

Innovative service plans point to a brighter road ahead

Having built its name as a supplier of innovative service plans to franchised dealers, EMaC is on the fast track to becoming the motor retailer's crucial companion for aftersales.

With warranty and aftersales finance products now in its portfolio the Crewe-based company is hoping 2022 and onwards will bring a solid period of growth after the COVID-related disruption that marred the industry in 2020 and 2021.

EMaC revealed its Lifetime Warranty offering, which wraps servicing, warranty and breakdown cover together into one product payable by a single, monthly direct debit instalment, in 2019. That was just months before the words 'coronavirus lockdown' became a permanent part of everyone's vocabulary and dealers became preoccupied with fighting the unprecedented fires that threatened their business and workforce.

"We've developed our product portfolio over the past three years,

and we've been focused on taking it to market through difficult times. The key thing for us now is to really demonstrate excellence in these new fields," said EMaC managing director John O'Donnell.

"I think we've demonstrated a high level of capability to the market in our service plan offering, and that's borne out in the feedback and objective assessments from businesses that review us. So we want to continue to achieve those high levels in these new fields we're developing into; that's my main focus for the next three years."

O'Donnell said one of the attractive things for dealer partners about EMaC is that it doesn't charge licensing fees, and its fees are entirely dependent on the amount of products dealers sell.

It meant that, during the heights of the pandemic, its clients were not incurring unnecessary costs, but, for EMaC, it meant jointly experiencing some of the pain its customers were going through.

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years as we've tracked the peaks and troughs – dramatic troughs at times," said O'Donnell.

As coronavirus lockdowns are slowly being consigned to memory, he feels heartened that he can see dealers' operational disciplines around service plan sales have persisted. Enabling the car buyer to access affordable, convenient, expert-level vehicle servicing remains high on the agenda for so many.

"We work with 75%-80% of the AM100 and that equates to around 2,500 dealerships across the UK, so, in some ways, it's been reassuring," O'Donnell added.

Dealers had seen their MOT and consequent service work reduce in Q2 2021 due to the prior year's MOT deferrals, and many were therefore keen to build upon a solid base of service plan customers to secure a predictable amount of revenue coming in.

"What do you get when you sell a service plan? Well you get a relationship with that customer for

the next three or four years. Invariably service plans will follow the length of the finance arrangement. So, if you're a dealer, you want to keep engaged with that customer. You want them to have a good experience with the car you've just sold them, and you want to hear if there's anything wrong with it so you can keep that repair revenue in your business.

And, at the end, you want that relationship so you can help them keep the car longer or put them into a new vehicle.

"So it's a very logical solution for the dealer and for the consumer it's a relatively small investment for the rewards they get, the convenience they get."

Dealers and OEMs also like their ability to develop and customise products for particular campaigns to their customer base with consultative support from EMaC's

team and its systems. Whether they wish to price aggressively to drive up the volume of business for a year or two, or take a conservative position to optimise profitability, EMaC will advise them accordingly.

"The message is, there's not one EMaC service plan, they'll come in all different shapes and sizes and our job really is to deliver what are the business goals for the dealer or OEM."

The company takes pride in its Trustpilot score of 4.7 out of 5, which has been generated by more than 1,400 reviews, as a demonstration of how seriously it takes the customer experience.

EMaC recently received the AM Dealer Recommended programme's 'Service Plan' accolade for the 11th consecutive year, and its Drive Now, Pay Later product was also recognised in

the 'Aftersales Finance' category.

O'Donnell said: "To be recognised for the 11th year running as the Dealer Recommended Service Plan supplier is very satisfying.

"It evidences that EMaC continues to deliver tailored solutions to our dealer and OEM partners which drive consumer loyalty and increase consumer retention. Everybody in the EMaC business works very hard to support our dealer customers and we are humbled to be recognised for that."

Having built that trusted brand, it was "a natural progression" to expand into the warranty field, and O'Donnell said the Lifetime Warranty has become a huge opportunity for dealers to bring their customers even closer. "Delivering a service plan, a warranty and breakdown cover at roughly £35-to-£45 a month represents good value for the customer and a very effective retention tool for dealers and OEMs," he said.

"Last year was our first of really engaging the market on it, and we did win the award from Motor Trader for warranty provider of the year in recognition of that innovative approach and the customers we've taken on. And, because of our service plan book, it was quite easy for dealers to move onto it. It's been a welcomed development. Dealers had a better 2021 than they had imagined, and it's put them into a position where they've been able to consider new solutions and opportunities to differentiate."

EMaC's Drive Now, Pay Later aftersales finance product also ensures its clients have solutions for when a customer is faced with an urgent, expensive repair. Spreading the cost over interest-free monthly payments means the customer's need can be met and the work done professionally to OEM-specified standards.

"It's a useful solution for dealers to have. Whether they want to use it proactively or reactively, that's their discretion, but it's helping at that point of need," concluded O'Donnell.

EMaC.



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