

Optimising retention and lifetime value

Re-imagining the roles of added value services

The car retailing landscape has changed significantly over the past year. The COVID-19 pandemic, the subsequent shift to omnichannel retailing, new Financial Conduct Authority (FCA) rules for motor finance, the emergence of online used car retailing brands, the increasing presence of alternative fuelled cars and the trend by OEMs to agency models all stand out.

Against this backdrop, the motor retailing community has demonstrated its ability to survive and, indeed, thrive. Inherent to the sector's success has been a capacity to adapt. New technologies, working practices and a greater focus on cost control have paid off, but dealers need to stay ahead of the curve and sustain the change momentum.

Every process, product, price and promotional approach in motor retailing has, and will continue to, come under scrutiny. Among these will invariably be:

- Retention
- Lifetime value/cost of acquisition
- Reputation

Inherent in all of these is customer-centricity. It points to a strategic shift and a longer-term view of the traditional dealer model. It also points to the value of collaborating with partners who will share support and contact with customers on their ownership journey long after they have driven off the forecourt.

The value of 'great fit' collaboration in added value services

Just ahead of the changes in car retailing created by the pandemic, KPMG published a paper on the future of car retailing. It noted: "Finance and insurance, where new online, alternative finance companies are already competing against the OEM captives and major banks

through better terms and customer experiences, will also heat up. Collaborating with these players, rather than seeing them solely as competitors, will be critical for the survival and success of OEMs and dealer partners."

Arguably, collaborating with businesses who have invested in their digital capabilities to offer a compelling customer experience which understands the motor retailing and regulatory landscape and which is proud to be a proactive and authentic consultative voice makes sense.

Added value services can have a critical role in the ownership/usage journey for many customers. The success, or otherwise, of the relationship, which can be tripartite, can significantly impact retention, lifetime value and the dealer's reputation. Get it wrong, and the

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MATTHEW BRIGGS

long-term relationship can fall apart and damage a dealer's reputation. On the other hand, get it right and the ticks are all far more likely to be in the positive boxes.

It is a philosophy that drives AutoProtect Group's approach, as Matthew Briggs, its CEO, observes: "All added value service providers, their products, processes and reputations are not the same. Our commitment to customer-centricity is deeply embedded into our culture. In turn, this is evidenced in our products, processes and the authenticity with which we work hand-in-hand with our dealers."

Matthew is also clear that dealer's choice of added value service providers should gain increased focus as the car-buying public moves towards electric vehicles (EVs), noting: "Service, maintenance and repair (SMR) activities have been mainstays

of dealer profitability and customer contact for many years, but it is set to change. Battery EVs are expected to reduce SMR requirements by 40-60% compared with petrol/diesel vehicles. Added value services can help dealers to start bridging this gap, most notably in enhancing reputation and retention now."

Creating a compelling added value service experience

The reputation of an added value service provider should be seen as a crucial metric. AutoProtect Group has an overall ranking of 'Excellent' from 4,590 consumers. The data makes it the market leader.

While all added value service providers are not the same, nor are their products and processes. AutoProtect has invested in digitising its claims process. Claims apps are making claims faster and slicker, helping both the car buyer and repairer. Such claims success only happens when the product meets the customer's needs. This relies heavily on the specification and scope of each product and the transparency with which it is promoted.

To help its dealer partners, AutoProtect has developed a 'pincer movement' approach. Plain English documentation, a suite of tools to explain the products in the showroom and online and a continuing commitment to training in showrooms across the UK.

Matthew says: "Our goal is to support an even better buying experience that customers appreciate, centred around integrity. We want people to choose products that meet their needs based upon an understanding of what is covered and how the claims process works. There is no substitute for good training."

The increasing role of a portfolio philosophy

A focus on a selected product is unlikely to optimise the long-term role available from added value services. In a customer-centric dealer, success is most likely to come from helping customers to match their needs to the products on offer.

Building upon this philosophy, it also stands that some customers may choose more than one product. AutoProtect Group has seen this philosophy working effectively when the dealer's promotional approach switches to make it easier for customers to decide to buy rather than the more traditional sales push.

"The 'make it easy to buy' approach places the customer in control. Any perceived pressure is taken away and the customer can reflect on the appropriateness of each option," adds Matthew.

A smarter SMART choice

Central to the high satisfaction rating with AutoProtect's SMART Repair cover is the unique joined-up approach between AutoProtect and its national network of minor damage experts at Shine!.

Shine! offers a team of fully-employed, highly-trained mobile repair experts across the UK. Aston Martin, Ford, Mercedes-Benz, Lexus, Toyota and Vauxhall use the team's expertise. The quality of the team's work has seen Shine! accredited by the IMI, the first mobile repair company to be presented with this prestigious recognition.

When a claim is made and a repair booked via the dedicated app, your customers can be confident that a Shine! expert will bring their skills to the claimant's home or work address and that, with a service-level agreement (SLA) of 14 days, the work will be completed superbly and quickly.

SMART insurance has an increasing role in reassuring and delighting customers according to all the data from AutoProtect's unique end-to-end SMART model.

Promoted online and in the showroom, AutoProtect's SMART insurance proposition is helping to delight and retain customers for dealers by delivering good outcomes.

A 4.9/5 SMARTTrustpilot rating from more than 2,500 customers for AutoProtect's SMART Insurance, supported uniquely by the business' UK wide Shine! mobile repair business

50% of customers make more than one claim

KEY CONTACTS



Matthew Briggs, Group CEO



Steve McCombe, Head of Sales
smccombe@autoprotect.net



James Barr, Corporate Business Development Director
james.barr@autoprotectgroup.co.uk

Advertising feature

A few product highlights:

Smart Repair – welcome to the Shine! difference

Central to the high satisfaction rating with AutoProtect Group's Smart Repair cover is the unique joined-up approach between AutoProtect and another group company, minor damage experts Shine!

Shine! mobile repairers

Shine! offers a team of fully-employed highly-trained mobile repair experts across the UK. Shine! is accredited by the IMI, the first mobile repair company to be presented with this prestige status.

GAP & RTI insurance

A comprehensive product range including a specific option available for PCH finance.

Warranty

Rather than simply offering a 'good' warranty, AutoProtect has gone several extra steps forward by developing an industry-leading warranty with a new level of control and support to make the claim's process remarkably easy and fast – iClaim.

Alloy wheel insurance

Another product customers appreciate if purchasing a car with alloy wheels. Highlighting the possibility of alloy wheel insurance should be seen as a natural step every time. Alloy Wheel Insurance from AutoProtect is designed to keep alloys in 'as new' condition should a mishap occur – and we all know it can!

Tyre

The AutoProtect Tyre Insurance can provide a fast, convenient service which covers both accidental and malicious damage.

Paint protection

When your product carries the Williams name, which is so synonymous with high performance in the world of F1 motor racing, that high performance has to be reflected in the sales, utilisation and post-sales support.

