

Warranty for EV buyers should be 'crystal' clear

With the exponential growth of electric vehicles (EVs) on our roads, more and more drivers need a warranty that covers the components unique to their plug-in vehicles. Leading the way with award-winning vehicle aftercare products, Car Care Plan's pioneering used car warranty now includes standard wording to give its clients a programme that covers the wide range of vehicles on offer.

Mike Cowling, head of products at Car Care Plan, explains...

AM: What prompted this innovation with Car Care Plan's used car warranty – clarifying your position on EV and hybrid cover?

MC: While we've been covering electric and hybrid vehicles on some of our manufacturer programmes for some time, we felt the need to incorporate EV and hybrid cover into all our dealer and dealer group warranty models as well. These changes came after extensive market research and collaboration with OEMs, dealer clients and consumers. We wanted to future-proof our range of products to protect the value of customers' vehicles, no matter the engine type.

AM: It's important there is clarity for consumers on what their warranty covers. How will achieving a Plain English Society Crystal Mark help retailers?

MC: Clear and concise wording allows the end customer to fully understand what is covered by their vehicle warranty. With our new EV warranty, nothing is hidden behind complicated legal jargon. Our warranty does what it says in the wording. Period.

The Plain English Society's Crystal Mark is an internationally-recognised accreditation for clarity to consumers. We wanted our new EV warranty to meet these exacting standards to help avoid any confusion or lack of knowledge on EVs, helping build customer confidence in the product.

The new warranty wording even covers one of the biggest concerns customers have when buying an EV – range anxiety. Where a customer is unable to recharge their vehicle during a journey, roadside assistance and recovery can be provided.

AM: Can you outline how the industry has recovered from the challenges of COVID-19 and what that looks like for Car Care Plan's growth in the past six-to-12 months?

MC: We know the industry has faced significant challenges during the pandemic – and the recovery is likely to be ongoing for some time yet.

Despite lockdowns and subsequent economic impact, we've always been there for our customers. Our field development support team had zero redundancies, even recruiting additional staff to meet demand for refresher training when businesses started opening back up again.

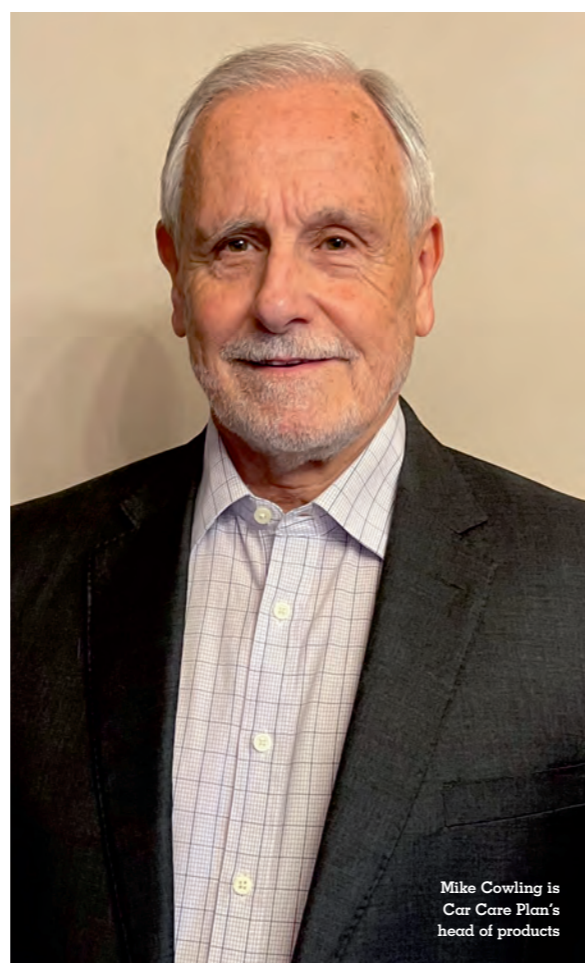
There has been huge appetite among dealer groups for refresher training for their staff after furlough, to bring them back up to peak performance in warranty sales. It's at times like these we need to be ready for the recovery, as sales start to recover and customers return to showrooms and forecourts.

AM: How can Car Care Plan's risk field team of auditors also help support dealers?

MC: Our auditors team comprises experienced engineers, who go into dealerships to investigate out of kilter loss ratios. This ensures high levels of product quality and customer satisfaction in dealers' used car programmes.

Given our experience, we pick up anomalies.

We have extensive experience of UK car stock across all franchises, meaning we have claims data on virtually every model in every franchise, so it allows us to provide that support to dealers. We're protecting them and seeking to ensure their CSI standards are not being compromised.



Mike Cowling is Car Care Plan's head of products



AM: How have renewals been affected by the pandemic and how is the company helping dealers retain as many customers as possible?

MC: If anything, warranty renewals have been stronger during the pandemic, as fewer people were buying new cars and, instead, protecting their current vehicles for longer.

It was a reliable source of income for our OEM and dealer clients.

Our contact centre in Manchester provides a proactive service to all our clients selling new and used cars, including support for OEM warranty extension sales, and approved used car warranty and roadside assistance renewals. The centre underpins all point-of-sale product activity, backing dealers with a GDPR-compliant contract spanning SMS, email and phone calls.

As expiry nears, the team contacts a client's customers to verify they still own the car and to offer an extension for an additional 12 months. The client (manufacturer, dealer or web-based provider) will be a beneficiary of commission from any sales we successfully perform on their behalf. And, unlike some outsourced call centres, this is our centre and it only sells our products. It's a service that, in our view, is unique

AM: What is the appetite for used car warranty cover for longer than 12 months?

MC: Many dealers see huge potential in the used car market now. Dealers

typically provide 12 months' warranty in their approved used programmes, but there is consumer desire to buy longer cover, so opportunities are there.

AM: Why are insurance products an untapped market for younger used cars?

MC: There is significant untapped potential with insurance products for used car buyers. Buyers of younger used cars are prime customers for alloy wheel insurance and cosmetic repair cover. Since these are high claims frequency products, many dealerships have made these primary products in their sales portfolios, alongside extended warranty and MOT test cover.

AM: Can insurance products go hand-in-hand with used car PCP finance to help keep vehicles in good condition?

MC: A sign of the value these products provide is the high claims frequencies they generate, coupled to the peace of mind customers receive knowing the cosmetic or alloy wheel repair has helped protect the value of the vehicle. This is especially pertinent for PCP customers who are then able to return their vehicles in a good condition.

AM: Can you talk about developments with service plans, warranty and offering subscriptions? What will this look like and what are the benefits to dealer customers and drivers?

MC: The provision of service plans is a significant development for Car Care Plan.

Our service plan platform is second to none in the marketplace and provides a great opportunity for dealers to further strengthen their customer retention levels.

We are gearing up for growth in vehicle subscriptions, by offering monthly subscription to warranty and servicing.

In conjunction with prepayment terms, this would further ensure higher warranty sales penetration levels for our dealer partners.

My message on this to dealers is 'call me'.

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MIKE COWLING

For more information, call: 0344 573 8000 or visit: www.carcareplan.com


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