044	1.39	-46.92
Suzuki	1,395	1.60	2,092	2.26	-33.32	11,085	1.21	25,919	1.71	-57.23
1 MG	1,010	1.16	663	0.72	52.34	10,568	1.15	7,989	0.53	32.28
Lexus	368	0.42	424	0.46	-13.21	7,648	0.84	8,974	0.59	-14.78
Porsche	709	0.81	646	0.70	9.75	7,077	0.77	8,208	0.54	-13.78
Mitsubishi	578	0.66	715	0.77	-19.16	6,215	0.68	11,504	0.76	-45.98
Jeep	418	0.48	411	0.44	1.70	2,505	0.27	4,099	0.27	-38.89
DS	148	0.17	187	0.20	-20.86	1,294	0.14	2,286	0.15	-43.39
Abarth	146	0.17	118	0.13	23.73	1,273	0.14	2,226	0.15	-42.81
Alfa Romeo	77	0.09	208	0.22	-62.98	1,202	0.13	2,305	0.15	-47.85
Other British	88	0.10	140	0.15	-37.14	1,135	0.12	1,936	0.13	-41.37
SsangYong	56	0.06	80	0.09	-30.00	897	0.10	1,251	0.08	-28.30
Bentley	58	0.07	96	0.10	-39.58	747	0.08	1,062	0.07	-29.66
smart	116	0.13	212	0.23	-45.28	710	0.08	3,742	0.25	-81.03
Subaru	34	0.04	52	0.06	-34.62	400	0.04	1,518	0.10	-73.65
Maserati	56	0.06	54	0.06	3.70	359	0.04	665	0.04	-46.02
Alpine	6	0.01	12	0.01	-50.00	73	0.01	126	0.01	-42.06
Polestar	26	0.03	0	0.00	0.00	34	0.00	0	0.00	0.00
Chevrolet	0	0.00	32	0.03	0.00	0	0.00	55	0.00	0.00
Infiniti	0	0.00	34	0.04	0.00	0	0.00	275	0.02	0.00
Total	87,226		92,573		-5.78	915,615		1,519,016		-39.72



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Aimee Winder
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FINANCE OFFERS

Reasons to be cheerful as new plate comes in

Strong car finance application figures and a surge in people searching for deals online have given motor traders a boost as the new '70' plate launches, according to data from Experian.

Applications for both Personal Contract Purchase (PCP) and Hire Purchase (HP) agreements have been markedly higher than during the same period in 2019 since showrooms reopened on June 1.

Pent-up demand led to an 18.6% increase in car finance applications in the first three weeks of August, following a bumper July when applications were 27.7% ahead of 2019's figures.

Experian's data shows 390,000 fewer applications for car finance have been made in 2020 compared with last year at the time showrooms reopened in June. However, trading since has cut the deficit to 234,000.

Gerardo Montoya, managing director of automotive at Experian, said: "Motor traders have been working hard to recover from the lockdown period when showrooms closed, and sales reduced to a fraction of normal levels."

"Demand has come from people whose income has not been affected by the pandemic and have money in their pockets, as well as those who are uncomfortable using public transport."

There have been some clear winners post-lockdown so far with Renault and Dacia posting July registration increases year-on-year of 202% and 77% respectively.

Both are offering the first three monthly payments for free at 4.9% APR for Renault and 6.9% APR for Dacia.

The new Zoe, Clio, Captur and Kadjar are all available on this deal, where local retailers will multiply the monthly payment for a customer's new car by three and reimburse customers by that amount directly into their bank account within a week of owning their new car.

There are also alternative 0% deals on the Clio and Captur too, which would have also helped support the French brand's big bounce back.

Dacia's recovery has also been supported by its buy online facility and its 'new for old' scheme, which offers between £250 and £750 off when customers swap their old vehicle for a new Dacia.

All online Dacia orders are available with free home delivery.

Finally, Mini is supporting its Q3 campaign with up to £1,750 off any of its models when taking 3.9% APR finance. Certain Countryman stock is also available at 0% APR.

It's interesting to see Mini's 49% year-on-year increase in July registrations has happened without a three free month offer like Renault and Dacia.

However, affordability would also have been a strong supporting factor for each of the three brands.

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Renault							
Clio Play TCe 140	PCP	£750	36	£199	£6,519	0.00%	30/09/2020
Captur Play TCe 140	PCP	£1,250	24	£239	£10,757	0.00%	30/09/2020
Kadjar Iconic TCe 140	PCP	£2,000	48	£299	£7,975	4.90%	30/09/2020
Mégane Iconic TCe 140	PCP	£3,433	48	£229	£7,085	4.90%	30/09/2020
Mégane Sport Tourer 140	PCP	£3,815	48	£249	£7,384	4.90%	30/09/2020
Mégane RS Trophy	PCP	£7,005	48	£289	£15,366	4.90%	30/09/2020
Koleos Iconic Blue dCi 150 2WD Auto-Xtronic	PCP	£6,034	36	£289	£12,457	3.60%	30/09/2020
Zoe Iconic R110 ZE 50	PCP	£2,250	48	£307	£12,517	4.90%	30/09/2020
Dacia							
Duster Essential TCe 100 4x2	PCP	£1,657	48	£159	£5,526	6.90%	30/09/2020
Sandero Essential SCe 75	PCP	£944	48	£109	£2,917	6.90%	30/09/2020
Sandero Stepway Essential TCe 90	PCP	£649	48	£149	£3,922	6.90%	30/09/2020
Logan MCV Essential SCe 75	PCP	£918	48	£139	£3,267	6.90%	30/09/2020
Logan MCV Stepway Comfort TCe 100 Bi-fuel	PCP	£1,955	48	£189	£4,203	6.90%	30/09/2020
Mini							
3-door hatch Cooper Classic	PCP	£2,000	48	£230	£6,021.75	3.90%	30/09/2020
5-door hatch one Classic	PCP	£2,000	48	£215	£5,909.83	3.90%	30/09/2020
Convertible Cooper Classic	PCP	£2,000	48	£280	£6,907.90	3.90%	30/09/2020
Clubman Cooper Classic	PCP	£2,000	48	£280	£7,566.50	3.90%	30/09/2020
Mini Electric Level 2	PCP	£4,904	48	£319.39	£10,794.75	5.90%	30/09/2020
Countryman Cooper S E Classic	PCP	£3,960	48	£395.02	£12,895.43	3.90%	30/09/2020



Nearly all of the representative examples shown in the table, collated from AM data, are priced below the Q3 monthly average of £371. This would have also helped to support strong post-lockdown volumes into the September plate-change.

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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

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How heycar are determined to keep driving dealers the best leads



Recent months have been hard for us all. But as the industry gets back on its feet we now face a golden opportunity to re-engage and re-vitalise the car buying public.

That's why at heycar we've refused to take our foot off the pedal throughout - maintaining our single-minded dedication to driving the highest quality leads to dealers.

It's seen us continue our relentless programme of product innovation and partnerships, resulting in a string of new initiatives.

These include the launch of a finance soft-check. It aims to eliminate some of the stress and uncertainty that comes with purchasing a car - by allowing customers to check their likelihood of getting approved for credit without harming their credit score - giving them confidence to complete their purchase.

It's part of heycar's ongoing commitment to providing its users with all the resources they require to complete the majority of their car-buying journey seamlessly online before visiting a dealership.

At the same time we've continued to build strategic relationships across the industry to further drive visibility on dealers' stock - recently establishing partnerships with iconic automotive title WhatCar? and rapidly-scaling digital garage Regit.

It sees our service seamlessly integrated on both platforms allowing visitors to browse

from our inventory of 150,000 vehicles which are under eight years old and have less than 100,000 miles on the clock. They also enjoy all the benefits and peace of mind that a warranty and money-back guarantee bring.

In addition, our new £5.5million feel-good marketing campaign continues to drive brand awareness with activity across TV, video on demand channels, radio, Spotify, sponsorship, YouTube and our own social media channels.

Through the integrated campaign, we highlight the excitement and freedom unique to car ownership.

The campaign will supercharge brand awareness and ultimately get more eyeballs on our dealers' stock by attracting more customers to visit our site by making heycar more memorable.



The campaign leads with heavy TV investment to drive mass brand awareness.

Karen Hilton, Chief Commercial Officer at heycar, says: "The entire industry has faced unprecedented challenges this year.

We're immensely proud of the role we've played in supporting dealers through these difficult times"

"But our digital-first model has delivered consistent value and a pipeline of new customers.

"We've pressed fast forward on new ways for customers to engage with dealers digitally, through our agile product innovation and partnership drive.

"But we're not prepared to rest on our laurels. As customers return we will continue to push the envelope to ensure we continue to grow and play our part in driving results that move the dial for dealers."

In just over twelve months since launching in the UK, heycar now generates £40 million-worth of sales every month to our dealer partners.

It's a great start. But, you won't catch us resting on our laurels.

We're determined to drive change so we can continue to bring dealers and customers closer together.

Rest assured, we're in this for the long haul.

VIEWPOINT



START IMPLEMENTING THE FCA'S RULING ON COMMISSIONS WITHOUT DELAY

SPENCER HALIL, director, Alpha Financial Services



IT'S POSSIBLE FOR THE AFTERMARKET TO COME BACK STRONGER THAN EVER

JUSTIN BENSON, partner and automotive sector specialist, management consultancy, Vendigital

→ Many car retailers still need time to fully consider the final ruling from the Financial Conduct Authority (FCA) following its motor review and the impending ban on discretionary commission models.

But, as an industry, there is plenty we can do to begin implementing necessary changes. For example, we can start to look at how we, as lenders, incentivise F&I (finance and insurance) salespeople and brokers to act in customers' best interests.

The FCA may have given us time to implement, but dealers can treat the following points as priorities now:

- Make sure your salespeople understand the need to properly disclose the existence and nature of commission, and the need to do that early in the process. Don't wait until January 28, 2021, to do this – it takes time to change processes.
- Continue to embrace digital sales, even though your physical dealership might now be open again. The adoption of e-retailing and e-sign platforms makes it easier to follow a compliant sales process and provides evidence that customers have received the appropriate information.
- Ensure your documentation

“DEALERS NEED TO PROVE THAT DISCLOSURE HAS COME EARLY IN THE CONVERSATION”

is up-to-date and doesn't simply bury disclosure statements in the adequate explanations documents or initial disclosure statements, which are held online but seldom read.

• Talk to lenders about their remuneration schemes because those will need to change if there is currently any discretionary element around commission. Remember, these changes will take months to bed in.

• Don't forget the SMCR (Senior Managers and Certification Regime). Senior managers need to be fully informed as the FCA will expect them to be your front line. What are you doing to make sure senior managers have kept their knowledge of compliance up-to-date during lockdown?

• Consider enrolling employees in the IMI's F&I Accreditation scheme as a means of helping salespeople to 'stay competent'.

Ensuring sales processes follow new FCA requirements is a shared industry responsibility. Lenders need to take reasonable steps to make sure its agents remain compliant.

Over the coming months we will change remuneration schemes where needed and we are already starting to amend our documents to increase the prominence of the existence of commission.

Dealers and brokers need to be able to show they've had these conversations with customers as early as is practicable.

While the rules on commission disclosure have not significantly changed, dealers clearly need to prove that disclosure has come early enough in the conversation for the customer to have time to reflect before being asked to commit.

→ To emerge from the pandemic with a more robust and resilient business model, dealerships and independent service centres will need to address some long-standing structural weaknesses and adapt to meet future market demands.

Before remodelling for the future, it makes sense to focus on reducing costs and improving operational efficiency.

A number of major dealerships have recently announced plans to close part of their retail networks. This will help them reduce their fixed costs and adjust to a shift in consumer buying habits as more transactions move online.

In some cases, a radical rethink of the real estate strategy could result in service centres being relocated to well-connected brownfield sites, rather than taking up prime retail space alongside showrooms.

Investing in integrating dealer/data management systems with financing data/systems and manufacturer-specific software for customising customer requirements would bring significant benefits. Helping dealerships to improve lead generation and customer experience, it may reduce the cost of customer acquisition/service.

Interestingly, the best data is often held by finance companies. More than 85% of new cars and in excess of 35% of used cars are bought on finance.

Capturing the customer data is therefore regulated, which means it is high quality. However, this data tends to be transactional in nature, whereas the dealer is aiming for a longer-term relationship for parts and services.

“NOW IS A GOOD TIME TO START UNBUNDLING SERVICES”

Ensuring dealer systems are joined up and contain similar high-quality customer data can help them to retain and attract customers for longer-term relationships. This is particularly important as new products and services come onto market such as electric vehicles and subscription models.

Given many vehicles go to auction after their first owner, improving data capture and linking systems would enable dealerships to keep track of the customer and ageing vehicles over a longer period, and retain customer spend on aftermarket servicing and repairs.

Dealers and carmakers have bundled a lot of value into one-off payments for aftermarket products and services. Now is a good time to start unbundling services according to their value to the customer. Also, rethink pricing structures, for example, charging a premium for higher-value services, such as home pick-ups and next-day delivery.

Experimenting with bundling or unbundling of services to meet individual requirements, to deliver a better customer experience, could drive increases in volumes and profitability.

It is possible for the aftermarket to come back stronger than it was before the pandemic.



WHAT IS THE MESSAGE YOU ARE TRYING TO SEND ME?

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years



One of the first signs that a relationship is breaking up is when those involved stop communicating.

In business, when a supplier or customer has not contacted you for some time that it is often a sign the relationship is in trouble.

Conversely, if you want a relationship to start then, unsurprisingly, communication is at the heart of that process.

So, what has this got to do with selling cars?

Just before the lockdown my son, who lives in London, was looking for a low-cost SUV. He wasn't planning on doing a particularly high mileage so I decided to buy him an MG ZS Excite and support our local franchised dealership in Leicester.

Driving the car home, I realised the air-con did not appear to be working. I contacted the garage that had it in for a day but couldn't find a leak and refilled the system.

I drove the car to London two weeks later only for the air-con to pack up again. I brought the car back to Leicester and rang the MG dealership only to be told that it had been bought, had lost the franchise and weren't undertaking warranty work.

What I don't understand is that, as a customer, why was I not told either by them, the new owners or MG that this had happened. Surely someone, even if only the manufacturer, would have thought it worthwhile getting in touch to keep the relationship.

"THE CHALLENGE FOR MOST IN THE INDUSTRY IS THEY HAVE FORGOTTEN WHAT IT'S LIKE TO BE KEPT IN THE DARK"

As a result, I contacted the AM Car Dealer of the Year – Robin Luscombe – who had just got the MG franchise and explained my problem.

I was happy to drive the car from Leicester to Leeds to get it fixed. Robin explained it might take a few days if they needed to get parts in.

I never met Robin on my two visits, but the difference was staggering. The Luscombe staff were in contact each day letting me know what was happening and I felt informed and could have a sensible conversation with them.

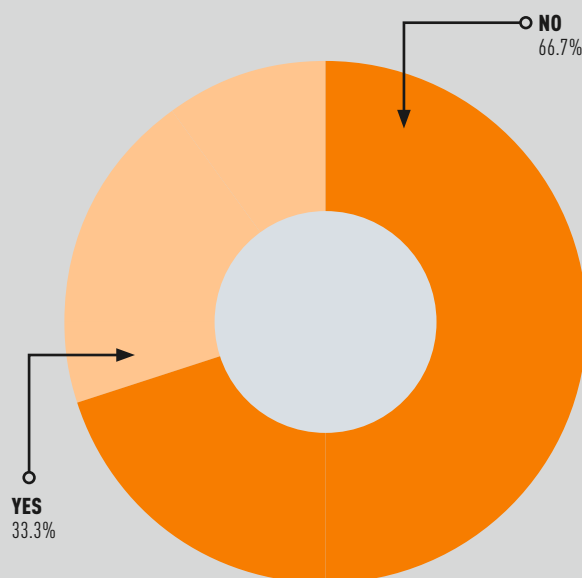
Why will some dealerships smash September and some not? Those who communicate effectively with their existing or potential customers either on-line, through social media or face to face will succeed.

The challenge for most people in the industry is that they have forgotten what it's like to be kept in the dark, to not know. Customers are not psychic, but neither are they stupid. They want to understand the value proposition that is being made but also the values that you hold in how you are going to treat them.

Living in Leicester has meant we have been locked down in some form or other since March. Now I can't meet my son or daughter in our house or garden, but I can get a tattoo! Like many potential car customers, I am left trying to understand what, actually, is the message you are trying to send me?

AMPOLL

SHOULD THE PRODUCT GENIUS ROLE MOVE TO PURELY ONLINE IN FUTURE?



The role of the product genius, outlining the features and benefits of new cars to showroom visitors before handing over to a salesperson for the deal, looks secure for the years ahead, according to the majority of AM-online voters.

Only one-in-three said the role was ripe to move purely online after the coronavirus lockdown precipitated a spike in remote car purchase.

Among the 'no' voters, one dealer said: "Absolutely not. The 'online genius' is also going to be more important in years to come, but it's a role which requires different skills.

"Customers still place a huge emphasis on the physical dealership experience, and experience (over service) increases in importance with each year that passes.

"As customers enter dealerships for the first time, this first impression will grow in significance. Who do we want the customer to be met with for the first time? Someone with an agenda who will try to sell to you irrespective of your readiness, or write you off as a 'tyre kicker'? Or someone without a motive, beyond that of simply giving you a great experience?"

One yes voter said the pandemic had accelerated the shift to online car buying, saying "consumers, especially millennials who are used to communicating in this way and to a large extent female consumers of any age, will be far more comfortable asking their questions online and anonymously, coronavirus will have accelerated this".

NEXT MONTH: HAS TECHNOLOGY TAKEN JOBS OUT OF YOUR DEALERSHIP?

VOTE NOW AT AM-ONLINE.COM/POLLS



8 steps to Smashing September Together

The 70-plate has arrived and now's the time for UK motor retailers to forget the spring lockdown and win as much profitable business as possible. Get the basics right and there's a strong chance of a sale. So, here's AM's top tips to help you and your team to smash September targets.



1 REACH IN-MARKET BUYERS

Buyer demand remains strong. Auto Trader has reported record new car audience levels and lead volumes on its digital marketplace in the approach to the 70-plate's introduction, and its own multi-platform marketing campaign 'The 70s Are Back' is driving leads to many retailers advertising with it.

"Building on the pick-up of consumer interest and lead volumes through May and June, August saw the very welcome news of a growing new car market for the first time in many months. And there are significant reasons to believe more growth can be found in September," said Auto Trader's commercial director Ian Plummer.

"Along with the reluctance to use public transport, increased savings from lockdown, attractive finance deals, PCP renewals, pent-up demand and anticipation for the new 70s number plate, we believe this campaign will help deliver a strong September for our partners."

He said dealers must make the most of the plate change by ensuring all their new vehicles are advertised online and photographed to a high standard.

"You'll not only get your vehicles in front of a huge audience of engaged buyers, you'll also ensure you and your team stand the best chance of meeting your sales targets," Plummer added.

ENGAGE BUYERS DIGITALLY

While many people still expect to limit prolonged face-to-face contact, it is critical for dealers to give car hunters easy ways to gather the information they need to narrow down their car consideration list.

Live chat messaging services and social media outside normal office hours give dealers the chance to help instantly, to start a relationship with that prospect and to make a date for the customer's test drive.

Jeremy Evans, managing director at Marketing Delivery, said social media is deservedly capturing the attention of many dealers as a useful means of reaching out to consumers, but email still has a key role to play.

Email is the channel most preferred by consumers (47.6%) for hearing from a dealer about car sales. By integrating eCRM (electronic customer relationship management) technology into their contact strategy, dealers can reduce the time and labour required to engage with consumers.

Doing so also meets customer demands for interactions that reflect their needs, interests and prior history with the retailer. Sales teams can use eCRM tools to keep potential customers engaged and updated with day-to-day stock changes.

Much of the process is automated, issuing tailored email alerts when new stock arrives which matches the initial enquiry, keeping potential customers 'on the boil'.

SMS can be important too, especially among younger buyers.

Since it's never been easier to make an enquiry, salespeople can feel besieged by the sheer volume of leads.

While the quality is often variable, consumers still expect a speedy response, according to Evans.

He said: "If dealers can't handle leads, they need to outsource enquiry management or find a technology partner able to introduce a level of automation and centralised management of social campaigns and digital interactions."

2





PERSONALISE REMOTE INTERACTIONS

Remote enquiries need not be impersonal. Video, whether live or recorded, is a fantastic tool for building relationships, as 2020's social distancing challenges have proven.

CitNOW has long advocated that salespeople use personalised, brief video walkarounds, filmed on a smartphone, as a response to individual enquiries.

New developments allow for a secure live video call from a salesperson's desktop computer, to share the screen with an online customer, and replicate the in-dealership experience of discussing specification and finance options.

Carol Fairchild, chief customer officer at

CitNOW, said technological developments are reimagining the sales process and benefitting all aspects of a dealership's relationship with its customers. "We want to help retailers to respond quickly to individual customer enquiries with a level of detail and emotional connection comparable to visiting a dealership," she said.

CitNOW's 2019 research, Evolution of the Car Buyer, showed consumers expect to have access to high-quality content when deciding on their next vehicle. Two-thirds (66%) of drivers felt it's important to see high-quality interior and exterior imagery of their potential purchase, while 35% felt it's important to see a video.

4

POLISH THE PART-EXCHANGE PROCESS

Technology from the major motor auction groups plus smaller third parties now makes the appraisal of a customer's trade-in based more on data science than gut-feel and hard effort. It can alert the appraiser that the car is desirable for other group sites or help make the decision of whether to auction it.

Some suggest that, where possible, the appraisal should be done on a tablet PC alongside the customer, to allow them to see any dents and marks and trust how the trade-in value is created, particularly if they already have a figure in mind that's some way from reality.

However, Simon Bowkett, managing director of Symco Training, believes that if a customer says they're not bothered about a test-drive, the appraisal time is an ideal opportunity for the salesperson to persuade them to spend the time productively, behind the wheel of their potential purchase. That builds their desire to buy, he said, and it gives the salesperson time to find out what they want the new car for, rather than go through the features that the salesperson finds most exciting.




ASTON BARCLAY
 Vehicle Remarketing

Race to Donington Park for vans at winning prices



Don't miss our new LCV auctions
www.astonbarclay.net

Realise immediate savings from your Demo fleet

No sector has escaped the effects of Covid-19 and the ensuing lockdown, including the UK automotive industry. However, there are ways in which dealers can make immediate and material financial savings by operating their employee cars and demonstrators in new ways.

Reduce Demonstrator Costs

Write downs represent a huge cost for dealers and new rules around sanitisation and social distancing has made using company cars as demonstrators (or vice versa) impractical for a number of reasons.

This leaves dealers needing an alternative to demonstrators for their company car driving employees which doesn't result in additional costs and ideally generates financial savings.

How can bottom line savings be achieved using an Employee Car Ownership Scheme?

- 1. Eliminate employee car and demonstrator write down costs**
As an ECOS removes the company car tax liability for the employee, these savings can be utilised by the dealer to eliminate or materially reduce write down costs on their demonstrator and employee fleet.
- 2. Remove Class 1A National Insurance Contributions**
Company car tax has risen again during lockdown, increasing both employee taxation and employer's Class 1A NIC liability by 10-20% since April 6th. Under an ECOS Class 1A NIC costs are not payable.
- 3. Demonstrate commitment to consumer safety**
With employees in an alternative arrangement, requirements for valeting and sanitisation of demonstrators are reduced, along with the associated business costs. Consumers can be reassured that the dealer has implemented Covid-19 safety measures.

Generate Used Car Stock and Registrations

Consumer demand is high but many of the channels that traditionally generate used car stock have been impacted. There is a need to create an efficient pipeline of used car stock for this currently lucrative sector.

Every employee placed into a CBS scheme vehicle provides an incremental registration. Crucially, at the end of the contract term, this vehicle returns to the dealer as part of a guaranteed used car pipeline, forming a quality consumer offering.

The CBS Optimiser; Savings Made Simple

The new CBS Optimiser is a tool designed to identify the ways in which dealers can make timely and critical savings for their business, without disruption to business operations or employee benefits.

On average dealer groups could save

£130,000 per site
by switching to a CBS scheme*

CBS makes the process simple and easy. After a short consultation with CBS' team of experts, CBS will analyse dealers' existing demonstrator and employee fleet using the CBS Optimiser.

A report detailing the best solution to maximise savings based on each dealer's unique fleet will be provided. There is no cost for this consultative service.

We Consult. We Analyse. You Save.

CBS provide a full service solution, which includes full implementation, training and most importantly, long-term management of the scheme using CBS' tailor-made digital platform and bespoke systems.

Contact CBS today for your consultation

✉ optimiser@carbenefitsolutions.co.uk

☎ 0161 826 0000

KEEP IT COMPLIANT

The Financial Conduct Authority (FCA) will change some of the rules around the sale of motor finance early next year. However, some finance houses are advising dealers to consider process changes early.

"Make sure your salespeople understand the need to properly disclose the existence and nature of commission, and the need to

do that early in the process," said Spencer Halil, director of Alphera Financial Services. Documentation may need updating to increase the prominence of any statements about finance commission.

In any case, the FCA's guiding principle for all consumer credit transactions remains: treat customers fairly. And, crucially, keep all evidence that you've done so.

5



ISTOCK.COM/BLUE PLANET STUDIO

RECOGNISE AND CELEBRATE THE SUCCESSES

Sales executive league tables and tactical incentives are commonplace in UK motor retailers for a reason – they work.

Driving competition and getting results during the plate-change campaign is important, but the recognition doled out for individual achievements is simply critical, whether that's as a financial reward, a gift or a simple hand-written note of thanks from senior managers.

Smashing September's plate-change is

not all about the salesforce. The PDI, valeting and administration efforts must be rewarded too, so, if there's pizza and beers going around in appreciation of the early starts or late finishes, ensure everyone gets their share.

At Drayton Motors, a multiple winner of AM Best Dealerships To Work For, director Darren Bradford believes in being generous with praise and employee benefits in return for a real team effort. He said: "We give them everything. Why do we do that? Because they give us everything."

7



LIQUIDATE THE PART-EXCHANGES

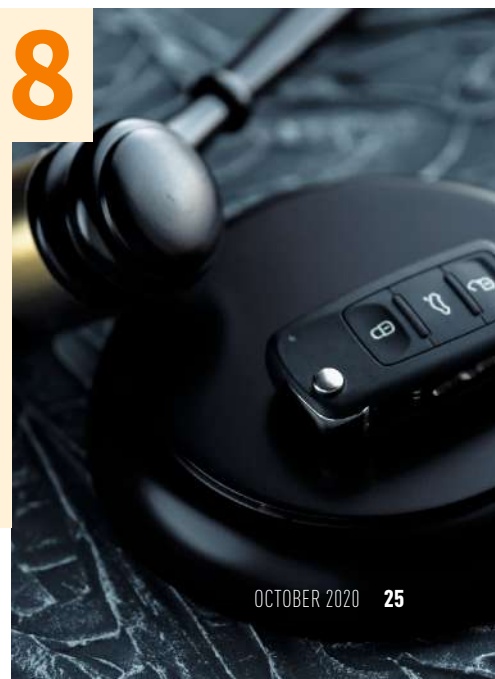
If the trade-in is not suitable for the forecourt, dealers have three main options to dispose of vehicles – trading to an independent dealer, putting them out to a physical auction or putting them through an online auction. Getting them off-site rapidly will help avoid choke points that might interfere with the retail cars that can be displayed.

Matt Dale, joint managing director of G3 Remarketing, which is set to expand into a new £12m facility in Yorkshire, believes the part-ex ideal is for a dealer to be clear of the vehicle and for it to be sold within 24 hours. He said: "Realistically, if you've got things all working efficiently, that 24-hour window can happen, but you're looking at three-to-four days and perhaps up to a week before the cash is back in the business."

Many of the digital appraisal tools can connect the process to disposal systems, allowing the dealer to offer the car online to the trade while it is still on their premises.

ISTOCK.COM/ILYABURDUN

8



6

INTRODUCE THE ADD-ONS

Sales executives, when trained and confident in the add-on products they can present, should be able to maximise their opportunities to increase the profit in the sale.

Taking cues from qualifying the customer and assessing the part exchange should help – if their current car has a dog guard or paint and fabric protection there's a good chance they'll want it again – but every buyer should be informed about service plans, GAP insurance and paint protection as a minimum. Doing so early in the process is best practice, and some dealers are also providing an online self-serve opportunity as a later follow-up.

Lance Boseley, marketing director at Jewelultra Diamond-brite, agreed proper training and knowledge will be a big help.

The paint protection supplier offers coaching to dealers that have falling sales penetration, and Boseley said a slip down the sales rankings may indicate sales executives don't feel able to answer customers' questions well.

Alongside online training videos, Jewelultra also has franchise-specific videos demonstrating the product which sales executives can show customers in the showroom or send them links to.

ISTOCK.COM/DNY59

A man in a blue suit and tie is leaning against a silver car in a showroom. He is smiling and looking at the camera. The background shows a large window with trees outside and a security camera hanging from the ceiling.

**“ WE’VE
SEEN SOME
SUPERSTARS
RISE IN LOCKDOWN
AND WE REALLY DO
LIKE TO DEVELOP OUR
OWN TALENT
STEPHEN SNOW,
SNOWS MOTOR GROUP**

FACE TO FACE: SNOWS MOTOR GROUP

LEAN, MEAN AND EFFICIENT

That's how chief executive Stephen Snow views his family-run company as it bids to return to normality post-pandemic. **Tom Sharpe** reports

When Snows Motor Group completed a restructure of its leadership team at the turn of the year its new leaders had no idea they would soon be called upon to fast-track a transformation of the business.

Chief executive Stephen Snow had been keen to drive profitability following a three-year period of acquisitions, a string of new site openings and considerable investment to upgrade its 47 franchised sites to the latest corporate identity standards of its 18 manufacturer partners.

COVID-19 forced a pause in trading, but brought about a rapid ramp-up in new thinking, however.

Now the group is driving forward with an end-to-end online retail solution and – at the time of *AM*'s interview – was in the midst of a rationalisation of its workforce which would see it cut 5% of its 900 employees.

"We have looked at every single dealership and the roles which may be deemed 'a luxury' and have made redundancies," said Snow.

"It's a natural thing to do when there's a recession. We still don't know what's around the corner, what effect Brexit will have on our business. In that situation you need to re-size the business."

Despite being a period that saw the group relinquish two brands (Citroën and Suzuki) and gain two more (Cupra and London Electric Vehicle Company – LEVC) Snow described 2019 as "a year of consolidation".

Scrutiny of the business had been intense during the past 18 months, however, with the CEO keen to restructure in a way that prioritised key functions and simplified the leadership structure following more than a decade of consistent growth.

Many of the steps taken both in response to – and to mitigate against – the impact of the pandemic and Brexit have felt like a continuation of the business review that was already under way.

Snow is pleased with the outcome.

"100% we've never been leaner, meaner, more efficient or more on top of our game," he said.

"It's a pleasure to come into the business and see all our staff maximising every opportunity. We treat every enquiry like gold dust.

"Like any recession, it toughens you up and makes you smarter in everything you do. We've realised some of our shortcomings and we've been able to make changes and get staff to buy in as they came back to work."

RESTRUCTURED TEAM

Snow announced he would be heading up a new executive board of directors at the group's fourth annual conference in January.

While COVID has made the event – the one occasion that all group employees get together each year – an uncertainty for 2021, the business's structure is now better suited to the challenges ahead, he believes.

Neil McCue and Alex Domone were named as chief operating officers and Shawn Gates as chief financial officer.

In addition to Allen Scott, Snows' director of marketing, PR and communications, there are also three, newly-appointed directors: Melanie Durrans, human resources; Richard Betts, corporate sales and fleet; and Robert Newbold, finance and insurance including FCA compliance.

Four new general managers: Mark Toms, Mike Maidment, Jon Oakley and Dale Vaughan, were also appointed at the turn of the year, with Rob Newton, Graham Simpson, Michael Ewen and Graham Davis all taking on new franchise aftersales management roles.

Snow said: "The new management structure will mean swift, effective decision-making across the business.

"I'm extremely pleased that many of our homegrown talent have stepped up to take on management responsibilities."

Snow is a firm believer in the development of the group's workforce from within and said that managers are empowered to select potential future leaders and help them progress.

He said the group does not use outside training providers as "the best people to instil the way we want our teams to work are people who have done it themselves".

While Snow hopes that the current uncertainty of the economic climate and a potential slow-down of its acquisitions will mean that recruitment and training become less of a burden. Staff turnover has been a consistent 20%-to-30% prior to COVID, he said. He is eager to encourage an aspirational workforce.

"We've seen some superstars rise in lockdown and we really do like to develop our own talent," he said.

"What that ensures is that you end up with people that know about the Snows way of doing things and for a family-run group that's really important. That was a key factor in our leadership restructure."


GROWING PAINS

Snows Motor Group's turnover has been growing since 2009, when the business expanded with the acquisition of Seat franchisee Great Covert plus Toyota & Lexus retailer Ponder. During that period it also founded its Too Good To Auction used car division.

Although the value of sales has grown by almost 286% since then, Snows has delivered varied profitability in its quest for more scale, with a loss before tax in 2017 marking the decade's low point.

Snow said the group's 2019 accounts – delayed by the COVID-19 pandemic – would show a turnover up 17.8% at £432 million, alongside a pre-tax profit of £4.3m, resulting in a return-on-sales of 0.53%.

"Not the greatest, but we have been growing the business," he said.

Snow said the business had suffered "growing pains" but added 

that 2020's leadership restructure would go some way to address that.

He said the group's approach to integrating new businesses had also evolved to prioritise swifter change in recent times. A move from four DMS systems across the group to CDK Drive was another step towards more efficient operating that had proved "an absolute godsend for our financial officer".

Snow said he had hoped 2020 would be the year the group would be able to deliver improved consistency and a stronger margin.

"We are aiming for 1% return-on-sales as a stepping stone, but, clearly, we'd like to grow that to 1.5%," he said.

"To do that overnight is not realistic. But we do believe that, after the consolidation year in 2019, we were having a strong start to 2020 and were on track to achieve 1%.

Snow was upbeat that the bounce-back out of lockdown would show a return to profitability last month when he analysed the July trading result.

That's something he couldn't have foreseen in March and April, he said.

COVID RESPONSE

Snow was quick to highlight the role the Government's coronavirus job retention scheme (CRJS) had played in his business's COVID-19 recovery.

Combined with a strong showing in after-sales and resurgent used cars sales since the June 1 reopening of showrooms, the CRJS has made hopes of a swift return to profitability a real possibility.

"With the way we've been able to manage our way back into the business using the CRJS, I'd like to think that we've maximised that support," said Snow.

WE DID APPLY FOR CBILS BUT FOUND IT DIFFICULT, COMPLEX AND EXPENSIVE

STEPHEN SNOW,
SNOWS MOTOR GROUP

"The other thing has been business rates relief. That has been a real help to us, along with manufacturer support. All the OEMs we represent helped us in terms of cashflow and guaranteed bonuses and all that has helped us minimise losses through the period."

Snow said the group had also benefitted from the flexibility added to HMRC's VAT and PAYE time-to-pay payments.

"We did apply for CBILS (the Coronavirus Business Interruption Loan Scheme), but we found it difficult, complex and expensive and, with tight cash control, we decided it was better to keep it there in the back-ground than make full use of it," he added.

"We're trying our best to avoid going with CBILS. I don't know of many dealer groups that have gone with it. The interest rate and term really wasn't very competitive. If we continue to trade as we are, we'll be okay."

"Any nervousness we have now is centred on a second lockdown and what that might bring."

Snow was keen to highlight the positive impact of lockdown.

Admitting that the period had allowed him and the business's other leaders to "step back and realise our shortcomings", it brought about the fast-tracking of an end-

to-end online retail offering through GForces.

Two of the group's sales managers were also pulled aside and encouraged to develop a CitNOW 'best practice' video training course to help drive the quality of both marketing and digital communication with customers.

Expressing some surprise at the instant take-up of the online offering from customers, Snow said: "We did 18 end-to-end online sales in July and took 200 deposits."

"We've only promoted that service online, but, as our employees have come back into the business, they've all really bought into it. Rather than getting an enquiry via the website they are now getting an order from the website and the manager will share them around as they see fit."

Snow admitted question marks could hang over the traditional commission model as increasing volumes of orders start to reach the business digitally.

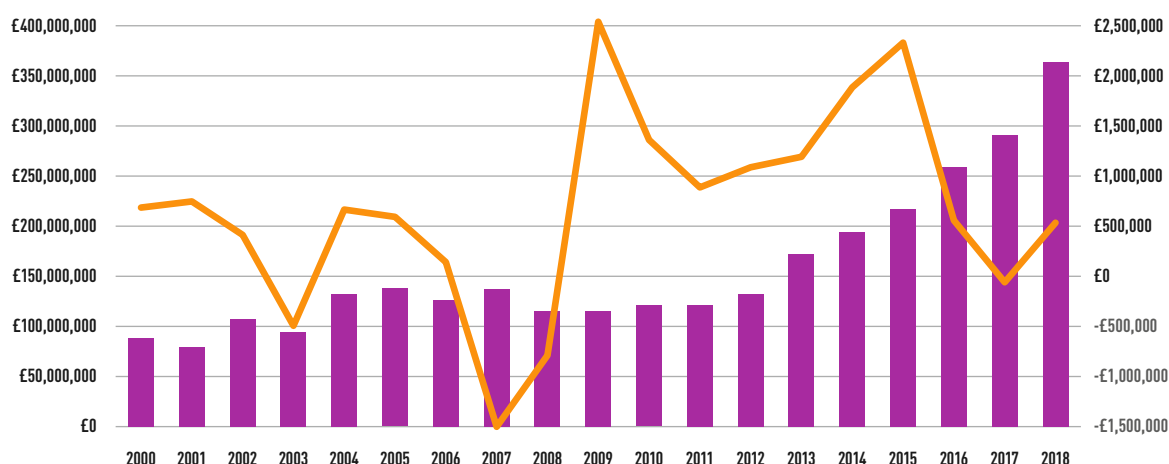
"Commission payments are something we want to review," he said.

"In Q4, we will probably look at introducing a specialist digital sales team. At the moment, the website provides the deposit and purchase straight into the dealership teams and they will earn commission in the usual way."

Despite the emergence of online sales, Snow said the group's customers had yet to embrace home delivery, with few having taken up the offer since it was made available during lockdown.

Instead, customers are increasingly travelling from further afield and are keen to try the car and drive it away there and then.

SNOWS TURNOVER & PROFIT BEFORE TAX



Snow's Volvo dealership
in Winchester



Snows represents
Lotus in Hedge End,
Hampshire



Snows Group board director Neil
McCue (left) with group chairman
and chief executive Stephen Snow,
outside its multi-brand site
in Portsmouth

SNOWS MOTOR GROUP THREE-YEAR TIMELINE

- AUG 2017**
 - Death of group founder Geoff Snow
 - Group opens second Suzuki franchise, in Basingstoke
- SEP**
 - Opening Newbury Kia franchise
- NOV**
 - Opens Peugeot Newbury, its third franchise with the brand
 - FCA Group brand centre opened in Southampton
- DEC**
 - Joins Mercedes-Benz Vans franchise in Exeter
 - Added a third Fiat and Abarth dealership to south Hampshire and the Isle of Wight with the opening of a new showroom near Fareham
- JAN 2018**
 - Acquisition of Portfield's Mazda, Peugeot and Toyota sites in Chichester
 - Opens FCA brand centre in Southampton
- OCT**
 - Acquired Perrys Group's single-site multi-brand dealership selling Fiat, Mazda and Peugeot in Portsmouth
- NOV**
 - Opening of Cupra franchise in Portsmouth
- AUG 2019**
 - Opening of Basingstoke Seat franchise, the group's seventh
- OCT**
 - Opening of LEVC franchised site in Southampton
- FEB 2020**
 - New board of directors and management structure
 - Breaks ground on Volvo Southampton dealership

Completing the Portfield in Chichester
acquisition: (from left): John Lindsay
(Peugeot sales manager), Graham
Simpson (group aftersales manager), Neil
McCue (group board director) and John
Harkness (Mazda sales manager)



FACTFILE

TURNOVER £432m (2019)

EMPLOYEES 900

MARKET AREAS Berkshire, Devon, Dorset, Hampshire, Isle of Wight, Somerset, Surrey, West Sussex and Wiltshire

BRANDS Abarth, Alfa Romeo, BMW, Cupra, Fiat, Jeep, Kia, LEVC, Lexus, Lotus, Mazda, Mini, Peugeot, Seat, Toyota and Volvo

“What we’re having to do is set up seven-day insurance and point them in the direction of the finance so the car is pretty much sold, pending a test drive,” he said.

FRANCHISED AND USED

A drive towards increased used car sales has been central to Snows’ strategy in recent years, alongside its aim to continue adding sites with its established franchisees within its geographic area.

Since 2009, Snows has promoted its used car offering under its Too Good to Auction banner – operating across 10 franchised sites and one solus location – and it managed to deliver a used-to-new ratio up to around two-to-one in 2019.

The group aims to have £21m of used car stock and exercise a 90-day stocking rule, but the challenges of vehicle acquisition this summer saw its inventory shrink to £17m at a time when Snow asserted “we’ve been selling stock faster than we could replace it”.

Last year, the group sold 10,227 used vehicles through its franchised used channels and 2,379 through Too Good To Auction, while retailing 7,751 new vehicles and selling 1,479 to local fleets.

Snow suggested the balance of used-to-new had tipped further this year, with post-lockdown used car sales up 25% year-on-year in June and July.

Aftersales had seen a similar year-on-year increase in revenues.

“We’ve maximised the working days in our aftersales departments, and that includes weekends, to keep up with demand,” said Snow.

“With all the rules that surround PPE (personal protective equipment) and social



Stephen Snow outlined his plans for management at the group's annual conference in January

distancing we wanted to avoid shift work.”

Servicing accounted for £3.5m of Snows’ revenues in 2019, with parts adding a further £4.9m.

Snow is keen to maintain his group’s geographic focus and is happy with the array of franchised partners he now finds himself with following a two in, two out reshuffle last year.

Geely’s LEVC became a Snows franchise in October 2019, but remains a brand with potential as local authorities in Portsmouth and Southampton continue to weigh up the roll-out of ultra-low emissions zones.

“It’s a niche business that’s additional to our value brands,” said Snow.

“The aftersales side is shared with Volvo, but we do have a separate showroom with just two vehicles. It’s a slow burn, but it hasn’t been a huge commitment in terms of investment.”



Servicing added £3.5m to group revenues last year

Mercedes-Benz Vans has proved another challenge for the group after taking on the franchise in Exeter back in 2017.

It was a “cold territory” but Snow said that the prospect of joining the German brand’s franchise had been “too good an opportunity to pass up”.

He said: “We’re making progress every year. It’s been tough. We hoped that in our third year we’d achieve profitability and we had been on course to achieve that prior to COVID.”

With just two showrooms still requiring a CI (corporate identity) upgrade, Snow is hopeful life is about to get a little easier and less expensive from a franchised business point of view.

But, with a new Volvo Car UK showroom in Southampton, one of two pending upgrades, there remained one last sting in the tail.

“There are horrendous costs associated with electric vehicles (EVs) from a retailers’ point of view,” he said.

“We were right in the middle of updating the Volvo dealership when we came to a grinding halt at lockdown. But, just prior to that, we had to put in a substation. That added £110,000 to the cost in order to meet Volvo’s EV standards.

“It’s only because we have come back and June and July have been good months for us that we’ve now got the confidence to get back into that.”

THE SNOWS WORK ETHIC

Snows Group founder Geoff Snow died in hospital, at the age of 85, on August 23, 2017, but son Stephen asserted that his father would have embraced the challenges faced by the car retail sector right now.

Having launched Snows as an office supplies business in Southampton in 1962, he moved into motor retail 40 years ago with a Toyota franchise in the city and retained an active interest in the business right to the end.

Far from shying away from emissions regulation, Brexit and COVID-19, Stephen believes his father would have enjoyed adapting.

“Geoff would have loved it,” he said. “He would have loved the pace of it all. He loved change and change for the better. My father

loved to see his business grow and evolve.

“He was brought up on a farm – his dad was a farm worker – and he went into the Navy as well. He had that work ethic in him and I think that’s what we have instilled. I can’t thank my staff enough for exemplifying that.”

Snow, who took over running the car retail business back in 2007, said that he has no intention of relinquishing the helm any time soon.

While his three daughters have yet to form part of his succession planning, one is already working in the business.

But he said: “I’ve a good few years left in the business yet. The executive directors are younger than me. We have a relatively young team with a lot of experience.”

CaboodleCode: revolutionising the automotive industry

AI platform lets dealers know what their website visitors are doing

The first of its kind, CaboodleCode is an artificial intelligence (AI) website that delivers tailored content together with state-of-the-art customer tracking technology to tell you who is on your site and what they are doing.

Launched during lockdown, this cutting edge platform has already helped many dealerships, with six sites live and a further nine in development.

Industry giants including Google, Amazon, Facebook and the BBC use similar technology, but CaboodleCode is the world's first AI website platform designed specifically for the automotive industry.

Karl Rahmani is Managing Director of The Whole Caboodle, a full-service digital agency based in Harrogate. He has more than 26 years' experience in the motor industry.

Karl said: "This is the future of websites. Everyone will soon be deploying AI sites; it's the next generation platform. Why commission a new site with yesterday's technology, when you can have tomorrow's technology right now? Your customers aren't all the same,

so why give them the same online experience?"

Tailored content is proven to increase conversions by around 20%, so everyone wins; the customer gets a better online experience and the retailer increases sales.

Karl explained that, through the intelligent use of data tracking, analysis and content-tailoring algorithms, CaboodleCode influences what the customer sees. It displays relevant content to each visitor making the site easier to navigate, increasing conversions and lowering marketing costs.

And the hard work doesn't stop there. CaboodleCode's unique insight focuses all future communications to ensure messages and offers are properly personalised. This is done automatically and is built into the core capabilities of the site.

CaboodleCode has a user-friendly, real-time lead centre that uses a visitor quality scoring system that can identify "just browsing" and "in-market customers". And, incredibly, it also identifies each visitor by name!

You can see a visitor's entire viewing history, most recent search parameters, and all the vehicles they have viewed.

Flags can also be set to alert a dealer when a chosen customer returns to the site and allows dynamic relevant digital interventions to be implemented, such as offer road blocks or price reductions alerts while browsing.

CaboodleCode is fully e-commerce enabled, gives your data real value and is the hardest working website ever developed. And it's proven to work.

What's more, the cost is comparable to a conventional e-commerce site.

Isn't it time you revolutionised your online presence?



To find out more or to arrange an online demo, visit www.thewholecaboodle.com, call: 01423 523000 or email hello@thewholecaboodle.com

**the
whole
caboodle.**

Helpful advice from dealers, for dealers

Advertising Feature

SMASHING
SEPTEMBER
together

During the pandemic, dealerships have found it's true what they say – necessity really is the mother of invention. Through this challenging time, you've reinvented your businesses, explored new ways of reaching customers and come up with fresh ways of working. So what have you learned? To help you maximise your September sales, we look at the best insights and advice.

COVID restrictions can provide an advantage

Many dealers have found unexpected benefits in COVID-related restrictions. For example, unaccompanied test drives with cars fully prepped and waiting for customers in special marked bays can add a touch of VIP treatment to the customer experience. Similarly, click and collect services can add perceived value, especially when they're combined with a more streamlined handover process.

"We're considering keeping an appointments system for busy periods, as it helps not only with the overall customer experience but with managing staff levels."

Laura Sandle, Sandles Car Supermarket in Kings Lynn

Online is no longer optional

Chris Eady, Dealer Principal at M&P in Swansea, has no doubts about the advantage of having had an existing online presence when lockdown hit. With the firm's dealerships closed, a substantial amount of business was shifted to click and collect and delivery services. This meant they

were able to achieve reasonable sales figures, even during lockdown.

Remote purchasing makes real sense

For Motorpoint, the ability to provide a fully remote financing process has been crucial in recent months. Black Horse's SignIt Anywhere system has become part of their new normal.

"This technology has afforded us the opportunity to transact business via distance sales and our click and collect option."

Jon Baird, Motorpoint LTD

Repeat sales are a financial lifeline

Retaining an existing customer can be five times less expensive than acquiring a new one. And the best way to generate repeat sales is to be in touch when an existing customer starts thinking about buying a new car.

The leading customer retention tool for the used vehicle market is Portfolio 3Sixty. Powered by Autofutura, it uses customer data to make contact at the perfect moment, just before a finance agreement comes to an end or when a settlement figure is requested.

To give customers a truly personalised deal, Portfolio 3Sixty also matches your current stock to a customer's specific needs and connects with them via SMS and your own branded microsite. With the tool soon to be integrated into Black Horse's existing Finance Online platform, both dealers and customers will benefit from a truly streamlined repeat buying process.

Weather the storm

Since the start of the pandemic, Black Horse has helped by giving over 100,000 customers payment holidays in line with FCA TCF guidance – we never compromise on fair outcomes.

"Our relationship with Black Horse is first class. We're very proud to be in partnership with them, our core values are aligned and we both strive for excellence. The customer is always at the heart of everything we do."

Jon Baird, Motorpoint LTD

blackhorse 

blackhorse.co.uk/dealer

5 ways to boost your online presence

1

Stay front of mind by contacting customers via email and social media

2

Stand out by creating videos and articles offering buying advice

3

Raise your profile by promoting your content online

4

Enable customers to engage with you online via live messaging and video chat

5

Streamline your purchasing process, making it fully digital where possible



Striving hard to serve up success on a plate change

After March's number plate change was disrupted by the onset of the COVID-19 pandemic, September took on even greater importance for car dealerships as buyers began putting lockdown behind them. Here is how four leading manufacturers approached the month in pursuit of new car sales:



**PATRICK MCGILLYCUDDY,
HEAD OF SALES, VOLKSWAGEN UK**

What products/offers are your main sales opportunities with the 70-plate?

Our principal offer is the very successful 'Three Months On Us'. But we also have a mix of other attractive offers across the range, especially on our smaller SUVs, the T-Roc and T-Cross.

Don't forget, this is our brand's busiest year to date for new models. The most important are the Golf 8 and ID.3. But also of huge significance to us and our retailers are the revised Tiguan, the enhanced Arteon and new Arteon Shooting Brake. Plus there are exciting new versions of the Golf, such as the GTI, GTE and the Estate. By the year's end, we will have one of the freshest and most compelling new car line-ups in the UK.

Is this plate-change month of September more important than other years? What really makes it different?

We have had a strong quarter so far, so we hope September will continue that good result. The market has performed above expectations, as have our sales. But, of course, the new plate makes September an important month for both us and the whole industry. We have been gearing up our logistics to bring more cars to the UK and deliver these to our network.

How did you gear up your dealers for the plate change?

First and foremost, we have been busy all year getting our retailers excited and enthused about our great new products. And that's not difficult, when you see the quality of those new cars.

On the logistics side, we have been sensible in encouraging retailers to start calling off their cars in August in order to make room at the ports for the additional production.

Together, we feel prepared.

What did the business do to prepare for September?

We have worked with our colleagues in Germany to help secure additional production to meet anticipated demand.

In addition, we have put shipping and logistics capacity in place to bring these cars to the UK.

And, of course, we have been busy from a marketing and PR perspective in communicating all our exciting products and offers to the UK buying public.



**RICHARD HARRISON,
SEAT UK DIRECTOR**

What products/offers are your main sales opportunities with the 70-plate?

We have great offers across the entire award-winning range, but our SUVs are particularly enticing right now.

For example, the sporty Arona FR compact SUV now has enhanced finance contributions, while the first of our fantastic New Atecas arrives in the UK in September, featuring enhanced technology, such as wireless smartphone charging and connectivity across the range, while continuing to offer value for money.





Take advantage of strong used prices and sell more cars

Click2Trade, known as BAS in Holland, allows any size of franchised, or independent dealership to have their own in-house trade auction platform, but with a difference. With the industry experiencing a shortage of used vehicles, why wait for the vehicle to come into stock before you start the process of trading or auctioning it?

The key benefits:

- It is free and can be accessed from whatever device is convenient for the client.
- Appraised vehicles can be added to the platform, which links to CAP HPI and pulls previous MOT advisories, allowing for better appraisals.
- For online customers or those that do not wish to visit the showroom a link can be sent to allow them to self-appraise their vehicle. We have already seen over 100 cus-

tomers do this in one month alone and complete it very well.

First launched in Holland last year 12,000 vehicles have been sold with retailers seeing an average increase in part-exchange values by £600. Achieving a high price on a customer's part exchange at point of appraisal has led to an increase in sales and better margins.

Because vehicles are sold prior to arrival they are paid for within 48 hours and collected within three days. This has a positive impact on cashflow and space on site. Of course, those that prefer, can still add vehicles the traditional way once they arrive in stock.

It is free to sell vehicles on Click2Trade. Buyers only pay £39 per vehicle bought and there is no subscription fee.



020 8355 5805



info@visualautomotive.co.uk

Find out more:



www.click2trade.co.uk

Click2Trade

Increase margin by 3-5% with better stock control

It has never been harder to buy used stock. Retailers are having to focus even more on the detail and turning stock quickly. The best retailers have robust preparation and cost control processes. When top money is being spent on a car, the margins are tight but there is still money to be made. vAutoStock is helping a lot of these retailers make the most of each purchase.

How it works:

vAutoStock takes a feed from the dealer management system and then links all departments together, external and internal. Each retailer can be spoke their own process.

We understand each business is different. vAutoStock is designed to fit the business it works with.

Being cloud-based, anyone from any location can see the exact status of all the used vehicle stock. Any problem vehicles are flagged. For example, if a vehicle arrives not as described it can easily be picked up and a claim sent. Every penny counts today.

With an average margin increase of three to five per cent, vAutoStock will make a huge difference to your business. With more focus online and reducing customer visits it is essential to have all your vehicles fully prepared and ready to go.

vAutoStock has over 8,000 vehicles being processed through it each month. To find out more or to arrange your 30-minute demo, go online to vautostock.co.uk or call 020 8355 5805.



020 8355 5805



info@visualautomotive.co.uk

Find out more:



www.vautostock.co.uk





C Is this plate-change month of September more important than other years? What really makes it different?

A strong September is always important, but this year what we all need is actually a strong July-to-December, to counteract the financial impact of the lockdown period.

I'm pleased to say that activity levels have bounced back strongly post-lockdown, with our retailers doing a great job looking after their teams and their customers in a safe environment and in line with the Government guidelines.

The result of their terrific efforts was a fast return to profit in July, with customer demand ahead of supply, and with our factory now adding additional right-hand drive production, which will arrive in October.

This period is particularly special as we have the strongest vehicle line-up in the brand's history.

The all-new Leon raises the bar for design, technology and quality in the segment and deliveries have now started, following a heavyweight media launch campaign that timed perfectly as we came out of lockdown, stimulating lots of retailer enquiries.

We've also got the first New Ateca landing later this month, which represents a real step forward versus its predecessor, and shares the same design language as new Leon.

It's a great-looking line-up.

On top of the Seat business, we're also seeing a strong early interest and excitement in Cupra Formentor – the first vehicle designed specifically for Cupra – with the limited VZ launch edition now nearly all reserved by customers keen to be the first to drive this stunning new performance model later in 2020.

How did you gear up your dealers for the plate change?

We have strong products, programmes and consumer offers, tailored for the current environment, and we have a motivated retailer team who continue to do a great job looking after customers in a COVID-safe environment.

Communication and accessibility is important to us, but even more so during this pandemic, so we continue to work closely with our retailer partners, keeping an open and frank dialogue to work through the challenges we all face together as a team.



**LISA BRANKLIN,
SALES DIRECTOR, FORD**

What products/offers are your main sales opportunities with the 70-plate?

Fiesta and Focus have just had mHEV engines added and we've got good availability of our newest Product Puma – *What Car?*'s car of the year – and Kuga. This is combined with a range of customer offers including Zero Percent and Upgrade and Save.

Is this plate-change month of September more important than other years? What really makes it different?

September is typically the second largest sales month in the year behind March. So, it's vital for dealer and manufacturer volumes and profits. With lockdown occurring before the end of March this meant a significantly reduced March industry – and this continued through Q2.

This September will be the largest sales month of the year, giving both manufacturers and dealers an opportunity to recover volume and profitability.

How did you gear up your dealers for the plate change?

Since restrictions were lifted progressively through the UK, the Ford dealer network has been implementing process changes to support safe return to work for staff and a safe return to the showroom for customers.

We've been supporting this process with ongoing guidance alongside the usual preparations for a big sales month, around marketing, prospecting, vehicle supply, etc.



**DALE WYATT, DIRECTOR OF
AUTOMOBILE, SUZUKI GB**

What products/offers are your main sales opportunities with the 70-plate?

We have got two products that we think are right for September – small cars and SUVs. Small cars are going really well. We have also introduced 0% finance and no deposit as a consumer offer and, what we believe is a new car first – a seven-day return option. We are conscious that some people may be a bit apprehensive about test driving a vehicle during the COVID-19 pandemic so we are giving them the chance to buy it and, if it's not right for them, they can return it after seven days.

Is this plate-change month of September more important than other years? What really makes it different?

It's pretty important. It gives us an opportunity to get our stock back into balance and maximise the pent-up demand, as well as make up some of the Q2 shortfall. Because, at Suzuki, we order our stock six months in advance, our stock mix is a little bit skewed, so it gives us a chance to readjust that.

How did you gear up your dealers for the plate change?

We don't want to overload our dealers with initiatives to start with so we broke the return to work into three easy to follow stages: back on your feet (light touch management of the dealers), up and running and sprinting to the line. We feel we are in the second phase, where we need to give them some breathing room to continue their progress. **ALEX WRIGHT**

GB

PL4T3CHANG3

Diamondbrite and ultravision – solutions perfect for testing times

Jewelultra responds to challenges presented by COVID with new products

While much of the industry has been languishing in lockdown, Jewelultra have been investing time in redeveloping and diversifying our product range with a view to assisting our customers in the bounce back to profit.

Jewelultra sanitisation products

We quickly identified a need and our factory swiftly developed a range of WHO-approved sanitation products, which not only satisfied the immediate requirements of our trade customers but which also generated a high demand in the broader marketplace.

During this period, we prioritised the provision of essential supplies ahead of profit, a move which was appreciated by our customers and also by numerous organisations such as the Gloucester Royal Hospital to whom we donated products free of charge (see right).

Moving on, these products are now firmly established in our portfolio and have been further developed to better serve our dealer customers and to enhance the sales process.

Now, when a car comes into stock, it can be quickly sanitised and made display-ready, using our Total Release product.

Prior to delivery, it can be fully cleaned and sanitised using the various products in our sanitisation range.

This all leads to a faster turnaround of



'A happy nurse – we supplied free hand sanitiser to the Children's Ward at the Royal Gloucester Hospital'

stock and quicker delivery, all crucial to cashflow which is critical in challenging market conditions.

ultravision

Realising one of the knock-on effects of Covid would be a seismic shift towards online enquiry and transaction, we have been developing our ultravision product.

This enables our customers to react swiftly and professionally to sales enquiries, utilising the latest video technology to give a potential customer the opportunity to view a car, almost as clearly as if they were in the showroom.

ultravision has the potential to take the customer through the entire process from enquiry to delivery without leaving the comfort of their own home.

Diamondbrite

And of course, not to forget the core of our business, the market-leading Diamondbrite paint fabric and leather protection process, which not only greatly enhances the customer experience, but also provides a significant profit opportunity for dealers.

A Diamondbrite presentation can be fully integrated into the ultravision



'Jewelultra supplied branded sanitiser kits to the JCB Group which they include free in every new and used car'

video presentation making it much easier to sell online. Diamondbrite comes with a comprehensive aftermarket pack which includes hand sanitiser and touchscreen cleaner plus a range of quality products to help maintain the appearance of the car.

Together, Jewelultra chemicals and sanitiser products, ultravision and Diamondbrite combine to provide, swifter turnover, improved cash flow, effective customer communication, enhanced customer experience, all of which will impact directly on bottom line profit. At Jewelultra, we continue to strive towards being your one-stop-shop for add-on profitability.

Training

It is easy to forget the basics when all you want to do sell the car. There is still a huge need for training and coaching so every opportunity is maximised. With a new normality setting into our industry and a greater percentage of virtual sales, it is more vital than ever that your sales teams do not lose focus as they settle back into their new roles. Jewelultra training manager David Beney is on-hand to assist dealers with any training needs.



For further advice on enhancing your customers' experience call 01622 815679 or e mail enquiries@jewelultra.com



MINUTES WITH...

Chris Moysen, chief
operating officer, Drover



What have been the big milestones for you in the past 12 months?

The major change has been how we operate. We have centralised the way we group stock going through the platform so there is one paper trail and one logistics partner through FleetAssist. We've 'Droverfied' the service. It's had a massive impact for our cost base, but also on the consistency of service we provide.

We have also launched in France around the Périphérique Paris ring road and that's the first phase of our planned international expansion. We'll launch in other areas of France next year and into other European markets too. We don't want to run before we can walk though, so we'll continue to refine what we do in the UK and build a model we can roll out in other markets.

How is that £20.5 million in new investment going to help you scale up the business in the UK?

We'll be investing in tech development for our website but also to improve the functionality of our app. We also want to improve the servicing and maintenance experience for our customers through our app. There will also be some key executive hires and marketing spend to boost our brand awareness.

How are you going to make Drover a household name?

That's certainly our ambition. Channel 4 is one of our recent investors and so we have a relationship with them for our TV advertising and that will continue. We'll continue to invest in social media and digital marketing to promote what our offer is all about, but we'll also invest in brand marketing.

I UNDERSTAND WHY THAT PHRASE ('THE NETFLIX OF CARS') IS USED BECAUSE I THINK IT HIGHLIGHTS HOW THE WORLD IS CHANGING. THE AVERAGE AGE OF OUR CUSTOMERS IS 39 AND THEY ARE VERY USED TO SUBSCRIPTION SERVICES

Do you like the term "The Netflix of Cars" that often gets associated with Drover?

I think if we could even get to a 5% market value of Netflix we would be over the moon. I understand why that phrase is used because I think it highlights how the world is changing.

The average age of our customers is 39 and they are very used to subscription services like Netflix, Spotify and paying for their smartphone through contracts.

How many customers do you have in the UK and what is the potential for growth?

We have 4,000 live subscribers in the UK and around 60% currently have a car (2,500). The average monthly subscription price is around £399 and that includes insurance, maintenance, MOT, breakdown cover and tax as part of the package. The average subscription

length before switching is close to 16 months. Around 40% of our customers are women under 40. I think that tells you something about the way that particular customer demographic would prefer to choose their next car.

We think online car sales will take around 10% of the UK new car market by 2025 and that represents a big opportunity for us.

Buying online still only represents approximately 1% of the market. Why is it going to build to 10% in five years?

There will always be those who want to go into the showroom or complete finance agreements at the dealership, but that's not our customer. Our customers want to do everything digitally, they want to be able to choose a car in the comfort of their own home and have it delivered to them and, most importantly, they want flexibility.

Our target customers want a vehicle packaged up in a box, with everything included. They want to get from A to B and they don't want to be locked in for three years. COVID-19 will change how many people are driving and commuting due to more people working from home. I don't think people are going to want to be locked into long contracts and they want the flexibility to swap or stop with a month's notice.

In the Netflix age, why haven't online car sales exploded?

It's partly because there isn't the facility for some dealer groups or OEMs to make it happen. That is getting better and more and more are launching online car sales platforms. We're doing our part too.





What's the appetite for dealer groups to offer their stock through the platform?

We're currently working with around 12 major dealer groups in the UK. They are part of how we source vehicles, which also come through leasing companies and rental companies.

We would obviously like to increase the number of dealers we're working with as supply is the biggest issue for us right now. We have a lot of demand, but we need more vehicles.

What do dealer groups get out of the partnership?

Talking about return on investment is a difficult subject because it can totally depend on the objective for each dealer group. We have two ways that dealer groups will supply vehicles to us. They either like to register the vehicle themselves and then list it on our platform and then we'll give them an indication of what they can earn from that vehicle before they set their own price. Or some dealers might sell vehicles to us directly. There can be a variety of reasons behind engaging with us. Some dealers might be looking to push volume to meet targets or find they have too much stock they want to offload. Some might have an influx of PCP returns they want to put through to us, for example.

What's the biggest growth opportunity for Drover?

We've seen a spike in interest for plug-in vehicles on our platform. Again, supply is our main issue with getting enough electric and hybrids vehicles to satisfy demand. Trying out a plug-in vehicle with no risk of being locked into a contract is really appealing to people that aren't sure whether it fits with their lifestyle. On our platform you could try a battery electric vehicle, a mild hybrid, a plug-in hybrid and switch between them easily and see how they work for you.

I THINK DAILY RENTAL AND DEALER GROUPS ARE PROBABLY THE BEST PLACED TO BUILD THEIR OWN RIVAL PLATFORMS, BUT, AT THE SAME TIME, I THINK THEY'RE ALSO NOT TOO PRECIOUS ABOUT WHERE THEIR REVENUE IS COMING FROM

What are the big innovations you're excited about right now?

Connected features that link between the car, services and apps is really interesting.

We have around a third of our fleet connected with plug-and-play telematics and that is feeding back information to us around vehicle utilisation and predictive maintenance.

We're hoping to get to 100% of our fleet connected by the end of the year. There is going to be more we can do to link vehicles to services in the future and that's something we're looking at right now.

What do you see as the biggest threats to your business this year?

Supply. Many manufacturers aren't sure what's going to happen in the market and they're not sure which way to go.

We have been supply-constrained for the past 12 months. We only have around 200 vehicles that we are taking the residual risk for right now, that will probably change in the future, but we need to be looking at what happens to residual values in Q4.

That may actually turn into an opportunity for us. If values crash, some

dealers may look to offload their used car stock to us, which will help boost our supply.

What's your view on the value proposition for car subscriptions vs PCP?

Our mission is all about making getting you a car as easy as possible. We have three general price points at around £399, £499 and £599.

Some customers are going to prefer to continue being locked in to a PCP deal at the value end of the market, but we think there are customers out there that will pay a bit more for the flexibility and all-in-one package.

What's to stop manufacturers or dealer groups building their own Drover-style platform?

We would be foolish to think that it's not a threat, but I haven't seen a company that has done it successfully yet.

A lot of long-established companies like leasing companies have legacy systems that don't put them in a position to easily innovate.

I think daily rental and dealer groups are probably the best placed to build their own rival platforms, but, at the same time, I think they're also not too precious about where their revenue is coming from.

Our background is in tech and we have the systems in place already. So, partnering with us, rather than investing millions into their own system will make more sense for most.

What do you think is the greatest threat to the franchised dealer model?

Burying your head in the sand. Car sales are going to move online and feature more digital elements as part of that journey. Retailers need to do everything they can to make buying online as easy as possible and those that don't are going to struggle.

TOM SEYMOUR

FACT FILE

COMPANY:
DROVER

HEADQUARTERS:
LONDON

STAFF: 110

LIVE SUBSCRIPTIONS:
2,500+

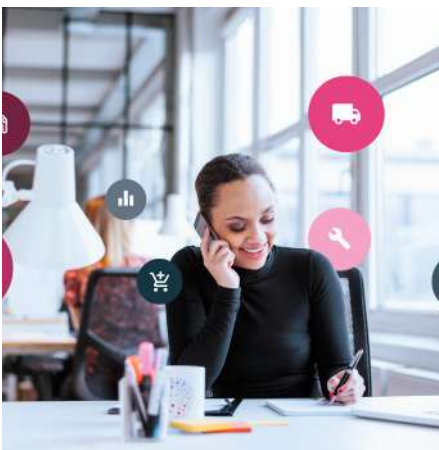
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AUTOMOTIVE MANAGEMENT

Keep abreast of every day's motor retail news. Visit AM-online.com now and sign up for our daily and weekly email newsletters.



Picking up: As customers race to the phone, make sure your number is the one they ring

Calls to dealerships in July were up by 26% compared with pre-lockdown. Are you enjoying the bounce back or could you do with a jump start?



According to data collected from millions of calls across almost 1,000 dealerships, the easing of lockdown in May saw a 536% increase compared with the lowest week in April.

What looked like an eager spike has, in fact, been maintained over the following few months as customers have continued to book long-awaited test-drives and services (see graph below).

How well can you handle 'hills'? The resurgence in calls to dealerships has been a steep rise. Here are three fast tips to make the most of the upturn.

1) Don't leave them hanging

As people adapt to new schedules, they might not always call you during office hours. But that's no reason to miss out on a sale. Missed call alerts, diversions to call centres, or simply monitoring when you're missing the most calls will all help you maintain those opportunities.

2) Know what type of calls are coming and from where

For some basic services, you might prefer customers to book online. But if they want specific advice about upgrades, financing, and other areas where you can add value, a phone call can make a world of difference. Knowing the activity and web pages driving different types of calls will ensure a better service for all.

3) Find what works and do more of it

You've probably heard the saying, you know that half of your advertising works, you just don't know which half. Well in 2020, phone calls can be tracked from more channels (and in more depth) than ever before, this includes specific keywords, social media ads, website pages, brochures and much more. By finding out what's leading to sales, your spend can be far smarter.

"Telephone conversations are one of the key engagements customers have with our business. So being able to monitor that, understand the value, and push it back into our bidding platform means we can spend money far more efficiently than we were previously."

Owen Gill

Head of Digital Marketing, Pendragon

Why now?

We don't know what the future holds, so it's important to make the most of this boost in sales activity and optimise marketing budgets today to prepare for tomorrow. Your business can't afford for you to rely on guesswork.

Give us a spin

The tips we've given here are all possible with Infinity, the leading Call Intelligence provider in the UK, trusted by automotive brands such as Sytner, Mazda, Pendragon and hundreds more.

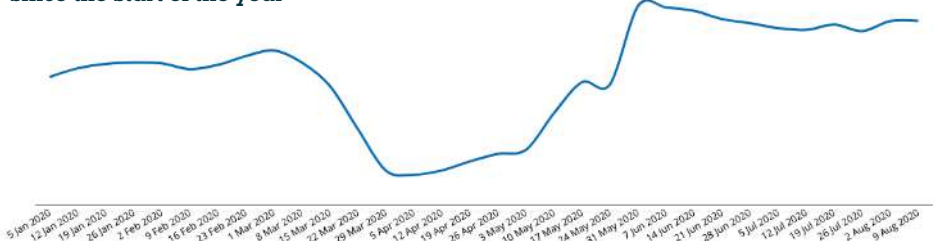
Try Infinity FREE for 90 days when you sign up today:

Call us on

0208 131 7214

infinity.co/automotive90

Calls to dealerships week-by-week since the start of the year



Is your data working for you?



Bring it to life with **Connected Analytics**.

Unleash the power of your data and access powerful insights with **Visualiser** from CDK Global. Real-time business intelligence for your dealership.

Introducing **Connected Analytics**.

Discover more at:

www.cdkglobal.co.uk/analytics

—“

By now, we're all very aware that data insights are vital when devising business strategy, especially when faced with uncertain times. However, the value of data is only seen when it is interpreted and acted upon, enabling dealerships to make smart, quick decisions which are focused on revenues and profits. While it may seem counter intuitive, it is the companies that innovate and invest in efficiency during economic crises that will survive and grow. A seamless technological experience is at the core of our mission to provide a truly connected approach to car buying and ownership. With Visualiser and Visualiser Advanced, retailers can spend less time crunching numbers and more time taking data-driven action across every aspect of their operations.

”—

Stuart Miles, Managing Director UK & Ireland, CDK Global

cdkglobal.co.uk

CDK Global provides actionable intelligence for dealers

Automotive technology provider CDK Global has recently launched two new products as part of its Connected Analytics suite.

Visualiser and **Visualiser Advanced** automate data collection and visualisation to provide actionable intelligence to help drive dealerships forward. Both products integrate with CDK's Autoline and Autoline Drive Dealer Management Systems (DMS) and are can be viewed anywhere, on any device.

Dealerships across the UK are seeking to make the best use of their data, and more intuitive ways to visualise this information results in effective and efficient action. Visualiser gathers operational and financial data from the DMS, displays it in intuitive dashboards, allowing dealer groups to have an instant overview of performance from a site, multiple sites or franchises comparing results side by side. It allows dealer groups to turn numbers into actionable tasks to improve the efficiency of the business.

By understanding and analysing data held in the DMS, Visualiser provides an instant overview of operational and sales figures, enabling organisations to invest in areas that will maximise returns. Visualiser Advanced allows for even deeper insight

and is tailored to different levels and roles within a team, enabling custom dashboards and reporting.

Key features of Visualiser include:

- Powerful insights and automated analysis of operational and financial data
- Intuitive dashboards to shine a light on KPIs across operational areas
- Access on desktop or mobile devices using Microsoft's PowerBI App
- Compare current measures and KPIs against historic performance or budget

Key features of Visualiser Advanced include:

- Choose from quick insights or detailed, deep-dive analysis, with a triple layer drill-down facility
- Evaluate data across multiple departments for a comprehensive dealership overview
- Create complex reports or export data to Microsoft Excel and modify it to create customised, actionable versions

—““—

We've been using Visualiser Advanced as a pilot site for a couple of months, and we're already seeing the positive impact across the business. Visualiser Advanced allows us to pull all of our DMS data together and ensure the same results are consistently presented to everyone – from the MD to General Manager to the Service Manager to the Sales Manager.

Paul Hancock, Development Manager, Howards Garages

”—”

RENAULT UK

COVID-19 has given the car industry a severe jolt. But what might be the additional consequences of a hard Brexit? asks **Tom Sharpe**

C OVID-19 may have stalled the car retail sector for three months and plunged the UK into the most severe economic contraction on record, but Renault UK managing director Vincent Tourette still fears the effects of a “very hard Brexit” even more.

The Frenchman was brought to the UK to help steer the brand through the turbulent times triggered by the UK’s vote to leave the European Union (EU).

And, while he believes many of the steps taken to mitigate against Brexit’s impact have helped Renault and its franchised car retail sites weather the coronavirus pandemic, the fear of restricted trade and a further weakening of the pound weigh heavily on his mind.

“My biggest concern remains Brexit,” Tourette told *AM*. “It’s been a major part of our lives and business for four years now and, despite all the discussion and impact we’ve already seen, what we see at the moment isn’t reassuring at all.

“We had done extensive planning, reducing our breakeven points financially in order to go through a crisis that we felt would be that hard Brexit. In the end it wasn’t, it was COVID.

“The possibility of a hard incredibly painful Brexit is still ahead. Having to potentially combine the consequences of COVID with a very hard Brexit and stricter emissions regulation; these three things are real areas of concern.”

Renault UK’s registrations declined for a third consecutive year in 2019, reducing by 4.9% to 59,132 (2018: 62,168) as market



“HAVING TO POTENTIALLY COMBINE THE CONSEQUENCES OF COVID WITH A VERY HARD BREXIT AND STRICTER EMISSIONS REGULATION; THESE THREE THINGS ARE REAL AREAS OF CONCERN”
VINCENT TOURETTE, RENAULT UK

share declined to 2.56% – its lowest level since 2013’s 2.04%.

When Tourette took up his role, the brand was coming off a 2016 result which was its largest since 2010. It’d had four years of growth after a 21st century low of 40,760 in 2012 – the year the brand cut the scale of its 190-site UK network by a third.

Part of Tourette’s strategy to cope with the uncertainty caused by Brexit – and, no doubt, manage the brand’s CAFE (Corporate Average Fuel Economy) obligations – was to reduce and stabilise volumes.

He said: “We’ve never been running after volumes in the UK, given what was coming and the exposure to the pound and Brexit. I’m very happy we didn’t go for a strategy of volume at any cost.”

Evolving network

Despite the decline in sales – the brand was 31.8% down YTD in August at 24,672 (2019: 36,172) – Tourette insists he doesn’t harbour plans to significantly reduce the scale of the network. He started 2020 with 144 retailers and plans to end the year with 140.

Tourette said the plan was to be “bigger, better stronger, with more scale for fewer dealers”.

“To ensure the ongoing viability of the dealers, they need more scale, we need to ensure that their cost base isn’t matching the size of the market that we had before the crisis,” he said.

“We’ve terminated partners in the past, but my approach was that we’re comfortable with the partners. They have shown that they want to invest with us.”

At the start of 2020 Tourette told *AM* of



plans to divide the network into 60 to 65 territories, with partners freer to tailor their regional presence.

“I think the time of having all activities under one roof has gone because property cost is a reality in this country, which makes it very difficult,” he said.

“In London, you’ll quickly see examples of this change.

“Showrooms located in city centres for brand experience and a different site for used car sales mainly catered for through online activity. There’ll also be more dedicated business centres in industrial areas.”

Renault’s Pro+ business centres have undergone a change, reducing in size as part of a strategic target of having 34 nationally, with standards made more stringent in an attempt to drive specialist knowledge.

Tourette said: “Previously we had more sites, but they weren’t all sticking to the standards.”

Among the Pro+ network’s new ‘Business

KEY PRODUCTS



◀ Zoe

Being scheduled for launch just as COVID-19 hit hasn’t dampened Renault’s enthusiasm for the new version of the Zoe. YTD to the end of August sales are up 40.6% to 2,644.



◀ Clio

For a second consecutive month the new Clio was Europe’s best-selling car in July – beating the VW Golf twice. In the UK, sales are down 45.5% to 6,549, however.



Renault's Virtual Showroom was launched in April and has already reached capacity

Quality Commitments' are: car-for-car or van-for-van replacement vehicles on any warranty-covered issues taking more than three hours to repair; lifetime roadside recovery for the Master, Trafic, Trafic Passenger and Kangoo vans; a price match promise; and free electric vehicle (EV) charging.

Tourette wants to maintain a top five position in the UK's light commercial vehicle (LCV) sector as the brand is the market's second-largest player in Europe.

"We're one of the key stakeholders in the LCV sector," he said. "That's a critical part of the business.

"We redefined our Pro+ standards and territory coverage earlier in the year and we're in the process of implementing that.

"We didn't want a separate network, but we did want experts dedicated to LCV so we have redesigned our standards to include a higher level of expertise, more master technicians trained specifically on EVs and sales people trained to sell into businesses."

COVID-19 support

Renault UK's focus in recent months has been on supporting retailers impacted by the COVID-19 pandemic.

Close contact with overseas colleagues helped enable early preparations, with employees at the UK headquarters in Rickmansworth starting to work from home a week prior to Boris Johnson's lockdown announcement.

Tourette said: "70% of our team were put on furlough. I think our customers and our dealers have appreciated the levels of contact we've managed to maintain."

Dealer contact responsibilities were split between board members so each franchisee had a direct contact.

Deferred payments, support for the stock and storage of vehicles and parts deliveries for key workers were among the early measures.

Stocks of personal protective equipment (PPE), hand gel and Plexiglas screens were also supplied to retailers by May 1 – ready for the eventual re-opening.

Tourette said: "We have made it a priority

to support our dealers as far as we can.

"Some have come to us to ask for a bit more help than we were offering and in most cases we were able to come forward with the support they were requesting."

Online trading

Renault UK was motivated to accelerate a number of digital projects as a result of the COVID-19 pandemic.

In April, it launched an online Virtual Showroom, with product specialists online between 10am and 8pm to provide customer vehicle tours and advice.

The platform has already reached capacity and the brand is now seeking new premises to allow space for more cars and more product "gurus", while considering a move from one-to-one to group demonstrations.

Tourette said the platform "contributes to the idea of giving more scale to dealers" because "people don't always want to drive to their local showroom".

Another thing set to "add scale" is



Captur

The 2020 Captur arrived at the beginning of this year. Prices start at £17,595 for the Peugeot 2008 and Volkswagen T Roc rival, which is now Renault's biggest-selling vehicle.

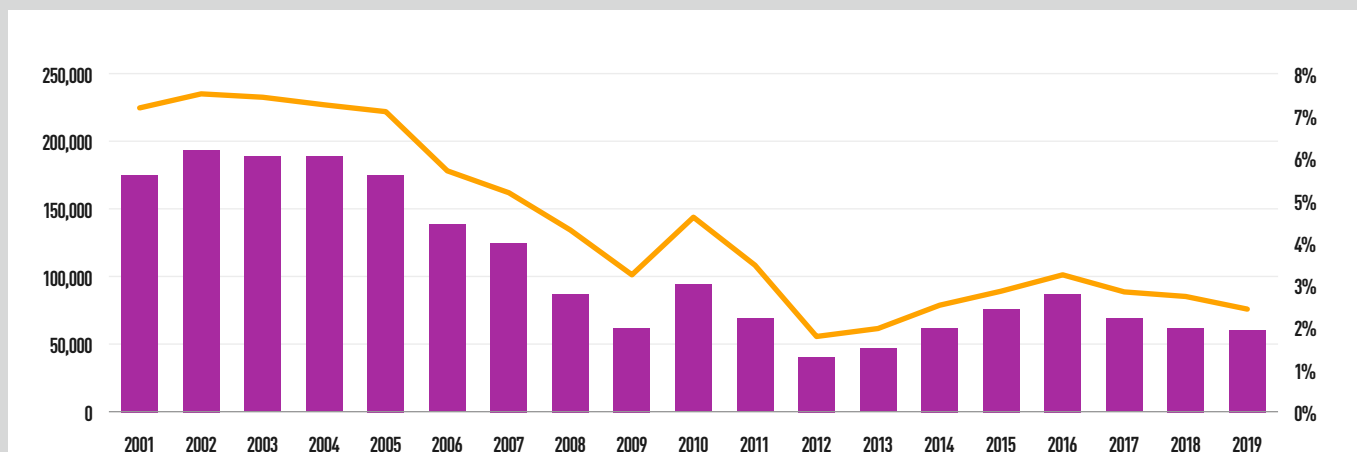


Kadjar

Reasserting Tourette's suggestion that future product plans should be focused in the EV and SUV segments, the Kadjar has now become Renault's third-best seller.

RENAULT UK NEW CAR SALES AND MARKET SHARE PERCENTAGE

Total sales Market share percentage



end-to-end online retail.

Dacia Buy Online was launched in November 2018 and Tourette said the decision to replicate the model with Renault and the Alpine performance brand was made during lockdown.

He said: "It's a challenge due to the diversity of the Renault range, so it needs more than just fine-tuning and re-branding of the Dacia offering."

He added: "Dacia has been a success in terms of traffic, but we're not selling thousands of cars that way."

Dealer attitudes

Tourette said the feedback he had received from the network about its COVID-19 support measures had been "extremely positive", adding that he hoped the period could be looked back on as a time when relationships were strengthened and cemented for the future.

He has been hit hard by the response of his franchisees to the National Franchised Dealers Association Dealer Attitude Survey, however (see page 6).

Renault UK came 23rd out of 31 brands, its overall rating slipping from 5.1 to 4.4-out-of-10 (average: 5.9).

It scored a 2.9 (average: 5.2) in the winter 2019 survey and only recovered to 4.6 in Summer 2020. for targeting, 2.9 (average: 5.2) for volume targets and was bottom with 3.8 (average: 6.2) for the fairness of its dealer standards.



Despite having the UK's best-selling EV, dealers even scored their satisfaction in the brand's alternative fuel vehicle (AFV) offering 4.8 (average: 6.5) – putting it behind many without an EV model.

The result heaped further misery on the brand after a bottom-placed finish in the latest bi-annual NFDA Electric Vehicle Dealer Attitude Survey, in which it scored 5.13 overall (average: 6.3).

"I was really disappointed and worried about that," said a clearly unsettled Tourette. "That (dealer attitude survey) result was something I wasn't expecting or wanting."

"What surprised me was the gap between the feedback I get and the survey responses."

He added: "We've not been good at motivating and convincing our dealers to reply to the survey. I think we had a 30% response rate and it's those more motivated to let you know that they are not happy."

"That's not an excuse, but it's context."

Tourette said that the brand had looked "in detail" at issues raised by the survey and had a de-brief discussion with the network's dealer association.

The brand has now rolled out its own monthly survey.

"I don't want a surprise again," he said. "I want a level of constant alertness to the issues retailers face."

Pandemic profitability impact

Renault UK is hoping that its efforts to restart sales following the lockdown will stand its network in good stead to achieve a rapid return to profitability.

In 2019 the network achieved an average return on sales (RoS) of 0.7%.

Frustration was caused by delays to showroom re-openings in Northern Ireland, Wales and Scotland – described by Tourette as "our strongest regions" – but July volumes rose by 201.7% year-on-year to 6,598 (2019: 2,187) and they were 49.8% up in August to 2,805 (2019: 1,872).

"In new vehicles we are doing quite well in taking more than our fair share of the re-start," said Tourette. "As soon as we could, we made sure we delivered all the cars we had at import centre to our dealers."

"For us, we wanted to stick to our supply commitments, and I think we have managed that quite well. Our ambition this year is to still achieve the market share we achieved last year, and we've received supply for that."

Renault retailers have seen aftersales quickly exceed pre-lockdown levels, according to Tourette.

Average overhead absorption was 41.2% in 2018 and 39.5% in 2019 and Tourette has set an ambitious target of gaining 1ppt to 2ppts each year.



A Fresh 'Waterfall' Finance Approach Ready for the 'New Normal'

"The new system was exactly what we had been asking for, quick, easy to navigate and extremely simple to use. Can't fault it!"

Lamberts Garage

MIDOS-3 from Mann Island - An All-New Finance Technology Option

The car sales process and customer experience have changed markedly in the post-lock-down environment, even if the end-game of helping a customer into a car that meets their needs is the same.

Dealers need every tool to help make car buying easier and as 'frictionless' as possible. Mann Island and its new MIDOS-3 are delivering this.

1. A unique lender, providing broker capability finance
2. A single contact point to access customer finance credit right across the credit curve
3. Smart 'waterfall' technology that does the legwork

As well as offering access to a full product portfolio of lending options, a single proposal to Mann Island gives customers more options for those occasions when an 'auto-accept' just isn't possible.

The Mann Island model is proven and supported by an experienced team working with dealers across the UK. Now, MIDOS-3 provides a smart, slick, digital capability that dealers are happy to recommend.

Naturally, MIDOS-3 supports auto-acceptances, but then it goes that bit further – with its smart 'waterfall' approach. MIDOS-3's process does away with re-work and the unwanted friction/delays that can accompany additional credit searches and unwelcome customer credit conversations if a proposal is not immediately accepted.

With a single proposal entry, MIDOS-3 takes care of everything, cascading proposals across Mann Island's broad portfolio of options to find an acceptance reflecting the customer's circumstances and helping to create a good outcome for car buyer and dealer alike.

Once accepted, the MIDOS-3 journey sees the proposal actioned digitally. In most cases, this provides a fully online experience from documentation through to e-signature and payout. Even where a full digital journey is not possible, the reduction in touch-points offers a significant saving in time and the inevitable accompanying frustration.

And MIDOS-3 also offers some extra 'make it easy tools':

- Essential vehicle details need not be manually keyed-in; with just the registration number, a car's details are automatically populated - quicker/more accurate;
- A portfolio of product explainer videos make life easier for customers;
- Documentation and supporting paperwork can be uploaded by drag-and-drop;
- Notifications for proposal status updates and tasks are available and easily accessed;
- Dealers and customers can view side-by-side product/quote comparisons;
- A full searchable history of all proposals and statuses are available;
- MIDOS-3 is smart, easily deployed and packed with helpful features.

Above all it is easy: it's not just us who say this, it's Mann Island's dealers.

"Some positive feedback with the MIDOS-3 system, you cracked it....The system is dealer friendly and first class for customer facing, cheers for listening. The system now has all the data within a click / page and processing of other documentation made so much easier."

Wynyard Motor Company



Make accessing finance for your customers that bit easier: contact the Mann Island team at **0370 600 6668** or email enquiries@mannisland.co.uk.
www.mannisland.co.uk

The strategies you need to 'smash September'

Let digital tools take some of the burden off hard-pressed staff

Late summer may have yielded a bumper crop of sales for many dealers, driven by pent-up demand from lockdown, but the hard graft of autumn is starting. And there are challenges on all fronts.

At the time of writing, many motor retailers still hadn't brought all of their staff back from furlough. And with the Government's job protection scheme due to end soon, businesses will have tough decisions to face about staffing levels.

The sales outlook is also less than clear. September's plate change could go either way for many. Will it prove to be a record month for sales, or will customers have kept their hands in their pockets?

Furthermore, the six-month extension to millions of MOTs will place huge pressure on workshops this autumn.

With many September-registered cars coming in for their MOTs, along with those that have had their MOTs extended since March, this autumn could be the busiest period ever for many workshops.

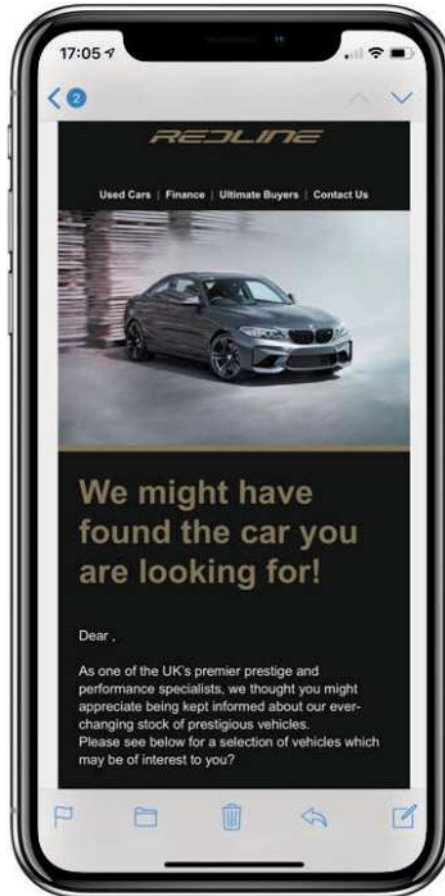
So what strategies will you put in place to 'smash September' and make it a success?

Accelerating the shift to digital deals

Many Marketing Delivery customers have placed digital processes at the heart of their September strategies.

Put simply, technology has been helping them to manage as many enquiries as possible in a period where staffing levels were lower than normal, and where face-to-face customer appointments were often short and direct – if they happened at all.

For hundreds of dealers, electronic customer relationship management (eCRM) tools are helping to maintain a steady stream of enquiries on new and used vehicles, as well as drive workshop utilisation.



"For hundreds of dealers, eCRM tools are helping to maintain a steady stream of enquiries on new and used vehicles, as well as drive workshop utilisation"

It has been widely reported in the national press that the lockdown has brought forward the widespread adoption of digital tools among retail businesses by five years.

Now more than ever, motor retailers need to ride the wave and think digital.

This doesn't mean abandoning the personalised service and customer relationship-building that has served car retailers so well for so long.

But it means adopting flexible, programmatic tools that help engage customers automatically.

For some dealers, this could mean using Marketing Delivery's Car Alerts system – sending automated emails to prospective used car buyers to tell them about new stock relevant to their specific requirements.

For others, social media might be key to generating conquest custom. Systems such as Marketing Delivery's SocialStock platform can help dealers capitalise on a growing opportunity to target buyers who research potential purchases within social platforms.

Many other businesses will find rich pickings among their aftersales customers. This is hardly a surprise when so many drivers will need to bring their cars in for MOTs or servicing this autumn, after months of lockdown.

Our research, for instance, suggests that 60% of motorists are more likely to book a service or MOT with a workshop that reminds them at a suitable time.

A programmatic email campaign, carried out with Marketing Delivery's Aftersales eCRM system, could help make this autumn highly successful for hundreds of dealers.

Whatever situation you find your business in, it's worth taking a minute to think about the digital strategies you could put in place to thrive.

Visit: marketingdelivery.co.uk

Call: 01892 599 917

Email: get.in.touch@marketingdelivery.co.uk

Marketing Delivery

DATA DRIVEN MARKETING

“It’s been going consistently down for 10 years. We wanted to reverse the trend this year and that happened before the crisis”, said Tourette.

Service plans are one tool being pushed to increase aftersales profitability, with penetration currently standing at 29%.

But Tourette said that his dealers suffer from a lack of capacity, partly prompting the hub-and-spoke network plan which has scope for separate aftersales facilities.

He said there was an onus on the brand to make processes simpler for retailer and help reduce the turnover of technicians.

To that end, Renault UK has redesigned its training to reduce the time needed for a



Supplies of the New Renault Zoe EV are plentiful



I NEVER EXPECTED THE FURLOUGH SCHEME. THAT HAS BEEN A FANTASTIC AID TO US AND OUR RETAILERS

VINCENT TOURETTE, RENAULT UK

technician to become qualified from between 12 and 18 months to six months through the use of webinars and apps.

“It has meant people are rewarded quicker and has allowed us to increase the skill levels across the network,” Tourette said.

Groupe Renault strategy

Back in May, Groupe Renault laid out plans to implement 14,600 job cuts as it reduces its global vehicle production by 17.5% in a bid to save £1.8 billion by 2024.

In 2020, Renault has axed the Grand Scenic MPV and Koleos flagship SUV from a range already shorn of the Twingo city car, but Tourette insisted that the wider global picture will not materially affect the brand’s UK sales volumes.

“The reason that the brand made that decision was to cut production capacity that was under-utilised, not to reduce volumes,” he told *AM*.

“I understand we had a capacity of around six million vehicles worldwide and we were producing something like 3.8 million units.

“It won’t have any direct impact on me in terms of volume. In terms of product it may be a different story. We may decide to vacate some of the market segments that are less in demand – MPV being one – and refocus on areas where there’s strong demand, like SUVs and why not fully electrified.”

EV growth

A 10-year investment in EVs and its dealers’ existing knowledge of selling and servicing

EVs currently puts Renault at an advantage, said Tourette.

In the new Zoe it has the best-selling EV in Europe and a hybrid Clio and plug-in hybrid Captur and Mégane will join the range in H2.

A hybrid drivetrain could revive Megane sales which numbered just 618 to the end of July.

Tourette said: “We have plenty of supply of Zoe, where some competitors are struggling to put EVs on the road.

“The most in-demand vehicle in our Virtual Showroom is Zoe, so the growth indicators are there. We’re also just introducing the van version of the Zoe, which has great potential.”

Tourette said Renault was well-placed to meet its obligations to the EU’s new CAFE CO2 regulations, and added: “We have a very long electrification strategy, not just ‘quick and dirty’ one for CAFE.”

Asked whether he was jealous of Renault NSC bosses in other parts of Europe where retailers’ EV sales had been boosted by Government support, as in France and Germany, Tourette responded “big time”.

He said that he thought a clever strategy would be help revive the sector with a scrappage scheme that would help the UK Government work towards less pollution and cleaner air, but he added that he never expected such a comprehensive package of COVID-19 support in other areas.

“I never expected the furlough scheme,” Tourette told *AM*. “That has been a fantastic aid to us and our retailers.”

ALPINE

The Alpine performance car brand was hailed as a “stunning success” by Tourette, but he suggested new models must be added to capitalise on that response.

Describing new Groupe Renault chief executive, Luca De Meo, as “a huge car enthusiast”, Tourette said that the Alpine strategy was something that was “being discussed right now”.

Currently seven UK franchisees are official Alpine retailers, with a separate

facility or wing of their showrooms devoted to the brand.

But Tourette said: “Having a brand built around one model and in a part of the segment where you can’t sell thousands of cars? Obviously it looks like we’ll need more than that.

“We need more than the A110. I think the plan for Alpine will become clearer within the new Mid-Term Plan that will be announced at the end of this year or the beginning of next.”



Boost your stock with Motorway: supercharge your margins buying from private sellers

Vehicles tend to be better spec'd and there's no middlemen involved

With the UK now firmly focused on economic recovery, Brits are heading back to their workplace. But many commuters are reluctant to use public transport and are choosing to buy a used car instead.

This has been one of several reasons for the resurgence of the used car market in recent months.

While this situation is great for dealers, many have found sourcing enough used stock to meet this growing demand an ongoing issue.

From launching email campaigns asking old customers to resell their cars back, to battling with sky-high auction prices, many dealers are being forced to work hard to refill their forecourts with reasonably-priced quality stock as quickly as possible. As a result, more and more car dealers are going online to acquire stock from private sellers.

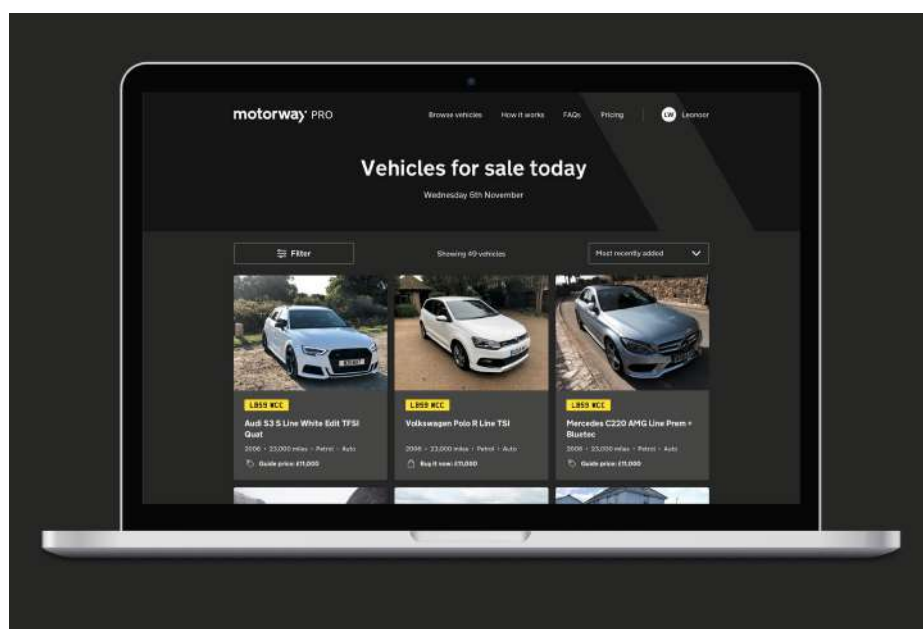
If you're not yet one of these dealers, here's five good reasons why buying used cars direct from private sellers online is the smart and safe way to restock and supercharge your margins at the same time:

1. Access high-spec stock

With no ex-lease, fleet or hire vehicles, buying from private sellers means you can concentrate on browsing only the best low mileage cars across all the major brands. Private stock tends to be higher spec too (as individuals often add the extra specs that car hire and fleet companies don't), and are much better looked after than most auction stock. Buying better cars results in faster turnaround of vehicles.

2. Save time and stay safe by bidding online from home or work

When buying privately-owned used cars, there's no need to drive to auctions for great stock. With Motorway, you can make online bids to buy exclusive,



privately-owned vehicles for your forecourt, direct from private sellers with remotely-managed transactions.

Not only that, but you can take advantage of a contact-free collection service to both inspect and deliver the car straight to your door.

Instead of coming into close contact with others at physical auctions, Motorway's private stock auctions on Motorway Pro and no-contact transport service help dealers acquire stock not just quickly and efficiently, but safely, without having to leave home or work.

3. Get better deals

Buying direct from private sellers means there's no middlemen involved, chipping away at your margins. Prices on Motorway are lower than at auction houses too – usually less than CAP clean – meaning better margins every time.

4. Access better vehicle history

When you buy private stock online on Motorway, you get the full history up

front. From any previous damage to background checks, from HPI and Vcheck. This additional info allows you to bid well and with confidence.

5. Beat your competitors and buy smart

With most car showrooms now open again, competition is heating up to have the best stock on display to meet the growing demand for good-quality used cars. The winners will be the dealers who can act fast to buy and collect the best private stock quickly.

Dealers UK-wide are waking up to the benefits of using Motorway – more than 300 new dealers have signed up since May 11, joining 1,000+ dealers who were already using the platform pre-lockdown.

And there's massive choice too – Motorway is seeing in excess of 100,000 sales enquiries a month and hundreds of cars listed daily.

The platform is now surpassing £1 million in car sales every day.

New dealers can sign up to Motorway Pro using the contact details below.

Web: pro.motorway.co.uk
Email: pro@motorway.co.uk
Phone: 0203 988 2288

motorway

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AFTERSALES

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Never a more vital time to get aftersales right

With dealerships aiming to regain financial ground lost during the pandemic, the importance of aftersales cannot be overstated



TIME TO THINK LEAN

DEALERSHIPS CAN IMPROVE
PRODUCTIVITY, QUALITY AND DELIVERY
TIMES WHILE REDUCING COSTS

PAGES 50-52

VALUE OF EFFICIENT WORKFLOWS

SEEMINGLY INSIGNIFICANT ADJUSTMENTS
CAN HAVE DRAMATIC IMPACTS ON THE
BOTTOM LINE

PAGES 55-56

THE SERVICING OF OLDER CARS

IT'S A BALANCING ACT BETWEEN THE
OLD AND THE NEW AS NEWER CARS –
ESPECIALLY EVs – NEED LESS MAINTENANCE

PAGES 61-62

Want to improve workshop output? Time to think lean

Dealerships can improve productivity, quality and delivery times while also reducing costs

Franchised dealerships are coming under increasing pressure to find a profit wherever they can and that has only been exacerbated by the COVID-19 pandemic.

A major income stream is aftersales, making the need to optimise workshop capacity more important than ever in the push to adapt to the so-called 'new normal'.

There is already plenty of low-hanging fruit such as tyres, brakes, suspension and wear and tear items, all of which are predictable and high-margin business, and account for around 70% of total revenue, according to AM100 vehicle health check (VHC) inspection data.

However, this work must be balanced with

continuing to ensure they meet the needs of loyal customers, who may, on occasion, require an emergency repair or extra maintenance work picked up during a service or MOT.

According to research by automotive after-market intelligence provider GiPA, at the end of March, just 47% of workshops were open and, on average, those open were only operating at 68% capacity.

So how can dealers optimise workflow while maintaining extra capacity, and what tools, techniques and technology do they have at their disposal? How can they speed up and make the process more efficient? And what steps can they automate?

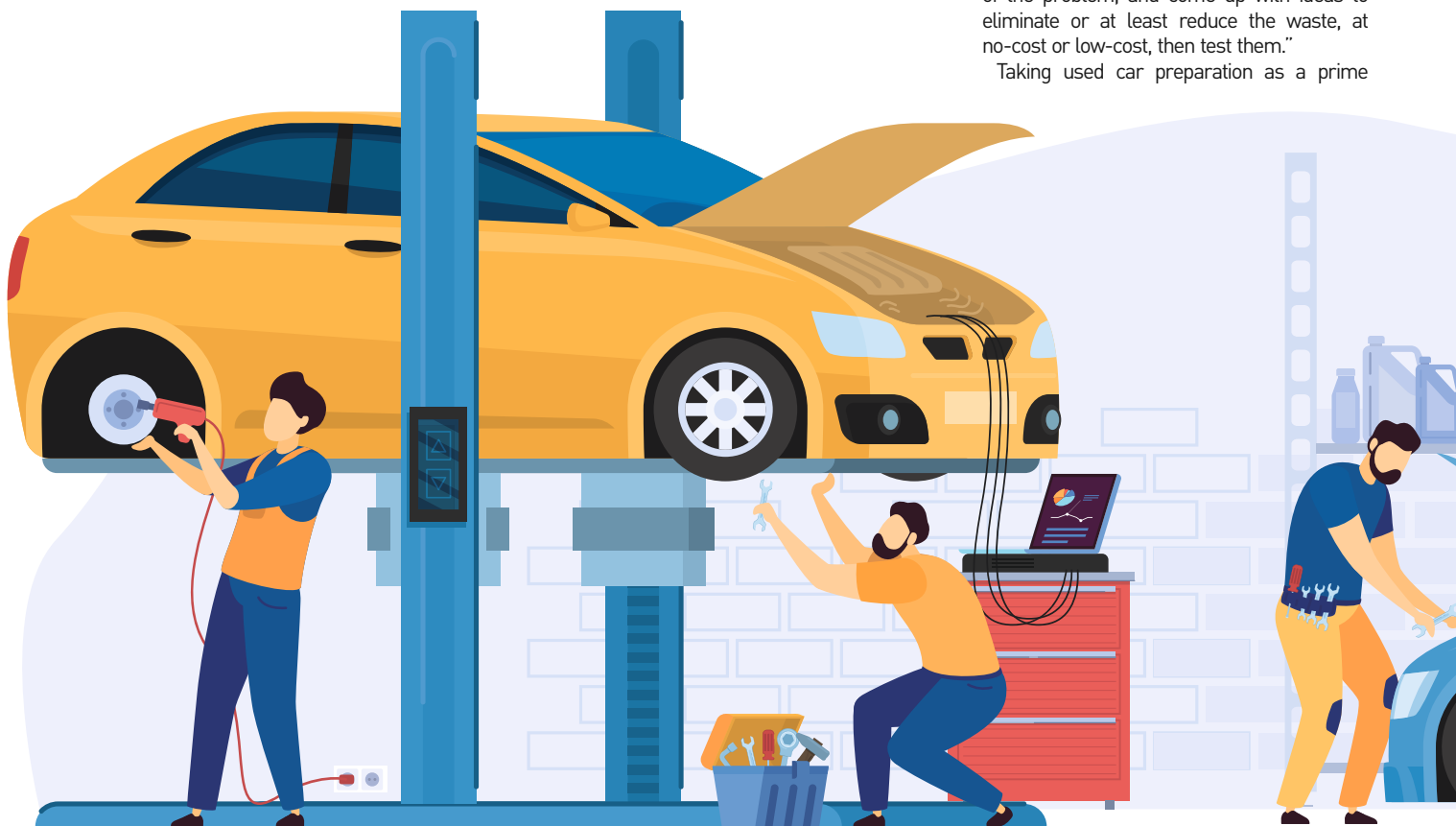
A key technique dealers can use to drive workshop efficiency is lean retailing. It works

by devising a plan to improve a particular process, trying it and then checking it to see if it has worked, and if it hasn't, attempting another method.

John Kiff, lean coach at Lean Auto Retail, a pioneer in the concept, said that by adopting the lean approach, which began with Toyota in the 1980s, dealers can vastly improve workshop productivity, quality and delivery time, as well as reduce costs. To achieve this, he said that they need to identify the problem they want to resolve and then map out the key stages and delays in the process.

"For each step, ask where it is not going right first time or where it takes too long," said Kiff. "Then ask what would 'good' look like and what would 'better' look like, focusing at the details of the problem, and come up with ideas to eliminate or at least reduce the waste, at no-cost or low-cost, then test them."

Taking used car preparation as a prime



example, Kiff said that making sure dealers know exactly what work, parts and skills are required by talking with the customer over the phone beforehand is key to making the process more efficient and eliminating time and costs, such as the need for courtesy cars. Then they need to plan the workflow, detailing exactly what is going to happen at each stage, he said.

"The next step is to draw the process as it actually happens, with warts and all problems and delays," said Kiff. "This allows all who are involved to share a common view of the process and its problems."

Once the work required has been established, dealers need to segment it, for example, by servicing, repairs, tyres and diagnosis, said Kiff. They must also try to prioritise predictable work, such as pre-delivery inspections on new vehicles and first year servicing, so they can use their time more effectively, he added.

"By determining the work you are likely to need to do using the data you have on how long it takes for particular jobs, you can be as productive as possible," said Kiff. "The more jobs you can get right first time, the more happy customers you are likely to have."

CONVENIENT APPOINTMENTS

Go Vauxhall successfully adopted the lean approach with the launch of its Express Service which allows customers to book a convenient appointment time, where their vehicle will be serviced, washed and vacuumed in one hour, or 30 minutes for an MOT. The standard VHC is carried out, on average, in 14 minutes, enabling

the receptionist to provide the customer with a range of options if additional work is required, including waiting, taking a courtesy car or scheduling another appointment.

Stratstone's aftersales director Gavin Ruddick, who has written a paper entitled *The Connected Future of Aftersales*, divides workstreams into predictable, semi-predictable and unpredictable categories to determine skill-sets required. By adopting this model, he said dealers can make productivity gains of between 8%-10% across the workshop.

"Because you are servicing more predictable work more productively and you have got the right skill-set for each job, you are being far more efficient and freeing up capacity for additional tasks," said Ruddick. "It also enables you to plan and focus on more lucrative work."

By adopting a connected aftersales retailing model, dealers can greatly improve workshop predictability, enabling more targeted bookings, repairs and maintenance; thus reducing costs, increasing operating margins and allowing staff to be redeployed on more important jobs, said Ruddick.

This includes optimising the use of integrated self-service technology to streamline the workshop process through tools such as automated check-in and inspection, and tracking vehicle progress with a virtual job card, he said.

"All of this requires a greater degree of awareness, priority and utilisation of connected vehicle data," said Ruddick. "Aggregating this intelligence together allows all accessible data to be utilised through event-driven, preference-led device-interconnected engagement."

The biggest stumbling block, however, said Ruddick, is getting staff and management buy-in because they have been used to doing the process a certain way for years. Key to that is helping them to understand the new approach and its tangible benefits, he said.


"It's about taking them on the journey with you," added Ruddick. "And it's even more important than before to be as efficient as possible given the current pandemic situation."

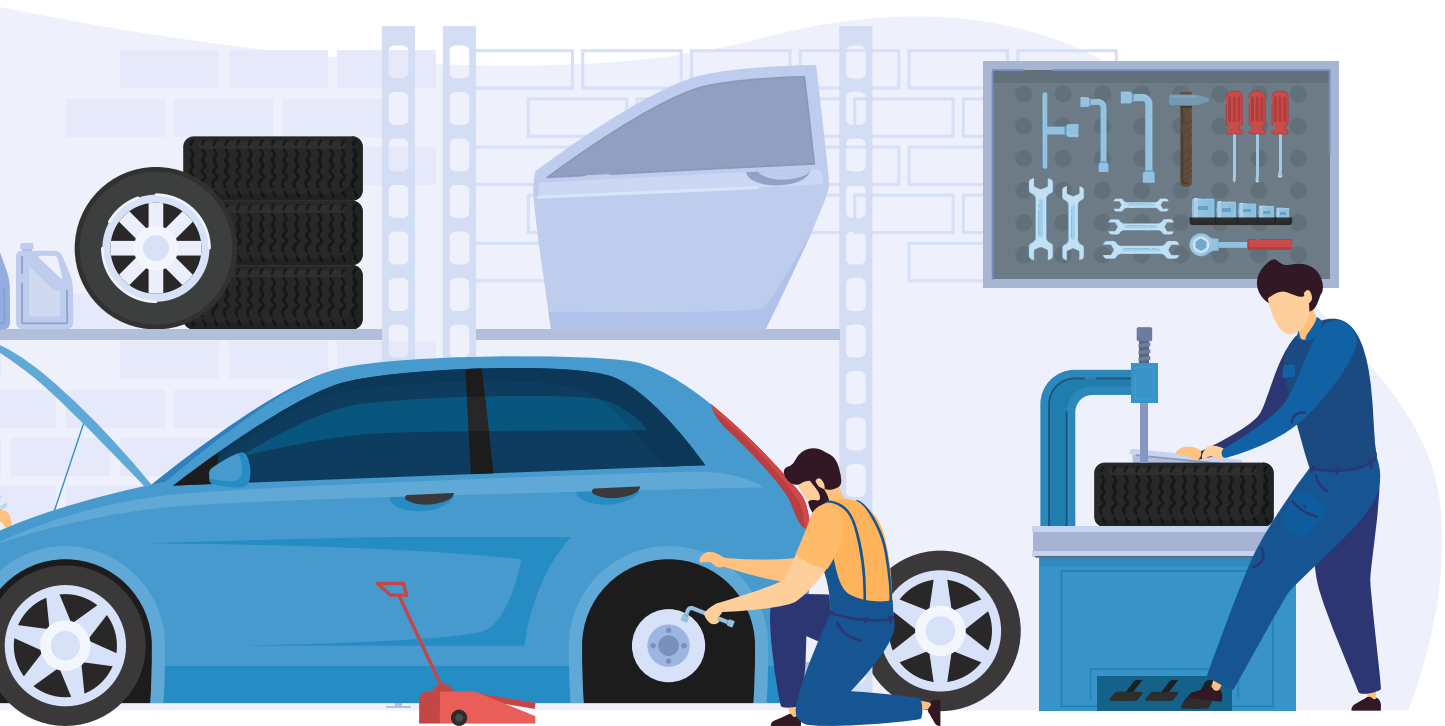
DATA AGGREGATORS

Karl Davis, managing director of Coachworks Consulting, said dealers need to focus their after-sales marketing spend on loyal customers and those likely to make a booking. By using data aggregators, they can identify their core clients, he said.

"Retailers are currently having to do more with less resource, so how resource is going to be deployed has to be carefully planned and backed up with solid support and preparation," said Davis. "The obvious time wasters like poor work descriptions on job cards, searching for the vehicle because the parking bay number wasn't noted, parts not being pre-picked or not in stock and slow authorisation of identified work kills efficiencies."

Dealers can also improve efficiency by upskilling call centre and booking clerks, said Davis. Also, by re-conditioning job cards, workshop controllers and master technicians can help to identify additional labour and parts requirements, he said.

One of the biggest hurdles to implementing many of these procedures, 





SPONSOR'S COMMENT



By John Saleh, Head of Field Operations – CCP Products

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aftersales provider should give you the best service, the best products and a wide range of options to make motor aftersales a breeze, Car Care Plan is the natural choice for motor protection.

Car Care Plan is a leading provider of award-winning vehicle warranty and asset protection products.

Founded in 1976, the past 40 years have proved testament to Car Care Plan's success. Extensive automotive protection expertise means you'll benefit from dependable products and high customer satisfaction rates, keeping them driving with peace of mind.

Car Care Plan's products have been built with customers in mind and tailored to suit specific dealer and manufacturer needs. Keeping customers on the road and moving is our expertise, providing the likes of Warranty, Asset Protection, Service Plans, MOT Test Insurance, Roadside Assistance, Cosmetic Repair, Tyre and Alloy Insurance. Rest assured, you'll be getting the quality you expect from each and every product.

Car Care Plan has an in-house underwriting division which promotes the development of efficient and lasting relationships with clients, fundamentally built on our understanding of the changing needs of customers. Car Care Plan is characterised by expertise, and our straightforward, hassle-free approach to business.

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Car Care Plan

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however, is social distancing, and the need to sanitise surfaces and use personal protective equipment. To overcome this, dealers will have to adapt many of their processes to make sure they comply.

Another inefficiency identified by Marketing Delivery research is that dealers only capture full and accurate data for 63% of aftersales customers, including contact details and the next MOT or servicing date. This is even more important now given millions of MOT dates have had to be pushed back during the lockdown.

"Full and accurate customer records are the key to ensuring workshop bays remain occupied," said managing director Jeremy Evans. "Modern eCRM tools can automatically remind customers when their vehicle's next service or MOT is due, and we work with our workshop customers to address any weaknesses in data collection."

By using available records and contacting customers sufficiently far in advance to advise them when their MOT or service is due, dealers can drive greater efficiency, said Evans. The process should also be automated, he added, with emails and text alerts and reminders sent out according to customer preference.

"It has to be an automated programmatic approach," said Evans. "It's about working out how the whole programme fits together from a practical perspective and the subsequent efficiencies that can be gained."

There are a wealth of dealer management systems that enable motor retailers to keep an eye on inventory, invoicing, enquiry status and schedule appointments. Such digital tools that allow dealers to immediately get in touch with

the customer can also speed up the workshop process, such as CitNOW's Workshop App.

The Workshop App enables dealers to record a 90-second video pointing out any problems found in the VHC which they can send to the customer. This allows the customer to quickly validate the facts, look at the quotation and authorise any necessary or recommended work.

"Clearly this cuts a lot of inefficiency out of the process," said global sales director Gordon Grant. "This is borne out by the fact that 60% of all proposals are approved within 10 minutes and the work can be promptly completed."

Moritz Bedenk, senior consultant – mobility at Frost & Sullivan, said strategies such as prioritising services, and management tools that can help track utilisation targets based on historical values and maintain a capacity for unscheduled events should be implemented. Having performance goals also incentivises technicians to get the work done because they are accountable, he said.

"The second aspect is the proper scheduling of the service that can be optimised with management software which automates individual mechanic schedules and integrates it with lifting ramp capacities," said Bedenk. "Inspection apps like Xtime or Fleetio (available in the US) can also boost the efficiency of the service process."

The sooner dealers come on board with all these new tools and technologies, the more efficient their workshop processes will be. In an ever-evolving world of motor retail, any efficiencies that can be gained, however small, are to be welcomed. **ALEX WRIGHT**



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Climbing the MOT peak this autumn

Timely reminders to drivers can help maximise workshop utilisation

By Jeremy Evans, Managing Director at Marketing Delivery

During the lockdown the UK Government granted a six-month MOT expiry extension for all vehicles with a test due between March 30 and July 31, 2020.

In essence, this will result in a higher than average demand for MOTs from September onwards. Dealers already processing a backlog of sales enquiries are now faced with another challenge to overcome.

The MOT/plate-change bottleneck

Workshops can expect an influx of new MOT business as the temporary extension draws to a close. But with significant volumes of naturally expiring MOTs, the

usual number of service bookings, and anticipated high demand around the September plate change, dealer call handlers could face a bottleneck as they address substantial volumes of sales and aftersales enquiries.

It's important that dealers help manage customers' expectations and encourage them to book as early as possible.

Using electronic customer relationship management (eCRM) tools, dealers can automate much of the process, sending out relevant and personalised messages to the right customers at the right times.

Research from Marketing Delivery suggests 60% of motorists are more likely to book a service or MOT with a workshop that reminds them at a suitable time. Programmatic email campaigns make this effortless.

Dealers can communicate with relevant customers several weeks before their MOT is due, for instance. This can maximise workshop utilisation, while helping customers avoid a situation where they are driving around in a car without a valid MOT.

Ensure aftersales data accuracy

Dealers can enhance aftersales retention by sharing automated MOT and service reminders with customers – but they need to have the right contact details for customers in the first place.

Recent Marketing Delivery data indicates that 21% of dealers' aftersales customer records don't include an email address and 11% don't list a mobile phone number.

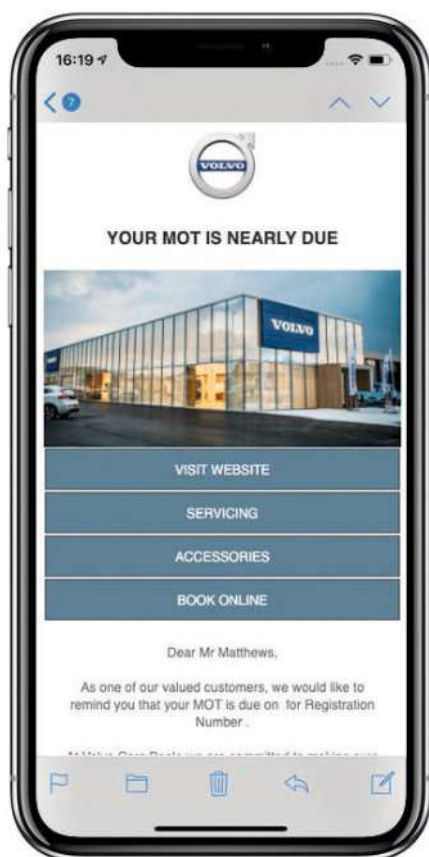
"It's important that dealers help manage customers' expectations and encourage them to book as early as possible"

Marketing Delivery works with its workshop customers to address weaknesses in data collection.

Marketing Delivery is working on a new aftersales service for its customers, called MOT Box. The new system will cross-check individual workshops' customer data against the DVSA's MOT database to fill gaps and address inaccuracies.

It will also help aftersales staff create a tailored programmatic email campaign targeting all customers with vehicles more than three years old.

This is designed to save dealers a significant amount of time and effort, automatically identifying potential MOT customers at the click of a button.



Visit: marketingdelivery.co.uk
Call: 01892 599 917
Email: get.in.touch@marketingdelivery.co.uk

Marketing Delivery
DATA DRIVEN MARKETING

Time and money value of efficient workflows

Seemingly insignificant adjustments can have dramatic impacts on the bottom line

Preparation can make or break an aftersales department and managing an efficient workflow has never been more important as services deferred during lockdown start flooding into garages across the UK.

From booking, pre-call, check-in, electronic vehicle health check (eVHC), authorisation, the servicing work itself, check-out and handover, there is a flow that needs to be maintained to make sure the plates never stop spinning.

Sara Harris, West Way director of business transformation, said a successful aftersales department is all about time and efficiency. She told AM: "We often challenge technicians on their efficiency, but I don't think there has been enough of a challenge on everything that is happening around them."

Adele Williams, aftersales development specialist at consultancy Automotivo, said the correct execution of a successful workflow process can provide every member of the team consistency and confidence no matter what job is booked in.

She said: "Not only does it benefit the internal workings of the department, it also then reflects positively on the customer."

Nathan Tomlinson, Devonshire Motors dealer principal, said that while COVID-19 has changed how customers interact in the service department, once their vehicle is in the workshop, the core principles remain the same.

He said: "In fact, that workflow process has become more important as we now have to recover some additional costs and a little lost time from how we manage the customer experience."

Tomlinson said workflow is where all the opportunity for aftersales is stored, but it's also where all the leaks can happen.

He said: "Looking at headline KPIs is a great way to benchmark against others, but what you can't see is where there is missed opportunity."

"For example, you can have technicians that look great against benchmark figures for efficiency, utilisation and productivity. But, if you watch them throughout the day

you will spot patterns and little hold-ups that happen consistently."

CHECKING-IN

Some WestWay sites have a third of customers that check-in remotely and this increases to 50% for some locations.

RTC's self-check-in solution sends the end-user an encrypted link to an online check-in portal, where they can review and approve the work to be carried out before handing keys over at a dedicated service point.


Harris is exploring whether a check-out process could be introduced to work in a

similar way ahead of vehicle handover.

RTC has seen some dealerships reach 70% of service volumes through online booking.

Customers expect to be able to book a service online and having a real-time system in place that only offers available slots can help with scheduling and capacity.

For bookings coming through on the phone, Williams said it is essential that those fielding calls are savvy and confident with the products and services available.

This will enable any customers with queries the opportunity to have their questions answered within one phone call, which saves time and money. 



C Williams said: "Signposting the vehicle health check and offering videos to help explain any red or amber concerns can also pique a customers' interest."

Receiving notifications for approvals through email or text is now accepted by the majority of customers as the norm.

Harris said gaining approval for work while the vehicle is still on the ramp is the "sweet spot" all service departments should be aiming for.

Williams said a strong eVHC process results in an average value sold of £25, which on 30 jobs per day, equates to an additional £85,080 per year based on a 45% margin (parts and labour combined).

The fact some have deferred servicing due to COVID-19 means dealerships are currently experiencing high demand, but this might not be sustained into Q4.

Automotive data shows that average dealerships have roughly £142,000 of outstanding amber identified work per year, so no dealership can afford to ignore follow-ups.

Williams added: "Without a well rounded eVHC process your aftersales department is throwing away captive profitability."

THE JOB CARD GOES DIGITAL

A big part of that workshop management process has been the paper job card, which in some dealer groups, is furiously resisting a digital reincarnation.

WestWay has embraced the paperless revolution and, since switching to a digital aftersales process two months ago, the business has already identified 10,000 hours a year it will save technicians and service advisors in reduced admin.

It has installed RTC Automotive's digital aftersales software across its 14 sites.

Rather than using a physical job card, the paperless solution eliminates common pitfalls of the job card set-up, such as repeated reprints of job cards, damage, loss, storage and, potentially, illegible handwritten notes smeared with oil.

Harris said the job card system hadn't changed in more than 40 years and it was acting as a workflow bottleneck.

She said: "By not relying on a piece of paper to track what is going on, everyone at the business can view progress on any job at any time."

"Switching to digital has saved each WestWay technician 20 minutes a day and this means they can spend more time focused on the job at hand."

It has also meant that WestWay service advisors, who have gained as much as two hours back per site per day, can use that time to upsell identified amber work and properly plan for the following day.



HOLD-UPS

Hold-ups in the service bay can represent missed opportunities and even just 10 additional minutes a day across six jobs and 10 technicians can suddenly turn into a big loss.

Tomlinson encouraged dealers to get forensic with the workflow process and to peel back all the layers to drill down and find incremental gains.

Devonshire Motors has a seven-step process that covers vehicle availability, parts supply, identification of additional work, potential for additional work, parts availability for upsell and the team's capacity to complete a job while still finishing the planned work for that day.

Tomlinson said: "Each one has given us a little extra boost and when you multiply that by the number of services per day, week, month and year, the overall effect is significant."

Pre-loading ramps has been a huge boost for Devonshire Motors. Tomlinson explained that, 10 years ago, in order to sell eight hours, a technician would need only three or four jobs.

Today, as many as nine jobs for the same number of hours sold and each job has the potential of costing 15 minutes to get loaded onto the ramp.

Williams said workshop loading has been a topic for debate. As a result of COVID, some dealerships have fewer staff, higher customer demand and technician efficiencies are being pushed to the limit.

She said: "In an ideal world every dealership would like to load their workshop to 100% capacity, however, in a real-world situation this then guarantees the sacrifice of profit."

Williams said pre-loading the workshop by giving technicians a visual representation of the work they have in for the day can greatly increase or decrease their motivation.



“WITHOUT A WELL ROUNDED eVHC PROCESS YOUR AFTERSALES DEPARTMENT IS THROWING AWAY CAPTIVE PROFITABILITY”
ADELE WILLIAMS,
AUTOMOTIVO



“SWITCHING TO DIGITAL (JOB CARDS) HAS SAVED EACH WESTWAY TECHNICIAN 20 MINUTES A DAY”
SARA HARRIS,
WESTWAY

For instance, if a technician knows they have five jobs for the day they are going to be far more efficient than if they know that they have just two.

Williams argues that having a pile of jobs and allowing technicians to pick and choose what they do will not result in a harmonious team.

She said: "In some dealerships specific service advisors take ownership of the majority of customers."

"This can result in poor time management and non-existent communication."

"Pre-allocating customers to advisors will ensure the workload is fair as well as giving each complete customer ownership."

PROFIT POTENTIAL

Tomlinson said there are still only a few aftersales managers in the business that truly understand how to run a smooth operation financially.

He said: "It's quite a different proposition to the customer experience or customer service element, and even the technical side of the job. Yet aftersales has the most fantastic profit potential."

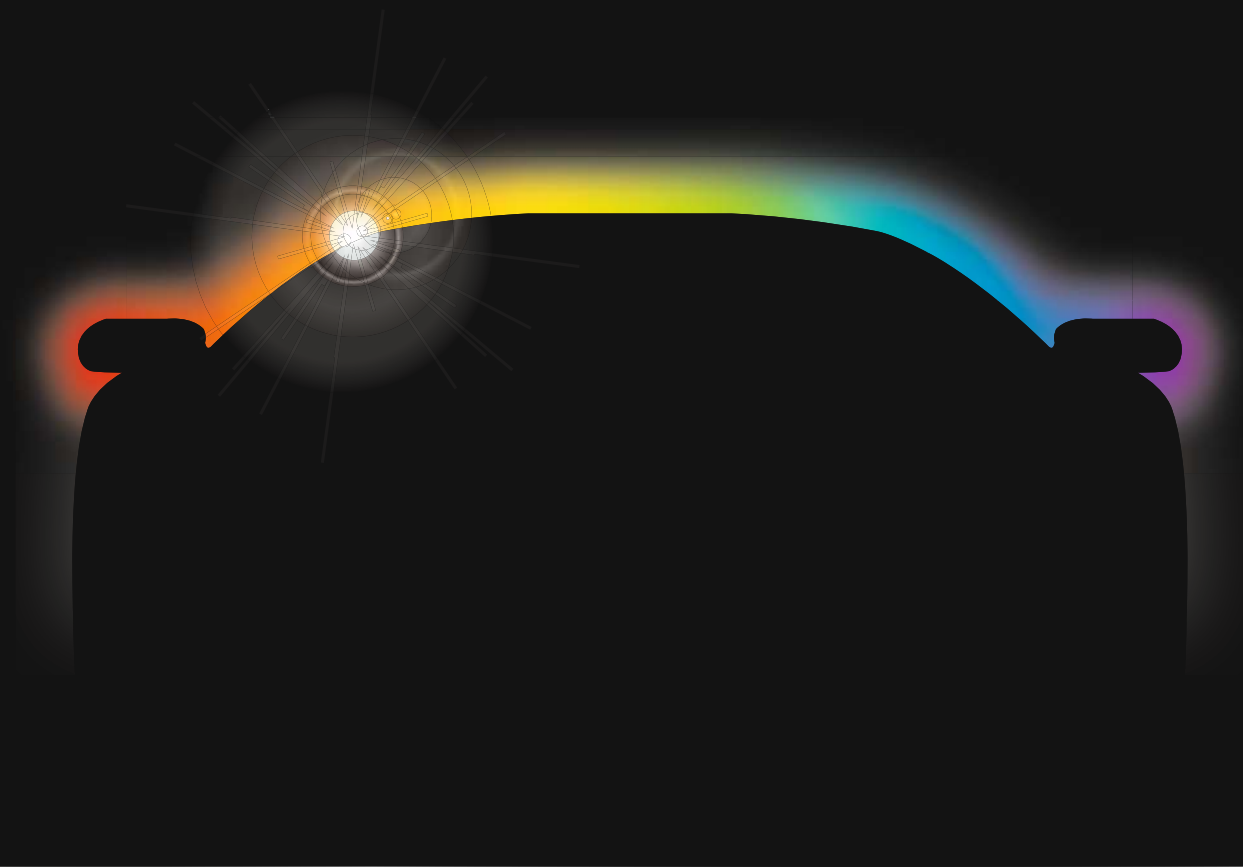
Based on eight sold hours and assuming three services are completed within that time, Tomlinson said one technician at Devonshire Motors can generate as much gross profit in a day as £12,000 worth of new car sales or £7,000 worth of used car sales.

Tomlinson said: "It's an interesting comparison, especially when you consider the number of technicians you have grinding away in your business every single day. These guys are knocking out a very consistent performance."

"People say there's uncertainty in our industry, a changing retail landscape and challenges for dealers."

"I say we have the potential for a great business."

TOM SEYMOUR



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Supporting our clients

Car Care Plan's business culture is built on doing the right thing for clients and their customers. Some clients have been with us for more than 20 years

How have you been helping your dealer clients with their new ways of trading in the pandemic?

As lockdown restrictions tightened throughout March, we made changes to the terms of cover for many of our products, including Warranty, Roadside Assistance and MOT Test Insurance products. These changes ensured that customers would continue to benefit from their cover despite the unusual circumstances and would still receive the high level of service expected.

The pandemic had a significant impact on showroom sales processes. Throughout this change, Car Care Plan has been exploring ways to support our clients.

With many customers feeling uncomfortable spending too much time in the showroom, the streamlining of the sales process (while remaining fully compliant) was a challenge for dealers.

To support our clients with this change, we developed an extension to our customer portal. Once the dealer has taken their customer through their regulated sales process, the customer is invited to a secure portal. In their own time, the customer can run through the product line again, view a product video, study the respective policy documentation, and then finalise the purchase of the product online.

What approach do you take to tailoring packages to each client?

Car Care Plan adopts the view that each client has their own requirements, so prior to the launch of any aftersales programme we conduct a full consultation to gain a comprehensive understanding of the client's specific requirements.

We assess numerous factors, including:

- Their regulatory position;
- Their franchise representation;
- Independent sole trader;
- Used vehicle supermarket;
- Whether they have business managers;
- Their used vehicle stock profile;
- Whether or not they have servicing facilities on site or body repair facilities.

This consultation allows us to develop a programme and product suite unique to their business needs.

Dealers need support now more than ever. How do you work with clients long-term?

We appreciate that our customers are our

client's customers, so our business culture is built on doing the right thing for our clients and their customers. The success of this approach is evident through the length of relationships we have nurtured, with a number of client relationships dating back more than 20 years.

Car Care Plan offers clients a proven development structure that delivers high customer outcomes, including:

- A group-wide programme launch supported by enhanced initial support to ensure success;
- An e-Learning solution for product and sales process training;
- Programme Oversight to ensure compliant selling;
- Regular local and management performance reviews;
- Classroom-based or, more recently, remote video conference class-based, product and sales process training;
- Centralised ongoing modular coaching programmes to enhance sales skills and attitudinal approaches for the sale of value-added products;
- Training how to use the more traditional collateral, such as leaflets, in the journey;
- Digitised assets such as e-Commerce platforms, product videos and digital sales leaflets.

What are the key benefits dealers will get by offering your products?

We deliver outstanding products and services to our clients, partners and consumers. To do this, we place an

emphasis on quality, striving to be best in class in all we do. We want our clients to trust what we offer, allowing retailers to focus on selling cars and products.

- More than 40 years as one of the UK's leading providers of warranty and aftersales programmes has allowed us to develop a market-leading product suite;
- In 2019, we registered more than 1.8 million products across 50+ countries worldwide, all of which are insured by our parent company AmTrust Financial or our in-house insurer Car Care Plan Insurance;
- Our products are trusted by more than 20 major manufacturers and in excess of 2,000 UK dealers;
- Many of our products carry a five-star Defaqto rating;
- Car Care Plan owns one of the UK's leading mobile cosmetic and alloy wheel repairers, Dent Wizard Ventures, ensuring a cohesive claims process between the product insurer, the claims handling team and the repairer.

With regulated insurance products, what can you offer to keep dealers' processes compliant?

Car Care Plan's compliance team is heavily involved in all aspects of product oversight and distribution. The team maintains close contact with the Financial Conduct Authority (FCA) and Prudential Regulatory Authority (along with other industry bodies such as EIOPA, the Information Commissioners Office, and the Association of British Insurers). This ensures we maintain an informed picture of the ever-evolving regulatory landscape. We provide frequent performance and regulatory MI to clients, allowing management teams to maintain control and visibility over the programme.

Where a significant piece of regulation is introduced, our team notifies clients and ensures they understand the necessary changes required to remain compliant.

Warranty incidents can be stressful and disappointing for customers. Tell us how you help dealers manage their expectations and smooth the experience.

The overriding principles of the business are focused on the Treating Customers Fairly initiative.

COMPANY PROFILE

Key products and services:

Warranty, GAP, Service Plan, Tyre & Alloy Insurance, Cosmetic Repair Insurance, MOT Test Insurance, Roadside Assistance

Founded: 1976

Based: West Yorkshire

Visit: carcareplan.com



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We place emphasis on our claims operations, striving to make the process as efficient as possible, hiring staff with specific automotive experience to help make the process as clear and seamless as possible.

Many of our experienced claim engineers have worked as service receptionists or vehicle mechanics, capable of handling the many claims we receive daily.

The fact that our claims handlers can "speak their language" ensures a smooth claims process.

The shift to hybrid and electric powertrains leaves many dealers concerned about their aftersales revenues. How will you help secure their future? What do you see as the long-term opportunity for dealers?

Car Care Plan is already providing bespoke products to cover hybrid and electric powertrains. We work with a number of manufacturer clients to cover alternatively fuelled vehicles. Doing so allows us to gather intelligence and data on the performance of such vehicles, allowing

us to constantly refine our product offering in this space.

We believe that the future, in respect to electrification, is exciting. We're committed to developing our product range alongside the specific requirements of these types of vehicles as the market for them continues to grow.

**“ THE FACT THAT
OUR CLAIMS
HANDLERS
CAN ‘SPEAK THEIR
LANGUAGE’ ENSURES
A SMOOTH CLAIMS
PROCESS**

JOHN SALEH, CAR CARE PLAN



Comprehensive solutions for faster and more efficient customer service

Jewelultra identifies your customers' requirements then produces products that can directly impact the bottom line

As we move forward from lockdown, the way we interact with customers has changed and everyone is adapting to a more digitally-friendly and faster-moving world.

During lockdown, at Jewelultra we have invested a great deal of time in developing and diversifying our product range, all designed to support our partners in the bounce back to profit.

While we are traditionally identified as the makers of Diamondbrite, the world-renowned paint, fabric and leather process, our main attribute is we identify with customers' requirements for class-leading products that can be utilised to directly impact on bottom line profits.

With that in mind, we have developed ultravision, an industry-leading video technology app which will greatly enhance customer communication, improve customer satisfaction, reduce downtime in the workshop, significantly increase add-on sales, all of which will impact the bottom line.

With ultravision, the whole process between dropping off the keys to picking them back up, is handled remotely.



'Offer the customer the chance to have the interior sanitised with Diamondbrite Total Release'



The car will be inspected using a camera to identify tyre tread depth, brake components and any other items that form part of the inspection.

Any additional items required, will be highlighted and categorised according to importance (e.g. amber, red).

This will then be priced and a quotation will be sent to the customer via text or email along with a video identifying highlighted work.

The customer then has the opportunity to authorise the work by text, leading to a stress-free collection the same day.

In addition to ultravision, we have also developed a full range of sanitisation products which can reduce preparation time, enhance the customer experience and provide incremental profit opportunities.

Total Release is a product that swiftly sanitises the car, enabling work to be carried out immediately.

Many dealerships offer it as an add-on to the car inspection on return of the vehicle, for an affordable price. We also provide a bespoke sanitiser pack which

can be sold on or included as a complimentary gesture.

One of our clients, the JCB Group, includes a complimentary branded pack in all cars sold, a gesture which has been well received by their customers.

Group managing director, Jonathan Bischoff says: "When the Covid-19 crisis hit and Diamondbrite switched production to making hand and surface sanitisers, it seemed the natural thing for JCB to do was to get them to supply a sanitiser pack alongside the usual products we bought from them.

"It is vital our customers and staff are confident our business is doing everything it can to keep the workplace safe and, to enforce this, we give every customer via sales and aftersales a free sanitiser pack and the feedback has been extremely positive."

Between ultravision, Total Release and Sanitiser Packs, Jewelultra provides a comprehensive solution to faster and more efficient customer service, enhanced CSI and, most importantly, increased profit.

For further advice on enhancing your customers experience call 01622 815679 or e mail enquiries@jewelultra.com



Some dealers are placing increased focus on the service, maintenance and repair work of vehicles more than four years old

Servicing of older cars will grow in importance

It's a balancing act as newer cars – especially EVs – are requiring reduced maintenance

The zero-to-four-years-old car parc (segment one) is the franchised dealer's typical bread and butter, but older vehicles, especially as advances have made them more reliable, are now providing a valuable source of income for both sales and aftersales.

For Daksh Gupta, CEO of Marshall Group, older vehicles have been a focus for the past two years as the business looks to balance the future loss of aftersales revenue as increasing numbers of motorists opt for EVs with their fewer moving parts and reduced maintenance requirements.

He said: "We absolutely see segment two (cars four-to-five-years-old) and segment three (cars five years-plus) as an opportunity for our group. This is something we have been focusing on for a number of years and placing even more of a spotlight on in the long term with the potential impact on aftersales from EVs."

“
WHEN THAT (PCP) CAR COMES BACK, YOU, EFFECTIVELY, HAVE A CAR TO SELL INTO SEGMENT THREE

DAKSH GUPTA, MARSHALLS GROUP

He credits manufacturers with undertaking impressive and successful retention campaigns which is driven largely by three main factors – personal contract purchase (PCP), service plans and connectivity.

PCPs, as an event-ending transaction, provide a crucial opportunity to retain customers with most choosing to repurchase, stimulating new registrations and providing used car stock.

These vehicles can also be funded with used PCPs, while service plans encourage customers to return to aftersales.

Gupta added: "There are a number of brands which are already doing this very successfully and that segment two penetration has been getting better. When that car comes back you, effectively, have a car to sell into segment three."

Meanwhile, the segment two buyers are more likely to take out another PCP to replace their car, creating a synergy of stock and retention for both sales and aftersales.

Longer term, Gupta believes connectivity will prove vital as technology will identify those cars, effectively bringing about the end of three-years-plus cars disappearing at the age when customers would, typically, migrate an independent garage.

The capability of manufacturers to keep track of those vehicles means offers, promotions and communications will help retain these customers in the franchised network.

Competitive pricing with the independents, however, is key, Gupta said: "When you look at gross profit on labour, it's quite high so it is an opportunity we should be eating into over the long term."

Gupta acknowledges challenges around capacity. If reducing the labour rate encroaches on capacity from regular operations it can be counterproductive. But he believes dealers have no choice but to target this market and sees the proportion of their aftersales business increasing 'by a significant amount' in these segments. ➔

◀ He said: "Frankly, if you don't focus on segment three, in about 15 years' time you will regret it because we will see average values of EVs come down. So you have to have a deeper penetration. By focusing on retention now for segments two and three using tools like PCPs, service plans and connected car technology, retention should go up, the average invoice value comes down and the model stays."

With a background of working in manufacturers including Ford, Mercedes-Benz, Audi and Nissan, Mike Thompson, group aftersales director at Group 1, considers service and maintenance for vehicles up to 10 years old an opportunity.

CUSTOMER RETENTION

He said: "Of course it is easier for the franchised dealer to capture the zero-to-four-year-old car, but we are fully aware of the opportunity afforded by the older vehicle."

"We are pretty good at retaining customers and their vehicles when bought from us as new, but our challenge is to retain those customers who buy used cars from us. We let many customers walk out of the showroom without having discussed service plans, our attractive fixed price for job rates and the benefits of bringing the vehicle back to us for service and repair. It's a big focus for us and is one of the projects we are working on right now."

Thompson said that as the age of vehicles increases, there are more repairs and wear and tear items that need doing.

He said the key is to ensure the transparency to the customer using video to show the issue and then a clear explanation of the implications of not getting the work done.

"We also believe affordability plays a big part so we also offer up to six months interest-free repairs," Thompson added.

With fixed rates for older vehicles primarily led by the OEM programmes, Group 1 is exploring how to offer more value to the older vehicle customer and ways to show that there is no need to look for alternatives in the aftermarket.

Thompson said: "You have to ensure you consider the older vehicle customers' needs and make sure you have a clear communication policy demonstrating how they can be met. Generally, we are not good in the industry at communicating our service offers to customers of older vehicles and, as a result, they often find an alternative solution – we can all be better at this."

Waylands Volvo is renowned for its customer loyalty even among drivers of older models. Customers with all ages of vehicle are included in Waylands' contact strategy with customers treated the same irrespective of whether they drive a one-year-old Volvo or a model that's a decade old.



DISCOUNTING WON'T BUILD LOYALTY. OFFERING FANTASTIC LEVELS OF CARE AT A FAIR PRICE DRIVES LOYALTY



JOHN O'HANLON,
WAYLANDS VOLVO

In the experience of chief executive John O'Hanlon, more Volvo customers appear willing to pay for that service and maintenance from franchised dealers.

He said: "As a brand, Volvo has benefited from strong service loyalty even as the cars get older, more than any other brand I have previously worked with (including Mercedes). We understand its importance to our aftersales performance."

"One dynamic that has changed is our gentle pivot to stocking older cars within our used car offering to allow us to offer cars at lower values. With more older cars sold going forward in the short-to-medium term, we would offer these customers service plans within our sales process which should drive retention levels forward again."

While special rates are not offered, Waylands' 'Price Match Promise' is applied to service customers and the group is fully committed to the Volvo Service Promise to provide a personal service and additional benefits such as video health check, free software upgrades and a Europe-wide breakdown package.

O'Hanlon added: "Simply discounting won't build loyalty. Offering fantastic levels of care at a fair price drives loyalty."

Mark Clifton, operations director for Eden Group's aftersales division and Vauxhall Thames Valley, welcomes customers of four-year-plus vehicles and always offers a service plan.

He said: "This, in turn, lets them experience all the benefits of our bespoke service plans including savings on MOTs, parts and labour, as well as having factory-trained technicians working on their cars and having genuine parts fitted."

MOTs FOR LIFE

The group's 'MOTs for life' offer on all used cars sold ensures a significant proportion of them return for MOT and repairs several years after purchase. The retention rates are impressive at 44% for two-to-six-year-old vehicles and 20% in the six years-plus.

Clifton added: "The benefits are two-fold. Firstly, older cars normally need more repairs due to age and mileage, such as brakes and tyre replacement. Plus, it is an ideal time to show customers our latest range of new and used cars which, typically, have many improvements compared with their current vehicle, for example, lower emissions and fuel cost savings."

Additional benefits include lower prices for manufacturer services for older cars and 0% finance to help spread repair costs.

He added: "My advice would be to welcome older vehicles into your dealerships, show car owners you are the experts for their vehicles and make the customer experience simple and convenient while selling all the benefits of using a franchised dealer." **DEBBIE KIRLEW**

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Great expectations as plate change arrives

September 2020 will be crucial for automotive retail as the sector bids to make up for losses experienced as a result of the global pandemic

Six dealership group leaders provided *AM* with their views on the challenges the sector faced as the 70 plate-change was introduced – Robert Forrester, chief executive of Vertu Motors (**RF**); Pauline Turner, managing director of Chorley Group – see her new role on page 76 (**PT**); Stuart Foulds, chief executive of Trust Ford (**SF**); John O'Hanlon, chief executive of Waylands Automotive (**JOH**); Gareth Williams, managing director of Hatfields (**GW**); and David Presley, market area director at L&L Automotive (**DP**).

Is this September's plate-change more important than in other years?

RF: March was curtailed with profits half their normal level. If the sector is going to be profitable this year and I think there is certainly a good chance of achieving this, then a great September is the lynchpin. It will be the most profitable month of the year.

PT: The September market isn't as critical. Many manufacturers are short of supply, either due to COVID closedowns or new models coming through. Many customers have had vehicles on order and have been keen to take them as soon as they arrive, rather than waiting for the September plate change. Customers ordering throughout late July and August are more likely to receive their vehicles in October or November.

SF: The fundamental difference is that it will be the 'bell weather' for what the market is really like. The preceding months have been characterised by pent up demand, PCP overdue renewals and delayed March deliveries.

JOH: Given the lockdown and the uncertainty

later in year (Brexit, furlough ending, 'COVID 2'), we are aiming to make the most of the demand we are enjoying today. Over the past three months we have seen significant increases in year-on-year (YOY) enquiry levels and our conversion is very strong, around 36%. With a strong September and October, we have a real chance of making up for the damage done during lockdown.

GW: It is important to feel as though we are back to normal but the strength of June, July and August signals a positive change in that customers are happy to take their cars when ready and seem less interested in the 70 plate. We can only hope that we reduce the dependence on the two big months (March/September) and have a more consistent business model.

DP: As we are short of supply, September won't be as big as last year. However, I think the last quarter will be better than Q4 2019 as the stock customers want will start to come through later in the year. Mercedes-Benz has changed strategy with its online shop, which has made everything transparent for customers, I think it will be a lot better for us profitability-wise.

How have you motivated your staff ready to give their all for the plate-change?

RF: We have launched a vast array of fun incentives across the group in every department. We aim to have fun and use internal competitions to drive activity. From great watches for general managers to hot tubs for sales executives, we need to put the fun back into the job.

PT: We are very proud of how our team, both sales and aftersales, has returned from furlough with a 'can do' and 'will do' attitude. We believe this motivation has been driven by the


**FOR
AFTERSALES
IT CONTINUES
TO BE VERY BUSY,
GIVING REALLY
GOOD BONUS
OPPORTUNITIES**
STUART FOULDS, TRUST FORD

company's commitment to them, with the positive actions, including enhancing their furlough payments, clear communication and support that they received while the businesses were closed.

SF: It is sales teams' biggest opportunity month, so they are naturally motivated. For aftersales it continues to be very busy, giving really good bonus opportunities.

JOH: We have worked harder than ever on all our communications to our team during and since lockdown. We have kept them fully informed on our performance and the challenges that we have faced and genuinely overcome. There is a renewed ambition to make the most of what September can bring. Other benefits in terms of reward will flow from achieving our ambitions.

GW: This will be the last chance for a significant pay packet as a commission-earning sales exec.

DP: Since employees have come back, our sales, especially used cars, have been through the roof – June and July were up around 30% compared with last year and August 



STUART FOULDS
Biggest opportunity month

FACT FILE

COMPANY: TrustFord
NO. OF SITES: 76
FRANCHISES HELD:
Ford, Ford LCV



GARETH WILLIAMS
Less interest in the 70 plate

FACT FILE

COMPANY: Hatfields Group
NO. OF SITES: 7
FRANCHISES HELD:
Jaguar, Land Rover, Volvo



DAVID PRESLEY
Sales through the roof

FACT FILE

COMPANY: L&L Automotive
NO. OF SITES: 3
FRANCHISES HELD:
Mercedes-Benz, Smart



JOHN O'HANLON
No distractions

FACT FILE
COMPANY: Waylands Automotive
SITES: 4
FRANCHISES HELD: Volvo



PAULINE TURNER
Proud of our team

FACT FILE
COMPANY: Chorley Group
SITES: 6
FRANCHISES HELD: Nissan, Hyundai, Kia, MG



ROBERT FORRESTER
Great September is a lynchpin

FACT FILE
COMPANY: Vertu Motors
SITES: 134
FRANCHISES HELD: Audi, Citroën, Dacia, Ford, Ford LCV, Honda, Hyundai, Jaguar, Jeep, Kia, Land Rover, Mazda, Mercedes-Benz, Nissan, Peugeot, Renault, Seat, Škoda, Smart, Toyota, Vauxhall, Volkswagen

C is 25% up although new is slightly behind. We are really focused on the basics – managing every enquiry all the way through.

What has the business done to prepare for September?

RF: We have some great marketing campaigns planned, including TV, as well as a number of events for existing customers. These have been run successfully in the run up to September with a high level of order take achieved.

PT: The company is always well placed for any peak market trends. We have a digital response team that works between 8.30am and 11pm. These leads are pre-qualified, advised and distributed to the relevant department. Our online platforms for both sales and service also benefit the business, as they are both seamless. This leaves more time for the advisors to deal with customers that choose to contact the dealership directly or for prospecting.

SF: Very much the same as in previous plate change months, significant prospecting events, extensive marketing on all channels – digitally, radio, mailers, finance offers, renewal offers.

JOH: The business is in excellent shape with new cars being called down from brand storage, additional used stocks acquired and prepared so we have sufficient vehicles available to meet our targets. We arranged our biggest new car sales event for the second week of the month. We have reached out to all our customers via our digital magazine with a record click-through rate onto offers and other information. Finally, we are launching our new digital showroom with the latest waylands.co.uk website allowing full e-commerce solutions and the ability to react quickly to opportunities.

GW: Buying as many decent used cars as we possibly can. New stock will be tight but used car desirability and availability will be the key.

DP: We have started to major on YouTube and we employ a full-time YouTuber, this is embedded in everything we do. We are about to launch a virtual VIP event for customers using video, customers can then book an appointment online, we are finding customers still want to come in and they are doing that more locally now, they don't want to travel far.

“ WE BELIEVE WE WILL CONTINUE THE PATTERN OF THE PAST FEW MONTHS AND THAT SEPTEMBER 2020 SHOULD EXCEED 2019 ”
JOHN O'HANLON, WAYLANDS

What's your expectation for the month across new, used and aftersales?

RF: Nothing less than victory in all departments.

PT: We are anticipating a seasonal uplift of car orders, but not necessarily new car deliveries, due to supply constraints. September has always previously shown an uplift in used car enquiries. Historically, a proportion has been converted into new cars to achieve targets. This year, we predict they will remain as used car sales, allowing immediate delivery. In after-sales, with the ending of the MOT extension, we predict we will be very busy.

SF: At this stage, very upbeat and hoping the momentum continues.

JOH: We are in a good position on new with an excellent order bank already in place for September (and October). Our used enquiries have been, and continue to be, strong. On after-sales we have been busy since we re-opened. So, we have every reason to be optimistic.

GW: New down on last year, used cars ahead, aftersales ahead.

DP: Our biggest concern for used cars will be sourcing stock. Our own auction sales are going well, new car sales are slightly down, but when the market is 600,000 new car sales down, there won't be enough used cars to go round.

Predictions compared with September 2019?

RF: Up in new car volume and in overall profit.

PT: We are all working in very uncertain times, with a huge amount of negative news updates, which can affect the positivity of the market. Currently used car margins are holding slightly above last year, as are new car margins. So, assuming these continue and the market isn't flooded with ex-rental or used part exchanges, we anticipate this September to be ahead of 2019 regarding gross profit.

SF: We are forecasting that it will be as strong.

JOH: We believe we will continue the pattern of the past few months and that September 2020 should exceed 2019 in every measure, from units and hours through to profitability.

GW: Overall less profitable because of new car profit being down.

DP: Aftersales, in terms of service hours sold is well up on the same period last year. Mercedes-Benz and our strategy of retention through the brand's ServiceCare service plan has really worked for us. Areas of slight concern are trade sales and the bodyshop. They are not where they were last year. We will not retail as many new cars as last year due to the stock situation but the last quarter will be stronger. Used will be up on last year.

What support are your suppliers giving to let you maximise September?

RF: Manufacturers know the importance of September and are putting their best foot forward.

SF: A really good range of retail consumer offers, finance offers and excellent terms for our fleet and commercial vehicle customers.

“ WE HAVE THE TOOLS TO DO THE JOB AND SHOULD NOT BE LOOKING TO OTHERS ALL THE TIME FOR HELP ”

ROBERT FORRESTER, VERTU

JOH: We have kept all our supplier partners aware of the potential for September to allow them to be in a position to scale with us.

GW: Good offers, but we have all been taken by surprise by the new car markets in July and August, so stock isn't there.

DP: Mercedes-Benz has been really supportive all the way through the pandemic.

Have manufacturers revised targets and what kind of support is being provided?

RF: Some have revised them down due to supply; others up due to the market.

SF: Targets remain fluid at this stage awaiting the first block of registrations to establish where the market looks like being. But they'll be fair, giving the opportunity for us to maximise earnings.

JOH: Volvo has revised its targets in line with the expected size of market for the rest of the year. It has also ensured we have enough new cars available and are providing a range of competitive and compelling funding offers for our customers.

GW: Targets reduced; incentives steady.

DP: Targets were revised as a result of the pandemic and that's the right thing.

What else would you need to smash your September targets?

RF: September is in our hands and no one else's, with the possible exception where there are new car supply issues. We have the tools to do the job and should not be looking to others all the time for help, be it Government or the manufacturers. If we do the basics daily, come to work to work and deliver a 'wow' experience to customers, failure is not likely.

SF: Commonsense targeting, consumer confidence returning to some normality, decent weather and a load of luck.

JOH: Just no bad news... We are feeling confident of achieving a strong September provided we have no distractions.

GW: A modest number of high-profit new cars. Not so many as to flood the market but enough to satisfy demand.

DP: It's about Mercedes-Benz ensuring it has the offers out there to draw the customers in and then it's up to us to play our part with our events and our digital marketing. **DEBBIE KIRLEW**



The Defender has a host of retro touches weaved into its new design



LANDROVER DEFENDER

The Defender name may have 'only' been around since 1990, but the Defender we all know (and mostly love) has, essentially, been the same thing since 1948.

After 67 years in production, Land Rover could no longer keep updating the model to comply with new emissions and safety legislation, so the Defender was killed off, temporarily. It now returns as an all-new model.

The 4x4 market has changed significantly in recent years, with pick-up trucks now taking a greater share of money from those seeking a 'rugged' off-roader, while models such as the Mercedes-Benz G-Wagon have been tweaked to fill an upmarket niche.

Much the same trend was happening to the Defender towards the end of its life. The streets of West London became the habitat of models that were heavily modified by third parties to gain more creature comforts and more power, rather than seeing them on green lanes in the countryside.

In its second generation, the Defender aims to bridge the gap between the stripped-out rugged off-roader of the past and the high-tech luxury barge that is in demand right now.

It has a futuristic-looking design, with a host of retro touches weaved into its smart new look.

Whether this design will remain as iconic as the original after 67 years remains to be seen, but it was certainly turning heads wherever we took it.

It's available in three-door '90' or five-door '110' with a range of petrol and diesel engines, as well as a plug-in hybrid.

The range starts with stripped out Commercial versions priced from £35,000

(exc VAT). Passenger car models cost upwards of £40,000, but, with an almost endless range of options and configurations, prices can end up beyond £100,000.

There are four core accessory packs available: Explorer, Adventure, Country and Urban. These sit alongside the usual trim walk of base, S, SE and HSE, plus a hard-core Defender X variant.

A V8-powered SVR version is rumoured to be in development.

The packs are designed to give the car different characters, with Urban, for instance, featuring 22-inch wheels, a front undershield, side tubes and a scrub plate on the rear; Adventure side-mounted gear carriers on the rear and undershield guards; Country wheel arch protectors and other guards for light outdoor work; and Explorer a roof ladder, roof rack and anti-glare bonnet.

Other unconventional options include an electronic winch, pet packs for carrying a variety of animals, a portable shower, a roof-top tent and inflatable waterproof awnings.

Buyers can kit-out their ideal Defender with just about every gadget and feature from across the Land Rover range. This can include ventilated seats, high-end audio systems, matrix LED headlights and adaptive cruise control.

Fabric seats and steel wheels come fitted to base models, but all versions are equipped with surround cameras, lane-keep assist and JLR's latest Pivi Pro connected infotainment system.

All new Defenders come with an automatic gearbox powering all four wheels. Initially there's a choice of two diesel and two petrol motors.

The diesels come in four-cylinder D200 and D240 flavours, although



£40,330
-£79,695



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Jeep Wrangler

✓	OFF-ROAD CAPABILITY
✗	EXPENSIVE



Mercedes G Wagon

✓	ROAD PRESENCE
✗	EFFICIENCY



Toyota Landcruiser

✓	PRACTICALITY
✗	DESIRABILITY

≡ REVIEW RATINGS

AUTO EXPRESS



AUTOCAR



CAR



THE DEFENDER AIMS TO BRIDGE THE GAP BETWEEN THE STRIPPED-OUT RUGGED OFF-ROADER OF THE PAST AND THE HIGH-TECH LUXURY BARGE THAT IS IN DEMAND RIGHT NOW



Off-road, the Defender is designed to offer maximum capability



The Defender's dash is modelled around a central shelf

These are being replaced by six-cylinder mild-hybrid units early next year. The petrol range consists of a four-cylinder P300 and a straight-six P400.

Power output is denoted by the numeric figure. The plug-in hybrid will use a 2.0-litre four-cylinder unit and provide a 27-mile zero-emission range when it joins the range next year.

The first thing you notice about the Defender is it's massive. At more than five metres long, the 110 can accommodate up to seven people, with an optional third row of seats. Such is the width of the new Defender, buyers can spec an additional centre front seat on both the five-seaters – the 90 and 100 – allowing them to carry six. Otherwise, there's a girthy centre console that provides useful storage.

In a nod to early Land Rovers, the dash is modelled around a central shelf. The 10-inch infotainment screen is placed in the centre and joined by an optional digital instrument cluster.

All the controls are confined to a small panel, which also incorporates the gear selector. Accessing the off-road settings is done using the dual function climate control knobs. I'd rather see independent controls for these features, but it's likely many drivers will simply never delve into such settings.

The Defender has been designed to offer maximum capability off-road. Optional air suspension allows the ride height to be

“THE FIRST THING YOU NOTICE ABOUT THE DEFENDER IS IT'S MASSIVE. AT MORE THAN FIVE METRES LONG, THE 110 CAN ACCOMMODATE UP TO SEVEN PEOPLE

Q&A



ANTHONY BRADBURY,
MARKETING DIRECTOR AT
JAGUAR LAND ROVER UK

Where should retailers position the new Defender against other models in the range?

The new Defender is all about durability. It is a tough off-roader as you would expect, but it is a Defender for the 21st Century which means it is just as suited on the road as well, and equipped with all the comforts and technologies that you could wish for in a state-of-the-art 4x4. Discovery is about versatility and families. It is one of those rare full-sized seven-seat SUVs – ready for a family adventure. Everyone gets a great seat. Range Rover is our luxury range of vehicles – the finest materials and finishes make it a fine place to be no matter the weather or the terrain. Finally, all three product families are underpinned by excellence in design and capability.

Is the new Defender expected to attract new customers to the brand – if so who?

We expect a high percentage of conquest customer from other brands. We would expect customers to come from all competitors in the segment as diverse as other premium SUVs or the more utilitarian segments. We are also seeing some existing Land Rover owners buying Defender as an additional car to the household. We will shortly introduce the Defender 90 to the

range and this will appeal to customers wanting a smaller vehicle. Lastly, the Hard Top commercial derivatives will also attract new customers.

Which powertrain and trim combination do you expect to be the most popular?

It's very early days yet, but traditionally the S or SE model with the D240 is likely to be the centre of gravity. Early indications show that, with early adopters, we've seen a strong mix at the top end with the Defender X model and, currently, a quarter of UK Defenders sold are the First Edition.

Are there any dealer-fit accessories for retailers to profit from?

There are a range of retailer-fit accessories including more aggressive off-road tyres and our Defender packs with the Urban, Country, Expedition and Adventure packs all being available as retailer-fit options, allowing customers to tailor their vehicle accordingly. Take-up of these packs has been excellent and is averaging 20%. It is clear our customers enjoy personalising their vehicles.

How do you plan to market the car and make sure customers get to experience its capabilities?

We are about to host a 'Defender tour' where customers will be able to experience Defender both on- and off-road at our Land Rover Experience Centres across the country. We have also been running a three-hour test drive programme which has proven popular with customers and retailers. Interest continues to be very strong. We have strong fleet interest and have begun specific briefing sessions with these customers.

increased, while the Terrain Response system can automatically adapt to the conditions to provide optimal traction. Buyers can even specify off-road tyres.

It's on-road that the biggest changes are apparent, however. The Defender will happily sit at 70mph and allow its occupants to have a conversation. In our test we saw an average of almost 40mpg from the D240.

Diehard Land Rover fans may see the new

model as just another 'Chelsea tractor' but Land Rover has been clever in developing the model to have greater appeal. The old Defender only amassed sales of around 20,000 units globally towards the end of its life and only 5,000 of those were to retail buyers. The desirability of this new model, combined with its greater refinement and technology should deliver a much needed boost in registrations. **MATT DE PREZ**

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VOLVO XC60 T8 R-DESIGN PRO

REPORT
PROGRESS



VOLVO'S OFFERS WILL HELP SWEETEN THE DEAL

Personal contract hire (PCH) offers are Volvo's frontline offensive to tempt premium SUV drivers into the XC60 range. It is promoting a monthly rental starting at £399, dependent on the variant, to encourage prospective buyers to find out more about the Swedish competitor to the BMW X5 and Audi Q5. Even the new T6 plug-in hybrid is available at £499 per month.

Naturally, the initial rental payments (from £2,414 to £5,510) take some of the shine off such offers, but PCHs are generally attention-grabbers, anyway.

Fixed leases don't suit all private customers, and when it comes to the negotiations, the majority of retail buyers will choose personal contract purchase (PCP) for the extra flexibility to exit the plan early, even if the monthly payment is a bit higher.

Currently, Volvo is tempting people with a 0% APR 37-month PCP on all XC60 models except the plug-in hybrids, which are at 4.9% APR over 49 months. Plus there are retailer deposit contributions of between £2,994 and £3,523, and metallic paint included, to sweeten the deal.

Once prospective buyers' attention has been grabbed, Volvo has an army of happy owners at its disposal to help convince them to buy. Dealers can show the prospect more than 2,500 owners'



ratings, collected independently by Reevoo and published on the Volvo website, who've together rated the XC60 4.5 out of 5 and score its comfort, build quality and practicality above 92%.

With owner comments such as "drive quality and comfort are second to none" and "the T8 hybrid is the best car I have ever bought – amazing" the Volvo dealer is well armed to tackle any concerns a potential buyer might raise. **TIM ROSE**



£65,870
INC OPTIONS



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ELECTRIC PLUG-IN
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TOP SPEED 140MPH



104.6 (WLTP)



60G/KM (WLTP)

CURRENT
MILEAGE

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START
MILEAGE

0 0 5 6 4



COMPETITIVE FINANCE. RAVING FANS



COST MAY MAKE OLDER XC60
OWNERS WINCE

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



John Beckingham, brand manager of Proven Kia, Subaru and Isuzu, correctly identified the Dodge Journey in the last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. Closing date for this is Friday, October 9.



VIDEO PLAYING A BIGGER ROLE IN THE RECRUITMENT PICTURE

But the value of face-to-face final interviews is not being overlooked

While much of the automotive retail industry has been unable to avoid large-scale redundancies due to COVID-19, some businesses are still recruiting.

Social distancing, working from home and the rise of video conferencing have all impacted the recruitment process.

Robin Luscombe, Luscombe Motors managing director, has changed his approach to recruitment as a result of COVID-19, with a much greater emphasis on video as part of the application process.

He said: "Selling has changed and I think COVID-19 has made the use of video even more important for anyone working in our industry."

While Luscombe, who sells new Suzukis and Mitsubishi, thinks his staffing may reduce (the Mitsubishi franchise is pulling out of the UK), he said the staff members he is recruiting need to be comfortable in front of and behind the camera.

Luscombe is asking recent sales

executive applicants to perform three tasks:

- 1 Put together a video with a virtual presentation of their own car to show how they would create that kind of content.
- 2 Submit a written description of their own car to be used in online listings.
- 3 Give an email response to a web lead.

He said: "These are all vital components of a salesperson's role. There are plenty of examples available from other dealers online, and if needed, we have suggested they do some mystery shopping to provide inspiration and to demonstrate what is good and not so good."

Interestingly, out of eight applications for a sales executive position, only two offered to provide videos and neither of those applicants had previous automotive retail experience.

While it's only a small sample size so far, Luscombe thinks it's an indication of the traditional sales executive's lack of willingness to adapt to the current market.

He said: "Some in the industry aren't ready to change."

"There might be some nervousness about using Facetime or Whatsapp for video calls, but it's really something we should all be used to by now and it very quickly becomes simple and easy to speak with customers and show off the product."

For those that make it further through the recruitment process Luscombe said face-to-face, socially distanced, meetings will still be vital.

Luscombe said: "I think it's quite difficult to see how you gel with people over video. So we'll still do face-to-face interviews at that stage just to make sure they're the right fit."

Ed Steele, Steele Dixon managing director, said the majority of recent interviews have all been via Zoom.

Steele said: "There are some clients that have had to socially distance due to the shielding of loved ones."

"But there has also been a real mixture. A lot are using video and then face-to-face meetings will still happen further into the process."

Steele said some interviews have also happened where there will be a socially distanced meeting, with directors dialling in remotely.

Lynda Ennis, Ennis and Co founder, said the typical interview process would normally incorporate a telephone call initially, but as the UK has eased out of lockdown, she thinks the need to meet face-to-face is still a vital part of the recruitment process.

Ennis said there has been a higher intensity use of technology for assessment, screening or initial interviews through video platforms like Zoom and Microsoft Teams.

Ennis said for those interviews taking place through video, a really good questioning technique and a tailored screening process becomes paramount.

However, she believes senior appointments, in particular, will always meet face-to-face at some point and Ennis is confident that will continue to be the case after COVID-19.

Ennis said: "Body language and non-verbal cues are extremely key."

"According to research conducted by Dr Albert Mehrabian, a psychology expert when it comes to communication, the interpretation of a message is 7% verbal, 38% vocal and 55% visual."

"The conclusion was that 93% of communication is 'non-verbal' in nature."

"This cannot always be picked up via video link, so I don't think this will be a long-term change." **TOM SEYMOUR**

“SELLING HAS CHANGED AND I THINK COVID-19 HAS MADE THE USE OF VIDEO EVEN MORE IMPORTANT FOR ANYONE WORKING IN OUR INDUSTRY”

ROBIN LUSCOMBE, LUSCOMBE MOTORS



RESOURCES

HOW TO CONDUCT A SEAMLESS VIDEO JOB INTERVIEW

LinkedIn's Talent blog offers seven tips on video interviews.

<https://business.linkedin.com/talent-solutions/blog/candidate-experience/2020/tips-for-conducting-seamless-virtual-job-interview>

HOW TO MANAGE REMOTE ONBOARDING

People Management looks at the implications of many employers welcoming new starters with an induction process conducted by video.

<https://www.peoplemanagement.co.uk/experts/advice/how-can-hr-remotely-manage-onboarding>

WORKFORCE TRANSFORMATION IN A COVID-19 WORLD

KPMG offers insights on workforce shaping and employee experience in disruptive times.

<https://home.kpmg/uk/en/home/insights/2020/04/the-importance-of-workforce-transformation-in-a-covid-19-world.html>

ADVERTISING FEATURE

Learning to live with uncertainty

By James Tew,
CEO, iVendi



Yesterday, I came across some notes I'd made at the start of this year about likely developments in the used car and motor finance markets during 2020.

Suffice to say, I hadn't got many things right.

The fact is, while we all still do it, that kind of future planning is something that can only be approached with something of a wry smile.

In the 'new normal', life is very much lived on a day-to-day basis and, watching how vehicle retailers have coped with this situation over the past few months, it seems those performing best are the ones who accept there is little you can do currently to out-plan this high degree of uncertainty. They embrace the moment.

The reason I was making notes for 2020 was to plan for the launch of the new iVendi range – a trio of products now available called ENGAGE, CONVERT and TRANSACT. Together, they form a complete and comprehensive online motor retail solution.

When building them, we obviously had no knowledge of the coronavirus crisis but one in-built feature across all three is proving to be important: they are extraordinarily flexible.

Now, more than ever, dealers need technology that can be adapted quickly and easily to whatever dealership business model the market demands. Solutions that are good at just one thing are no longer viable in a market that presents new issues and new opportunities almost every few days.

If your current supplier can't deliver on this fundamental need, you should consider finding another.



TALENT ON THE MOVE



**ADAM TURNER, MANAGING
DIRECTOR OF CHORLEY GROUP**

Chorley Group has appointed Adam Turner as its new managing director and has restructured its senior team.

His aunt, Pauline Turner, will hand over the reins to Adam after five years as managing director of the north-west-based family business, founded by her brother Andrew Turner who remains chairman. Pauline will become aftersales director

from January. Sue Corkin has been appointed as group operations manager, meanwhile, joining from Nissan GB.

Pauline Turner said: "After five fantastic years as MD, we felt that now was the right time for Adam to assume the role."

"Chorley Group has achieved an amazing amount in the past five years, winning a number of high-profile awards and we're extremely proud of that."

"We've weathered the current storm a lot better than many and have come out in a strong position that we now want to build and expand on."

Chorley is a winner of AM's Best Dealerships to Work For and won the AM Bright Spark Award in February this year.

Adam, currently group sales and marketing director, said he has always worked closely with Pauline.

He said: "I'm thrilled we've still got her vast knowledge and experience within the company so we can continue to drive forwards. This year has been challenging for everyone, but we have such a strong team we were able to pull together, adapt where necessary, and ensure we stayed at the top of our game."



**KIRK O'CALLAGHAN,
CARZAM CHIEF
EXECUTIVE**

Sytner Group's Carshop operations director Kirk O'Callaghan is set to join new digital used car market business Carzam as chief executive, ahead of its October launch. Carzam is headed by John Bailey, former president of Cox Automotive International and used car retailer Peter Waddell, owner of Big Motoring World. O'Callaghan's move from Carshop, the used car supermarket division of the AM100's number one retail group, follows a recent shake-up of its senior management team.



**ADRIAN WALLINGTON,
COMMERCIAL
DEVELOPMENT
DIRECTOR AT MARSHALL
MOTOR HOLDINGS**

Former Endeavour Automotive managing director Adrian Wallington has re-joined ex-employer Marshall Motor Holdings as commercial development director. He was one of four recent appointments, including: Vertu Motors' Simon Elliott as director of commercial vehicles; Caroline Illing as HR employment lawyer and Matt Willmott as head of group legal. Illing returns to Marshall, where she previously worked for 11 years, from Howes Percival LLP. Willmott joins from Denton LLP.



**DAVID TEATUM F&I
DIRECTOR AT STONACRE
MOTOR GROUP**

Stoneacre Motor Group has promoted David Teatum and Mark Zavagno to its board. Teatum becomes F&I director responsible for F&I compliance, training, relationship management and performance, while Zavagno is now digital operations director responsible for the web development team and digital marketing. Group managing director, Shaun Fowweather, said: "Their expertise has assisted with the growth to £1 billion in revenues and we are delighted to welcome them as fellow directors."

Paperless solutions transform automotive retail efficiency

As dealers plan for a post-pandemic recovery, digital document software is helping many to embrace more efficient – and profitable – processes

When the Government eased lockdown restrictions, dealers worked tirelessly to ensure they were ready to start selling cars safely.

While adapting the physical environment was a critical first step, the next transitional phase will require that dealers are agile, flexible and innovative in different ways – with a focus on efficiency.

Encouraging figures from the Society of Motor Manufacturers and Traders (SMMT) showed new car registrations in July 2020 were up 11.3% on July 2019. While it's fantastic to see this growth, it's also a real challenge for those dealers trying to respond effectively to a surge in activity while operating with reduced headcount.

With only so many hours in a day there's a need to work smart – finding ways to be more productive with time, especially when it comes to revenue-generating activity.

Digital document solutions can help in a number of ways:

Efficient post-sale processes

A typical paper deal file consists of up to 70 documents. So, a digital deal file solution like iDealFile – which provides a single online platform to manage all of these items – transforms efficiency for the sales team.

There's less time spent looking for missing paperwork or old files,



management can easily review or sign off items and everything is secure in one place so customer enquiries can be resolved at the touch of a button.

Our experience shows that when you combine all potential efficiencies, sales teams save at least 3.5 hours per deal file. When time is precious, that's a huge saving.

Speeding up service and MOT provision

Reflecting the paperless approach in the aftersales department with a digital document solution like iServiceFile can amplify these time savings.

Whether it's service advisors providing instant feedback on the status of a repair, technicians reviewing digital job cards and completing online write-ups or senior management enjoying improved compliance and warranty procedures – they all happen so much quicker.

Online document sharing and authorisation

By conducting all sharing and signing of documents online, dealers minimise

physical interaction with customers and can offer them the flexibility to receive, sign and return paperwork from anywhere – be it a secure showroom area, their vehicles or their own homes.

We've seen first-hand that by including features like iShare with our digital document solutions we help dealers minimise delays, accelerate approvals and deliver a better customer experience.

The power of paperless

In the face of unprecedented commercial challenges, it goes without saying that every penny counts.

Manufacturers, dealer groups and individual retailers are working hard to get back up to speed as quickly as possible. It's a time for innovative thinking, agile working processes and unrelenting efficiency across the motor retail industry.

At MotorDocs we're ready to help you embrace digital document solutions so you can take huge strides towards becoming a truly digital dealership and start ticking all of those efficiency boxes.

Contact Andy Mee Joint Managing Director
T: +44 (0)1635 905985
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MotorDocs

EIGHT QUESTIONS TO A...

SALES DIRECTOR

Andrew Lawson, sales director at Mercedes-Benz Vans, puts honesty and trust high on his list of what contributes to running a successful team



What are the main responsibilities of your role?

Day-to-day, my focus is on supporting our dealer network from a sales, support, profitability and motivation standpoint, as well as maintaining customer relationships and helping to create loyalty and positivity.

I am also committed to developing our head office sales team and ensuring they are motivated and aligned on the strategy. I am in regular communication with Daimler AG, agreeing and monitoring performance expectations. This extends to understanding market trends to ensure our route to market is ahead of our competitors. It's a hugely interesting market and I'm pleased to have returned to the UK at a time where the focus is on innovation and efficiencies.

What are the most significant challenges ahead?

Managing topics out of our control such as Brexit and COVID are certainly keeping me on my toes, but it's a great time in our industry. Electrification and alternative fuels, for example, provide ongoing, but interesting challenges.

Different 'challenges' occur, such as managing the sizable increase in demand from customers in particular the home delivery sector, which is a positive thing, but needs constant dialogue and highlights the importance of strong relationships.

More and more of our customers are seeking a move away from the traditional purchase and look for a more holistic, innovative solution which enables them to effectively manage delivery optimisation, electrification etc. While there are challenges, there are, of course, solutions.

How might these challenges be overcome?

Above all else, having strategic and trustful relationships with our customers, which we have seen time and time again having a positive impact, both for us and for the UK businesses we serve.

It's also key to ensure that our own head office and dealer colleagues have the desire, attitude and willingness to adapt to an ever-changing environment.

The implementation of a dedicated and focused customer strategy, which is based in solutions rather than a typical transactional purchase is also a major focus. We have seen this come to life during the pandemic, and it is only set to get unapologetically stronger – the customer is at the centre of all we do.

What attracted you to this area of expertise?

I have held various roles prior to working for Mercedes-Benz in 2000. I joined the vans business in 2004 as a strategic account manager – working with fleet customers and building relationships. I was then promoted in 2010 to head the fleet team and we successfully grew the business.

I had the amazing opportunity to transfer to MBUSA to establish the MBUSA fleet team, structure and strategy in 2016, which provided a tremendous experience of a new country and market. Now I have been invited to return to the UK to take on the sales director position, I am pleased to take all of my learning and passion into this new role.

At the heart of it, I simply enjoy working with people, whether they are colleagues, customers, or dealers – we're a network of people and the van community is one I am very proud to be a part of.

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

Honesty is everything – and it works two ways, of course, but, as long as I'm being honest, then I'm doing the right thing always. I get a real satisfaction when we turn businesses from being a customer to a becoming a partner that supports trust and openness. We celebrate success as a team and ensure that the team works together. If someone is having challenges, the rest of the team are there to support. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

Customer loyalty, team motivation and being better than our competition.

What is your favourite app?

BBC Sport and Spotify

How do you relax?

Watching my two sons play football, spending time with my family, walking my Labrador and playing golf.



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THIS MONTH'S QUESTION TO THE AM TEAM:

Have you travelled on public transport in the past three months? How was it?

EDITORIAL

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► **No. I've barely left the house**

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► **No. Generally, I only ever caught the train to attend meetings in central London**

PRODUCTION

Head of publishing Luke Neal

► **The Babbacombe cliff railway in Devon with just my 'family bubble' for company**

Production editor David Buckley

► **Took a train to London. Hardly anyone on it.**

Senior designer Chris Stringer

► **Not used public transport. I've barely used my car. The bicycle has reigned supreme here**

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