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**VW DEALERSHIPS
IN SHAKE-UP / P7**

The facts behind a dozen
sites sold in three months

HOLDEN GROUP / P20

Chief executive Tim Holden on how
he achieved his 10-year plan in three

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EDITOR'S LETTER

Happy New Year! Here's to a 2020 that's a bit more settled and a lot more profitable for UK motor retailers.

I believe the start of a new decade should herald new thinking from carmakers. The chasm between their long-term thinking around product and their short-term thinking around quarterly or monthly sales volume needs to be closed. And the tactics of loading more structural cost into their franchises has to be consigned to history, surely? It only leads to trouble eventually as the market moves through its cycle.

Look at Volkswagen and Audi, for example. Such desirable, powerful brands for consumers, but they have a considerable cost base. The scandal of dieselgate and the WLTP supply crisis have left many dealers who cannot make enough to pay their bills. We have seen the likes of Inchcape, Jardine and Sytner shed sites to cut their losses. Caffyns blamed its loss-making Audi and VW divisions for its slump this year, and Marshall reckons it will take two years to turn around the VW sites it just bought from Jardine.

The UK's dealer networks need to be able to adapt to potential five-year 600,000-unit swings in the new car market plus changing consumer behaviour and e-commerce. So get the cost levels right. Keep them right. Let dealers thrive and plan for the long term.



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CONTENTS

20

Holden
Group

UP FRONT

- 07 News insight
- 08 News digest
- 10 AM Awards finalists
- 12 Market intelligence
- 19 Opinion

TALENT

- 51 People on the move
- 54 Eight questions to...
Andy Robson, network
development director at
Groupe PSA

INSIGHT

- 20 Face to face: Holden Group
It has taken just three years for Holden Group to achieve its 10-year goal. Now progress is about creating a stable platform for future growth
- 26 Brand values: MG Motor UK
MG Motor UK needed just the first three-quarters of 2019 to surpass its total sales for 2018. No wonder its head of sales and marketing feels positive

SPOTLIGHT: DEALING IN DIGITAL

- 34 The crowded marketplace
There is no shortage of auto sites online. However, the question is: who can challenge Auto Trader's dominance?
- 38 Five steps to online success
We ask if the sector is really ready to deliver genuine end-to-end e-commerce to the majority of customers
- 41 Internet challenge on standardisation
Automotive e-commerce is expected to increase rapidly, but growth may be slowed by a lack of standardisation

SHOWROOM

- 48 Mazda CX-30
- 50 Long-term report

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SHAKE-UP OF VW DEALERSHIPS

Sources attribute changes to falling profitability as VW Group prepares to invest £51bn

A shake-up in the ownership of Volkswagen UK's franchised car retail sites in the last two months of 2019 could be attributed to a squeeze on the profitability of the brand, it has been claimed.

In total, 10 VW dealerships changed hands during the period alongside two site closures and a further two franchised sites are expected to switch ownership in the near future, according to correspondence seen by AM.

And, while Marshall Motor Holdings, as a PLC, was compelled to reveal it had acquired unprofitable sites in its eight location acquisition from Jardine Motors Group (including one Škoda), other franchisees suggested falling profitability was the reason Volkswagen ended the decade with a shake-up of its franchise partners.

"The motivation for disposals is simple – a lack of return off the front end," said one retail group boss.

"Volkswagen's reduction (by one percentage point) in margin from January hasn't helped.

"We asked why the change was made and no one will give us an answer. It's not as if the same has been done at Audi, Seat or Škoda."

He added: "If you can get out (of a Volkswagen franchise) at net asset value, with a little bit of goodwill, then you'd probably do that."

In early December AM reported

that Inchcape appeared to be poised to sell two more of its Volkswagen car dealerships five months after its disposal of five car and van franchises – in Chelmsford, Colchester, Romford and Southend – to Group 1 Automotive.

Correspondence to employees of the AM100 retail group revealed its Twickenham and West London sites would be sold, subject to contract, to Citygate, suggesting the Ruislip-based operation was "best placed to drive future success of those sites".

AM has been unable to gain comment from Inchcape, however.

In November, Sytner Group took the decision to cut its Volkswagen representation by a third, selling its Liverpool, Warrington, Stafford and Stoke-on-Trent locations to Johnsons Cars ahead of the closure of its showroom in Halifax.

And AM exclusively reported on Jardine Motors Group's proposed disposal of seven Volkswagen franchised sites and one Škoda dealership to Marshall a week before the deal was officially announced to the London Stock Exchange on December 18.

The deal included facilities in Aylesbury, Harlow, Letchworth, Loughton, Milton Keynes and St Albans together with a Volkswagen commercial vehicle franchise and body shop in Loughton and a Škoda franchise in Milton Keynes.

Marshall revealed that the aggregate revenue of the acquired busi-



I SEE SUCCESS IN THE STRATEGY OF EATING MORE OFTEN, BUT LESS

**DAKSH GUPTA
MARSHALL MOTOR HOLDINGS**

nesses was £196.1 million in 2017 and £212.8m in 2018, alongside a loss before tax of £3.3m and £2.8m, respectively. It said the acquired sites were not expected to become profit enhancing until 2022.

Marshall chief executive, Daksh Gupta, told AM he was confident of turning the businesses round in "double-quick time".

He said: "To operate successfully in the current climate you need scale.

"Where we're less successful we don't have the size to have the economies of scale which make a brand profitable, to install a brand director who can live and breathe the brand."

Gupta said many franchised car retailers were "hung-up on margin". He said: "The more margin manufacturers give us as dealers, the more we give away. Look at the industry data. Over the past decade it's always averaged around 1%."

Gupta saw success in the strategy of "eating more often, but less".

Marshall now represents Volkswagen Group in 53 operations making it the manufacturer's largest UK partner by locations.

Gupta said future product and Volkswagen's investment in EVs were central to his faith that the brand was on a strong footing.

Volkswagen Group is investing €60 billion (around £51bn) in e-mobility, hybridisation and digitisation between 2020 and 2024, with Volkswagen's ID3 EV scheduled for release in the UK this year as part of a strategy to launch 70 zero-emission vehicles by 2028.

Unlike Gupta, the AM source who questioned the viability of the Volkswagen franchise was also less optimistic that the Volkswagen Group's EV revolution would do anything to ease the pressure of achieving profitability on its retailers.

He said: "I fully expect to see more Volkswagen sites being offered for sale in the near future. The changes won't end here."

A spokesman for Volkswagen Group UK said: "Volkswagen Group and its brands work continuously with its network partners to optimise retail representation and ownership.

"We are delighted that all recent disposals and acquisitions have been the result of such close co-operation and have resulted in trusted partners achieving beneficial outcomes for their businesses." **TOM SHARPE**

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ADVERTISING FEATURE

Identifying the customer type

Salespeople need to understand the type of customer they are dealing with, says Simon Bowkett of Symco Training



When I do a 'first review' with a salesperson, to see where they are with their customer, the main thing I tend to focus on as a sales manager is establishing what type of customer they are dealing with. There are two things in particular I want to know – their buying emotion and their personality type.

Buying emotion

First, I want to find out about the customer's primary buying emotion. I use the 'SPACER' acronym:

- Safety – is the customer mainly interested in the safety of the car?
- Performance (or practicality)?
- Aesthetics? ■ Comfort?
- Economy? ■ Reliability?

I'm going to ask the salesperson: "What type of customer are you dealing with? Which one of these are they?" Often they tell me they're not quite sure! So I'm going to probe a bit further by asking: "What's their current car? What do they like most about it? What don't they like about it? Why are they looking to change?" What I really want to do here is focus the salesperson's mind before they do the presentation and the demo.

Personality type

The other thing I like to talk about at this stage is the customer's personality type. Are they a:

- Lion – a customer who wants to drive the sales process by focusing on your best price straight away.
- Puppy dog – the expressive type of customer who needs attention and a pat on the back.
- Mouse – amiable customers who are a little bit timid and unsure if they want to make a decision.
- Snake – analytical customers who already know the answers to the questions they are going to ask.

Salespeople need to be able to identify each customer type and deal with each differently.

Preparing to close

By asking these questions at the first review, I can get the salesperson to start thinking about the type of trial close that is going to work for this particular customer and what closing question will be good later on. It's the subject of my new sales training video on AM's website this month (am-online.com/symcotraining, or at symcotraining.co.uk). Check it out, and help your salespeople to understand their customers better.

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THIS MONTH'S NEWS HIGH

DEC

09

£6M STONEACRE OPENING
Stoneacre Motor Group opened the doors to its new Volvo Car UK dealership in Sheffield following a £6 million investment. The AM100 group's eighth franchised point with the Swedish premium car brand hosted an official launch for customers last month.



12

JENKINS CARDIFF CLOSURES

Jenkins Garages went into administration, closing its Mitsubishi and Suzuki sites in Cardiff with the loss of 30 jobs. Managing director, Russell Jenkins, said "the state of the market" coupled with "significant supply problems" showed that the business would have incurred a heavy loss in 2020.

13

SUMMER DATE FOR JCT600'S FERRARI CENTRE

JCT600 received planning permission for a new two-storey Ferrari retail centre to replace its existing Brooklands supercar dealership in Leeds. The project is set to be the group's highest value project to date. The new facility on City West Business Park – plus an adjacent specialist vehicle preparation and repair centre – should be completed this summer.



17

MANAGEMENT BUYOUT AT VANTAGE
Vantage Motor Group was sold by founder Mark Robinson (left) in a management buyout involving chairman Phil White, finance director Tim Swindin and operations director Andrew Mallory. Vantage returned to profitability in 2017, following the sale of 'unprofitable businesses', but its 2018 accounts are three months overdue.



MYSTERY SHOPPING COMPANY CALLS IT A DAY

Douglas Stafford, the 30-year-old mystery shopping company that had counted Ford, Honda, Suzuki and Volkswagen among its clients, has announced that it would cease trading with the loss of 50 jobs. In an email seen by AM, managing director Nigel Cook cited strong competition "continuously undercutting us on price" as having lowered the value of the mystery shopping market, adding that "the business model does not work for us".



TWO INTO ONE

PSA Group and Fiat Chrysler Automobiles (FCA) signed a binding "combination agreement" to begin the process of merging to create the world's fourth largest car manufacturer by volume. The two will come together to create what will be the third largest automotive OEM by revenue with annual sales of 8.7 million units and combined revenues of nearly €170 billion (approx £145bn).



18

SIMONSTONE MOTORS CEASES TRADING

Alfa Romeo, Abarth, Fiat and Jeep retailer Simonstone Motors ceased trading just five days before Christmas. The Bristol-based FCA Group franchisee closed its Hyundai franchise in Weston-super-Mare on November 1 and its multi-brand car dealership on Bath Road, Brislington, on December 20.



23

ARNOLD CLARK HAS PLANS FOR FORMER TOY STORE

Arnold Clark has submitted plans to transform a former Toys "R" Us store in Warrington into a car retail facility as part of the expansion of its Motorstore used car supermarket sites. A planning application lodged with Warrington Borough Council details plans to replace its Farrell Street location with the 200-vehicle site.

JAN

02

SHEERNESS DOCKS STRIKE THREAT TO VW DELIVERIES

The Unite union warned that deliveries of Volkswagen Group cars could suffer "serious disruption" starting last month as drivers at Sheerness Docks prepare for three months of strike action following a pay dispute. The strikes are scheduled to continue until March 13.

06

EDINBURGH-BASED LEVEN GOES INTO ADMINISTRATION

Leven Car Company, based in Edinburgh, has called in administrators from Leonard Curtis Business Rescue and ceased trading. It has four showrooms representing Aston Martin, Rolls-Royce, Lotus, Kia, Caterham, Suzuki and Mitsubishi, and 139 employees. The administrators are seeking a buyer for all or parts of the business.

08

IMI CHAIRMAN ADRIAN SMITH BANNED FOR DRINK-DRIVING

Adrian Smith, the chairman of the Institute of the Motor Industry and a former chief executive of the Scottish Motor Trade Association (SMTA), has received a two-year driving ban and £2,000 fine from Aberdeen Sheriff Court for drink-driving.

09

ADVERTISING FEATURE

Trailblazers

By Carol Fairchild, commercial director, CitNOW



It's not often the UK automotive retail world can claim to be a marketing trailblazer, but in its use of personalised video messaging, it's a fair comment.

As we enter a new decade, trends and predictions are widespread. A recurring theme is personalisation, as video gains even more ground in the marketing sphere.

Personal video messaging, showing customers any work required following a visit to the workshop, propelled the use of video in the automotive retail sector. Sales executives also benefitted from the higher engagement levels that video messaging delivers.

Despite the longevity of personal video messaging in the sector, some of the latest marketing statistics make particularly interesting reading.

The 'Privacy and Personalization' report from SmarterHQ found that almost three-quarters (72%) of consumers will only engage with a business if the message is personalised. In its 2018 'Personalization Pulse Check' report, Accenture found nearly all consumers (91%) were more likely to spend their hard-earned cash with brands providing high levels of personalisation. These are the brands that remember them and provide them with relevant offers and recommendations.

Just think about that for a moment. Nearly all consumers' willingness to purchase is massively influenced by the personal touch.

That's the power of personal video messaging. It may be a new phenomenon to other markets, but it is already well established in automotive retail as we face the decade ahead.



AM AWARDS: 2020



FINALISTS REVEALED

We're delighted to announce the finalists for the 2020 AM Awards. Our panel of eight judges (see right), supported by dealer awards auditor BDO and digital award auditor Google, has spent days poring over the dozens of entry forms for each category and a full day debating the merits of each submission before logging their votes under the scrutiny

of independent chairman Christopher Macgowan OBE.

The finalists (alongside) will learn which is the winner of each category at the AM Awards gala dinner on February 13 at Birmingham's International Convention Centre (ICC). In some closely contested categories the judges decided to also award highly commended awards.

Joining us on the night will be Louise Minchin, our guest host, and after-dinner entertainment will be provided by Emmy Award-winning comedian Rich Hall, star of TV's *Live At The Apollo*, *QI*, *Have I Got News For You* and *Never Mind The Buzzcocks*.

Congratulations to all entrants which have been selected as finalists. Good luck!

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THE 2020 FINALISTS

Best Online Consumer Experience

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County Garage Ford
Rockar
Sandcliffe Motor Group
TrustFord
Sponsor: CarGurus

Best Aftersales Team

Hills Ford
Kinghams of Croydon
Mercedes-Benz of Preston (Marshall Motor Group)
Steven Eagell Toyota Chelmsford
Stafford Land Rover (Swansway Garages)
Sponsor: GTechniq

Best Sales Team

Cambridge Garage (Havant Volvo)
MB Motors
Sponsor: Motorclean

Most Improved Dealership

Cartime
Citygate Seat Reading
Just Nice Clean Cars
MB Motors
Sponsor: BNP Paribas

Best Used Car Dealership (independent non-franchised)

Alexanders Prestige
AW Carhouse
Just Nice Clean Cars
MB Motors
Motonet.com
Sponsor: Santander Consumer Finance

Best Used Car Dealership (franchised)

Luscombe Leeds
Perrys Chesterfield FordStore
Vertu Honda Doncaster
Wrexham Volkswagen (Swansway Garages)
Sponsor: 1link Trade Buyer

Best New Dealership

Johnsons Mazda Gloucester
Just Nice Clean Cars
Mackie Motors MG
Perrys Mazda Canterbury
Sponsor: RAPID RTC

Best Dealership

Cartime
Citygate Volkswagen Ruislip
Luscombe Leeds
MB Motors
Sponsor: Auto Trader

Best Dealer Group (up to 10 sites)

Cartime
Rygor
Waylands Automotive
Sponsor: Jewelultra

Best Dealer Group (more than 10 sites)

Arnold Clark Automobiles
Marshall Motor Group
Steven Eagell Group
Swansway Group
TrustFord
Sponsor: heycar

Best Used Car Dealer Group (franchised and independent)

Arnold Clark Automobiles
Cartime
Citygate Automotive
Sponsor: Autoclenz

Best Marketing Strategy

MB Motor
Rockar
TrustFord
Sponsor: ebay Motors Group

Best In Customer Service

Alexanders Prestige
Buyacar.co.uk
Hills Ford
Luscombe Leeds
Motonet.com
Roadside Garages
Sponsor: LTK Consultants

The Community Hero Award

Carshop
Hendy Group
Jardine Motors
Roadside Garages
TrustFord

The Bright Spark Award

Chorley Group's electric vehicle advocate
Helston Garages' key tag maps
Perrys Motor Sales' messenger bot
Sponsor: CDK Global

AM People Investor

Citygate Automotive
Jardine Motors Group
TrustFord
Sponsor: MFG Group

New Car of the Year

Audi E-Tron
Kia E-Niro
MG ZS EV
Tesla Model 3
Sponsor: Supagard

Used Car of the Year

Hyundai Tucson
Kia Niro
Kia Sportage
Mazda3
Peugeot 3008
Volkswagen Golf
Sponsor: Car Care Plan

Franchise Partner of the Year

Ford of Britain
Hyundai Motor UK
Kia Motors UK
Mazda Motors UK
Peugeot UK
Volvo Cars UK

Manufacturer of the Year

Groupe PSA
Mazda
Tesla
Volkswagen
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Sponsor: carwow

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Aston Barclay
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CitNow
Codeweavers
Cox Automotive
Edynamix
Emac
GForces
RAPID RTC
Santander Consumer Finance

Best New Product or Service

Arena Group's mstore
Auto Service Finance's Online Payment Portal
BCA's Buyer App
Cazana's Companion
Click Dealer's ClickEngage
Dealtrak's compliance module
GForces' NetDirector Auto-e
Santander Consumer Finance's Apply Online
The Motorists Organisation's SecretService

General Manager/Dealer Principal of the Year

Helen Price, Johnsons Mazda Gloucester
James Feehan, Citygate Seat Reading
Richard Eagell, Citygate Volkswagen Ruislip

AM JUDGING PANEL



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former chief
executive of
Perrys

AUDITOR: BDO



This is our fifth year of involvement and we are pleased to bring our experience of more than 25 years working with motor retailers to support AM in its recognition of the stars of the UK motor industry. Each year, we have been impressed by the quality of the entries.



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YEAR-END FIGURES

WILL 2020 PROVIDE CALM BEFORE THE HURRICANE?

As unit sales continue to fall experts predict period of short-term stability, but can it last?

If weather forecasts were made annually instead of daily, the current one would be along the lines of, "Stormy 2019, expected calmer weather in early 2020, with a possible hurricane at the end of the year."

The 2019 car market finished at 2.31 million units, a 2.4% drop on 2018, which, at first glance, does not appear to be such a bad result.

However, it should be remembered that it represents a 14.2% drop on 2016 – a serious fall.

On the manufacturing side, the decline is worse: while the 2019 final figures are still to be published, the annual running rate in November was just 1.3 million. Back in 2016, more than 1.7 million cars were being made, and the industry was predicting a production figure of two million by 2020.

Within the car market, the trends were similar to recent years, but some of them have been slightly misunderstood. Diesel sales fell by 22% in 2019, and are down more than 50% since 2016, which has led a lot of people to assume that manufacturers who are particularly dependent on diesel are in trouble.

It is easy to think: "JLR made a record loss in 2018. It is diesel dependent (60% Jaguar; 80% Land Rover), so falling diesel sales are the problem".

However, as statisticians like to say, "correlation is not causation".

In fact, sales of diesel Range Rovers and, indeed BMW X/Audi Q models have held up well, for the simple reason people still want large SUVs and petrol is a non-starter for most buyers.

JLR's troubles relate to the Chinese market, low sales of Jaguar saloons and the failure of the "Does my car's bum look big in this?" Discovery 5 (Answer: yes it does, in all possible colours and trims). As the table shows, there is no link between car manufacturers' dependency on diesel and their overall sales performance.

The trend towards crossovers and SUVs continues unabated. One might have thought that they have become so ubiquitous by now that everyone would understand how they fit into the market, but a poorly-informed report from the UK Government-backed Energy Research Centre last month showed otherwise.

It claimed that SUVs, "emit a quarter more CO₂ than a medium-sized car" and the rise of SUVs was one of the biggest causes of increasing CO₂ emissions. The report implies buyers of VW Golfs have been waking up and, bamboozled by cheap PCP deals, have moved into giant SUVs instead.

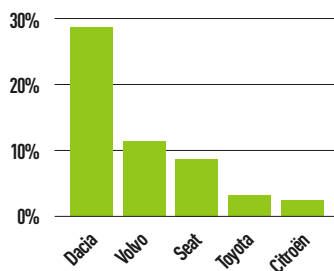
Of course, what has actually happened is that

lots of buyers have moved from hatchbacks to crossovers within the same segment. A Golf buyer may have moved into a Tiguan, and a Corsa buyer may have moved into a Juke. The people that have moved into X5s and Q7s are people that were previously driving 5 Series or A8 saloons. It is the difference in CO₂ between the hatchback/saloon and the crossover version of the same platform that matters – the difference between the Golf and the Range Rover is not the point. While there is a CO₂ penalty for the taller crossover version, it is around 5% -10% - not the ludicrous figure of 25% implied by the report.

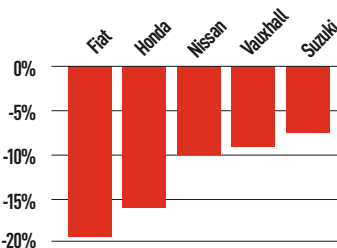
For example, the Renault Kadjar 1.3 TCe emits 5.5% more than the equivalent Megane, and the VW T-Roc 1.0 TSI emits 8.5% more than the equivalent Golf.

At a manufacturer level, premium brands continued to do well – at least those that could get their whole model ranges homologated to WLTP standards (unlike, for example, Audi). The biggest change in this part of the market is the re-emergence of Volvo as a genuine premium brand, for the first time since the 1980s. For most of the past 30 years, Volvo has existed in no-man's land, stuck between mainstream players and the

FASTEST-GROWING MAJOR BRANDS* 2019 FULL YEAR



FASTEST-FALLING MAJOR BRANDS* 2019 FULL YEAR



* Brands with more than 1% market share

SPONSOR'S COMMENT



**By Richard Jones,
managing director,
Black Horse**

Happy New Year to you all.
And what an exciting year
we have in store.

We start the year still in an unstable economic and political environment, with Brexit looming at the time of writing. What effect this will have on the new and used car markets in the long term remains to be seen, but certainly early in 2020 it is likely to continue to affect new car volumes and used residuals alike. Consumer confidence should start to return to our and other industries later in the year.

Later in Q1, we are anticipating that the Financial Conduct Authority (FCA) will publish its changes to consumer credit regulation. We must remember that its purpose is to ensure the market is working well for both a sustainable industry and for consumers and this is something we should all welcome. While change can be difficult, the significant hard work that you have all put in to adopting consumer credit regulation (CCR) so effectively over the past four years is testament to what you can achieve. I am sure our industry will again take these reforms in its stride to improve transparency and consumer outcomes.

The UK's climate change agenda will continue to gather pace in 2020, particularly with the UN's Climate Change Conference COP26 being hosted in Glasgow later in the year. This is a great opportunity for our sector to support consumers in understanding the fuel options available to them and to make cleaner choices which meet their own personal needs.

As I've said before, progression is not a choice, it is a necessity. At Black Horse, we look forward to working with our partners, the FCA, and the Finance and Leasing Association (FLA) to continue to develop, refine and strengthen our industry and the customer outcomes it delivers.

increasingly dominant German trio of Audi, BMW and Mercedes-Benz.

Today's Volvo crossovers, and even saloons, can go toe-to-toe with their German rivals. Volvo's achievement is even more impressive when you consider what has happened to other would-be premium brands. Infiniti has been put out of its misery, DS has so far failed to sell much beyond its original DS3, and even Lexus, seen at its launch in 1990 as the one brand that could seriously damage the incumbents, has never passed 1% share.

One slightly surprising development, or rather non-development, which combines both SUVs and luxury brands, has been the modest impact of the Bentley Bentayga. It is still relatively early days but, so far, the new model has had virtually no impact on overall sales, despite Bentley originally talking about it doubling production to 20,000 per year.

Over at Rolls-Royce, the new Cullinan has only boosted UK sales by around 10%, although it is having more impact overseas. What role styling has played in this is an open question: one can look at successive genera-

tions of the Range Rover and decide it is pretty easy to design a luxury SUV, but one look at the Bentley and Rolls-Royce quickly demonstrates how hard it can be.

Looking forward to 2020, the industry's future is once again out of its own hands. Assuming a deal with the EU to avoid future tariffs, the market is likely to drop approximately 5% to 2.2 million.

However, if there is no deal, the market is likely to drop sharply in the last quarter of 2020, with Citroën recently warning that a no-deal exit could eventually cut the UK car market by a further 25%. It is also worth noting that the current legal deadline for a deal is December 31, 2020 but, in practice, the deadline is September 2020. This is because as a non-EU member, any deal with the UK will have to be ratified by 27 countries plus a range of regional parliaments, a process which is expected to last three months. Yet again, the significance of any decisions made by UK car industry bosses in 2020 will be dwarfed by choices made in 10 Downing Street. **DAVID FRANCIS**



**Sales of diesel Land Rovers
held up well in 2019**

TOP 10 BRANDS AND SALES PERFORMANCE VS. DIESEL DEPENDENCY

Marque	Sale change 2019 Full Year	Diesel proportion 2019 YTD Oct*	Marque	Sale change 2019 Full Year	Diesel proportion 2019 YTD Oct*
Ford	-7.06%	22.91%	Toyota	3.21%	1.23%
VW	-1.16%	35.32%	Kia	1.63%	23.66%
Mercedes	-0.24%	44.62%	Nissan	-10.00%	28.53%
BMW	-1.33%	42.54%	Hyundai	-7.39%	8.73%
Vauxhall	-9.85%	9.56%	Total market	-2.85%	26.82%
Audi	-3.35%	37.97%			

* Diesel figures by manufacturer are not yet available for the full year. Figures are for the first 10 months

NEW CAR REGISTRATIONS

ICE sales decline as AFVs and EVs grow

The 2019 new car market reached a seven-year low after the third consecutive year of decline.

Private sales declined 3.2% and fleet volumes grew by 0.8% as a total of 2,311,140 vehicles entered UK roads.

Alternative fuel vehicles (AFVs) registered 20.6% growth, to reach a market share of 7.4%, with hybrids accounting for 4.2% of the market after volumes rose by 17.1%.

Electric vehicle (EV) sales rose 144% to 38,000 units but still account for just 1.6% of the market.

According to the SMMT, the UK's new car fleet average CO₂ rose for a third successive year in 2019, by 2.7% to 127.9g/km, amid rising concern among manufacturers about fines for breaching the EU's 2020/21 95g/km CO₂ emissions target.

Internal combustion engine (ICE) sales fell. Diesels dropped 19% in volumes in 2019, ending the year with a 22.7% market share, while petrol sales declined 2.6% to finish the year with a 63.3% market share.

1 MG

The brand (subject of this month's brand insight on p24) grew its volumes by 44.5% having surpassed its 2018 sales total by the end of September. It was the fastest growing brand of 2019.



2 TOYOTA

Grew its volumes by 61% year-on-year in December, selling 4,726 vehicles (2018: 2,936) to finish the year 3.2% up overall with 105,192 sales (2018: 101,922). Sister brand Lexus delivered a 77.4% year-on-year December increase to finish the year up 26.7% with 15,713 sales (2018: 12,405).

3 VAUXHALL

A focus on profitable business continues to take its toll on the sales made by the PSA Groupe-owned brand. Volumes declined by 9.9% to 159,830 (2018: 177,298), with market share down from more than 10% to 6.9% in just four years.

Marque	December					Year-to-date				
	2019	% market share	2018	% market share	% change	2019	% market share	2018	% market share	% change
Ford	15,030	10.09	16,493	11.45	-8.87	236,137	10.22	254,082	10.73	-7.06
Volkswagen	14,687	9.86	16,010	11.11	-8.26	200,771	8.69	203,133	8.58	-1.16
Mercedes-Benz	9,623	6.46	11,365	7.89	-15.33	171,823	7.43	172,238	7.28	-0.24
BMW	14,117	9.47	11,600	8.05	21.70	169,753	7.34	172,048	7.27	-1.33
3 Vauxhall	6,212	4.17	12,645	8.78	-50.87	159,830	6.92	177,298	7.49	-9.85
Audi	8,701	5.84	6,310	4.38	37.89	138,924	6.01	143,739	6.07	-3.35
2 Toyota	4,726	3.17	2,936	2.04	60.97	105,192	4.55	101,922	4.31	3.21
Kia	4,980	3.34	3,810	2.64	30.71	97,323	4.21	95,764	4.05	1.63
Nissan	5,309	3.56	5,294	3.67	0.28	92,372	4.00	102,637	4.34	-10.00
Hyundai	3,801	2.55	4,009	2.78	-5.19	83,284	3.60	89,925	3.80	-7.39
Peugeot	5,719	3.84	4,763	3.31	20.07	80,851	3.50	81,043	3.42	-0.24
Land Rover	4,316	2.90	4,321	3.00	-0.12	76,546	3.31	77,906	3.29	-1.75
Škoda	5,799	3.89	5,328	3.70	8.84	75,053	3.25	74,724	3.16	0.44
Seat	3,693	2.48	2,805	1.95	31.66	68,798	2.98	62,863	2.66	9.44
Mini	6,123	4.11	7,211	5.00	-15.09	64,884	2.81	67,021	2.83	-3.19
Renault	4,701	3.16	3,540	2.46	32.80	59,132	2.56	62,168	2.63	-4.88
Volvo	3,941	2.65	3,840	2.67	2.63	56,208	2.43	50,319	2.13	11.70
Citroën	2,901	1.95	2,010	1.39	44.33	50,806	2.20	49,618	2.10	2.39
Honda	2,796	1.88	2,653	1.84	5.39	43,913	1.90	52,570	2.22	-16.47
Mazda	2,327	1.56	2,018	1.40	15.31	40,148	1.74	39,602	1.67	1.38
Jaguar	1,855	1.24	2,304	1.60	-19.49	36,069	1.56	37,019	1.56	-2.57
Suzuki	2,767	1.86	2,154	1.49	28.46	35,065	1.52	38,519	1.63	-8.97
Dacia	2,357	1.58	1,890	1.31	24.71	30,951	1.34	24,169	1.02	28.06
Fiat	1,833	1.23	1,977	1.37	-7.28	29,890	1.29	35,652	1.51	-16.16
Mitsubishi	793	0.53	1,722	1.20	-53.95	16,199	0.70	21,156	0.89	-23.43
Lexus	745	0.50	420	0.29	77.38	15,713	0.68	12,405	0.52	26.67
Porsche	1,740	1.17	1,211	0.84	43.68	15,257	0.66	12,437	0.53	22.67
1 MG	1,702	1.14	650	0.45	161.85	13,075	0.57	9,049	0.38	44.49
Jeep	373	0.25	372	0.26	0.27	6,193	0.27	6,114	0.26	1.29
DS	676	0.45	185	0.13	265.41	4,299	0.19	5,074	0.21	-15.27
smart	38	0.03	384	0.27	-90.10	4,022	0.17	7,631	0.32	-47.29
Abarth	165	0.11	445	0.31	-62.92	3,448	0.15	5,631	0.24	-38.77
Alfa Romeo	202	0.14	258	0.18	-21.71	3,413	0.15	4,161	0.18	-17.98
Subaru	708	0.48	193	0.13	266.84	2,997	0.13	3,141	0.13	-4.58
SsangYong	72	0.05	111	0.08	-35.14	1,930	0.08	2,754	0.12	-29.92
Bentley	186	0.12	81	0.06	129.63	1,595	0.07	1,542	0.07	3.44
Maserati	52	0.03	103	0.07	-49.51	933	0.04	1,297	0.05	-28.06
Infiniti	0	0.00	25	0.02	0.00	292	0.01	750	0.03	-61.07
Lotus	3	0.00	6	0.00	-50.00	225	0.01	247	0.01	-8.91
Alpine	9	0.01	5	0.00	80.00	171	0.01	142	0.01	20.42
Chevrolet	0	0.00	3	0.00	0.00	62	0.00	41	0.00	51.22
Other British	346	0.23	164	0.11	110.98	2,958	0.13	2,804	0.12	5.49
Other imports	2,873	1.93	465	0.32	517.85	14,635	0.63	4,792	0.20	205.40
Total	148,997		144,089		3.41	2,311,140		2,367,147		-2.37



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Aimee Winder
Account Manager
North East Region

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FINANCE OFFERS

Lack of price transparency and simplicity still dog Q1

The big volume players of 2019 like Ford, Volkswagen and Mercedes-Benz provide an important litmus test for retail offer success due to finance being a key player in getting units moving.

Ford is continuing with its tried and tested 0% support across most of its model range on key models like the Fiesta to continue its position as the most popular car in the UK. Ford is also supporting models with deposit contributions including £1,000 off the Fiesta and £500 off the Focus.

The VW Golf was the second best seller in the UK last year and it is supported by 0% and a £199 service plan that covers the first two services. There are also deposit contributions across the range, with £1,250 off the Polo and T-Roc. Larger models like the Passat get even bigger discounts in Q1 with up to £4,000 off.

Mercedes-Benz is sticking with a fairly high APR on its models in Q1, but this hasn't hurt its volumes over the past 12 months. The A-Class was a top five seller in the UK last year and Mercedes is further supporting the model with three years' free servicing in Q1.

The only downside to Mercedes' offers in Q1 is that they have become quite tricky to find online and this could hinder consumer research before they can get more help at the showroom.

It's a problem that's not just limited to Mercedes.

Ian Plummer, Auto Trader commercial director, told *AM* that while most brands are embracing finance offers, the company is not seeing any fundamental changes to their platforms or how they're promoted.

He said: "Our recent Car Buyers Report highlighted that a lack of price transparency and simplicity are two of the biggest pain points for car buyers and responsible for dramatically slowing sales. Yet we still see manufacturers hiding their finance on a separate section of their website, limiting offers to certain models, not making them available to a bespoke configuration, or not promoting them against specific stock."

"By doing this, brands and retailers can often end up frustrating car buyers, making the process more complex and hindering sales as a result – at a time when the industry can ill afford to do so."

As the Society for Motor Manufacturers (SMMT) calls for further incentives to boost electric vehicle adoption, *AM's* data has picked some of the latest offers available in Q1.

Mike Hawes, SMMT chief executive, said customers will only respond to new electric and hybrid models if economic confidence is strong and the technology is affordable.

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Ford							
Fiesta ST-Line Edition 1.0 3 Door EcoBoost 95PS	PCP	£4,516.00	36	£199.00	£7,015	0%	31/03/2020
Fiesta ST-2 1.5 200PS 3 door	PCP	£4,164.46	36	£245.00	£9,355	2.9%	31/03/2020
Tourneo Courier Zetec 1.5 TDCi 100PS	PCP	£2,067.00	36	£199.00	£7,079	0%	31/03/2020
EcoSport ST-Line 1.0 EcoBoost 125PS FWD	PCP	£5,203.00	36	£199.00	£8,683	0%	31/03/2020
Puma ST-Line X First Edition 1.0 EcoBoost Mild Hybrid (MHEV) 125PS	PCP	£4,500.00	36	£285.00	£11,485	1.2%	31/03/2020
Focus ST-Line 1.0 EcoBoost 125PS	PCP	£6,330.00	36	£220.00	£8,845	0%	31/03/2020
Focus ST 2.3 280PS 5 door	PCP	£6,054.14	36	£329.00	£16,456	2.9%	31/03/2020
Grand Tourneo Connect Titanium 1.5 EcoBlue 120PS	PCP	£6,079.20	36	£259.00	£10,417	0%	31/03/2020
Kuga ST-Line X First Edition 2.5 Plug-In Hybrid (PHEV) 225PS	PCP	£6,518.86	36	£359.00	£17,428	1.2%	31/03/2020
Mondeo Titanium Edition HYBRID Electric 2.0 TIVCT 187PS Auto	PCP	£6,098.00	36	£269.00	£11,728	0%	31/03/2020
S-MAX ST-Line 2.0 EcoBlue 190PS	PCP	£11,620.00	36	£289.00	£13,486	0%	31/03/2020
Galaxy Titanium 2.0 EcoBlue 150PS	PCP	£11,424.00	36	£289.00	£11,532	0%	31/03/2020
Tourneo Custom Titanium L1 H1 2.0 EcoBlue 130PS	PCP	£8,152.00	36	£279.00	£15,169	0%	31/03/2020
Volkswagen							
Polo SE 1.0 80PS manual	PCP	£3,428.72	48	£159.00	£5,770.80	4.80%	31/03/2020
Golf R-Line Edition 1.5 TSI 150PS manual	PCP	£8,003.80	48	£205.00	£9,556.20	0.00%	31/03/2020
Touareg SEL 3.0 TDI 231 PS 4MOTION 8spd DSG	PCP	£9,190.40	48	£399.00	18,201.60	0.00%	31/03/2020
Tiguan Match 2.0 TDI 150PS 2WD 6spd manual	PCP	£6,501	48	£309.00	£10,366.20	4.90%	31/03/2020
T-Roc SE 1.0 TSI 115PS 6spd manual	PCP	£5,291.57	48	£185.00	£9,471.60	4.90%	31/03/2020
Golf Estate Match Edition 1.5 TSI 130PS manual	PCP	£4,522.24	48	£235.00	£8,684.10	4.90%	31/03/2020
T-Cross SE 1.0 TSI 95PS 5spd manual	PCP	£5,014.05	48	£165.00	£7,749.00	4.90%	31/03/2020
Passat Saloon SEL 1.6 TDI 120PS DSG 5 door	PCP	£4,668.43	48	£305.00	£9,555.30	4.90%	31/03/2020
Arteon SE 2.0 TSI 190PS DSG	PCP	£6,624.04	48	£309.00	£12,213.00	4.90%	31/03/2020
Tiguan Allspace Match 2.0 TDI 150PS 2WD manual	PCP	£6,106.78	48	£335.00	£11,459.70	4.90%	31/03/2020
Passat Estate SEL 1.6 TDI 120PS DSG 5 door	PCP	£5,469.73	48	£319.00	£10,321.20	4.90%	31/03/2020
Golf SV Match Edition 1.5 TSI 130PS manual	PCP	£3,496.17	48	£259.00	£8,047.80	4.90%	31/03/2020
Touran SE Family 1.5 TSI 150PS manual	PCP	£5,038.89	48	£285.00	£10,329.30	5%	31/03/2020
Sharan SE Nav 1.4 TSI 150PS 6spd manual	PCP	£5,676.26	48	£355.00	£10,125.90	4.90%	31/03/2020
Mercedes-Benz							
A-Class A 180 SE	PCP	£4,053	48	£280.62	£8,950	6%	31/03/2020
E-Class E 220 d SE Estate	PCP	£7,146.12	48	£512.99	£14,800	5.9%	31/03/2020
C-Class C 180 SE Saloon	PCP	£5,532.63	48	£434.45	£9,450	6%	31/03/2019
E-Class E 200 AMG Line Edition Saloon	PCP	£7,125.13	48	£522.74	£14,150	6%	31/03/2019
C-Class C 180 AMG Line Edition Estate	PCP	£6,293	48	£467.68	£12,175	5.9%	31/03/2020
GLC 220 d 4MATIC Urban Edition	PCP	£6,672.75	48	£455.70	£15,075	6%	31/03/2020
Electric vehicles							
VW e-Golf BEV 5 door	PCP	£7,328.00	48	£205.00	£9,861.30	0.00%	31/03/2020
Nissan Leaf 40KWH 150PS Acenta	PCP	£4,162.07	37	£266.64	£14,260.32	4.99%	31/03/2020
Renault Zoe Play R110 Z.E. 50	PCP	£1,995.00	25	£269.00	£16,023.00	0.00%	31/03/2020
MG ZS EV	PCP	£3,674.50	48	£279.00	£8,092.00	4.90%	31/03/2020
BMW i3	PCP	£7,460.00	48	£349.00	£11,457.00	4.9%	31/03/2020
Tesla Model 3 Standard Range Plus	PCP	£5,000.00	48	£454.00	£17,156.00	4.90%	31/03/2020
Jaguar I-PACE EV400 SE	PCP	£13,431.00	37	£599.00	£36,158.00	5.90%	31/03/2020
Audi e-tron 55 quattro 408 PS	PCP	£12,147.97	48	£699.00	£34,257.95	5.90%	31/03/2020

Looking at the offers on pure EVs in Q1, Nissan's Leaf stands out due to the monthly payments of £267 and a promotion that is running until the end of March for a free vehicle-to-grid (V2G) charging solution. This offer is limited to the first 1,000 Leaf customers that sign up with brand's energy partner OVO and includes a £75 credit towards energy bills.

The VW e-Golf, MG ZS EV and Renault Zoe all offer options for those looking to make the switch in Q1 for less than £300 a month. **TOM SEYMOUR**



SEARCH FOR FINANCE OFFERS

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



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TIME FOR INDUSTRY TO FACE UP TO SOME HARSH REALITIES

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



Over the years I have criticised people for talking down the potential of our sector. As a result, it gives the impression to investors that we don't have confidence in what we are doing and our strategy for the future. Although my personal stance is positive and that the industry has the competence and the resilience to face the future, I have major concerns about the future of the UK motor industry.

The argument that Brexit delivers no benefits for our industry has been made but has been ignored by voters, even in areas where the major employers are car manufacturers, enticed during the Thatcher era by the mantra that the UK was the gateway to Europe. The ensuing redundancies and the reduction in inward investment is undoubtedly negative.

My fear is that we are facing a perfect wave against the industry and this has been enhanced by the announcement of the PSA and FCA merger agreement. Strategically this makes sense at the high level for both organisations. The US market could potentially open up for PSA which has been an interest for some time. Neither organisation has the individual resources to address the technical challenges of moving to new powertrains and the environmental challenges that will be faced over the next decade. By joining together, it

gives both companies the chance to be competitive going forward. It is great for them but massively problematic for the UK industry.

Fiat has over capacity but will not be allowed to close factories in Italy; PSA cannot close factories in France and it is almost certain that Opel will get resistance from the German government for any reduction in activity in that country. If Italy, France and Germany are not options for rationalisation then where will the savings be made? Looking at things rationally, the logic will be to shut production in the UK.

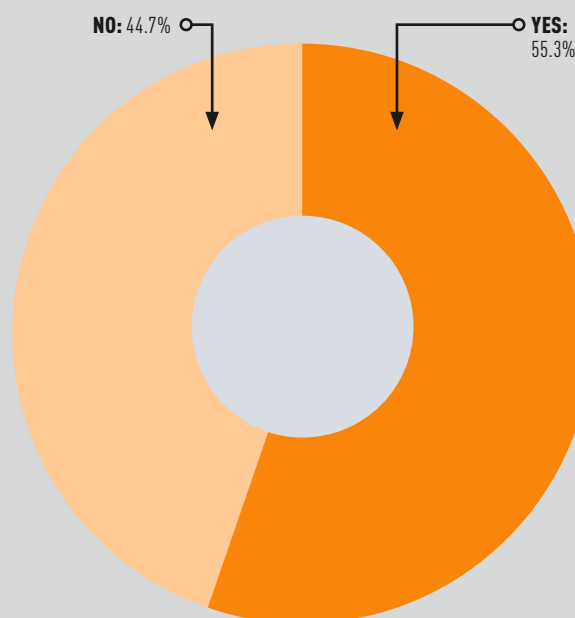
If the merger goes through the companies will control 15 brands. There is no logic in trying to put marketing spend behind each of these brands and it would make sense to either shut down or sell off the non-core brands to other manufacturers. Obvious brands that could be separated would be Alfa and Maserati but the one under most threat has to be Vauxhall. Why would a joint Italian/French organisation invest in a uniquely UK brand and production facilities that sit outside the EU when there will be political pressure for them to invest in their own domestic markets?

Nationalism may have been a motivating factor for people who voted for Brexit but that mindset works both ways and if you don't have the ownership of the organisation within your country then decisions may not be made in your own best interest.

"LOOKING AT THINGS RATIONALLY, THE LOGIC WILL BE TO SHUT PRODUCTION IN THE UK"

AMPOLL

SHOULD DEALERS FULLY CHARGE CUSTOMERS' ELECTRIC VEHICLES FOR FREE AS PART OF A SERVICE?



Opinion is divided in the motor industry over whether consumers buying an electric car should get it charged by their dealer during service and maintenance work. The cost to the dealer and on-site limited charging infrastructure are the main objections, although a narrow majority believe the benefits in terms of customer experience would be worth it.

One opponent stated: "It would congest the site and require far too many charging points. We don't currently refuel customers cars so why should this be different?"

Another added: "Manufacturer support is needed to pay towards the expected experience. A franchised dealer already gives 'cut price servicing', wash and vac, alternative mobility, etc. The margins are little enough without adding to the increasingly difficult problem of overhead absorption."

But dealers who voted yes believe it demonstrates good customer service and attention to detail. One said: "It ensures that the vehicle is charging correctly, allowing for possible upsell of battery repair/replacement that will be happening soon on the older electrics. Also the charge could easily be passed on as is the case with the environmental disposal charge for oil and oil filters at the moment."

One said: "I think they should. It's a nice low-cost but high perceived-value way to enhance a service visit. We try to, but it requires infrastructure and planning."

NEXT MONTH: SHOULD PRE-EURO5 CARS BE TAXED PUNITIVELY TO ENCOURAGE OWNERS TO CHANGE TO NEWER, LOWER EMISSION CARS?

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**TIM HOLDEN,
HOLDEN GROUP**

AM
AWARDS: 2019
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FACE TO FACE: HOLDEN GROUP

THREE YEARS TO ACHIEVE A 10-YEAR PLAN

Success of this family business owes much to its dedication to having the right people, chief executive Tim Holden explains to **TOM SEYMOUR**

The simplest option is usually the right one. There is a tendency to overcomplicate things in business and striving for simplicity is a key pillar for Norwich-based Holden Group.

It's one of the four values that drives the company's ethos and this, alongside its focus on staff development, has led to its successes according to chief executive and third-generation owner Tim Holden. It became the top rated Volvo sales department in the network for customer service at the end of 2019 and the group also won the AM People Investor Award last year.

Holden said: "Every time we have a decision to make we default to the simplest one. Every time, it's always been the right answer."

His 10-year plan to double the size of the business from £55 million turnover to £100m came to fruition seven years early (last year), through a combination of happy accidents and forging ahead with the plan when opportunities arose.

Holden went from three sites (Volvo, Honda and Renault) to six within 12 months, adding Kia, MG, Isuzu and another Volvo.

While this new chapter for the business kicked off last year, Holden has a long history, dating back to 1928 when the then owners employed Tim's grandfather, Ernest, as an apprentice.

Ernest got on well and progressed at the company until World War II when he gave the owners an ultimatum to either let him buy the business or he would leave to fight in the conflict.

Holden said: "I think my grandfather was frustrated by doing all of the work and not seeing any of the return."

"He had to borrow money from some local farmers but it became Holden's in 1943."

Tim's father Tony was also involved in the business, starting out as a mechanic in

1960 and later running the company. He became instrumental in steering it towards being a franchised car operation in addition to its roots as a local repair garage and truck specialist.

Holden said: "I always feel very indebted to my dad because one of our greatest strengths is the culture we have. He was instrumental in professionalising the business."

"I inherited that and I will never take that for granted. It makes you appreciate how difficult it would be if you were starting from scratch. The core of what we had here was so good in terms of how we look after our people and customers."

"I feel like it's down to me to protect that."

Holden wasn't always destined to join the family business. In fact, his father actively discouraged him. Whether that was genuine as a way to make sure there was no legacy pressure or a clever bit of reverse psychology is up for debate, but Holden was always drawn to the industry and cars.

After deciding business studies at university wasn't the right fit Tony convinced his son to join a rival dealership first, rather than starting out at the family business.

Holden said: "He was right. It was going to handicap me to come in as a complete novice and to have that added pressure of being the boss's son."

He did a year at another dealer group and then joined Holden as a sales executive in 2001. He moved to different departments to give him a grounding across all, before becoming a general manager and then on to a fast track to take over as chief executive 12 years ago.

Holden said: "The recession happened and that forced our succession plans at the group. It was getting truly difficult and my father was working part-time at that stage. The chief executive at the time was also ready to retire."

"We had to decide that either was going

to have a go or we've got to come up with some other solution. It was time to get involved."

THE HOLDEN ETHOS

Holden points out that while everyone describes the group as a family business, he's the only family member that actually works there.

Despite that, Holden said staff feel like they belong as part of an extended family.

He said: "Colleagues help each other and it's a collaborative environment. We all want to get the job done and make it as easy for ourselves as possible."

Infighting and politics are banned. That's partly down to Holden's approach but also a symptom, he thinks, of Norfolk itself, saying "it just does not wash around here".

He said: "Perhaps in big cities it's different. Norfolk is quite unusual because it's populated by lots of family businesses that are well run. We're very conscious of our reputation locally."

"Values were never formally recorded previously. They were inherent because of the culture of the business. But, taking on other outside businesses meant formalising what the business was all about."

"This would make it easier for new people that join us to see what is expected of someone that works at Holden."

The four pillars are simplicity, which Holden sees as being the most powerful one for him personally. In addition, caring, focus and deliver.

Holden said: "We didn't want the values to just be four words up on a wall with senior management able to recite them."

"We have a working group that's looking at ways of bringing them to life a little bit further. That will happen this year."

Holden said the litmus test of the four-word ethos isn't if people can recite them, but is more whether they can be seen in evidence day-to-day.



INVESTORS IN PEOPLE

Stepping into the spotlight and shouting about the group's achievements is not a particularly comfortable position for Holden.

While he's proud of the company's achievements he summed up his no nonsense approach to recruitment as something similar to the All Blacks New Zealand rugby team's "no egos policy".

The point of the policy is to avoid inflated egos and make everything focused around teamwork.

Holden said: "I'd rather have a vacancy than have the wrong person. If I look after the employees, it's incumbent on them to look after the customers and then that looks after the business."

The business is passionate about people and he believes they will always be the differentiating factor at a business. He gets enjoyment by seeing people do well and fulfilling their potential.

Holden has established an in-house management development scheme, providing structured career progression for key members of staff, followed in 2017 by the re-appropriation of a non-mandatory training budget to staff – with each member receiving £150 to learn a new skill.

So far, employees have funded scuba diving lessons, butchery, sailing, skiing, computer skills, driving lessons, accounting and HR/training qualifications. One staff member even learned sign language to better serve the needs of a deaf customer.

The business abandoned its cumbersome appraisal process and now encourages employees to set a goal to focus on. They also established an opportunity for employees to recognise the contribution of their colleagues through a weekly 'Good Egg' email.

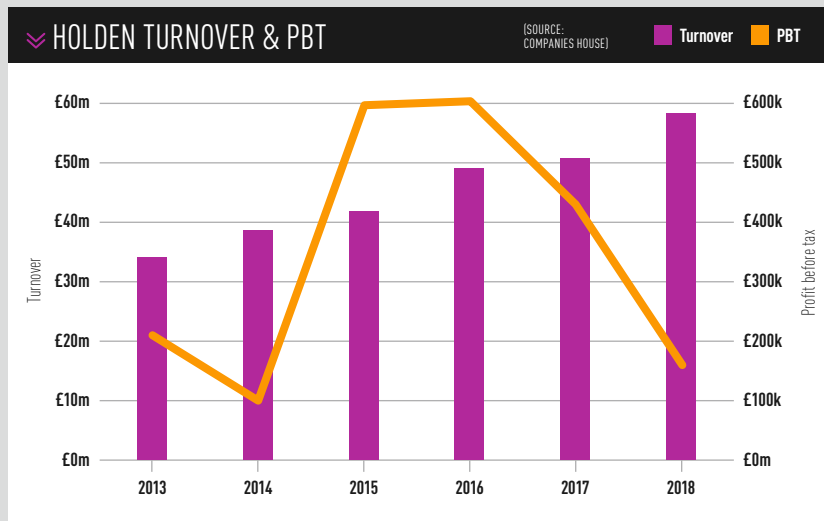
WORK/LIFE BALANCE

Employees are also encouraged to embrace a work/life balance by taking extra holiday days rather than annual salary increases. A five-day working week for sales teams has been implemented.

Moving to five day working was introduced by giving teams the responsibility for making the rota work. If it didn't work, things would go back to the way they were. Giving that autonomy to the teams has made it a success and it's now been rolled out to the newly acquired businesses, too.

In 2018, Gavin Drake, a life coach who runs twice-monthly counselling clinics, was appointed to the board to ensure employees remain a key focus.

But ultimately, Holden said that you can introduce different initiatives, with some working more than others, but that it all



really boils down to having trust in your line manager as an employee.

Holden said: "That's often cited as the most common reason why people leave a job. If we have a great management team that genuinely has its employees' best interests at heart and you're in a high trust environment, that can be really powerful."

"We've tried various initiatives and that has won us awards, but you're really just giving an invitation to staff to have a conversation about their state of mind, whatever

it might be, their challenges and concerns. At its heart I want people to be able to talk about what they want."

Holden used to get frustrated by people thinking they could solve a problem by handing in their resignation.

But now, even if people do leave the group, there aren't the surprises that there used to be and it allows the group to plan ahead around staffing.

Having the company values in place helped with the confidence to expand.

Holden's acquisition of Hylton Gott Volvo in King's Lynn and the two-site Norfolk Motor Group (NMG) were all finalised within a couple of months of each other last year.

Holden said: "We were actively looking and as soon as you start those conversations things start falling into your lap. Before you know it you're pitching to Kia to see if it's a good fit after we had discussions with the general manager there at NMG.

"I'd always got on really well with the person that ran Hylton Gott and we had an open conversation about what they wanted. We had both deals going on at once and they both came off."

Holden was already experienced with the Volvo brand, having its own franchise already in Norwich which is in the process of upgrading to new corporate identity standards in Q1 this year. But Kia, MG and Isuzu are all new franchises for the group.

Holden has changed the management structure across the business to put general managers (GMs) in place for each

“ THE COMPANY NEEDS TO PROVIDE NEW GROUND FOR PEOPLE TO JOURNEY OVER. THE ACQUISITIONS HAVE GIVEN US HEAD ROOM FOR EVERYONE TO LIFT THEIR GAME

brand and promoted Cheryl Cooper internally to operations director and Sean Johnson to finance director. They are responsible for the day-to-day running of the business.

Holden said: "I'm really determined to see that people do things their way rather than just my way.

"We have quite a lot of franchises and it's very hard to be an expert in all of them. We expect the GMs to be the technical hands-on experts and then Cheryl and Sean's job is to ask them the right ques-

tions.

"My job is to ask Sean and Cheryl the right questions to get the best out of them."

Holden said the 10 year business plan was put in place to take the group to the next level. It was the feeling that the business had grown as much as it could as a three site group and to go further meant expansion.

Holden said: "It has taken the business and all of us to the next level. Every employee at any level is on a journey with us and the company needs to provide new ground for people to journey over. The acquisitions have given us head room for everyone to lift their game a bit."

The Hylton Gott Volvo site in King's Lynn is already in the black and the other two locations will be earnings positive this year. NMG employees voted to rebrand as Holden, while Hylton Gott will keep its name due to the reputation it has built up in the local area.

Making the company self-funding and free from external debt is one of Holden's priorities going forward, rather than looking



❖ BASIC VS BONUS

Holden acknowledges that the discussion around increasing basic salaries for sales executives is a live issue, but he also describes it as a red herring.

The conversation about increasing basic salaries is not an issue he faces.

He said: "I don't feel like it's a numeric problem. If someone is confident they have the tools, that's all that matters. Where you cut the line between bonus and basic is not the most important thing."

The more important factors, he feels, are being confident with the level of technical knowledge, the ability to follow a process, being part of a good team and having a manager that is supportive and focused on development.

He said: "It might be more symptomatic of some of the bigger businesses that might need to take a one-size-fits-all approach for convenience. I don't decry the need for that, but, at the same time, I think there are so many other factors."



The Renault dealership was a well-established part of the Holden Group before its rapid expansion

← However, Holden said he would be open to expanding with existing franchise partners in East Anglia should the right commercial fit arise.

He said: "The business has been through so much change in the past 12 months we want to have as a stable a platform as we can."

"We certainly wouldn't want to take on more franchises. It all has to be based on commercial viability rather than anything to do with vanity."

"Scale for scale's sake is not something that switches me on."

THE BIGGEST TRIUMPHS

Integrating the new businesses was one of the biggest challenges of the past 12 months, but it was also one of the biggest triumphs.

Holden said: "Taking on Hylton Gott, which was a franchise we were already familiar with, has gone really well. As a business it feels very familiar to us which is lovely."

"NMG's employees have been really receptive to the change in ownership and it has the potential to be a brilliant business once it aligned with Holden's values and processes."

He said that with both acquisitions there is a great opportunity to ask staff their opinion on how things had been run in the past and what needs to improve and change.

It's at this point that staff can be completely candid because they're not going to get anyone else in trouble, he said.

Aftersales was also a big success for



**WE TRY
TO IGNORE
THE NOISE
AND CONCENTRATE
ON WHAT WE
CAN AFFECT**

Holden last year, posting its best ever results. But there's been no silver bullet.

Holden continues to be modest and matter of fact about it all.

"We've got the right team of people in place. They know what they're doing and

they've got on with it. There's not been a secret lever."

Holden has been pleased with the performance from the Renault business and his Honda dealership has been through a difficult time but ended the year on a high note.

Holden said: "We have to finish the building work for Volvo in Norwich which is being upgraded but that should be done in Q1."

"The other big thing is moving all locations to the same dealer management system. I'm not looking forward to that, but it will mean all of the sites will be working from the same system."

"After so much going on last year, we're looking forward to relative normality."

"I'm feeling more positive in terms of the trading environment and I hope customers are feeling more confident now too. We try to ignore the noise and concentrate on what we can affect."

✓ TARGETS AND THE NEW CAR MODEL

Holden thinks new car targets and pricing transparency are ripe for change. Targets are an emotive topic for retailers because it's a factor that can turn a dealership from profitable to not viable.

He said: "Bonus targets strike me as a very high risk way of running a dealer network. Some of the games you end up playing at the end of a quarter to get cars registered can mean you lose sight of the fact that there is a customer at the end of all of this."

Holden doesn't profess to hold all the answers as to what should replace it, but suspects it needs to evolve to becoming more demand-led, particularly as he believes the industry has been characterised by oversupply and environmental pressures will be more prevalent in the future.

He said: "Having an income model

that's a bit more predictable would certainly benefit the industry."

"This would be an agency model with retrospective fees as opposed to vehicle margin, which, let's face it, we just give away anyway."

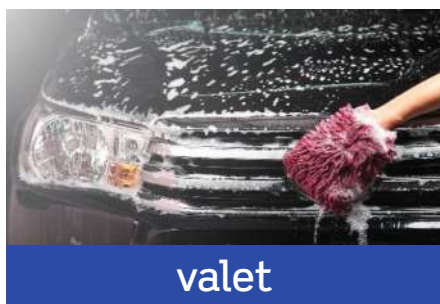
Holden is sympathetic that it is down to manufacturers to move away from a bonus system that has been ingrained in the industry for so long. Whatever manufacturers move to has to mean they can still reach their own volume goals.

He said: "It feels like a plaster that's being pulled off quite slowly. We can see it's going to be different in the future on new car bonus but I'd rather we get there quickly now so we know what normal is."

Holden thinks price transparency needs to change quickly too, citing that customers don't question the price of an iPhone.

✓ FACTFILE

NUMBER OF STAFF 180
NUMBER OF LOCATIONS 6
SALES FRANCHISES Volvo, Renault, Honda, Kia, Dacia, Isuzu and MG
AUTHORISED REPAIRER FRANCHISES 8



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MG MOTOR UK

2019 was a stellar year for MG but the firm's straightforward planning means there could be more – much more – to come, reports **Tom Sharpe**

Any manufacturer would be celebrating if it beat its previous year's registrations by September – let alone in a year with the challenges of 2019.

That MG Motor UK achieved the feat in a market which ended 2.4% down largely before the arrival of its ZS EV debut into the world of electric vehicles (EV) gives even more cause for positivity.

By the end of the third quarter, MG retailers had registered 9,352 vehicles, more than 300 ahead of the 9,049 registered in the whole of 2018.

At the end of 2019 – as the recently published Society of Motor Manufacturers and Traders (SMMT) data attests – the brand had registered 4,026 more cars than its previous year, and beat its previous best performance under the Chinese ownership of SAIC Motor Corporation.

While clearly a huge success in what might still be considered the home market for a brand split between bases at Longbridge and a new Marylebone HQ, the results are part of a plan.

MG Motor UK head of sales and marketing, Daniel Gregorious, explained to *AM*: "In



Cars2 (Wakefield branch pictured) has become a key partner for MG



November 2018 we formulated our mid-term plan. There were two main aims. One was to have 120 retail sites before the end of 2020 and the other was to deliver a flow of new product with the quality to ensure that we could double our volumes (to 18,000 registrations by 2021).

"The key would be more vehicles in more segments and developing the network with the right retail partners. In every respect we are on track to achieve our targets."

MG ended 2019 with 100 retail sites but Gregorious insisted that there were a further 11 locations making preparations to open with MG when *AM* met the former Renault head of corporate planning and Kia UK area manager at Cars2's MG showroom in central Wakefield.

The Cars2 site (highlighted in *AM*'s recent feature on the growing Yorkshire-based group) opened last June and had registered 47 cars by the start of November. Cars2 has plans to expand to three retail locations with each of its current brand partners. MG's open points in the region include Leeds, Huddersfield, Halifax and York.

"We have an expansion plan and we don't just want dealerships anywhere, but where there's a potential partner who is willing to invest in a site and is confident of delivering results for us, we are more than happy to put our arms around them and say 'come with us for the journey,'" said Gregorious.

He added: "I have really looked to the likes of Kia and Suzuki and how they have put their arms around their retailers, communicated really well and supported them, and that's what we want to emulate."

"We have had some dealers leave – there were seven in termination when I joined MG – but we will always try to part amicably."

Although MG doesn't yet have a dealer council, Gregorious said its leadership is accessible directly, adding that a team of six regional managers is there to offer support and advice.

An undemanding partner

Cars2 was able to free up part of its Pure premium used car showroom in Wakefield to accommodate the brand at minimal expense.

KEY PRODUCTS



MG 3

Launched in 2013, the MG 3 is the brand's answer to the likes of the Ford Fiesta and Vauxhall Corsa. Prices starting at £9,495 make it an affordable option for retail customers, though the normally-aspirated 1.5-litre engine struggles to match the CO₂ emissions of its key rivals.



MG ZS

A new arrival for the brand at the start of 2018, the ZS is the brand's biggest seller, with registrations of 8,792 in 2019. The range's appeal and profile were boosted with the arrival, last summer, of the fully-electric ZS EV, which was priced from £21,995 with MG's introductory deposit contribution offer.



The investment levels demanded by the brand are modest despite a strategy to drive volume with the help of electrified product and a requirement for a 170 square-metre, five-car showroom.

MG rolled out new hybrid and electric vehicle corporate identity standards across its then 92-site dealer network back in June last year, ahead of the launch of the ZS EV in September.

The standards equipped MG's existing sales staff and technicians with the knowledge to support customers in both the sales and aftersales of electrified cars. They attended an Institute of the Motor Industry (IMI)-accredited training course held at the brand's Cecil Kimber Training College at Longbridge.

Every MG dealership is now required to have a 7kW wall-mounted charging point available in the workshop, as well as a 22kW charge point outside the showroom entrance. Gregorious said: "Our aim is to focus on the important things that are required and those that make a big difference to the customer."

“WHERE THERE’S A PARTNER WHO IS WILLING TO INVEST IN A SITE WE ARE MORE THAN HAPPY TO PUT OUR ARMS AROUND THEM DANIEL GREGORIOUS, MG MOTOR UK HEAD OF SALES AND MARKETING

"Would an extra £20,000 on certain tiles for the showroom sell more cars? No. We have signage outside, a red wall featuring the MG logo and our workshop equipment and training requirements. After that, so long as the site is clean, tidy and well presented, that's what really matters..."

The combination of a willingness to be flexible in its bid to fill open points and MG's growing volumes means that the brand is gaining traction with AM100 retail groups.

Gregorious said that MG is now attracting a "better calibre" of retail partner, citing recruitment of Stoneacre Motor Group, Richmond Motor Group and Glyn Hopkin in the past 24 months.

Stoneacre opened its first MG location in Hyde in February 2018, and has since followed that up with sites in Derby and Rochdale before opening MG's 100th retail site, in Doncaster, last November.

Richmond Motor Group joined the MG network with the simultaneous opening of Portsmouth and Southampton franchises in two newly renovated showrooms in November, 2018. Seven months later it sought to raise its profile with a high visibility advertising campaign on the Itchen Bridge, which is the main crossing in and out of Southampton and records more than six million passing vehicles every year.

Glyn Hopkin opened its East London MG dealership on Romford Road, Manor Park, in December 2018.

Gregorious said that MG's growth story was giving top retailers the confidence to throw their weight behind the brand.

He said: "Brexit and the fluctuations in the value of sterling have a huge influence on the market, what product manufacturers

put in and the pricing they can achieve. We are in a position where we can take advantage of that and offer dealers an opportunity to come on board with a brand that is growing volume."

Growing range, growing volume

Gregorious pointed out that MG already pays import duty on its Chinese-built vehicles but, nonetheless, the brand introduced two new value-driven models in 2019 alone in the form of the ZS EV and the Qashqai-rivalling HS.

In 2020 the brand will introduce another EV, with what Gregorious claims is a "completely new body style for an EV in Europe", and will give fleet audiences in particular an "alternative C-segment option".

He tipped the brand to become yet "more aggressive" with its pricing, adding to the appeal already instilled by a seven year warranty.

Whether it can match its introductory ZS EV offers remains to be seen, however.

The ZS EV was offered with a £3,500 discount for the first 1,000 retail customers, in addition to the government's £3,500 ULEV plug-in grant – meaning buyers paid just £21,495 for the entry-level model.

MG later extended the offer for the next 1,000 customers.

"The ZS EV really was the first truly affordable electric vehicle on the market," said Gregorious, who pointed out that retailer profitability remained a key concern and would not commit to the length of time that it could maintain its large EV discount.

The aggressive approach will help to bring MG to the attention of EV



MG HS

New to dealerships as of October last year, the HS is the brand's range-topping SUV rival to the Nissan Qashqai and Vauxhall Grandland. Explore, Excite and Exclusive trim levels are offered at prices ranging from £17,995 to £22,995.



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buyers as it looks to add to its range with further zero emissions product. Gregorious told *AM* that the ZS EV "is the first of a series of EVs that we'll bring to the UK".

MG has asserted that it has no supply issues thanks to owner SAIC's battery factory in China that can produce 300,000 units per year.

Gregorious said: "What we've shown is that we can get the pricing right and we certainly have the supply. We want to sell several thousand ZS EVs per year and there will be greater supply in 2020."

MG's growing presence in providing affordable EVs is sure to attract the attention of fleet operators and the brand welcomed former Hyundai Motors UK fleet operations manager, Geraint Isaac, as its new national fleet sales manager in October.

Isaac said that he aims to help build "to build organic, sustainable growth" in the role. He will draw on his experience as Hyundai's national residual value and remarketing manager to assume responsibility for MG's vehicle remarketing, residual values and the co-ordination of its fleet programmes, as well as the creation of a new approved used car programme.

Gregorious hopes that a growing fleet presence will allow the retail network to benefit from an increased flow of used car stock, after a deal with Europcar put 800 vehicles into its fleet in 2018 and 1,400 in 2019 through a buy-back scheme.

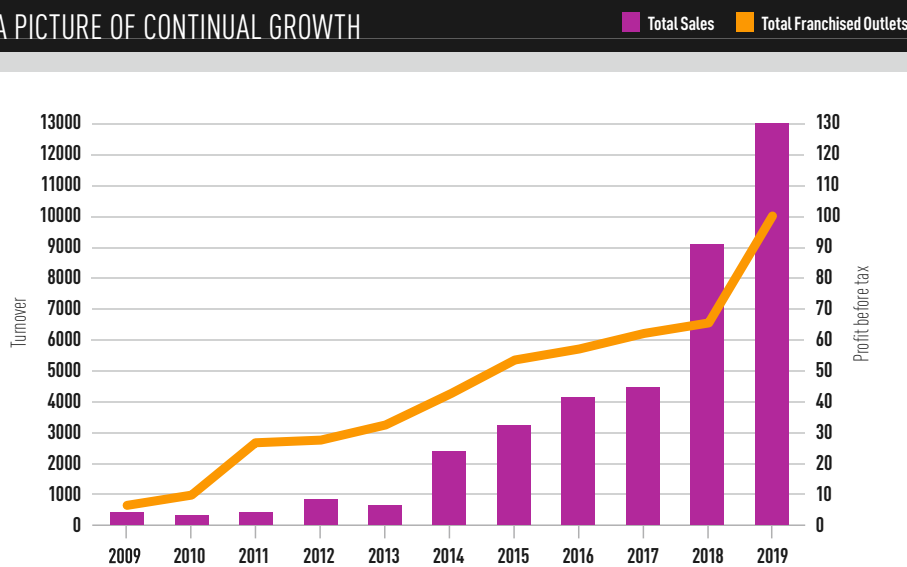
Isaac's expertise will also aim to drive strong residual values in order to maintain an aggressive finance offer for retail customers.

MG is currently offering a 0% APR PCP across its range.

PCPs currently account for just 44% of all sales, despite retail sales making up 70% of MG's volume, Gregorious said.

A new agreement signed with Santander Consumer Finance late last year made it MG's sole motor finance provider for five years from January 1, 2020. This followed a six-year relationship with GMAC.

A PICTURE OF CONTINUAL GROWTH



ABOVE: While growth was steady from 2009, it's clear that in the past two years the MG plan has started to come together



WE CAN GET THE PRICING RIGHT. WE WANT TO SELL SEVERAL THOUSAND ZS EVS PER YEAR AND THERE WILL BE GREATER SUPPLY IN 2020.

DANIEL GREGORIOUS, MG MOTOR UK HEAD OF SALES AND MARKETING

Under the new agreement with Santander, dealers will have access to new wholesale funding facilities to help them gear up for sales growth.

Santander has employed an eight-strong sales team, including a national sales manager and a national marketing manager, to support the MG network.

More diversity, more ambition

MG's retailers will gather for a gala dinner at the St. Pancras Renaissance Hotel in Central London in January to celebrate their 2019 successes.

But the growth seen by the brand so far is set to form the foundation for further volume triumph, with EVs helping to provide what Gregorious described as MG's "scrappage moment".

And while affordable cars remain at the core of the brand in the near future, plans to bring the flagship all-wheel-drive E-Motion EV to market in 2021 indicate an ambition to gain ground in a more premium market.

The two-door coupe, unveiled in concept form in 2017, is claimed to be capable of 0-62mph in under four seconds and offer a range of over 310 miles.

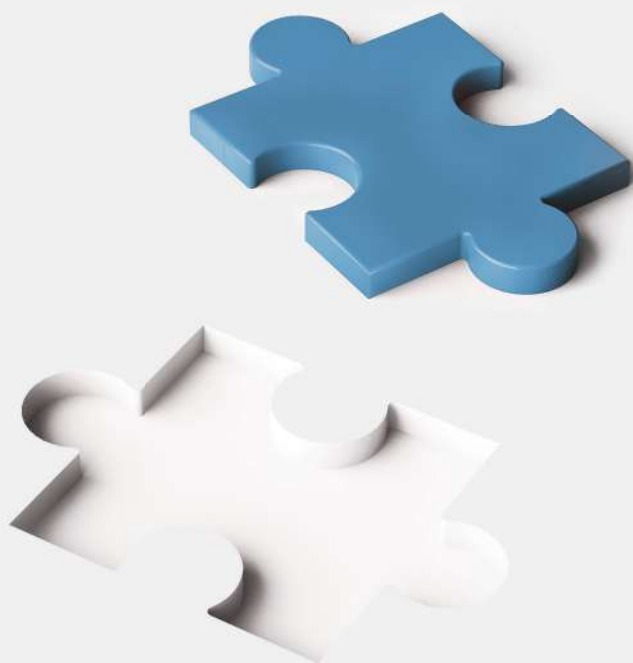
Gregorious said: "The prospect of more diversity and an eye-catching model like that is exciting and will attract attention. For now, though, I'm focused on growing our volumes and establishing a profitable dealer network in a sustainable way."

"I think our EVs can provide us with the 'scrappage moment' that Kia and Hyundai experienced a decade ago and I think 1% market share is possible for us."

"That, I see, as a truly exciting prospect."



Glyn Hopkin epitomises the 'better calibre' of MG partners today



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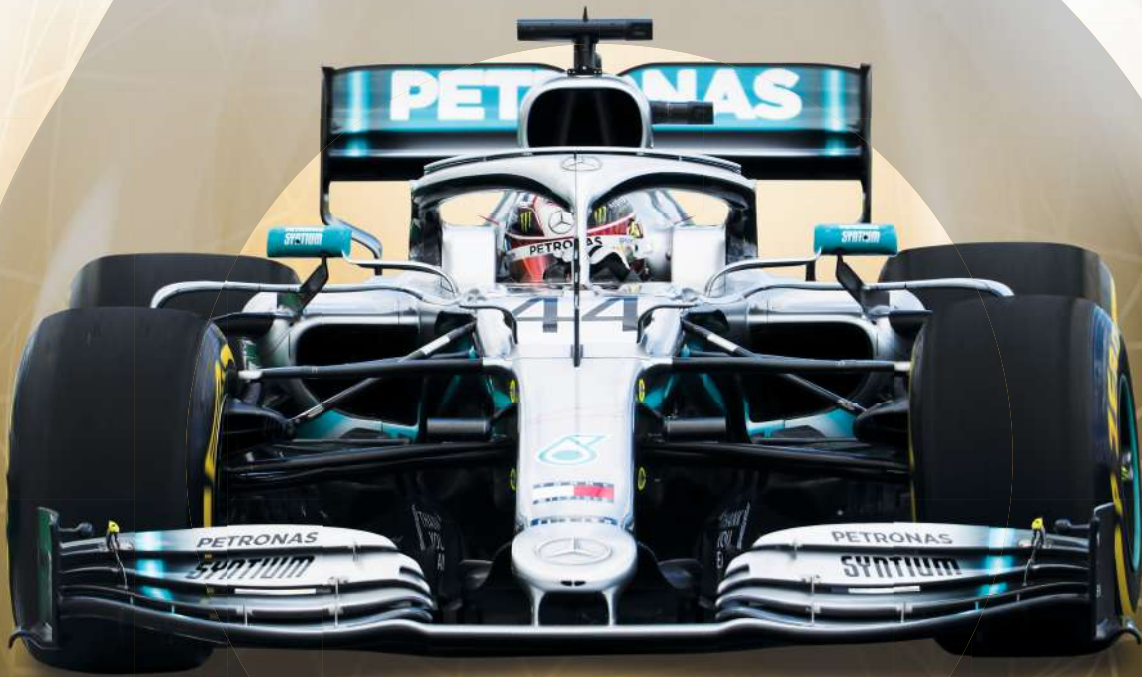
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Automotive marketing is fast embracing the buyer's desire to find more answers online. But, there's a long way to go

CROWDED ONLINE MARKETPLACE

WE LOOK AT HOW RETAILERS ARE BEING AFFECTED BY THE EXPLOSION IN ONLINE AUTOMOTIVE OFFERINGS

PAGES 32-33

FIVE STEPS TO SUCCESS

HOW CLOSE IS THE INDUSTRY TO A FULLY-FUNCTIONING ONLINE BUYING PROCESS? THE KEYS TO SPEED IT ALONG

PAGES 38-39

HURDLES TO OVERCOME

CONSUMERS WANT A 'FAIR TRANSACTION THAT DOESN'T TREAT YOU LIKE A SHOPPER IN AN ARAB BAZAAR'

PAGE 41

The crowded online marketplace

While we are getting more used to buying goods online, which is the best automotive site for you?

AM looks at the explosion in different online automotive offerings available in the UK and explores how this very crowded marketplace is affecting retailers.

AUTO TRADER

The UK's largest automotive digital market platform currently dominates the industry with its products and services. This strong position has inspired many competitors to try to steal its crown. Its last report showed annual revenues of £355.1 million and an operating profit of £243.7m. It has an average of 461,000 vehicles available on the website each month and attracts 239m advert views each month. Auto Trader moved into offering new cars in 2019, with more than 30,000 new vehicles listed last year.

BUYACAR

This website offers an online remarketing channel for dealers to help manage the distance selling of nearly-new and used car stock. After launching in 2002 it was acquired in 2014 by Dennis Publishing, the parent company behind Auto Express magazine and carbuyer.co.uk. BuyaCar uses that publishing

audience of more than six million readers to market its services. More than 700,000 browsers look through stock on the BuyaCar platform each month. Dealers can add stock at no cost and BuyaCar charges dealers a handling fee, which is agreed upfront, if it successfully sells the vehicle.

CARGURUS

CarGurus was founded in 2006 by Langley Steinert, the co-founder of TripAdvisor, but expanded into the UK in 2015. At launch the company had more than 200,000 regional car listings which immediately put it into the top four largest UK car shopping websites by inventory. UK dealerships can list their stock on CarGurus at no cost, with options to buy additional advertising packages. Currently, CarGurus UK includes stock from more than 3,500 dealerships. It also acquired UK-based PistonHeads.com in early 2019, which it operates as an independent brand.

CARWOW

Venture capital-backed Carwow launched in 2013 and its offering is based on allowing customers to research, select and configure new cars before receiving up-front, no-haggle offers from up to five UK franchised dealers. Customers can then make an informed decision on the offers based on price, location, dealer ratings and delivery time, before buying directly from the dealer of their choice. Carwow says consumers save around £3,600 on average per vehicle, and £5 billion worth of



vehicles have been bought through Carwow since launch. It attracts more than 2.1 million visitors per month.

CINCH

BCA-owned Cinch launched in July 2019 offering vehicles of up to seven years in age and 70,000 miles from what BCA describes as a "trusted dealer network" of franchised retailers and independents. The platform asks visitors a number of questions about their lifestyle before helping to recommend a number of cars which fit their needs. Visitors can also sell their car online using the BCA-owned WeBuyAnyCar platform.

EBAY/GUMTREE/MOTORS

Ebay completed its acquisition of Motors.co.uk from Cox Automotive in February 2019. It has pulled together eBay, Gumtree and

≡ CAN ANYONE SHAKE THE AUTO TRADER DOMINANCE?

Despite there being a multitude of competitors in the online classifieds space, the conversation is almost always dominated by Auto Trader.

There is an understanding from some that Auto Trader has earned its way to the top with consistent investment in a consumer-focused website and if the business is the biggest, doesn't that mean it's delivering the right experience for consumers?

But for some dealers the relationship is strained or even hostile. One dealer, who preferred not to be named, told AM:

"We tolerate Auto Trader. It's working hard to change that perception, but the reality is different. The Silence the Squawk campaign this summer for its new car offering hasn't helped. They're likening dealer networks and OEMs to irritating parrots that are bombarding and annoying customers."

The dealer said some feel it's unfair that Auto Trader is making strong returns but continue to increase fees with a "lack of empathy for the fact that car retail is a marginal business". The dealer said even with other UK launches, they don't believe there's a true competitor to Auto Trader.

However, he said that if prices continue to increase, some dealer groups will walk away to funnel marketing spend into rival platforms or to reinvest in their own online used car websites.

Another dealer told AM that some dealerships and even certain franchises are looking for alternatives to succeed in taking market share from Auto Trader to try to bring some balance back to the market.

He said: "Out of all of them I think CarGurus could be a credible threat. It has overtaken Autotrader.com and Cars.com in the US. It's going to take them consistent



≡ CARGURUS' SUCCESS IN THE US

When CarGurus launched in the US 12 years ago, the market was a duopoly led by cars.com and autotrader.com (autotrader.com is owned by Cox Automotive and is not related to Auto Trader in the UK).

But CarGurus took the lead in the US in May 2018 as the largest automotive shopping site, investing "hundreds of millions of dollars" in marketing to get there. A spokesman from CarGurus said it is gaining traction in the UK since it launched here four years ago with Comscore ranking it as the fastest growing automotive shopping site in the UK, based on the percentage change in average unique monthly visitors from Q3 2018 to Q3 2019.

Motors.co.uk to offer more than 620,000 online car listings across all three websites. Motors.co.uk has more than 350,000 vehicles listed alone. All three sites are aiming to provide an alternative to the current UK market leader.

FACEBOOK MARKETPLACE

The social giant launched its online classifieds site, which has its own dedicated vehicle section, in 2016. Sales are focused on a user's local area rather than nationally, and the USP is that searches, results and even replies are backed by the company's artificial intelligence systems.

HEYCAR

The Daimler and Volkswagen-backed online used car retail marketplace launched in August 2019 in the UK with a dealer stock

topping 100,000 vehicles. Originally funded by VW and operated in the manufacturer's German home market, Daimler bought into the Auto Trader and carwow rival a year ago and now has an aggressive launch strategy which offers retailers marketing support for free.

WHAT CAR?

Consumer magazine *What Car?* launched its own new car classified platform in October 2016, offering dealers exposure to its online audience of 2.5 million unique monthly users. Dealers can publish their best offers and align them with the consumer magazine's "target price" and vehicle reviews. All sales are completed through direct contact with the dealer, either by way of a showroom visit or over the phone.

TOM SEYMOUR

marketing spend to build that brand in the eyes of UK consumers to the same kind of level as AT, but they seem to be making more noise than the others right now."

Another dealer said there's a reason Auto Trader is a market leader in the UK and it's unlikely they'll lose their crown.

"Yes, they charge like a rhino, but you get results," he said. "We look at what we sell against what it costs. It's pretty simple and the market is fragmented with other players, but they're not getting the sales and traffic of AT. AT has a much better user experience compared with the others and

I'm not seeing any innovation that is making other players stand out. I see Auto Trader as pro-consumer. If you're pro-consumer you're getting more people looking at cars and then we sell more as a result."

Craig Johnson, director at digital agency Kagool, said there is space in the market for multiple players. He said that for a challenger to take a market-leading position in the UK, it will need to invest in personalisation, more product content to support listings and better pricing context.

He added: "There's still more that can be done to track the customer journey across

devices and visits. It's something eBay and Gumtree do quite well but I think there's room for innovation across the industry. When I buy trainers I still get more pictures online than I do of big ticket items like vehicles, so I think content needs to be increased even further than the level it is right now on the platforms. There have been moves to introduce pricing indicators, but I think consumers see through that when you're only comparing from your own platform. To be truly transparent pricing needs to compare the whole market."

SPONSORS' COMMENTS



By Martin Dew, digital solutions director, Autoweb

Autoweb Design hold regular master-classes at AM events and will return in 2020. As a full-service digital agency, Autoweb Design have expertise in a range of specialisms from website design to search engine marketing and online display advertising.

Established 15 years ago, the company has grown to service clients ranging from small independent dealerships through to AM100 dealer groups and manufacturers. They do this with dedicated teams to focus on each client type and do not take a "one size fits all" approach.

Performance is one of the core values at Autoweb Design that all team members embrace. Clients are provided with transparent details of what activities have generated what leads or sales, and the key to all of this is what can be done to secure more leads and sales through ongoing optimisation.

2020 will be a big year for the company with the launch of two major new applications in Q1 allowing for the creation of custom and agile website and digital marketing strategies for its clients, keeping them at the forefront of digital technology but with the strongest focus on return on digital marketing investment.

2020 will also see an increase in the team size at Autoweb Design with strong investment going into customer support and proactive account management as the company works towards its goal of providing the best customer service to its clients.

If you would like to talk to the team about how they can help you, please contact Martin Dew on 01757 211700 or enquiries@autoweb.co.uk



By Alistair Horsburgh, CEO, CitNOW

Savvy retailers are utilising video at multiple customer touchpoints – from helping them shortlist a car when searching online, to inviting them back

into the showroom towards the end of a finance agreement. CitNOW's suite of video and imagery applications boosts customer engagement throughout the car buying and ownership cycle.

Images, 360-degree views and video of used car stock marketed online are now a customer expectation. Our Web app enables retailers to upload a vehicle's digital assets in just a few hours from the car being retail ready.

Following an enquiry, retailer employees can create a personal vehicle walk-around video message using CitNOW's Sales app. Delivering transparency and personalisation, it encourages engagement and promotes trust as well as whetting the appetite for a test drive.

CitNOW's Workshop app for aftersales teams provides a visual record of a vehicle health check. Customers can see if something requires attention and are reassured following a clean bill of health. In just a few minutes, technicians deliver a clear appraisal of the car so if work is needed, customers are far more likely to authorise.

As more of the car buying process is undertaken online, high quality digital content and video communications to bridge the gap between the physical site and the virtual world will be vital to futureproof a dealer's business.

Find us at www.citnow.com

or call us on 01189 977740.





By Richard Tavernor, COO, iVendi.

Welcome to AM's Dealing in Digital. This is something that we believe is very timely – using better technology to drive increased and more productive digital interaction with customers will

be key for dealers who want to maintain and increase profitability in 2020.

As a company, we have just celebrated our 10th birthday and we took the opportunity to take a look at what we do from the ground up. The fact is that we have seen massive change in online motor retail over that decade and we expect the next few years to bring more of the same.

In response, we are bringing our product range into line with how we see the market developing. Simply, we have divided our technology into three areas – engage more consumers, convert more buyers and transact with greater flexibility. New and existing products will be organised into these three product groups – “engage, convert and transact” – providing omnichannel vehicle retailing solutions for major international organisations, single site retailers and everyone in between.

Our view is that consumers are going to demand more and better digital tools that provide them with the comprehensive vehicle buying experience they desire. The retailers that meet those needs are the ones that will prosper in the early 2020s – whether they operate primarily online, in the showroom or balance both approaches.

For us, “engage, convert and transact” summarises the key elements of each retailer's online motor retail journey. Please read on to find out more about how you can use these principles to drive your Dealing in Digital journey.

Visit www.ivendi.com, e-mail enquiries@ivendi.com or call 0345 226 0503.



By Jeremy Evans, managing director, Marketing Delivery

2019 has challenged motor retailers. Political and economic uncertainty has hampered vehicle registrations all year, exacerbated by lingering doubts

about the future of diesel.

But it's not all doom and gloom. In times of low footfall, dealers can maximise recorded enquiry volumes by implementing a robust customer contact strategy. It is crucial to implement processes to ensure that no customer is ever 'lost' from the sales funnel. The challenge for dealers is keeping prospective customers engaged until they finally make a decision.

An effective tactic that dealers can employ to foster leads is contacting prospective customers with carefully-timed reminders about the car they are interested in. The timings of these emails will vary from one dealer to the next, but a well-judged follow-up email, at an appropriate time, can make the difference between closing or losing a sale.

Marketing Delivery recently analysed data from inbound enquiries to UK car dealers, and we discovered that over a third of customers marked as a 'lost lead' by sales staff are actually still in the market for a vehicle. By keeping these customers engaged with relevant, timely information, businesses maximise their chance of a sale – rather than simply writing a lead off as 'lost'.

This also extends to aftersales. 60% of UK motorists say they are more likely to book a service or MOT with a workshop that reminds them about vehicle maintenance at an appropriate time.

Electronic customer relationship management tools are the key to improving processes, increasing enquiries and keeping potential customers engaged.

Visit: marketingdelivery.co.uk Email: get.in.touch@marketingdelivery.com or Telephone: 01892 599 917



FIVE STEPS TO SUCCESSFUL E-COMMERCE

How close is the industry to a fully-functioning online buying process? These keys may help speed it along

A

utomotive retail has embraced various e-commerce solutions with some groups and manufacturers providing the facility to buy online and others offering the ability to complete the final transaction in the digital space. But is the sector really ready to deliver genuine end-to-end e-commerce to the majority of customers?

1. THE RIGHT MINDSET

GForces describes consumers whose buying behaviours have changed as being forced to navigate an 'archaic' dealer-based sales process that attempts to control the customer.

Paul Stokes, its head of online retailing, said: "If we can do away with the disconnect that consumers encounter between their online and offline experiences, then we'll be creating a truly omni-channel selling environment."

The omni-channel approach sits at the core of GForces' own e-commerce offering and dealers need to create a pressure-free environment that is more open, transparent and gives more control to the customer, so

engendering trust – resulting in increased sales and the likelihood of customers purchasing genuinely helpful added-value products.

Likewise, iVendi's chief executive James Tew considers the current purchase process as disconnected, making buying a car 'arduous'. Complicated by several elements such as vehicle price negotiation, trade-in negotiation and compliance obligations, a seamless e-commerce solution is difficult to deliver.

Tew said: "What I call the 'happy path', where the price, trade-in and finance enables a true end-to-end digital journey to be undertaken, caters for the minority – around 30% – of customers."

The iVendi team undertook an analysis of 8,300 transactions in July and found 70% included some form of negotiation, which made it impossible for the sale to be managed entirely in the e-commerce space.

Meanwhile, 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 Jeremy Evans, managing director at Marketing Delivery.

Evans 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. KEEP IT PAPERLESS

Digital document management solutions, such as iDealFile from MotorDocs and Arena's mstore, allows the e-commerce experience to continue throughout the sales process.

By integrating with dealer management and third-party systems, iDealFile turns unsecured manual paper-based deal files into secure electronic digitally-signed, visible, traceable and auditable data even though a deal file can consist of up to 70 different documents. MotorDocs estimates it has achieved productivity gains of more than 150,000 working days across all sites.

Ritchie Kelk, MotorDocs managing director, said: "There are more than 350,000 live deal files on iDealFile – storing nearly 4.4 million documents. Based on average figures this equates to at least £1.4 million of cash savings from reduced printing, storage and retrieval costs."

At Arena Group, director of technology Neil Maude said: "E-commerce is on the customer's terms in relation to touchpoints through the sales cycle, so they may have different people contacting them from your business. This needs to be accounted for within your system and support delivery of a slick customer experience.

"Your platform needs to make all relevant documentation accessible to your team as well as the customer at the right time. You need to manage document versions robustly and track who's looking at what, or what changes have been made.

"A complete digital platform should manage all key documents in digital form to enable this while you are interacting online."

While Evans acknowledges the importance of going paperless, dealers are still failing to gather customer data. Marketing Delivery research shows incomplete information is held on 29% of franchised dealer customers.

Email is the most often-missed detail, despite being customers' most preferred option for contact – 48% prefer email for aftersales communications, compared with 20% preferring phone contact.

3. EFFICIENT STOCK MANAGEMENT SYSTEM

An e-commerce platform can't be a 'one trick pony' that only focuses on online vehicle sales, according to GForces' Stokes, who highlights the NetDirector Auto-e functionality that continually cleanses, matches and enhances the data held on vehicles and feeds stock automatically to major third-party portals.

After iVendi launched its stock solution to identify vehicle coding errors which can see the wrong spec advertised falling foul of advertising standards regulations and can skew PCP finance calculations which has FCA compliance implications, its data analysis found at least 8% of vehicles

were uploaded with inaccurate information.

However, iVendi has only identified vehicles where different datasets create a discrepancy alert, whereas some cars could have datasets that match but may still contain inaccuracies. Since Auto Trader markets around 450,000 vehicles at any one time, 8% amounts to some 36,000 vehicles.

Meanwhile, around 5% of vehicles have no industry code assigned, preventing online transactions from taking place in the first place.

"We are a long way away from resolving the problem," said Tew: "From an online retail perspective, it is imperative that data integrity is maintained – and that is not the case."

4. WHAT YOUR ONLINE PLATFORM NEEDS TO DO

GForces' platform, NetDirector Auto-e, has been designed to function as a website with e-commerce infrastructure enabling dealers to move forward when ready. Dealers can just take deposits and full cash payments online, but can progress to full end-to-end e-commerce, including online finance applications and instant approvals.

Stokes said: "Your e-commerce platform also needs to provide a buying journey that customers recognise. That means it needs to be delivered directly from your website, without redirecting the customer to a third-party finance provider or otherwise. Just like on Amazon or eBay, they should be

able to browse and buy seamlessly directly from you."

Tew added: "It's not a linear journey, you have to go back and forth. Consumers have recognised that negotiation is part and parcel of buying a vehicle. Meanwhile, dealers want to price up with add-ons. Of the 8,300 transactions we analysed in July, 43% of vehicles were sold at a higher price. Negotiating the trade-in and including add-ons has an impact on the whole deal."

MotorDocs advises dealers to look for use of Microsoft's ISO 27001-accredited Azure platform, A+ Pen Test ratings and secure login processes. Platforms should also integrate with the DMS, incorporate multiple user levels and have an auditable authorisation and approval process.

5. HAND OVER WELL

Consumers now expect to be able to choose between picking their vehicle up at the dealership or having it delivered to them, without attempts to upsell, according to GForces.

Its system features a customer account portal to continue engagement throughout the buying journey, allowing customers to interact with the business on their terms.

Arena Group's Maude maintains the paperless journey should be continuous, including providing digital documentation in advance of the delivery to enhance the customer experience.

He said: "Having committed to a major purchase, it keeps the customer informed,

demonstrates progress and activity while they're waiting, and avoids worry."

Much less attention is paid to the digital handover, according to Evans, even though it is arguably more important. Customers should be 'warmed up' ahead of their collection visit, easing the path for sales of service packages, additional insurance solutions, merchandising and accessories and should continue after the customer has left the showroom.

For Tew, an entire online car-buying journey is some way off: "It's the Ladybird book level of e-commerce that we have today and it needs to be more like *War and Peace*. However, the e-commerce solutions we have are a stepping stone which will lead us to the evolution of new iterations, and we are about to go to the next iteration."



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Carmakers' e-commerce has hurdles to overcome

New decade heralds a new approach but lack of standardisation could pose problems

BMW became the first car brand to launch a UK online sales platform in 2015. Almost five years on there are fewer than a dozen brands doing the same. And according to many manufacturers that have, fewer than 10% of their annual new car customers have transacted online.

But the industry has entered a new decade during which automotive e-commerce is expected to increase rapidly. Many individual franchised dealer groups have already started car sales online, and market-leading car marketing portal Auto Trader will in time allow consumers to buy from retailers through its website.

There's a potential challenge for consumers ahead, in the diversity of approaches across the industry. All the car brands that are currently engaged in e-commerce require a franchised dealership to facilitate or fulfil the order, whether as a margin sale or on a handover fee basis.

But some, such as BMW and Volvo, require the consumer to choose one of their franchised dealers early in the process, before they can even create the new car specification they desire, and then continue the process direct with the chosen dealer, including price negotiation. Others, such as Hyundai, start with the consumer's budget or finance product choice, while Peugeot's begins with specifying the car before going on to examine finance options and choose home delivery or collection from a local dealer. Some require the consumer to take finance, while some allow cash purchase.

CONSUMERS WANT A BUYING EXPERIENCE WHICH DOESN'T TREAT THEM LIKE A SHOPPER IN AN ARAB BAZAAR

STEVE YOUNG, ICDP

TIMELINE:

Nov '15
BMW launches BMW Retail Online

Jan '17
Hyundai launches Click To Buy

Jan '17
Peugeot launches Peugeot Order Online

Feb '17
Smart Cars Online launched by Mercedes-Benz

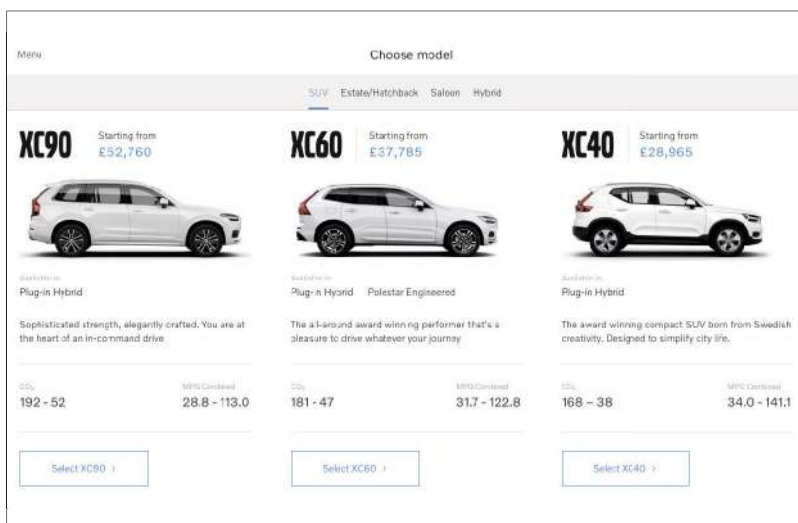
Nov '17
Mitsubishi Buy Online goes live

Jul '18
Ford launches Buy Online

Oct '18
Mini Retail Online launches

Apr '19
Volvo Online is launched

Mid 2020
EV brand Polestar will launch in the UK with online ordering



Manufacturer e-commerce platforms are still focused on new car sales, and although some offer consumers ready-built cars from stock, none allow them to choose a nearly-new alternative from the brand website's used stock listing.

The ICDP believes vehicle manufacturers are looking for opportunities to establish direct customer relationships through a variety of business-to-consumer national online direct sales channels. However there is no clear, single solution.

ICDP managing director Steve Young said: "For new retail formats and online channels, the extent to which they contribute to sales elsewhere in the network is not adequately tracked, but we anticipate that both innovations will become mainstream within the next few years if they are incorporated into a holistic overall omni-channel structure."

Young recently warned manufacturers that their tradition of having recommended retail prices was playing into the hands of potential online disruptors and "holding manufacturers back from offering what a growing minority of consumers want – an online buying experience which delivers a fair transaction price and doesn't treat you like a shopper in an Arab bazaar".

TIM ROSE

WHO SHOULD BE NEXT?

Mercedes-Benz

Global sales and marketing boss Britta Seeger expects one in four of its new car sales to be fulfilled online by 2025. Having learned from the Smart Cars Online initiative here since 2017 and trials of online Mercedes sales in Sweden since April 2019, which included moving dealers to an agency-style sales agreement, the UK's highest selling premium brand must prepare its UK franchisees for online transactions.

Seat

Volkswagen Group has long talked about omni-channel retailing but is conspicuous by its absence from the current online channels. Seat, as its most 'youthful' brand, is best placed to be the development ground for online sales in the UK. It has already trialled sales through Amazon in France, and has reduced complexity of choice for UK consumers with its Easy Move product strategy, making online decision-making simpler.

iVendi revises product range for 2020 to meet changing online motor retail needs

10-year anniversary spurs company to review and improve its offering from the ground up

iVendi is revising its product range to meet the changing online needs of vehicle buyers, retailers and finance providers.

New and existing products will be organised into three product groups – engage, convert and transact – providing omnichannel vehicle retailing solutions for major international organisations, single site retailers and everything in between.

CEO James Tew said: “As a company, we have just celebrated our 10th birthday and we took the opportunity to take a look at what we do from the ground up. The fact is that we have seen massive change in online

motor retail over that decade and we expect the next few years to bring more of the same.

“Consumers are going to demand more and better digital tools that provide them with the comprehensive vehicle buying experience they desire. The retailers that meet those needs are the ones that will prosper in the early 2020s – whether they operate primarily online, in the showroom or balance both approaches.

“We are bringing our product range into line with how we see the market developing. Simply, we have divided our technology into three areas – engage more consumers, convert more buyers and transact with greater flexibility – under the banner of iVendi 2020 Vision.

“For us, this summarises the key elements of the online motor retail journey. Whether you are a site selling 15 cars a month or, as we have just completed for BDK in Germany, a major national finance



“WE ARE BRINGING OUR PRODUCT RANGE INTO LINE WITH HOW WE SEE THE MARKET DEVELOPING

provider creating an online marketplace for thousands of dealers, the principles remain fundamentally the same.”

The launch of the new range would also include the unveiling of several new product releases over the next few weeks and months, James added.

“A couple of years ago, we began to increase our software development resource and this gave us the capacity to start working on a number of ideas – both evolutionary and revolutionary – that we believe will have a definite impact on the market. We’ll be releasing details very soon and we are sure that this moment will serve to cement our position as the effective market leader in online motor retail.”



About iVendi

Founded in 2009, iVendi can credibly claim to be the market leader in online motor retail technology both in the UK and internationally. With a modular product range which engages consumers, converts buyers and manages transactions, iVendi technology interacts with around five million consumers every month and thousands of motor retailers, manufacturers and finance providers. iVendi has offices in Manchester and Colwyn Bay.

Visit www.ivendi.com, call 0330 229 0028 or e-mail tellmemore@ivendi.com





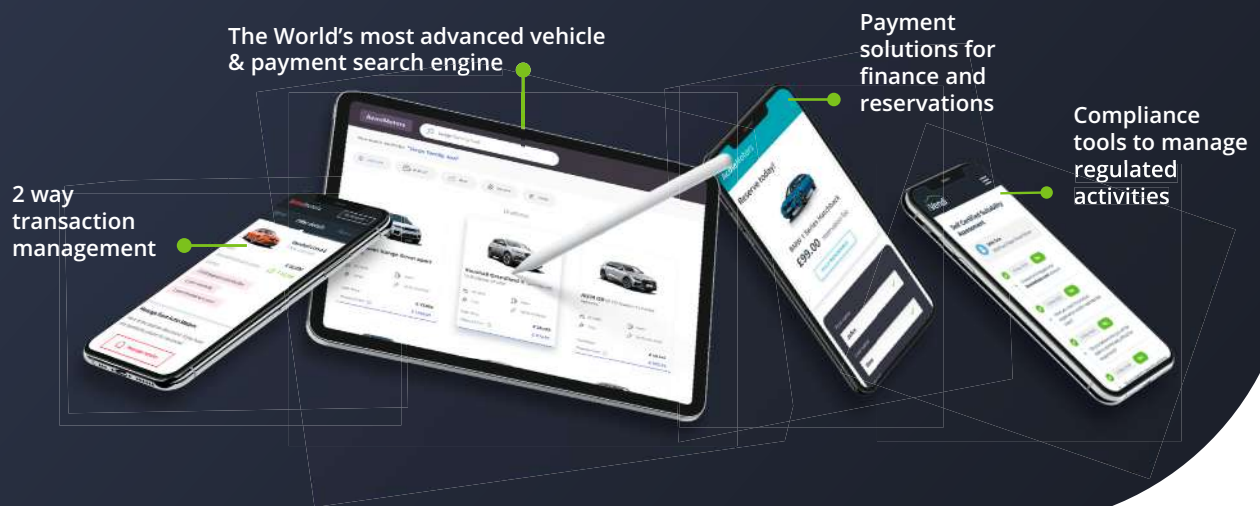
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Modern dealer marketing to target modern car buyers

Technology is the key to targeting customers – and keeping them engaged

Managing sales leads nowadays can be a daunting task. It has never been easier for consumers to enquire about a car online, and this has inevitably led to a burgeoning tide of enquires – many of which aren't of the highest quality. At the same time the sources of those leads expect a rapid response to their enquiries, regardless of the time of day.

Establishing an effective customer contact strategy

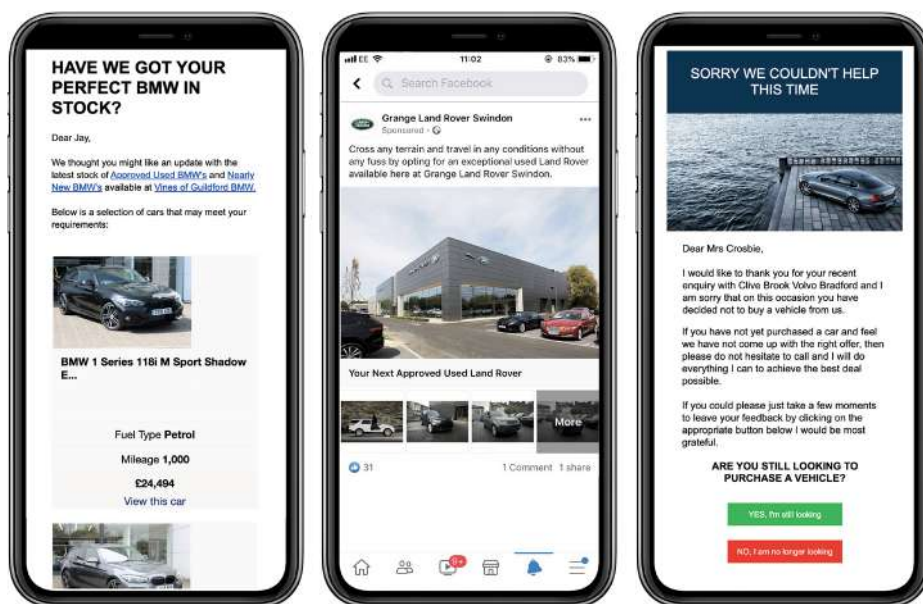
Salespeople can often feel besieged by the sheer volume of inbound leads, and many are not trained – or even available – to respond in the best way. Those dealers keen to ride the wave rather than be swept away are increasingly outsourcing enquiry management, while many others are introducing sophisticated new levels of automation into their centrally-managed social campaigns and digital interactions.

By integrating eCRM (electronic customer relationship management) technology into their contact strategy, dealers can reduce the time and labour required to reach out to consumers. Doing so also meets customer demands for interactions that reflect their needs, interests and prior history.

A successful eCRM strategy draws on multiple communications channels. Emails, texts and social media posts can be used to target prospects, generate leads and keep customers engaged while they wait for the ideal car to arrive in stock, and even fill empty workshop bays.

Sales teams can use eCRM tools to keep potential customers engaged and updated

IN A CHALLENGING MARKET, DEALERS NEED TO BE ABLE TO KEEP PROSPECTIVE CUSTOMERS ENGAGED



with day-to-day stock changes. Much of the process is automated, allowing salespeople to focus on selling. Such systems issue tailored email alerts when new stock arrives which matches their initial enquiry, and keeps potential customers 'on the boil'.

Make social a cornerstone of your contact strategy

For many dealers, social media marketing is an untapped source of leads, but it is rapidly switching from a nice-to-have into a necessity. Forty million people in the UK visit Facebook at least once a month, for instance, while 80% of those access it more than once a day. And 75% of UK Facebook traffic falls during the working week (source: Facebook IQ). Using Facebook's targeting features therefore makes it an ideal platform for customer conquest and lead generation.

Tools such as Marketing Delivery's SocialStock and Car Alerts systems follow up electronically with customers, keeping

them engaged with emails and targeted adverts for relevant vehicles.

'SocialStock' is Marketing Delivery's new online social media management and reporting platform. Developed specifically to make social media marketing simpler and more effective for motor retailers, the system takes a stock feed directly from a dealer's website for use with email stock reminders and Facebook advertising.

Using this feed, SocialStock then creates and automatically maintains a Facebook 'product catalogue' to be used in organic and paid-for adverts. The platform is scalable, depending on dealer requirements, making it suitable for individual solus sites, as well as large dealer groups managing social content for multiple sites and brands.

In a challenging market, dealers need to be able to keep prospective customers engaged until they make a decision. An automated eCRM strategy can keep dealers in touch with prospective buyers, reducing the administrative burden on sales teams at the same time.

Contact Marketing Delivery on 01892 599 917 or get.in.touch@marketingdelivery.co.uk to learn how automated eCRM can help you deliver messages to customers more comprehensively than ever before.

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How video boosts sales and profitability

As we enter a new decade of motor retailing and with consumers increasingly confident in undertaking huge chunks of the purchase journey online, the appetite for high quality digital assets and personalised online communications is unprecedented.

Video is now so closely linked to boosting enquiries and forging relationships before car buyers even step on site that the battleground has moved away from whether or not a retailer utilises video, to its quality, creativity and speed of turnaround.

Using video to communicate personally following a vehicle enquiry is now a widely adopted practice, and high quality digital content to market used car stock on websites has been a focus throughout 2019. CitNOW's technical experts further met retailer demands by incorporating still imagery and 360 views as part of their

Web app, and in turn dramatically increasing speed to web for vehicle marketing assets.

Such a fast turnaround for digital assets helps vehicles sell faster - and a quicker stock turn inevitably translates into higher profits. Several AM100 groups adopted the technology throughout 2019, with one of the UK's top dealer groups increasing the publication of used car stock with image and video from 75 to 92% following implementation.

Video taking and photography has now become an everyday task for retailer employees, with Web reducing costs without compromising quality. Utilising CitNOW Web to collate all necessary content for online marketing, used vehicles go from being retail ready to fully uploaded on dealer, manufacturer and classified websites in just a few hours - complete with still imagery, 360-degree views and video.

CitNOW is continually enhancing its video technology to help dealers realise even higher returns. Video as a mainstream marketing tool is reflected in this year's entries into CitNOW's annual awards with 1,678 video entrants - a 77% increase on last year. The CitNOW platform has also clocked up another record year after hosting over 11 million videos in 2019.

CitNOW consumer research undertaken last year found two-thirds (66%) of drivers say it's important to see high-quality interior and exterior imagery of their purchase and 35% believe it's important to see a video. As the year unfolds and digital becomes ever more ingrained in the car purchasing and ownership cycle, high quality content for online marketing and personal communications will take an even more prominent role, propelling video assets to the fore.

Learn more about our suite of app-based smart video and image solutions at www.citnow.com or call us on 01189 977740.



MAZDA CX-30: DEALERS MAY BENEFIT FROM



Mazda expects to register between 8,000 and 10,000 CX-30s in the UK

Mazda dealers received a boost last year from the launch of the new generation Mazda3, and now they will hope their sales will take off with the 2020 addition of a new crossover SUV in the C-segment.

The CX-30, which went on sale in January, is based on the Mazda3, but slots into Mazda's SUV portfolio between the small B-segment CX-3 and the popular mid-size SUV, the CX-5.

The risk for Mazda's dealers is that it will steal some of their customers away from Mazda3. Yet this could be potentially to the dealers' financial advantage, as the CX-30 has a higher price point from which to earn margin. The list price of the crossover carries a £2,300 premium over an equivalent grade Mazda3 hatchback with the same engine. So when existing Mazda3 owners get a call near the end of their finance term, persuading some of them to

PCP the CX-30 for relatively little uplift in monthly payment shouldn't be a huge task. And they will get 20% more boot space as a bonus.

Jeremy Thomson, Mazda UK's managing director, said 47% of the company's sales are currently crossover SUVs, "so it's a perfect time to introduce this car into the mix".

There's no diesel powertrain available for the CX-30 – instead, salespeople have the new Skyactiv-X 180PS petrol engine to offer buyers who seek decent overtaking acceleration, or a lower-powered and lower-priced Skyactiv-G petrol unit with 122PS, as used in the Mazda3. Both engines feature the Mazda M Hybrid 24v mild-hybrid system and upgraded stop-start to help keep CO2 emissions below 120g/km in manual cars (as low as 105g/km for Skyactiv-X manual).

"While Mazda is committed to diesel and the development of next-generation clean diesel engines for appropriate sectors, the abilities of Skyactiv-X and diminishing

“

CX-30 WILL BE THE VOLUME SELLER ACROSS ALL CAR LINES. THAT REFLECTS THAT CROSSOVERS HAVE OVERTAKEN HATCHBACKS AS THE COUNTRY'S BODYSTYLE OF CHOICE

**JEREMY THOMSON,
MAZDA MOTORS UK**

consumer demand for diesel engines in the compact SUV segment mean that in the UK the Mazda CX-30 will be exclusively petrol," said a Mazda UK spokesman.

The Mazda CX-30 is available in five trim levels: SE-L, SE-L Lux, Sport Lux, GT Sport and GT Sport Tech. All have generous equipment as standard, including a projecting head-up display for the driver that shows current speed, navigation instructions and speed limits, plus active cruise control, rear parking sensors, power-folding door mirrors, LED headlamps and Apple CarPlay and Android Auto.

SE-L Lux models and upwards gain a powered tailgate and heated seats, GT Sport models gain leather seats, a heated steering wheel and upgraded Bose audio system.

GT Sport Tech also introduces Mazda's three newest advanced driver assistance systems: driver monitoring, which scans the driver's face to determine when they're

FROM MAZDA3 BUYERS CROSSING OVER



All trim levels have a driver's head-up display as standard



SE-L Lux models and upwards gain a Bose audio system upgrade



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2.0-LITRE SKYACTIV-G 122PS, 2.0-LITRE SKYACTIV-X 180PS



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6SP MAN, 6SP AUTO



40.4-47.9MPG



105-128G/KM CO₂

Q&A



JEREMY THOMSON,
MANAGING
DIRECTOR,
MAZDA
MOTORS UK

Why should Mazda dealers be excited about the CX-30?

The plan is that this will be significantly our best seller. The CX lines together, CX-3, CX-30 and CX-5, will probably be about 50% of our total sales, but CX-30 will be the volume seller across all car lines. That reflects that crossovers have overtaken hatchbacks as the country's bodystyle of choice, so the timing is very good.

What does that translate to in numbers?

Between 8,000 and 10,000, but this is one of those launches where I sense potential upside on what we are expecting. The more I drive the car, the more I'm convinced it really does fit a mainstream need. But I also sense we will see over the next few months an optimistic bounce, a positivity return to the sector. As a manufacturer that has had a tremendous amount of product news in the past year we have real opportunity to take advantage of an upswing. If my best hopes aren't met, we're bunkered down and well protected.

Why do you think that?

We hope there'll be some ability to predict what 2020 looks like. 2020 is already fraught with complication and difficulty, because of legislative changes and uncertain consumer behaviour in the face of uncertain political outcomes. Let's hope we have an outcome that allows Britain to knit together again, focus on the future in a positive way, and get on with business.

Is that a message you have shared with the dealer network?

Yes. I've visited 100% of our network in five sessions around the country with a very open agenda. It's a very constructive environment for the network to tell us what matters to them, and for us to outline how we'll respond to that.

We're working with dealers, understanding their issues, appreciating that dealer profitability is paramount in these difficult periods. As we plan for 2020, dealer sustainability and viability has been right at the top of the list.

Will diesel have a future with Mazda?

We're one of the manufacturers that believes there is still a positive future for diesel. We will introduce Skyactiv-X diesel technology over the coming years, which will be breakthrough in terms of efficiency and emissions. Demand for diesel has waned, but there is absolutely still a place for diesel, particularly in large car platforms.

≈ REVIEW RATINGS

WHAT CAR?



AUTO EXPRESS



CAR



≈ KEY RIVALS



Toyota C-HR



HYBRID,
LOW VED



STRIKING DESIGN
DETERS SOME,
POOR VISIBILITY



Volkswagen T-Roc



INTUITIVE
ENTERTAINMENT
SYSTEM



POORER EFFICIENCY
FOR THE POWER



Seat Ateca



GOOD DRIVING
DYNAMICS



QUITE A BIT BIGGER,
MORE SUV THAN A
CROSSOVER

being inattentive and sounds an alert; front cross traffic assist which detects oncoming vehicles in blind spots at T-junctions, and cruising and traffic support, which assists with controls while stuck in traffic to reduce driver fatigue.

For customers who want to traverse grassy fields or snow-covered hills with more confidence, the Skyactiv-X engine is also available with Mazda's i-Activ all-wheel drive system for Sport Lux trim and above. Given the cost premium and poorer efficiency, Mazda expects these to attract one in 10 customers at most.

Having driven the ageing Mazda6 for several months, it's very easy to notice the uplift in the quality of the interior fit and finish in the CX-30. As the second car in Mazda's new iteration of Kodo Design, after the Mazda3, the CX-30 looks like it will impress the brand's loyal customers and the others exploring their C-segment options. **TIM ROSE**

MAZDA6 TOURER 2.2D SE-L LUX NAV+

REPORT PROGRESS



I CAN'T SEE CLEARLY NOW THE COLD WEATHER IS WITH US – WELL, NOT QUICKLY ENOUGH FOR MY LIKING

Thanks to the Christmas holidays our Mazda6 has had a bit of rest from daily commuting. But it has been put to new uses that made me appreciate the substantial interior space even more than usual.

My article last issue detailed how its boot exceeds that of many more-popular SUVs and premium estate cars.

But the need to transport large volumes of post-Christmas rubbish to the local recycling centre and to deliver a big dog crate to a family member meant the lowering of the back seats – easily done with levers either side of the boot interior – to make use of the entire 1,664-litre load space available to any Mazda6 Tourer customer.

It also made me appreciate another advantage a traditional estate car has over the trendy crossover SUV – the lower boot means heavy items can be lifted in more easily.

Winter use, while proving the benefits of the heated steering wheel and front seats, has thrown up one issue.

The windscreen demister on my test car seems pretty inadequate by today's standards, leaving me sat frustrated for a good three or four minutes until I can see clearly enough to set off.

The rear screen demister is also slower than I would expect.

Perhaps my complaint reflects my impatience, but today's new car buyers surely have an expectation (rightly or wrongly) of 'get-in-and-go' and this does slightly mar an experience which, otherwise, has been resoundingly positive.

A Google search shows there are some Mazda6 customers with similar gripes, and some have complained to their dealer, so I imagine my frustration will not come as a complete surprise to the Mazda UK network.

Meanwhile, I can't wait for summer to come.

TIM ROSE

CURRENT MILEAGE	0	4	5	3	2	START MILEAGE	0	0	6	0	6
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2.2-DIESEL, 150PS



0-62MPH
10.2SECS, TOP
SPEED 130MPH



6SP MANUAL

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Bryan Longhurst, marketing executive at Vospers, correctly identified the BMW Z1 in our 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. The closing date is Friday, February 7.



TALENT ON THE MOVE



**JONATHAN DUNKLEY,
CARSHOP CHIEF EXECUTIVE**

CarShop chief executive Jonathan Dunkley, chief financial officer Brian Scott and commercial director James Dunkley have all left the business suddenly.

AM was told that James Dunkley and Scott, both of whom resumed their roles within the leadership of the business when it was acquired by Sytner back in January 2017, had left before Christmas, along with Jonathan Dunkley who became head of Sytner's car supermarket division.

Sytner Group has not responded to AM's calls seeking more information.

However, notice of the termination of both Jonathan Dunkley and Scott's employment at CarShop on the Companies House website appears to confirm the move.

James Dunkley was revealed as a new managing partner of Camden Ventures last month.

Jonathan Dunkley and Scott were the respective CEO and CFO at CarShop when Sytner acquired the Northampton-based ID50 retail group back in 2017.

The acquisition proved enough for Sytner to knock Pendragon off the AM100 rankings' top spot for the first time in 19 years.

According to the AM100 table of the 100 biggest dealer groups by annual turnover at the time, Sytner generated almost £4.3 billion in 2015, £158 million behind Pendragon on £4.46bn.

CarShop said it generated £208.6m in 2015 and estimated it would make about £275m in 2017.

Following the acquisition of CarShop, Dunkley and Scott as the CEO and CFO of Sytner's newly formed used car supermarket division, then acquired The Car People a year later.



**VICTORIA MITCHELL,
LOOKERS NON-EXECUTIVE
DIRECTOR**

Lookers has appointed former Capital One chief operating officer Victoria Mitchell as a non-executive director.

The AM100's second-placed retail group by turnover continues to bolster its know-how in the field of finance with the announcement, which follows the appointment of former HBOS chief information officer Heather Jackson as a non-executive director last month.

Mitchell, a barrister by profession, is also a non-executive director with the West Bromwich Building Society.



**ANGELA SHEPHERD,
CHIEF EXECUTIVE
MERCEDES-BENZ
RETAIL GROUP**

Mercedes-Benz UK's network operations director Angela Shepherd has been appointed chief executive of the brand's own dealer, Mercedes-Benz Retail Group.

Shepherd, who has long tenure at the brand, has spent the past five years in her current post, responsible for ensuring its dealer network could handle increasing sales volumes and remain profitable.

Having risen through the ranks at Mercedes via dealer operations, aftersales, training and network strategy, Shepherd becomes only the third female leader of an AM100 franchised dealer group.



**ANDREW HUMBERSTONE,
NISSAN MOTOR GB
MANAGING DIRECTOR**

Nissan Motor GB has appointed Andrew Humberstone as managing director, less than eight months after his predecessor, Kalyana Sivagnanam, took up the post.

News of the appointment came as Society of Manufacturers and Traders (SMMT) data revealed that the Japanese carmaker's UK registrations had declined by 10% during 2019, ending the year at 92,372 with a market share down 0.34 percentage points at 4%.

Humberstone, who headed Fiat UK from 2007 to 2012, had joined Nissan Europe in May 2019.

AM AWARDS : 2020

Welcome to this year's AM Awards sponsors

Preparations for the 2020 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 13, 2020.

There are 24 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career.

Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar. This year:

Santander is sponsoring the Best Used Car Dealership (independent non-franchised)

We are delighted to receive the support of this company for this key award category at what promises to be an industry highlight of 2020.

 **Santander**
Consumer Finance

For more information on the AM Awards, including the sponsorship packages still available and details of how to book tables, go to www.am-awards.co.uk

AM LIVE 2019 ROUNDTABLE

A whole range of issues were discussed by some of the industry's biggest hitters, who were in no mood to pull their punches when it came to the challenges facing them as they go into 2020

Transforming the car sales process from "the worst scenario you can think of" into something simpler for the consumer and easier for the retailer will deliver consumer satisfaction, efficiency and growth.

That was the overriding challenge posed by Andrew Bateman, director of customer experience at JCT600, as the agenda for the Automotive Management Live 2019 roundtable meeting navigated through digital best practice, opportunities in 2020, measures to drive efficiency, improving transparency and delighting customers.

But a battle against an out-of-date sales process dictated by manufacturer partners while trying to adapt to the needs of a better-informed customer who may be keen to embrace digital solutions for some or all of their automotive requirements means many retailers are facing a number of hurdles.

Karen Wagstaff, head of group F&I compliance at Sytner Group, insisted: "We're good at looking after our customers. The reality is that even

with systems that aren't quite where they need to be, we still do a bloody good job."

But Bateman was keen to see his fellow roundtable delegates acknowledge that there remains a huge requirement for most car retail operations to meet the needs of customers familiar with a new type of stress-free sales process defined by the likes of Apple and Amazon.

Bateman said: "If you go, just as a normal human being, into a dealership and chat to someone about a car and then end up doing a test drive, that is the worst human scenario you can think of. Walk into an Apple store and you can play to your heart's content. Come to our place and we won't leave you alone – and if you want to drive the product then we'll sit with you while you drive it. Even if the sales person is brilliant, it's still weird."

"At JCT600 we offer test drives at home or test drives at work."

Bateman said JCT600 saw its 2020 growth opportunity coming from improved productivity, adding any perceived growth would likely come

from "the same customers and the same job", but working in a more savvy way to "get more from it".

He said innovating to simplify the retail process lays at the heart of this. "It seems now everyone sells all they can sell, but still receive more enquiries than they know what to do with," he said. "It takes three to five hours to buy a car in the showroom. I think customers are just paralysed by choice and they just put it off."

"The opportunity is there to make it easier for us and simpler for the customer and, really, I think all the agenda items being discussed here today come down to the same thing."

Bateman added his mystery shopper experiences of dealerships// had been "awful" but said that the industry owed it to its sales executives to give them a "fair crack" by simplifying the sales process.

"It's not like the salesperson is dragging their feet, it's not the FCA's fault or the manufacturers' fault... things just don't connect," he said. "If a customer buys a car and they are completely satisfied then we have



swum the Channel because we have somehow made that process enjoyable."

Tara Williams, F&I compliance director at Group 1 Automotive, conceded: "The more process you put in place, the less natural communication takes place."

And many around the table agreed that the process – or a customer's perception of it – was a hurdle to both trust and customer experience.

Williams said she felt the drive towards online was bred out of an inherent distrust of car retailers.

When consumers do enter the dealership it is now more commonly the case that they are coming "ready to buy", said Williams, but she added the sales process, the staff that have to implement it and the systems behind it are often at odds with the immediacy now expected of them.

Elina Karppinen, group marketing director at Renault Retail Group, stated that many retail staff are still trained to put customers through a pre-determined sales process "because that's what we've been doing for 20 years".

She added: "We then get mystery shopped by a manufacturer, which is imposing these 20-year-old principles, it's not right. We need to have freedom to let the consumer dictate the buying journey."

Darren Wilson, finance director at Duckworth Motor Group, said that seminars at NADA had enlightened him to the need for a better flow from online to physical retail.

Wagstaff took up the point, stating: "If the sales person doesn't

DELEGATES



ANDREW BATEMAN
director of customer experience, JCT600 Ltd



DARREN WILSON
finance director, Duckworth Motor Group



ELINA KARPPINEN
group marketing director, Renault Retail Group



JAMES FAIRCLOUGH
chief executive, AA Cars



JOHN SMYTH
director, Swansway Garages



KAREN WAGSTAFF
head of group F&I compliance, Sytner Group Ltd



MARK BROOK
sales director, Hepworth Motor Group



PETER TOOP
sales and marketing director, Vindis Group



SIMON DROWN
head of vehicle inspections, The AA



TARA WILLIAMS
F&I compliance director, Group 1 Automotive



ANDREW LEMON
finance director, Hartwell Group



**“ IF A CUSTOMER BUYS
A CAR AND THEY ARE
COMPLETELY SATISFIED,
THEN WE HAVE SWUM THE CHANNEL
ANDREW BATEMAN, JCT600**

understand where in the digital journey the customer is, that customer will be very frustrated. The online retail system needs to be integrated with an option for the consumer to share their journey. That's the missing piece of the jigsaw.”

The car retailers around the table found themselves at different stages of delivering online retail, but the creation of a bespoke system had suffered from the demands of manufacturer partners and the shortcomings of suppliers.

Peter Toop, sales and marketing director at Vindis Group, said that his business had now started to work with US-based digital solutions provider Roadster in an attempt to bring its digital and physical offers closer together and make it possible for customers to complete a finance offer at home.

But he said integrating new car data and providing that finance solution was proving to be the greatest challenge.

Wagstaff said integration with various finance lenders had also proved a challenge for the AM100's largest retail group. “The problem is that all those lenders are at a different point and do they want to connect back to our processes?” she asked.

“Things don't always tally with what the dealer wants. Dealers are champing at the bit to build this kind of solution but

from a lender point of view they may be focused more on their own solution.”

Sytner Group and Duckworth Motor Group have both implemented a paperless sales process as part of their efforts to refine the customer journey.

Wilson said: “We are going down this route now, but our manufacturer partners are still saying that they need a physical signature on a piece of paper and if that's not in place when it's time for an audit they are going to fine us.”

John Smyth, director at Swansway Garages, said his business was learning about selling cars with minimal customer contact through the group's two brokerages. He said: “We have a GForces website and it's probably not robust enough. We've done another website and our conversion is twice as good because of the speed of the site. The whole point of digital is to get the customer to make an enquiry.”

Williams said retailers must not rely too heavily on their online assets, no matter how advanced they are.

Highlighting the need for retailers to play an active role in delivering positive outcomes for customers, despite the shift towards digitised solutions, she said: “You cannot make the assumption the customer's done the right thing and is going in the right direction.”

SPONSOR'S COMMENT

Gaining customer confidence and trust is more important than ever

By Stewart Wells, head of sales and customer operations, AA Cars

The recent Automotive Management Live roundtable discussion confirmed that it has been a challenging year for many dealers. It is clear that those businesses trading ahead of market conditions are the ones who consistently put consumer needs first and are able to quickly adapt and differentiate themselves to meet the ever-increasing expectations of consumers for trust, quality, experience and price.

On all the products and services we offer across our group, the underlying mission of The AA is to help make everyone's driving life simpler and smarter. Consumers trust us to deliver products and services they can depend upon and they know that we will be there to help them if things don't go quite to plan. These principles have never been more relevant than when it comes to buying a used car with confidence.

Customers want to have confidence in the condition of the vehicle they are buying and the reputation of the dealer they are buying from. They want to know they are getting a safe and mechanically reliable vehicle at a fair price, and that they won't discover any nasty surprises later on. Increasingly, this means that they want to know that the vehicle they are buying has been independently checked before they buy.

This year, we have had more requests than ever from our dealer network, wanting to have their stock inspected by us. This shift from just having the dealership approved to having all their cars inspected by us is giving customers even more confidence, and helping dealers to differentiate themselves and win more business in a competitive and challenging market.

The AA Cars website does a fantastic job at providing car buyers with a wide range of vehicles and a network of dealers they can immediately trust. Most customers visit our site when they have already done their research and are ready to buy, so the quality of lead is very strong and this enables us to add real value our dealer network.

■ If you would like to find out more on how we can help your dealership, please get in touch with me at stewart.wells@theaa.com

AA Cars

EIGHT QUESTIONS TO A...

NETWORK DEVELOPMENT DIRECTOR

Andy Robson, Groupe PSA



What are the main responsibilities of your role?

ROBSON: My key responsibilities are to ensure all the brands within Groupe PSA – Vauxhall, Peugeot, Citroën and DS Automobiles – provide an excellent investment opportunity to both the current and new franchise investors. Ensure that all open points are closed and, where required, support and manage poor performing businesses to improve or exit the business.

Network development is the custodian of the franchise contract and is key to building strong relationships with network investors. The profitability of the franchise is key to building a strong network that can deliver industry benchmark customer satisfaction and podium sales.

A really interesting and potentially challenging part of my role is planning the future network. All stakeholders are involved in this process. The representation over the last 50 years has not really changed; however with the huge changes that approach the motor industry it is key to make sure the network adapts and is ready.

What are the most significant challenges ahead in your field of work?

ROBSON: The key challenge is how the brands and its network adapt to the changing behaviours and requirements of our customers, and how both brand and dealer can work together to deliver a simple and easy way to do business.

An obvious example is the digital journey and how that dovetails when the customer wants to see, test drive and ultimately pick up their new vehicle from the dealership. This one challenge presents many questions if you assume a major growth in online sales. Will customers travel further? What facilities are required on site? Do you need the traditional sales executive? Does the business model change for the dealer?

Another key challenge is the future legislative impacts and the recent announcement of banning diesel sales in Bristol again will mean the network structure will need to adapt.

How might these challenges be overcome?

ROBSON: A strong and open relationship with the dealer network is critical to ensure we both can adapt to meet the challenges ahead. I am very proud of the relationship we hold with the network and believe working together will enable us to meet the future challenges and improve our competitive advantage.

What attracted you to this area of expertise?

ROBSON: Network development spans all areas of the business, both at dealers and internally. This appealed to me as there isn't another area so broad across the business, and a key part of this role is working with our partners and new investors which is fun, challenging and very rewarding. My career started with Vauxhall in 1985 where I joined as a business trainee in the marketing department. Over the last 33 years I have worked across all key departments within sales and marketing from retail and fleet sales field roles, running Network Q to national retail sales manager. I was appointed aftersales director for Vauxhall Motors in 2013 and network development director for Vauxhall in 2018. I moved to Groupe PSA in July.

What's the most important thing you've learned in your career, and how do you now make use of it?

ROBSON: The most important thing is to recognise that although our business is the sale of vehicles, service and parts, we are really in the people business. We offer the same opportunity to many individual and group investors across the UK and the key difference between the top 25% and the bottom 25% are the people who operate the business. So for me it is to make sure we are aligned and following in the same direction with our partners. Provide the very best support to enable our dealers deliver the best in class training for their staff who in turn deliver podium results for all Groupe PSA brands. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

Delivering results, improving the performance and growing the business.

What's your favourite app?

I recently visited New York and got the MY MTA. It tells you the nearest underground station and the time the next train was due. It also covered the same information for bus routes.

How do you relax?

I enjoy listening to music, going to the cinema and watching my kids play lacrosse and rugby.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What is your favourite UK landmark?

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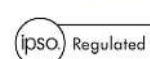
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