

# AMM

AUTOMOTIVE MANAGEMENT

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May 2020 £8.00

## **DRAYTON MOTORS / P22**

Overcoming rural isolation comes naturally for this Kia retailer

## **DS AUTOMOBILES / P34**

Showrooms shrink but the brand hopes for sales growth

## **USED CARS / P41**

Trends and innovations from dealers selling pre-owned stock



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# EDITOR'S LETTER

It's so heartening to see news stories and social media posts about staff from UK dealerships doing their utmost to keep key workers mobile and equipped. It's been an unprecedented crisis that has closed car and van dealerships and put thousands of staff into furlough. Yet great people are giving their best, whether volunteering to take overnight shifts servicing NHS and police vehicles, loaning demonstrators to the volunteer services in their communities, or gathering up latex gloves, coveralls and protective glasses to offer to local hospitals.

Keeping busy helps to keep everyone's spirits up and minds off these turbulent times. Automotive managers need to keep operations prepared for when the UK Government allows normal trading to continue. Review cashflow, overheads and stock levels of course, but you should also research new products and services, examine new business practices and keep communicating with potential customers.

And it's time for robust conversations with manufacturer partners. Unless some see this as a sly opportunity to cut their franchised networks, all must support their franchisees in the weeks ahead. Money talks, so guarantee the volume and standards bonuses, then your dealers will be poised to go at the green light.

*\* Note: interviews in this issue of AM were mostly conducted prior to the coronavirus lockdown.*



## AM DIGITAL MAGAZINE

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# JOBS AT RISK AS COVID-19 WREAKS INDUSTRY HAVOC

AM survey reveals huge concerns while confusion reigns over Government compensation

**O**ne in two UK car retailers fear they will be forced to make redundancies before the end of 2020 as a result of the impact of the COVID-19 coronavirus outbreak.

As businesses battled to interpret how fiscal measures delivered by Government "on the hoof" could add resilience during the nation's indeterminate lockdown, the majority of respondents to AM's COVID-19 impact survey conceded that they would be forced to make cuts to their headcount.

In total 52.8% of 467 respondents to AM's survey – conducted between March 25 and April 3 – said that they could foresee redundancies in their business as a result of the impact of COVID-19.

However, just over a quarter (26.6%) asserted all their employees would keep their jobs during 2020.

That reflected a more positive outlook of robust businesses such as AM100 dealer group Marshall Motor Holdings and Leeds-based Luscombe Motors.

In an interview with AM after Marshall announced the closure of

its UK dealerships hours ahead of the Prime Minister's announcement on March 24, Marshall Motor Holdings chief executive Daksh Gupta said that his business would be paying its employees 90% of their wage during April.

"We had already taken the decision to close stores and pay staff the 90% before the Government announced its salary support scheme and that's what we'll do. It's the right thing to do."

Gupta added: "How long could we stand it in a worst-case scenario? That remains to be seen, but if we go, we'll be one of the last to go."

Luscombe Motors owner Robin Luscombe said that his staff had been designated as "furloughed workers" as part of the Government's Job Retention Scheme during his business' enforced closure period.

But he added that, while he had

discovered he was unable to take advantage of Government loan schemes set up to help businesses, he was confident that Luscombe Motors would survive.

He said: "I think the main thing I can do right now is reassure them that they'll have a job to come back to at the end of all this and they will. It's going to be a bumpy time, but we'll still be here at the end."

Respondents to the AM survey were quick to praise the response of dealers to the current crisis, leaving praise in comments accompanying their contribution.

One stated: "I believe our group has acted in the best interests of our customers and colleagues alike. We are in choppy waters and everyone in the industry needs to work together to keep our key workers mobile and keep Britain moving. We'll get through this, but we must

all stay safe."

The vast majority of car retailers had been quick to explore the option of furloughing staff following publication of details of the Government Job Retention Scheme (JRS) on March 26.

Some staff had been forced to 'self-isolate' due to the emergence of COVID-19 symptoms. Some 22.2% of respondents stated 11 or more staff had stayed away from work as a result and only 23% stated that no staff had been taken ill.

AM's survey revealed 93.1% of respondents were hoping the JRS would relieve pressure on cashflow and workforce. It allows business to reclaim up to 80% of wages up to a maximum of £2,500 per month by way of a grant.

Of those who furloughed workers almost three-quarters (72.8%) said they expected more than three-quarters of their staff to sign up to the JRS, with 28.7% stating all their staff would be placed on the scheme.

In his response to the scheme,

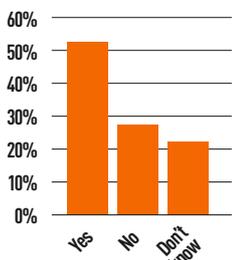
**“ WE ARE IN CHOPPY WATERS AND EVERYONE IN THE INDUSTRY NEEDS TO WORK TOGETHER**

**AM SURVEY RESPONDENT**





**DO YOU FORESEE THAT YOUR BUSINESS WILL BE FORCED TO MAKE REDUNDANCIES IN 2020 AS A RESULT OF THE IMPACT OF COVID-19 CORONAVIRUS?**



however, ASE chairman Mike Jones acknowledged that most businesses had "placed their staff on furlough, in advance of fully knowing the rules".

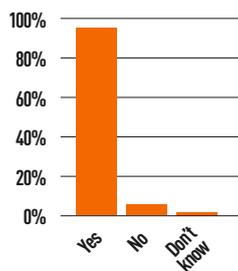
What resulted was confusion surrounding the inclusion of commission payments in the scheme.

Government clarified that "regular commission payments" were included in the JRS's pay calculations following lobbying efforts by the National Franchised Dealers Association (NFDA) and more than 27,000 signatures on an Independent Motor Dealer Association (IMDA) online petition.

MHA MacIntyre Hudson tax director Nigel Morris said: "The issue with so many of the Government's fiscal measures right now is that they have been created on the hoof. No one can deny that they've done a vast amount to support business, but we still need clarification in certain areas."

As AM went to press the HMRC

**HAS YOUR BUSINESS EXPLORED THE POSSIBILITY OF THE GOVERNMENT'S OFFER TO PAY A BUSINESS' EMPLOYEES UPTO 80% OF THEIR WAGE, AS 'FURLOUGHED WORKERS' DURING THE CORONAVIRUS OUTBREAK?**



said that its online JRS application portal would go live on April 20.

ASE chairman Mike Jones foresaw issues, however. He said that nine million people were expected to be enrolled on the scheme and "everyone will want the cash in time for this month's payroll".

Prior to that, HMRC chief executive Jim Harra said HMRC's servers had been tested for 450,000 claims an hour, and a total of 5,500 staff will man a JRS helpline.

Lawgistics gained confirmation that HMRC will accept applications for commission payments calculated using the same month's earning from the previous year or average monthly earnings for the 2019-2020 tax year.

Confusion surrounding Government support could be partially to blame for mixed responses to other

questions in AM's survey.

Business rate relief was expected to apply to 63.8% of respondents, while more than 13% did not know if they were eligible for support.

Criticism from respondents to AM's survey was not confined to the clarity of Government support measures.

They also reflected disappointing experiences of the response from banks and local authorities.

One respondent said: "The support offered from the Government seems very good, but it is the fact that we have not received (any information about the schemes) yet which is causing distress. Also, the banks don't seem very helpful with the offer of business interruption loans."

Another respondent said urgent assistance was required, stating: "As yet, no financial support via the banks or council has been forthcoming. This will force my business to close in four weeks if I still have not received the financial support

promised by the government."

It became clear that, despite the government's lockdown having been announced hours before our survey started, respondents were still uncertain of COVID-19's impact on March trading.

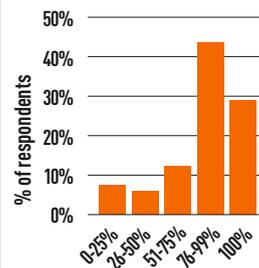
Some 21.7% said that the decline would be less than 25%, while 30.6% predicted it would be between 26% and 50%. The Society of Motor Manufacturers and Traders data subsequently revealed it to be a 44.4% drop.

A total of 22.6% felt they would lose over three-quarters (76%+) of their new car sales volume, meanwhile.

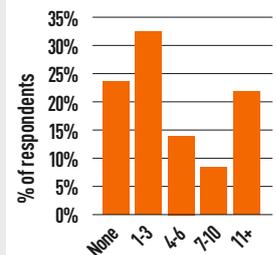
One in four (18%) respondents predicted their used car volume decline to be below 25%, and as many again (19.1%) feared a drop of 76% or more. The majority (38.1%) expected a decline of 26% to 50%, and the remainder forecast 51% to 75% falls.

TOM SHARPE

**WHAT PERCENTAGE OF YOUR WORKFORCE WILL BECOME 'FURLOUGHED WORKERS' IN ORDER TO BENEFIT FROM THE SCHEME DURING THE CORONAVIRUS OUTBREAK?**



**HOW MANY STAFF MEMBERS FROM YOUR BUSINESS HAVE TAKEN THE DECISION TO 'SELF-ISOLATE' HAVING EXPERIENCED CORONAVIRUS SYMPTOMS?**



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# COULD CORONAVIRUS SPEED UP DIGITAL TRANSFORMATION OF AUTOMOTIVE RETAIL?

Necessity is the mother of invention – as the motor industry is finding out quickly

**W**hile the automotive sector has undergone dramatic digital transformation, the sales process has remained the same with the customer quickly funnelled into the showroom. Coronavirus has changed all that.

Innovative and forward-thinking dealers are deploying digital tools more extensively, while by the second week of the lockdown some suppliers had accelerated product development and scaled up operations to accommodate remote working.

As the realisation sinks in that it isn't necessary to conduct much of the purchase process in the showroom, the likelihood of a return to old practices is already looking unlikely.

In the first week of lockdown, Auto Trader figures (March 27) showed classified traffic down around 41% over the previous week, compared to the same period last year, while its 1.1 million average daily users dropped to around 755,000 on March 23 when lockdown was announced.

Richard Walker, data and insight director, said: "The fact that between 8,000 and 10,000 adverts are still being saved by consumers every day suggests that while consumers can't easily buy their next car now, they haven't stopped looking. It's therefore vital that, while physical premises have had to close, digital forecourts remain very much open."

Similarly, online garage Regit, which has 2.5 million registered car owners, reported test drive requests had dropped 90% in the first few weeks of March, but there had been a 300% uplift in web traffic from March 23. Requests to 'keep me informed' and 'request a brochure' had never been higher, car valuations increased from 35,000 to 50,000 (although that could be skewed by those needing to divest)

and its live chat concierge facility is handling around 1,000 new car buying conversations.

Chris Green, co-founder and chief revenue officer, believes buyers will emerge post crisis with a new-found confidence in doing e-commerce with automotive retailers. He said: "The statistics show not even 1% of vehicles in the last five years have been bought online but we will see a shift as consumer confidence grows. There will be an uptake in buying used cars online as a result of this pandemic."

Messenger platform Liveperson is also handling more online conversations, following an initial drop-off of around 30% when lockdown was first announced. Some brands are seeing a 40-50% increase in messaging volume, a pattern which is repeated across all its B2C verticals.

An audit across its 8,000 dealers, analysing all conversations, identified the top 'intents' in the last four days of March as: deals currently available; can you deliver; buy now pay later; can I still purchase; when will my new car be delivered; can I reserve and can I buy online? Liveperson's messaging volume had been growing by 25% year-on-year but over the past four weeks, that figure had leapt by 90%.

Richard Ward, global head of OEM, said: "COVID-19 has fast-forwarded the sector five years for every vertical but particularly automotive. Consumer behaviour has changed forever; people will expect to buy

online more rapidly. Messaging underpins every part of the purchase journey because it allows people to interact. Everyone uses messaging but dealers for a long time have got away with pushing people through phone and email, which is not how consumers want to interact."

This fast-forwarding is evidenced by one of the biggest manufacturers in the US scaling up its messaging abilities, which saw Liveperson enabling 11,000 dealers worldwide not already on its platform to use the system in just six days.

Marketing Delivery also saw evidence of customers wishing to continue purchases within days of the pandemic gripping the country, while social activity also showed huge increases in traffic and engagement. One medium-sized group experienced a doubling of page impressions as COVID-19 took effect – 1,179,615 from March 16-25 compared to 656,070 the previous week.

Managing director Jeremy Evans said: "If customers were interested in a car before all this then they are still interested, it's just the lead times will change. We are still getting servicing requests, it's just that people are booking for May rather than April."

Around 90% of Marketing Delivery's dealer clients are continuing communications – albeit with tweaks – but Evans believes the crisis will result in long-lasting changes whereby sales executives will have to respond to

customers enquiring electronically in the same way.

He said: "That will be a permanent change. Not all customers will be confident and competent doing it but those who are will be pushed further down the sales funnel before they see a physical dealership. It will become the new normal for some people and that percentage will grow once dealers and customers realise this isn't a bad way of doing business."

Evans also predicts demand will grow for digital skillsets with a move away from the traditional sales exec who sits people down and negotiates face-to-face. Meanwhile, 'service to you' will be given a boost as consumers realise dealers are able to facilitate drop-offs and pick-ups for test drives and servicing. When Marketing Delivery updated the wording on its emails to 'visit our virtual showroom', it produced instant click-throughs.

Likewise, video platform provider CitNOW and digital documentation specialists MotorDocs accelerated the launch of new products to accommodate remote working. In pilot stage as the coronavirus outbreak occurred, CitNOW's remote part-exchange valuation live video stream was opened early to some retailers.

Ollie Parsons, head of UK sales and client services, said: "What this current situation has enabled us to do is leapfrog a considerable amount of time that it otherwise would have taken to get some of these in place."

Meanwhile, as people embed and work from home, video conferencing is becoming much more commonplace, Parsons said: "We are going to emerge from this considerably more comfortable with live video chat."

CEO Alistair Horsburgh added: "We believe when social distancing measures are relaxed, customers will still

**“ IT'S ABOUT EMBRACING TRUE E-COMMERCE TO BECOME RELEVANT IN THE OMNI-CHANNEL WORLD WE LIVE IN – AND STOP HANGING ON TO THE PAST**

**MARTIN SEWELL, MANAGING DIRECTOR, ROCKAR**



want a more contactless experience. We will see video being used for a smoother experience, if customers avoid going to a dealership."

Workshops facilitating a contactless drop-off will use video to put a face to a name and the showroom will increase video interactions beyond responding to enquiries, such as home-drop test drives, which will require confirmation of details, how to operate the vehicle or virtual test drives and demonstrations.

MotorDocs brought forward the launch of its iShare module, enabling documents vital to the selling process to be managed digitally, going live with two dealer groups and a used car retailer by the second week of the lockdown. The used car centre signed

up its first customer using the system in the first weekend, while the deal was already in process.

Joint managing director Andy Mee said: "We did in a week what would have taken us a few months because it focused our time and attention."

MotorDocs estimates there are between six and eight documents which need to be signed as part of the sales process which iShare facilitates remotely. Mee added: "The ability to have distant selling signature capabilities will come to the fore once we come back. It will be about how you are digitally enabled from a dealer point of view to transact at a distance, not just being able to order online but undertaking all the paperwork too. Until this point, you had to come into the showroom to sign everything."

Dealers operating Arena Group's

mstore digital documentation system have been able to continue the sales process remotely. When normality returns, mstore will allow the workload to be shared across dealerships to cover short-term absences, while sales process efficiencies will save costs in a slowing market.

Neil Maude, director of technology, said: "Digitisation makes business continuity more possible across a range of scenarios. Where it then works well is to streamline the buying process and provide more flexibility that adapts well to the requirements of social distancing.

"As more customers will be looking online to purchase their next vehicle, it's vital all the required paperwork can be processed electronically so only the final handover needs to be done face-to-face with the customer."

At Rockar, new clients were wanting to significantly accelerate plans to

move their businesses away from lead generation dependency, to full end-to-end e-commerce. Managing director Martin Sewell said: "This means during the second half of the year and into 2021 you will see an acceleration of this transformation."

While face-to-face interactions won't disappear when normality resumes, Sewell added: "I think customers would love to do as much as they can online – they just haven't been able to do so until now. I'm afraid the industry defines e-commerce as 'lead generation', which means they have to interact with someone to complete a transaction. Smart strategic thinkers will have true e-commerce in their sights; the crisis has brought the need into sharp focus. It's about evolving consumer interactions and embracing true e-commerce to become relevant in the omni-channel world we live in – and stop hanging on to the past."

**DEBBIE KIRLEW**

ADVERTISING FEATURE

# Maintaining customer relationships from home

By Alistair Horsburgh, CEO, CitNOW



With the enforcement of social distancing prompting showrooms and many workshops to close, retailers must be ready to increase the amount of no-contact communication between themselves and customers.

It's likely that contactless interactions between dealers and customers will remain essential for many months. The key now is to ensure all staff understand how best to use the tools available to them to maintain customer relationships and provide the reassurance, transparency and guidance customers need at this time.

Communicating with customers from home is a very different setting to the showroom. Any customer-facing staff working remotely will need to be set up with technology that allows them to embrace company social media channels, receive customer queries and create personalised video content. We are helping existing customers add personal devices to their account free of charge, providing them with easy access to our apps from home.

Creating content from home has obvious limitations, so the approach to video needs to change. With no access to vehicles, a short message providing key vehicle information is still an effective way to connect and stay engaged with customers. All staff should have access to existing stock video and imagery links, ready to share with customers alongside the message.

Now more than ever, customers want to be reassured – with informative video that recognises and addresses their individual needs. Beyond this, positivity and creativity can strike a real chord with customers, especially at a time when we're all used to viewing and sharing creative and ingenious video content.

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# THIS MONTH'S NEWS HIGH

MAR

17

**VARDY OFFERS ONLINE HELP**  
Peter Vardy, chief executive of the Peter Vardy Group, offered a free three-month trial of his end-to-end online car retail platform SilverBullet in a bid to make the sector's businesses more resilient to COVID-19 coronavirus. He said: "If (retail businesses) are not able to transact online in the coming weeks and months, life will be extremely difficult."



18

**LOSSES AT PENDRAGON**

Pendragon revealed a £117.4 million loss after tax (£16.4m pre-tax loss) in 2019 in an annual results statement that laid bare the full impact of "significant H1 losses". Turnover declined by 2.6% to £4.5 billion (2018: £4.63bn).

23



**MORE CAZOO INVESTMENT**

Cazoo raised a further £100 million to boost its online car retail ambitions. The online used car retailer, founded by Zoopla and LoveFilm founder Alex Chesterman (pictured), has now raised £180m since being founded less than 18 months ago.

**DEALERSHIPS CLOSE – FOR NOW**

Several franchised dealer groups announced temporary closures just hours before Prime Minister Boris Johnson announced a lockdown of all non-essential workers and businesses. Sytner, Marshall Motor Group, HR Owen, Lookers and Chorley Group were among the first.



25

**MOT EXEMPTION**

The Department for Transport (DfT) announced a six-month MOT exemption in an effort to maintain essential travel during the COVID-19 coronavirus outbreak. A week later the founder of VTS MOT compliance system MOT Juice, Barry Babister, told AM that idle MOT centres could be transformed into COVID-19 coronavirus test facilities.





## CEO'S GESTURE

Motorpoint chief executive Mark Carpenter vowed to give-up his own income in order to top-up the wages of 'furloughed' staff during the COVID-19 coronavirus lockdown.

Carpenter said he wanted to ensure no Motorpoint staff on the Government's Coronavirus Job Retention Scheme earned less than the real living wage.



30

## PSA PLANS FOR HUGE DIP IN SALES



PSA Group UK managing director Alison Jones revealed that its brands were planning around a 96% decline in new car sales during the COVID-19 coronavirus lockdown. Jones – this year's winner of Cox Automotive's Barbara Cox Woman of the Year Award – warned that

SMMT new car registration data for March would be "masked by the fact that the industry had a good start to the month".

31

## CREDIT CARD FREEZE?

The Financial Conduct Authority (FCA) has begun a fast-tracked consultation on a three-month temporary loan and credit card repayment freeze to help consumers cope with the "unprecedented financial shock" triggered by the COVID-19 coronavirus lockdown. If confirmed, the measures will come into force from April 9.



02

## GOVERNMENT FUNDING

Car retail groups with revenues of up to £500m became eligible for Government funding thanks to the introduction of a new version of the Coronavirus Business Interruption Loans scheme. Chancellor of the Exchequer Rishi Sunak (pictured) said the Coronavirus Large Business Interruption Loan Scheme (CLBILS) will offer government-backed loans of up to £25m to firms with revenues of between £45m and £500m.



03

## COMMISSION INCLUDED IN FURLOUGH

The Independent Motor Dealers Association (IMDA) celebrated the inclusion of commission payments in car retail workers' regular incomes as part of revisions to the Government's Job Retention Scheme. Over 27,000 people signed an IMDA petition calling for commission payments to go towards the 80% of an employee's wages (up to a £2,500 monthly limit) that businesses reclaim.

06

## ADVERTISING FEATURE

# BNP Paribas Personal Finance COVID-19 update

By Andrew Brameld, managing director of BNP Paribas Personal Finance's motor finance business in the UK



As I write this column we find ourselves in an unprecedented global situation. It is a situation that puts our people, our dealers and our customers in a challenging situation; both personally and professionally.

At BNP Paribas Personal Finance we are fully committed to supporting your businesses and your customers, wherever we can.

We will continue to provide updates via social media and through our teams. In the meantime, if we can support you in any way please contact your account manager or our call centres, that will remain open, for all customer enquiries.

We are fully operational and here to support.

We remain incredibly optimistic that our businesses and sector will come back strongly and there is a real sense of coming together as an industry to work through the vitally important points to help us on, what will be, a difficult journey to recovery.

BNP Paribas has global expertise and we are trying to utilise this in our understanding from some of our partner countries that are more progressed in the COVID-19 pandemic and will share these learnings wherever we can.

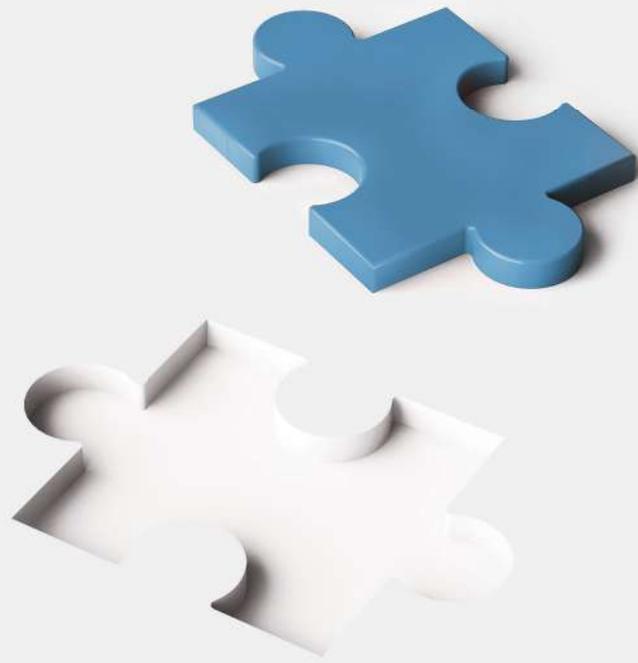
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## AUTONOMOUS CARS



# WILL AUTONOMOUS VEHICLES ALWAYS BE A PIPEDREAM?

Technology that seemed imminent has stalled as practical concerns take over

**F**ive years ago, almost every manufacturer was making presentations about autonomous vehicles and how they would be on the road by 2020. Even the sober SMMT forecast UK production of more than 100,000 Level 3 semi-autonomous cars by 2020, and thought fully autonomous Level 4/Level 5 cars would be in UK production by 2025 (see box for definition of different types of autonomy). Meanwhile there was lots of speculation about new entrants: both Google and Apple were touted as future car manufacturers that would do to Ford and GM what they had done to Nokia.

Yet today, we seem no closer than we were five years ago. We now have cars that can creep forward in traffic jams under their own control, but a fully autonomous drive from, say, London to Leeds is still a distant dream. All the proposed new manufacturers from Apple to Dyson have retreated, while Google now seems interested only in vehicle software. Is this just the typical teething troubles of any new technology, or is there a more fundamental problem?

With the sole exception of Tesla, the car manufacturers are in full retreat. In November 2019, the

CEO of Daimler said of Level 4/Level 5 autonomy: "There has been a reality check setting in here. Ensuring self-driving cars are 100% safe in crowded urban areas is proving to be a bigger challenge than engineers had assumed a few years ago."

In March 2020, he added that Daimler still saw a future for autonomous truck deliveries, given their predictable routes that could be carefully mapped in advance, but autonomous cars are now less of a priority. In a recent presentation, VW said: "Autonomy is very hard and we don't see Level 4/Level 5 on the road in any practical timescale".

VW also said that a current car needs 100 million lines of software code. An autonomous car would need 1 billion lines of code. At an average cost of \$10 per line, that is \$10 billion for the software. Then there is the hardware, which adds around \$200,000 to the cost of each Level 4/Level 5 autonomous car. There is also the fact that the computing power required by a current Level 4 prototype takes up most of the boot of a Passat-sized car and needs a huge amount of electrical power to run.

While the cost and size of computers will naturally fall (VW thinks the hardware cost will reduce to \$10,000 by 2030), many in the industry now think that the progression from Level 2 through Level 3

**“** AUTONOMY IS VERY HARD AND WE DON'T SEE LEVEL 4/LEVEL 5 ON THE ROAD IN ANY PRACTICAL TIMESCALE

**VOLKSWAGEN**

to Level 4 contains a logical impossibility that no amount of development can solve. Level 2 means the systems only assist the driver and Level 4 means the car is in control within a defined area (say a city centre). However, Level 3 means the car is in control in certain circumstances (for example a motorway), but it relies on drivers being ready and able to take back control at any time. The airline industry has established that a fully-trained pilot takes up to 10 seconds to be fully in control if the auto-pilot disengages, and one has to assume an even longer time for a driver who may be on their phone, arguing with the children, or even snoozing at 70 mph. If there is a situation so severe that the autonomous control system decides it can't cope,

**SPONSOR'S COMMENT**



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

As we find ourselves in unprecedented circumstances due to the Covid-19

pandemic, I wanted to take a moment to reflect on what the role of lenders and intermediaries is in navigating through this challenging environment. Like many others, here at Black Horse, we are committed to ensuring we continue to support our customers, partners and local communities whilst protecting the health and wellbeing of our colleagues.

Across our industry we are seeing huge demand for payment deferrals or "holidays", easing the financial pressure many of our customers face. These need to be simple for colleagues to explain, easy for customers to understand and fast to instruct. Many lenders have also halted repossessions in order to ensure customers have vehicles to help them meet personal and work needs at this critical time.

But it is also important to ensure we are all protecting our colleagues too. For lenders and some intermediaries that may mean ensuring colleagues can work remotely. Whilst for colleagues in physical dealership which have had to close that is likely to be a harder challenge. I am seeing a number of dealership innovatively use this time as an opportunity to refresh product knowledge and utilise training platforms to upskill in new areas.

The Government also has a plethora of support available, which is a great provision to our nation in this time of need. I have no doubt that collective efforts will get us through this, in the face of a very uncertain road ahead for our country and economy, our families and colleagues. We need to pull together to do whatever we can to play our part.

how can the car safely motor on for perhaps 30 seconds while the driver re-engages with the situation? As the CEO of ZF said in a recent interview, to cope with that scenario at the very point the autonomous control system has just disengaged: "It essentially must have the capabilities of a Level 4 system that drives without human input."

Hence, the industry is now working on what it calls Level 2+. These are suites of advanced driver assistance systems (ADAS), which make the driver's life easier, but rely on the fact that the driver is engaged at all times. For example, ZF has just launched coAssist at a cost price of under \$1,000, which combines adaptive cruise control plus lane keep assist to enable the car to steer and accelerate/brake on a motorway. It won't change lanes by itself in the first version, but that will be added in a year or so.

It might be something of an anti-climax, but the most likely applications for Level 4 autonomy are small shuttles running around airports, industrial complexes and dedicated zones within city centres. These are all areas where top speeds are low, where every inch can be mapped and the vehicles can be "trained" by driving them repeatedly over each route in

semi-autonomous mode. JLR recently showed their take on this concept, which is impressive in its own way, but it is no F-Type. And what of Tesla, the one company that still trumpets fully autonomous driving? Elon Musk, as ever, is sticking to his guns, but the authorities seem to be losing patience. In February 2020, the US National Highway Safety Board told Tesla: "It's time to stop enabling drivers in any partially automated vehicle to pretend that they have driverless cars." Systems like coAssist may not have the wow factor of an Elon Musk prediction, but it is probably as close to an autonomous vehicle as many of us are likely to get.

**DAVID FRANCIS**



**THE LEVELS OF AUTONOMY**

**LEVEL 1:** single driver assistance features, such as ABS brakes or traction control

**LEVEL 2 :** driver assistance features that operate combinations of controls – eg adaptive cruise control that can accelerate and brake the car

**LEVEL 3:** the control system can take over driving functions in a limited number of specific situations, so the driver does not need to pay attention when the car is in autonomous mode.

**LEVEL 4:** the control system can take full control within a dedicated zone

**LEVEL 5:** the driver is not involved in controlling any part of the journey – the driver becomes a passenger

**IS AROUND THE CORNER.**

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## NEW CAR REGISTRATIONS

## Lockdown kills high hopes for March

New car sales declined 44.4% year-on-year in March as the COVID-19 coronavirus lockdown came into play eight days before the end of the critical plate-change month when sales typically peak each year.

The lockdown killed hopes of a bumper month for new car sales ahead of April's change to WLTP-based VED and BIK taxation. SMMT data showed that the resulting slump in registrations was steeper than that of the 2008 financial crisis and the worst March since the late 1990s, with some 203,370 fewer cars sold in the month.

The SMMT has now downgraded its forecast for the 2020 car market to 1.73m registrations, which would be a 23% decline from 2019's total.

ASE Global chairman Mike Jones said that his analysis of the March decline in registrations laid bare the impact of the Government-imposed lockdown, at a point when registrations usually ramp up to reach Q1 targets.

He said: "Registrations were down just 4% on 2019 as we came out of the last normal trading weekend on March 23, with only another 43,000 cars registered in the rest of the month.

"We expected there to be a larger than normal surge in the second half of March, as cars were registered in advance of the WLTP-based road tax increases. However the final week of March saw a 82% drop in registration levels compared to the prior year.

"The job for retailers and OEMs is to ensure that this pipeline is kept live, ready to be released once the lockdown is lifted."

SMMT chief executive Mike Hawes said that the outcome "could have been worse" had significant advanced orders placed for the new 20-plate not been fulfilled in the early part of the month.

Hawes said: "We should not, however, draw long term conclusions from these figures other than this being a stark realisation of what happens when economies grind to a halt. How long the market remains stalled is uncertain, but it will re-open and the products will be there."

The Volkswagen Golf was March's top selling new car, with 7,103 registrations, some 416 units ahead of the Ford Fiesta.

However, three of the 10 best-sellers in March were crossover SUVs: the Nissan Qashqai with 5,907 units; the Kia Sportage with 4,988 units and the Range Rover Evoque with 4,399 units.

Michael Woodward, Deloitte's UK automotive lead, said this period of economic uncertainty has led the industry to start to introduce flexible measures around payments – such as contract extensions, payment deferrals, interim loans and refinancing packages – to protect the interests of consumers.

"In addition to supporting consumers, many across the automotive industry have also come together to serve the national interest.

"We should all be proud of the way the automotive industry have come together to meet this challenge head-on," Woodward said.

Marque	March					Year-to-date				
	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
Volkswagen	22,950	9.01	38,335	8.37	-40.13	45,095	9.33	59,519	8.49	-24.23
Ford	18,996	7.46	40,755	8.90	-53.39	43,835	9.07	67,774	9.67	-35.32
BMW	17,530	6.88	30,330	6.62	-42.20	34,262	7.09	46,753	6.67	-26.72
Mercedes-Benz	16,981	6.67	33,536	7.32	-49.36	33,856	7.00	51,873	7.40	-34.73
Audi	16,424	6.45	28,132	6.14	-41.62	30,669	6.34	41,876	5.97	-26.76
Toyota	15,363	6.03	20,874	4.56	-26.40	27,006	5.58	31,981	4.56	-15.56
Kia	12,957	5.09	18,345	4.00	-29.37	22,295	4.61	29,954	4.27	-25.57
Nissan	12,524	4.92	19,962	4.36	-37.26	23,563	4.87	29,402	4.19	-19.86
Vauxhall	12,473	4.90	37,769	8.25	-66.98	26,841	5.55	54,924	7.83	-51.13
Land Rover	12,381	4.86	16,680	3.64	-25.77	20,075	4.15	23,840	3.40	-15.79
Skoda	9,172	3.60	13,637	2.98	-32.74	17,330	3.58	21,992	3.14	-21.20
Mini	8,720	3.42	12,992	2.84	-32.88	12,998	2.69	18,134	2.59	-28.32
Seat	7,772	3.05	12,682	2.77	-38.72	15,669	3.24	20,635	2.94	-24.07
Hyundai	7,279	2.86	16,317	3.56	-55.39	13,753	2.84	24,777	3.53	-44.49
Peugeot	6,985	2.74	16,318	3.56	-57.19	15,053	3.11	25,242	3.60	-40.37
Volvo	6,196	2.43	10,420	2.27	-40.54	12,105	2.50	16,204	2.31	-25.30
Renault	5,684	2.23	13,723	3.00	-58.58	9,908	2.05	19,030	2.71	-47.93
Jaguar	4,794	1.88	8,182	1.79	-41.41	7,967	1.65	11,294	1.61	-29.46
Honda	4,631	1.82	10,043	2.19	-53.89	9,620	1.99	15,485	2.21	-37.88
Mazda	4,193	1.65	8,791	1.92	-52.30	7,166	1.48	13,058	1.86	-45.12
Citroen	3,950	1.55	11,023	2.41	-64.17	9,152	1.89	17,136	2.44	-46.59
Suzuki	3,462	1.36	6,224	1.36	-44.38	6,277	1.30	11,980	1.71	-47.60
Fiat	3,358	1.32	8,325	1.82	-59.66	6,166	1.28	10,956	1.56	-43.72
Dacia	3,010	1.18	7,443	1.62	-59.56	5,055	1.05	10,926	1.56	-53.73
MG	2,736	1.07	1,814	0.40	50.83	5,445	1.13	3,016	0.43	81.20
Lexus	2,594	1.02	3,137	0.68	-17.31	4,470	0.92	4,406	0.63	1.45
Mitsubishi	2,024	0.79	3,612	0.79	-43.96	3,834	0.79	5,516	0.79	-30.49
Porsche	1,838	0.72	1,630	0.36	12.76	2,755	0.57	2,415	0.34	14.08
Jeep	379	0.15	986	0.22	-61.56	1,006	0.21	1,547	0.22	-34.97
Alfa Romeo	330	0.13	615	0.13	-46.34	644	0.13	1,023	0.15	-37.05
DS	292	0.11	763	0.17	-61.73	717	0.15	1,074	0.15	-33.24
Abarth	278	0.11	867	0.19	-67.94	628	0.13	1,232	0.18	-49.03
Ssangyong	252	0.10	438	0.10	-42.47	435	0.09	712	0.10	-38.90
Subaru	180	0.07	632	0.14	-71.52	253	0.05	880	0.13	-71.25
Bentley	171	0.07	254	0.06	-32.68	391	0.08	429	0.06	-8.86
smart	143	0.06	1,015	0.22	-85.91	248	0.05	1,706	0.24	-85.46
Maserati	83	0.03	155	0.03	-46.45	178	0.04	276	0.04	-35.51
Alpine	26	0.01	22	0.00	18.18	37	0.01	43	0.01	-13.95
Lotus	22	0.01	26	0.01	-15.38	33	0.01	33	0.00	0.00
Chevrolet	0	0.00	1	0.00	0.00	0	0.00	3	0.00	0.00
Infiniti	0	0.00	45	0.01	0.00	0	0.00	93	0.01	0.00
Other British	316	0.12	493	0.11	-35.90	614	0.13	830	0.12	-26.02
Other Imports	5,235	2.06	711	0.16	636.29	6,133	1.27	1,057	0.15	480.23
<b>Total</b>	<b>254,684</b>		<b>458,054</b>		<b>-44.40</b>	<b>483,557</b>		<b>701,036</b>		<b>-31.02</b>



# Beyond finance

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**Aimee Winder**  
Account Manager  
North East Region

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FINANCE OFFERS

# Finance firms react quickly to COVID-19

**W**hile new car sales have been impacted as a result of showrooms closing across the UK, car manufacturers are still putting offers together for Q2 and customers can still apply for credit.

Dealers can still operate digitally on new car orders and enquiries will still be coming through the usual channels.

When showroom doors eventually re-open, new car offers will play an even greater role than usual as a way of tempting customers back to the market in what has been an uncertain time for everyone. This will be further bolstered by interest rates being at a record low of 0.1%.

However, there may be no sense in unleashing the stronger offers until social distancing measures are lifted to the point where the new car market can come back online.

For now the FLA is advising those that have come under financial pressure as a result of the coronavirus to contact their lender immediately.

The Financial Conduct Authority (FCA) has also proposed that all consumer credit agreements are paused for the next three months to help customers cope with increased financial pressures.

Adrian Dally, head of motor finance at the FLA, told AM: "It's quiet at this point, understandably so. While the impact of the coronavirus is having a cooling effect on the industry, we need to remember that business will return in the coming months as self-isolation has created a situation of demand delayed, not demand foregone.

"Members are focusing their efforts on getting their customers through this difficult period. Call volumes are very high as you would expect, but staff have been diverted to deal with enquiries, and help is available for any customer in financial difficulties."

AM has looked into what the registration volume leaders are advising customers to do right now when it comes to their new car finance payments.

Volume leader Ford has introduced special measures for anyone struggling due to COVID-19. These measures include a 30 day deferral on monthly payments or customers can talk directly with Ford Credit to discuss other deferral options.

A statement from Ford Credit said: "We routinely offer a number of tools to help vulnerable customers regardless of the situation.

"These include reduced payments, payment deferral or pre-arrears forbearance. Additionally, we have introduced further special measures to help anyone leasing or financing their car through Ford Credit to offset the potential economic impact of the coronavirus outbreak."

Volkswagen Financial Services (VWFS) said it is working with customers to agree affordable repayment plans or giving customers up to 60

## TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
<b>Ford</b>							
Fiesta Trend 1.0 95PS EcoBoost 5 door	PCP	£4,197	36	£170	£5,973	0%	30/06/2020
Fiesta ST-Line Edition 1.0 3 Door EcoBoost 95PS	PCP	£4,453	36	£199	£7,123	0.0%	30/06/2020
Tourneo Courier Zetec 1.5 TDCi 100PS	PCP	£2,650	36	£199	£7,066	0%	30/06/2020
EcoSport ST-Line 1.0 EcoBoost 125PS FWD	PCP	£3,812	36	£250	£8,683	0%	30/06/2020
Puma ST-Line 1.0 EcoBoost Mild Hybrid (MHEV) 125PS	PCP	£4,038.21	36	£260	£10,068	2.4%	30/06/2020
Focus ST-Line 1.0 EcoBoost 125PS	PCP	£5,656	36	£220	£8,814	0%	30/06/2020
Focus ST 2.3 280PS 5 door	PCP	£5,968.88	36	£329	£15,728	2.9%	30/06/2020
Kuga ST-Line First Edition 2.5 Plug-In Hybrid (PHEV) 225PS	PCP	£6,518.86	36	£359	£17,428	1%	30/06/2020
Mondeo Titanium Edition HYBRID Electric 2.0 TiVCT 187PS Auto	PCP	£6,629	36	£260	£11,432	0.0%	30/06/2020
S-MAX ST-Line 2.0 EcoBlue 190PS	PCP	£11,260	36	£289	£13,826	0%	30/06/2020
Galaxy Titanium 2.0 EcoBlue 150PS	PCP	£10,468	36	£289	£11,532	0%	30/06/2020
Tourneo Custom Titanium L1 H1 2.0 EcoBlue 130PS	PCP	£11,000	36	£279	£14,096	0%	30/06/2020
<b>Volkswagen</b>							
Golf 8 Life 1.5 130PS 5 door manual	PCP	£5,754.41	48	£205	£9,804.60	5%	30/06/2020
up! 1.0 60ps S/S 3 door	PCP	£3,540	36	£145	£3,870	0.0%	30/06/2020
Polo Match 1.0 80PS manual	PCP	£3,690.93	48	£159	£5,725.80	0%	30/06/2020
T-Cross SE 1.0 TSI 95PS 5spd manual	PCP	£4,887.60	48	£169	£7,749	5%	30/06/2020
T-Roc SE 1.0 TSI 115PS 6spd manual	PCP	£5,336.52	48	£185	£9,471.60	4.9%	30/06/2020
T-Roc Cabriolet Design 1.0 TSI 115PS manual	PCP	£6,355.66	48	£225	£11,117.70	5%	30/06/2020
Tiguan Match 2.0 TDI 150PS manual	PCP	£9,373.80	48	£255	£10,366.20	0.0%	30/06/2020
Tiguan Allspace Match 2.0 TDI 150PS 2WD manual	PCP	£6,350.91	48	£345	£11,459.70	5%	30/06/2020
Touareg SE 3.0 TDI 231 PS 4MOTION 8spd DSG	PCP	£8,358.50	48	£399	£15,403.50	0.0%	30/06/2020
Golf SV Match Edition 1.5 TSI 130PS manual	PCP	£3,455.64	48	£275	£7,323.30	0%	30/06/2020
Golf Estate Match Edition 1.5 TSI 130PS manual	PCP	£4,489.50	48	£259	£7,488	5%	30/06/2020
Passat Saloon SEL 2.0 TDI 150PS 5 door	PCP	£4,779.14	48	£309	£8,906.40	5%	30/06/2020
Passat Estate SEL 2.0 TDI 150PS 5 door	PCP	£5,293.47	48	£329	£9,660.60	5%	30/06/2020
Arteon SE 2.0 TSI 190PS DSG	PCP	£6,055.81	48	£325	£11,564.10	5%	30/06/2020
Touran SE Family 1.5 TSI 150PS manual	PCP	£5,197.85	48	£289	£10,329.30	5%	30/06/2020
Sharan SE Nav 1.4 TSI 150PS 6spd manual	PCP	£5,833.21	48	£359	£10,125.90	5%	30/06/2020
<b>Mercedes-Benz</b>							
A 200 AMG Line	PCP	£379	48	£379	£11,425	6%	30/06/2020
EQC 400 Sport	PCP	£11,586.26	48	£699	£30,450	5.4%	30/06/2020

days "breathing space" to consider their finances.

Breathing space means VWFS agrees not to contact or chase payments for at least 60 days and there will be no additional fees or additional late payment interest fees during that time.

A statement said: "After this period, we will work with you to agree a suitable and affordable plan to pay those amounts which you were unable to pay due to Coronavirus.

"Your monthly payment and the amount of interest you pay will not increase for the remaining term of your finance agreement. We consider that by using all of our available tools, this will help us to ensure a fairer overall outcome for our customers."

For those that do fall into arrears, VWFS said it will be reporting that fact to credit reference agencies, but it is currently working with the

Financial Conduct Authority (FCA) on how the current situation may impact individuals and how businesses can best support them.

Mercedes-Benz has been the premium sector volume leader in the UK YTD so far, but its new car offer strategy during the COVID-19 pandemic shows a pull back from mass offers.

Mercedes' website is only showing finance PCP offers on the A-Class and EQC premium electric car, while all other models are being supported with deposit offer discounts, with thousands of pounds off models such as the C-Class, E-Class, GLC and SLC, going as high as £5,250.

TOM SEYMOUR



### SEARCH FOR FINANCE OFFERS

For a searchable list of manufacturers' finance offers, go to [am-online.com/offers](http://am-online.com/offers)

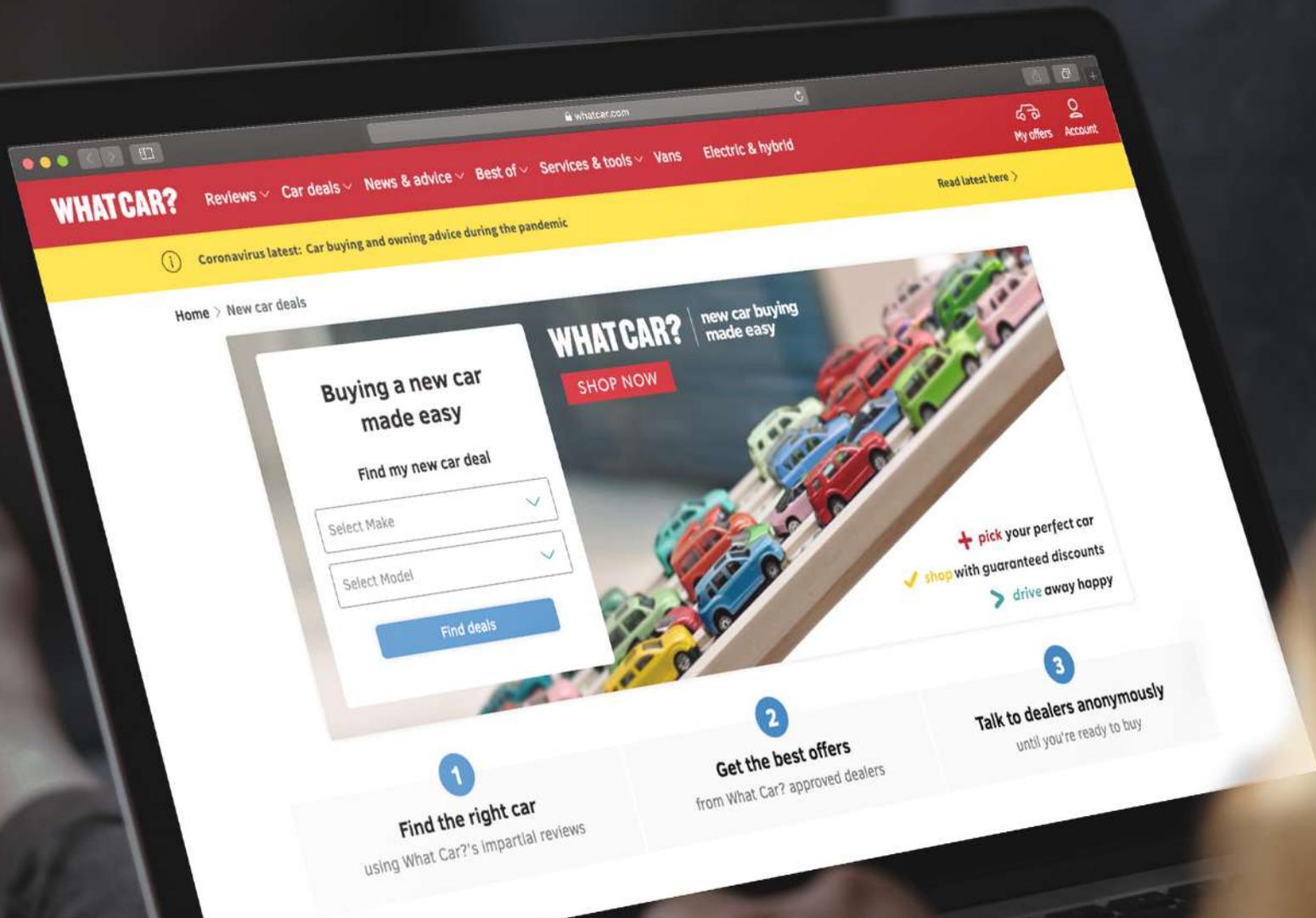
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# VIEWPOINT



## CORONAVIRUS: HOW WE ACT WILL STAY IN MEMORY

**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



I am writing this article the day after Boris Johnson announced the first stage of what have become the most stringent restrictions on British life since World War II as a response to the threat of the Coronavirus.

Several of our motor groups had already announced they were closing down their operations, then all showrooms were told to close. The obvious concern is for the welfare of their staff and this has to be the priority.

Despite Government promises of long-term support many of the companies in our sector face an uncertain future. Some industries such as the general transport sector will have to be supported, airlines are facing a massive problem and one suspects that cruising on large ships will not appear that attractive going forward.

Part of the problem for our industry is the need for consumer confidence, the idea that customers coming off the back of a prolonged shut down will rush out into the new car market is not realistic.

The dystopian view is that a number of the automotive retail chains will fail leading to a radical pruning of the weaker or poorly structured organisations. The upside of a prolonged period of inactivity is the potential for a boom in aftersales with people having delayed servicing while the outbreak continues.

The industry will bounce back, but

it is important that in the meantime dealers remain visible to their customer base and are seen to support their local community.

A number of groups have offered vehicles to help distribute food to people who are isolated while others are supporting homeless charities. People have long memories and remember those who do good in tough times.

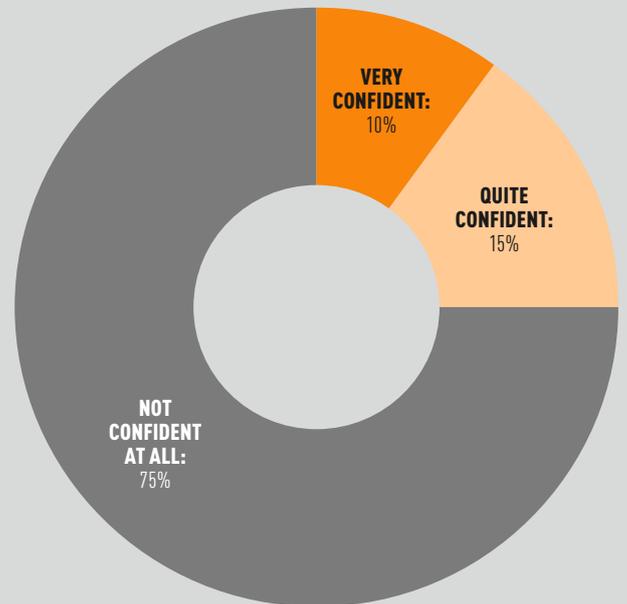
It was particularly pertinent that Mark Mitchell won the Business Leader of the Year at the AM Awards in March. His approach based on his Christian faith sees his return on sales outstrip that of his staff turnover. When he was away from the business after suffering a brain haemorrhage the organisation continued to flourish and kept faith with his faith. The company gives £230k a year to charitable projects. The underpinning concept is that the workforce spend one hour in 10 working for the benefit of someone less fortunate than themselves. At a time like this when some of our employees (and their organisations) are facing an uncertain and potentially threatening future the need for generosity from government, the banks, shareholders, employers and employees is important.

The selfish panic buying and exploitation of the situation by some companies will be long remembered but so will those who help and support others who are struggling. I hope everyone comes through the crisis both physically and commercially in good health.

**“THE UPSIDE OF A PROLONGED PERIOD OF INACTIVITY IS THE POTENTIAL FOR A BOOM IN AFTERSALES WITH PEOPLE HAVING DELAYED SERVICING WHILE THE OUTBREAK CONTINUES”**

# AMPOLL

## ARE YOU CONFIDENT YOUR TEAMS ARE BOOKING BACK MOST DEFERRED 'AMBER' WORK FROM SERVICES?



**Automotive managers fear their businesses are missing out on profit opportunities because their customers are being allowed to go elsewhere for car maintenance too easily.**

**Around two-in-five motorists leave franchised dealer workshops without having work done which was identified during the vehicle health-check as 'red' urgent maintenance, and four-in-five leave without booking in 'amber' less urgent maintenance, according to AutoVHC analysis in 2018.**

**According to participants in our AM-online poll there are two critical causes for this. Some cite the need for better sales training and even the desire for a different mindset among service advisors, such as that they're offering convenience and expertise to customers rather than trying to increase revenues.**

**One suggested that as some dealers now offer interest-free payment plans for unexpected repair bills this should help service advisors capture even more business. "If work needs doing, we're the most qualified place to get that done. And we'll keep the customer mobile while we do it. We can compete on value with all the fast-fits."**

**Yet the majority said it was the processes for booking in amber work and maintaining contact with the motorist which aren't sufficient. "Retailers don't have the process in place to follow up with the customer," said one respondent.**

**NEXT MONTH: HOW SOON WILL YOUR BUSINESS RECOVER AFTER THE CORONAVIRUS THREAT IS OVER?**

**VOTE NOW AT AM-ONLINE.COM/POLLS**



**“CUSTOMERS ARE  
BLOWN AWAY  
BY THE VIBE AND  
THE ENERGY IN THE  
DEALERSHIP AND THAT’S  
WHAT I LOVE ABOUT IT  
DARREN BRADFORD**



This year Darren Bradford launched Drayton's own gala awards dinner for staff

## FACE TO FACE: DRAYTON MOTORS

# TEAMWORK TRANSFORMATION

A strong emphasis on people and a collective willingness to roll up their sleeves is propelling profits at Drayton Motors. **Tom Sharpe** reports

**D**rayton Motors director Darren Bradford is keen to highlight a mindset that would have him “pick up a bucket and sponge” at the two-site Kia franchise in Lincolnshire if it would help the business.

The businessman said that he considers his leadership style to be “firm but fair” and centred on the importance of everyone in a team effort. It’s that team effort which drives the success of this award-winning family-owned retailer

“We’re a rural operator,” said Bradford. “Our Boston dealership, in particular, is in the middle of the middle of nowhere. It’s flanked on each side by drainage ditches and at the back there is a cauliflower field. Despite our location, customers come in and they are blown away by the vibe and the energy in the dealership and that’s what I love about it. Drayton is a happy working environment and that’s a major driver behind our business.”

He added: “It’s a culture that you have to breathe into a business from the top.”

Drayton has achieved *AM* Best UK Dealerships To Work For status in 2017, 2018 and 2019.

Despite the differing targets, processes and constraints within each department, feedback delivered by staff on the questionnaires suggested that employees enjoyed a sense that they were all working together for the good of the business and would look to find solutions to any issues that arise.

Bradford conceded that his desire to feel part of his team, and to listen to his staff, stems from his own experience of driving his career forward from the start-point of valeting at a garage in Gravesend, Kent.

Time spent on the service desk and as a site co-ordinator for SMC in Crayford eventually led to an introduction into the sales side of the business – but the move didn’t

come easily.

Bradford explained: “I wanted to work in sales but my boss at the time said, ‘Have you seen how big you are? You’ll scare customers away!’”

“I ended up putting a proposal to him. I said, ‘I’ll give you my Saturdays and Sundays to work as a salesman for three months and if I’m okay you give me an opportunity to move over full-time.’”

“Over the next six or seven weeks I was consistently third or fourth in the sales team rankings, even though I was only working two days a week.”

Bradford went on to become sales controller at SMC’s newly-developed Ford dealership at Sittingbourne before moving to Lincolnshire for “lifestyle reasons”, joining EMG Group at its Wisbech Ford dealership.

Later he invested in an independent retail operation and joined the consultancy circuit before a call from Chris Roberts – then of Thurlby Motors – brought him back into the retail sector proper as a sales manager, later gaining promotion to become general manager at three Vauxhall sites.

It was then that Robin Wilson, the managing director of Drayton Motors’ owner Wilson and Co, got in touch following the purchase of his first Kia franchise, in Boston.

Bradford initially became dealer principal and still reports to Wilson, whose company operates Vauxhall franchises in Bolton, Chorley, Gainsborough, Grimsby and Scunthorpe.

He said: “Robin looks after the Vauxhall side of the business and places a lot of trust in me, allowing me to operate the Drayton operation pretty independently.

“The only time I tend to see him is at board meetings, where we share notes, but we have a great relationship and it works well.”

### SOWING SEEDS OF GROWTH

Since then, Drayton Motors has experienced significant growth from its rural locations “in among the cabbage patch”.

*AM* spoke to Bradford in a Skype interview following the Government’s call for social distancing measures to combat the outbreak of COVID-19 coronavirus, but he said that Drayton had experienced a record start to the year.

Between Drayton Motors’ acquisition in 2013 and today, the group has been transformed, with a four-fold increase in turnover from £5.8 million to £30.5m in 2019, and a leap in profit before tax from £97,000 to £738,000.

Bradford said that the group’s return-on-sales (RoS) figure had risen from 1.7% to 2.5% in the same period and the number of new retail units sold rose 62% from 163 to 264.

Some of the increase in performance can be accounted for by the addition of the group’s second Kia franchise, in Louth, in February 2018, but significant gains have also come from expansions to display more used cars.

Used car sales have increased from 272 in 2013 to 1,502 in 2019, Bradford said, but 40% of that growth came between 2018 and last year.

Drayton secured the *AM* Awards’ Best Used Car Performance accolade in 2018.

It was one of a string of accolades claimed by the group, which Bradford proudly states “punches above its weight”.

In 2018 it was named as one of the Kia Motor Corporation’s top dealerships and received a Global Top Dealer Award.

Most recently, at the Kia Motors UK 2020 dealer awards, Drayton’s Louth dealership secured the Korean carmaker’s Family-Like Care Award.

Studying entries for their used car award back in 2018, *AM*’s awards judges were impressed by Drayton’s 38-day

average stock turn, a return-on-investment of 141% and an impressive customer satisfaction rating of 98.8% on JudgeService.

Standout factors include the Lincolnshire-based dealer's introduction of a 'price match guarantee', ensuring that if a customer finds an equivalent vehicle within seven days of purchase Drayton Motors will give them back the difference.

To further ensure customer satisfaction, as well as manage space constraints at this rural dealership, Drayton has a three-day rule for new stock – cars cannot take longer than this from acquisition to being presented on the used car pitch.

A prep centre ensures all cars are at the required standard quickly.

Drayton also attracted praise for its innovative approach to marketing, through advertising on Sky television in its area of influence.

Bradford conceded, however, that competition in the used car sector has increased dramatically in the past two years and a keen eye on profitability and the speed of stock turn amid rising vehicle prices and falling margins – overseen by sales operations manager Gareth Grasham – has been central to its continued growth.

Maximising leads through the use of Rapid RTC's customer enquiry manage-

ment system and adopting the Peter Vardy-backed SilverBullet online retailing platform have also helped.

### PHYSICAL EXPANSION

Bradford managed over time to expand the used car forecourt from six bays in 2013 to 65 by the 2018 AM Awards and still further to 110 now.

A stockturn of around 16 times per year in 2018 now stands at "a more realistic level" of around 13 times, Bradford said.

"It was tough growing our scale in used cars because of the nature of the sites," said Bradford.

"At the Boston site we had a cottage

## DRAYTON MOTORS AWARDS 2020

Drayton Motors started 2020 in high spirits with a high-profile awards event for all its staff and their partners at the University of Lincoln's riverside Engine Shed live music venue.

Held on February 8 the awards ceremony was the first of what Bradford hopes will become an annual social event. In total, 12 awards were presented, with 10 further employees receiving highly-

commended accolades in their given categories.

"It was a great night and amazing to see how proud employees' partners were of their achievements at work," said Bradford.

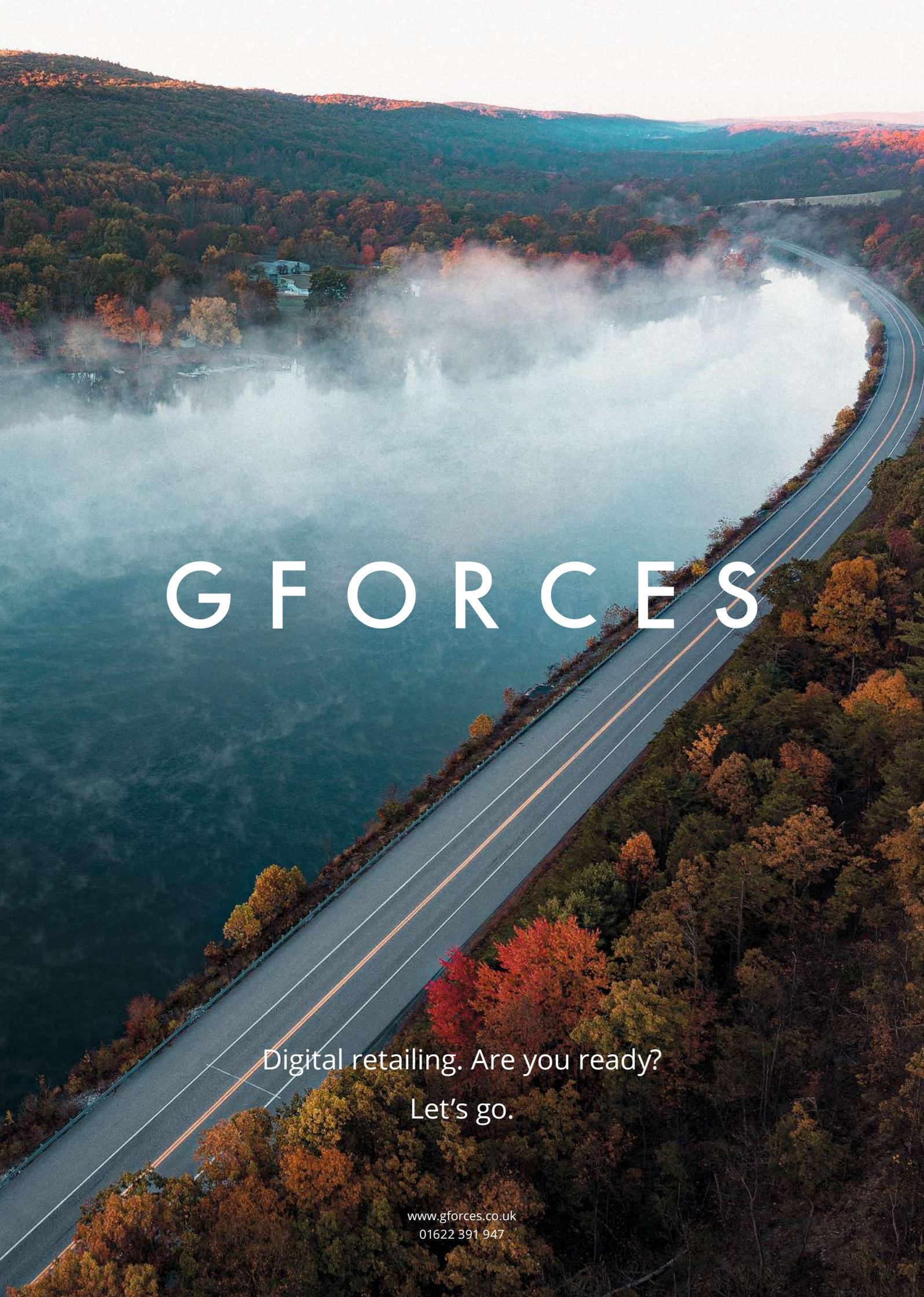
"We've been through so much together as a team, and supported each other through some tough times, so it's really nice to spend time in each other's company in a more relaxed, social setting."

Bradford said that the 2021 awards event had already been costed into his financial plan for the next year and suggested that he did not see the disruption caused by the COVID-19 coronavirus epidemic as something that would put that at risk.

He said: "This year's event was worth every penny. It's my hope that it's something that's now here to stay."



2019 Awards	Winner
Admin Support Of The Year	Amanda Lakofski
Highly Commended	Becky Coles
Manager Of The Year	Lee Jones
Manager Of The Year	Nathan Sargeant
Highly Commended	Richard Welch
Parts Advisor Of The Year	Liam Mead
Highly Commended	Claire Reed
Sales Executive Of The Year	Adrian Silaghi
Highly Commended	Martin Clough
Service Advisor Of The Year	Claire Reed
Highly Commended	Ben Atkinson
Site Coordinator Of The Year	Aaron Davidson
Highly Commended	Tom Hartfill - Allgood
Technician Of The Year	John Smith
Highly Commended	Simon Rowell
Valet Of The Year	Bruno Chuna
Highly Commended	Brandon Gittos
Employees' Employee Of The Year	Keiran Turner
Highly Commended	Dave Corner
Directors' Choice Award	Keiran Turner
Highly Commended	Aaron Davidson
Special Recognition Award	Liam Mead

An aerial photograph of a winding asphalt road that curves along the edge of a large, calm lake. The lake's surface is covered in a thick layer of white mist, which reflects the sky and the surrounding landscape. The trees on the hillsides are in full autumn foliage, with vibrant shades of orange, red, and yellow. The overall scene is serene and scenic, with a soft, golden light suggesting early morning or late afternoon. The road has a double yellow line in the center and white lines on the edges. The text 'GFORCES' is overlaid in large, white, sans-serif capital letters across the middle of the image.

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to one side, fields on another and a drainage ditch on another. We were land locked.

“The cottage had been empty for some time though and I spent an awful lot of time building a relationship with the owners – the two sons of the former owner – trying to persuade them to sell.

“In the end they did, and we moved on there in November 2014, but it wasn’t a straightforward process.”

Boston was upgraded with a purpose-built, LED-lit valeting bay in February 2017. An expansion and full refit of its workshop seven months later introduced three new ramps and a wheel alignment bay. The total investment in both projects was £300,000.

The works were a major catalyst in the growth of total labour hours sold from 2,300 to 5,830 between 2013 and 2019.

Major expansion to used car sales happened in October 2018 with the acquisition of an adjacent field to expand the site to 90 to 95 used cars bays and five new customer parking spaces.

Bradford said: “The local residents were keen to have input and it involved a lot of trips to local planning meetings and the like before we got the green light. In all honesty, though, the expansion has improved things for us and the immediate vicinity.



**IF YOU WORK HARD YOU CAN PROGRESS AND IT’S IMPORTANT FOR PEOPLE TO KNOW THAT I REMEMBER WHERE I STARTED. IT COULD ENCOURAGE THEM TO DEVELOP THEMSELVES**

DARREN BRADFORD

“Space had become so tight that we were getting to the point where, by 8.30am each morning, people were having to park on the street and no one wants that.”

After the considerable effort and investment made to expand the Boston site, the Louth dealership is now set to expand into a new purpose-built Kia Red Cube dealership.

Drayton completed the acquisition of a former petrol forecourt in the town in December and – prior to the coronavirus lockdown – plans to move into a new nine-car facility, with an eight-bay workshop and a Vauxhall authorised repairer franchise, later this year.

The former Nissan dealership currently occupied by the group, which was

acquired in February 2018, employs 16 staff.

The next chapter of Drayton Motors expansion story is likely to involve a new brand altogether, according to Bradford.

While he said that he would be happy to expand with Kia, Bradford said that conversations were already under way with other potential manufacturer partners. Negotiations to lease a new site were also under way, however the landlord was offered improved terms by Enterprise Rent-A-Car.

Drayton has made no commitment as yet to join another franchised network.

Bradford said that conversations with owner-driver operators of prospective brands had been central to its

due diligence research so far, adding: "It will happen when the right opportunity comes along, but we're not the type of business to simply jump in with both feet."

**'FIRM BUT FAIR' LEADERSHIP**

Reading Drayton Motors' entry to the AM Best UK Dealership To Work For award, it is hard to imagine that the group is anything other than an employer that, in Bradford's own words, "spoils its staff".

Staff recognition policies include the handing out of chocolate eggs and turkeys at Easter and Christmas, a half-day off for employees on their birthday and access to the online benefits platform Perkbox, funded by the dealership and giving retail discounts at high street and online brands, a free MOT, £1 car wash and vacuum, a new car for cost price plus £1, and friends and family discounts for used cars.

Other employee benefits include a childcare voucher scheme, bicycle loans, optional private medical insurance, health screening and retail discounts, plus access to financial and legal advice.

The group's formal incentives include a 'superband' for sales executives, which gives them 15% of the profit they make if they can achieve 200% of their target, and a year-end bonus for a percentage of over-achievement against budget.

"We give them everything," said Bradford. "Why do we do that? Because they give us everything."

Bradford believes that recognition and the support Drayton offers its employees are central to his dealership's "uplifting vibe" and a staff attrition rate of 10% in 2019 which, he claims, excludes two

members of the six departing staff who have since returned to the business.

He said that he will always give staff a second chance and is keen to promote a culture where anyone wanting to progress is given a chance to do to.

"I was lucky, I was given a chance when I started out and made the most of it, but I'll still get stuck in with the team," he said.

"In a month like this – which would normally be a busy plate-change month – I'll just bring in a pair of jeans and a T-shirt, and pick up a bucket and sponge to help out.

"If you work hard you can progress and it's important for people to know that I remember where I started. It could encourage them to develop themselves."

Bradford said that the living evidence of his ongoing desire to give others a chance can be seen in the team around him now, many of whom were previously valeters themselves.

One top salesman was a former valet who had previously sold chocolates in his native Romania, Bradford said.

"I saw his potential and started including him in customer events, getting him involved," said Bradford.

"Eventually he clocked on to what the salesmen were earning and he came round. Now he's doing great work for us."

▼ **FACTFILE**

**NAME** Drayton Motors  
**LOCATIONS** Louth and Boston  
**TURNOVER** £30.45 million (2019)  
**PBT** £738,000 (2019)  
**EMPLOYEES** 60

▼ **REMAINING POSITIVE**

AM spoke to Drayton Motors' director Darren Bradford just days before the full lockdown of all non-essential retail locations across the UK due to COVID-19 coronavirus, and the business was eager to remain upbeat.

Among the initiatives it quickly rolled out was a marketing campaign which played on the limitations of supermarket stock enforced as a result of panic buying.

Bradford said: "In the local area we started a campaign which said 'due to current circumstances customers will be restricted to buying one car each'.

"These are tough, uncertain times, but people still need to keep upbeat and have a smile."

At the time of AM's interview three Drayton staff had taken the decision to self-isolate having exhibited coronavirus symptoms, and arrangements were being made for flexible and home working.

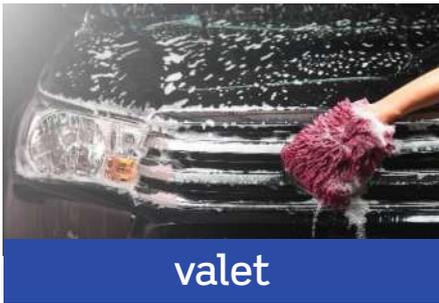
Others were freed up to facilitate vehicle collection and deliveries, the group having asked for a "safe location" to leave a vehicle's keys.

Payments were being facilitated via mobile phone.

Bradford said that his initial 'crisis planning' had prioritised efforts to keep his staff in work.

He said: "We need them back in full force after all this has gone away. Our staff are invaluable to us."





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# MINUTES WITH...

Declan Gaule, MFG  
Group chief executive



**What have been the key milestones for the business in the past 12 months?**

It is no great surprise to state that the Brexit uncertainty of the past two years and the knock-on effect on consumer confidence made retailing cars in the UK extremely challenging for all concerned. Therefore, retailers required even more 'bang for their buck' so we developed a bigger programme to help with the generation of incremental customer appointments over two days, with an additional 2.5 core selling days. We have also seen a significant influx of younger, less experienced people enter the industry as sales executives and to that end, we have refined our programmes to dedicate a significant portion of our 'day two' to reinforcing and upskilling basic selling skills.

**How has the business grown in the past two years?**

The past three years have been the most challenging, yet most successful, in MFG's 13-year history with a 22% and 50% year-on-year growth. I attribute this down to our people, our products and our reach. We have invested heavily in our people by ensuring we capture and retain the talent and experience of seasoned UK ex-retailers. We have re-developed our core two day in-dealer programme and added the 4.5-day version. We have also expanded internationally and work in more than 40 global territories.

**What would be your first piece of advice for a dealership looking to boost sales in a quarter?**

Planning is probably the most important thing. Rather than trying to grapple for sales at the end of the month or quarter,

**“ WE HAVE INVESTED HEAVILY IN OUR PEOPLE BY ENSURING WE CAPTURE AND RETAIN THE TALENT AND EXPERIENCE OF SEASONED EX-RETAILERS**

**DECLAN GAULE, MFG GROUP**

the most successful start early as a 'fast start' mechanism. This enables MFG and the retailer/dealer group to plan all aspects of the sales generation programme including stock selection, personnel rotas, call to action messages and the like.

**How have you seen pressure on quarterly targets change over the past 12 months as the UK market has come under increasing pressure on new car sales?**

The past two years engendered by Brexit saw a flexing of targets in line with consumer spending and confidence. However, the factories for all car manufacturers are aligned to their respective long-range plans and to that end, they will – and must – keep producing. Therefore, the cars will keep coming and any form of 'slack' will need to be made up. I think we will also start to see a third area of new car sales pressure from AFV sales which, at the moment, is the tip of the iceberg. Couple that with the potential impact of the coronavirus and I think the first six months of 2020 will be supremely tough for retailers.

**What is your view on how the new car sales model may change from quarterly bonus to an agency fee?**

There are three core factors that would drive a move to a unilateral agency fee model. The first would be customer-led with respect to the next generation of car 'buyers' being comfortable with the concept of the majority of the vehicle purchase/rental being conducted virtually, with only a test drive required to ratify their online research. The second key point will then drive the manufacturers to reduce the total number of franchised dealers in their networks in favour of strategically located 'super dealers/hubs' for the storage and delivery of vehicles as well as being a 'destination brand experience'. Lastly, this would, in theory, increase profitability for the remaining dealers and satisfy customers and key stakeholders alike. On paper, this is a relatively simple concept, however the reality of the legal ramifications of changing a franchised model that has been in place for decades, while ensuring customer satisfaction with fewer dealer touchpoints will be a truly massive, but not insurmountable, hurdle.

**Do you expect to see a reduction in the number of sales executives across dealer groups as roles like product geniuses etc increase?**

As we work in dealers every day, we have already seen a significant drop in the numbers of sales executives over the past 24 months. Personally, given the complexity and knowledge uplift required to successfully transition to AFV in the next decade, I would be loathe to see a further reduction in sales executive headcount as selling and buying AFV





products will require the highest level of product knowledge and salesmanship that we have ever seen. My personal view is that a sales executive should be a product genius anyway – that's their job.

**What have been the trends with budgets for training in automotive retail, particularly when the market is under pressure?**

Training is often the first budget line to be cut in times of austerity. However, we are fortunate that although we are technically a training company, our core product is immediate and incremental sales. What we have seen is a much wider request for our 'soft skills' training packages to help bridge the gap left by an increasing number of manufacturers moving from mandatory sales training for all dealers to just launch and product training. We have launched the MFG Performance Academy to bridge that gap.

**MY VIEW IS THAT A SALES EXEC SHOULD BE A PRODUCT GENIUS ANYWAY – THAT'S THEIR JOB**

DECLAN GAULE, MFG GROUP

**What are the big challenges with increasing EV sales at dealerships as more franchises bring out products this year?**

Knowledge and confidence. At the moment, for most sales executives selling an EV is a rarity and not the norm. While the basic product knowledge for most sales execs and their brand EV products is okay, as soon as the conversation turns to discussions of range anxiety, BEV vs PHEV, residual value depreciation or cost per mile vs

ICE, they tend to run a mile and 'steer' the customer into a petrol or diesel equivalent. Until this confidence and knowledge gap is bridged in every dealer for every sales executive for every brand, sales of EV will not be where they need to be.

**What are the big developments for MFG Group in 2020?**

Our key milestone for 2020 will be launching our EV Sales Pro course that will specifically help retailers of all brands increase their knowledge of the EV sector from a sales executive and consumer point of view, immediately generating EV test drives and significantly increasing unit sales through soft skills training uplift. We are already in discussions with a number of major manufacturer brands on how we can work in partnership to help drive EV penetration in the UK and abroad.

TOM SEYMOUR

FACT FILE

**COMPANY:**  
MFG GROUP  
**HEADQUARTERS:**  
CHIPPENHAM,  
WILTSHIRE  
**STAFF:** 40  
**UK CUSTOMERS:**  
1,000+



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# DS AUTOMOBILES

A unique form of avant-garde branding is helping to set the young company apart from its rivals, reports **Tom Sharpe**

**F**or car buyers adapting to the COVID-19 coronavirus pandemic, the thought of being immersed in a brand experience is clearly at odds with the concept of social distancing.

But, speaking to *AM* ahead of the health crisis currently gripping the globe, DS Automobiles demonstrated that an immersive brand concept was at the very heart of what it wanted to see from its growing UK franchised dealer network.

Technology such as virtual reality and lifestyle experiences aligned to its uniquely French avant garde marketing message are at the core of the PSA Group-owned brand's bid to grow awareness and understanding of its stand-alone premium billing following its break-away from Citroen.

As DS Automobiles' first head of brand – and a man once charged with defining its place within the PSA Group – Alain Descat remains convinced that it will forge a place in the market.

"We're convinced of the strength of the offer that we have and (chief executive and chairman of the managing board of the PSA Group) Carlos Tavares has spoken openly about his desire to make DS a success," he said. "It may not be a rapid process, but we have time to get things right because the group is right behind us."

## Degrees of separation

It has not always been the case that PSA's franchised retailers have been behind the desire to make DS a success.

A rocky divorce from the Citroen brand, which was completed in July 2018, saw dealers' pain at the loss of the previously lucrative DS 3 hatchback from their

showrooms reflected in a slump in National Franchised Dealers Association's Dealer Attitude Survey scores.

The 150 franchised partners were trimmed to 25 as the brands split, and the effects were still being felt in the brand's annual sales figures for 2019.

DS's annual sales declined 15.3% from 5,074 to 4,299 last year. Descat explained the downward trend was a result of the buoyant run-out sales of the now discontinued DS 3 hatchback, which was sold from the larger Citroen network until the brand's official separation.

"The transition was even harder in the UK because DS 3 was such a successful project. With 10,000 annual sales the UK was its second-biggest market," he said. "When we started with those 25 dealers in

July 2018, only they could sell the new DS models. The shift in volumes has been very strong and, of course, there are fewer dealers able to sell those cars.

"We've built (the network) up. We are now 36 and we should be opening four new dealers in the next three to four months. We can go to 40."

Descat argued that, on average, DS retailers sold twice as many cars in 2019 as they did the year before, adding: "The profit they get from DS is better than they would get from another premium manufacturer."

The DS Automobiles UK boss would not share a return on sale composite for its network with *AM* but said: "For me the profit of the dealers is my top KPI because those guys have invested. They understand that it will take time."

**“THE PROFIT OF THE DEALERS IS MY TOP KPI BECAUSE THOSE GUYS HAVE INVESTED**

**ALAIN DESCAT,  
HEAD OF BRAND,  
DS AUTOMOBILES**



## KEY PRODUCTS



### DS 3 Crossback

The spiritual successor to the DS 3 hatchback which heralded the return of the DS brand to UK showrooms in 2009. Prices start at £22,120. The brand's first full-EV, the DS 3 Crossback E-TENSE, is priced from £30,490 (including the ULEV grant).



The Robins and Day DS dealership in Manchester is among those pioneering VR technology

### New sites and a CI shift

When *AM* spoke to Descat, before the outbreak of the COVID-19 coronavirus across Europe in March, he was hopeful that 2020 would herald the start of the new era proper for the brand, with an expanded UK retail network, new CI policy and a range offering hybrids and full EVs.

DS had four new retail locations at the time of our interview. Three were Robins & Day operations, with Chiswick London West, Romford and Leicester dealerships all in development, while the brand had also partnered with Willmoths in Crayford.

Nine of the 36 DS dealerships in operation in the UK at the time were operated by PSA-owned Robins & Day Group and all four of the planned sites would be attached to a Citroen dealership.

Asked why almost a third of the brand's UK sites are run by the OEM-owned group, Descat cited the issue of high investment costs in the urban areas the brand saw as its key market areas.

In an effort to combat the issue of affordability and return on investment for new franchised partners, Descat has revisited DS's corporate identity guidelines.

Prospective retailers are now able to join the French premium brand's franchise for "as little as £150,000".

Descat said leveraging the virtual reality (VR) technology initially used to launch the DS 7 Crossback in 2017 would enable new investors to establish a dealership for less.

DS's original CI gave retailers a choice of a five-car DS Store covering 250 square metres-plus or the DS Salon – inside an existing Citroen franchise – of 125 square metres-plus, which currently accounts for 25 of the brand's 36 sales points. Now the new DS Store CI concept dictates a 150sq-m showroom with just two cars.

Describing how the brand's Virtual Vision VR solution works, Descat said: "You sit in the seat and then put on the headset and you are in the car. You can configure it how you like. You get out of the car and you're on Place de la Concorde in Paris, and you can hear birds singing. You can move the car around and change the colours.

"The thinking is that as we expand the range we'll have a new car each year so we will have a six-car showroom. The idea is that in a smaller footprint, such as in a city centre, you can still display more cars."

Descat argued that DS's resulting £150,000 development cost made it "the most cost-effective entry-point" to the premium car retail sector.

Robins & Day's DS Automobiles dealership in Birmingham was among the first to make use of the brand's VR concept when it opened in September last year.

While VR might have appeared ideal for shopping centre car stores, a trial at Stratford's Westfield Shopping Centre has steered Descat's opinion against it.

"If you wanted to sell cars that wasn't the effective set-up," he said.

"I didn't renew that because that wasn't my priority and the cost was quite expensive. I reinvested the money around the open stores and salons across the country, with more geo-marketing and strategic investment like that.

"At the present time, as we are building the network, I would rather focus on the dealers that are open to make sure that DS awareness is raised because our number one problem today is without doubt a lack of awareness of the brand.

"We have very good feedback on the



### DS 7 Crossback

A flagship SUV rivalling the likes of the Audi Q3 and Jaguar F-Pace, DS 7 Crossback sales rose 73.3% to 1,617 (2018: 933) in 2019. Prices start at £27,790 or £47,725 for the 300PS E-TENSE plug-in hybrid version which launched earlier this year.



IMAGINE REMOVING BIRD  
DEPOSIT ETCHING WITH

- NO WET SANDING
- NO BUFFING MACHINE
- NO HOLOGRAMS
- NO SWIRL MARKS
- NO PIGTAILS
- NO RISK

Reflow is a breakthrough treatment that permanently removes etching marks and dull spots, caused by bird deposits, from car paintwork\*.

Developed by Autoglym, Reflow is an innovative solution to one of the most common problems in car care – paintwork damage caused by bird deposits. Reflow is safe, easy to use and requires no specialist tools and takes just 30 minutes to effectively heal vehicle paintwork, leaving a perfect finish once again.



### WATER ACTIVATION

Cold water is added to pack to activate, pack is placed on affected area and left for 30 minutes.



### THERMAL TRANSFER

Pack heats surface to optimum temperature allowing paintwork to reflow and fill imperfections.



### PAINT HEALING

As pack cools, paintwork sets effectively healing affected area, pack is removed – etching disappears.

\*Important note: Reflow works best on new or nearly new vehicles, with clear coat, that are up to three years old. If paintwork is aged, Reflow will significantly improve the appearance of the etching but might not remove it completely.



product, customers are happy and they feel like they have made a smart choice. It's still the best-kept secret so how do we change that?

"The thing is if you live in a part of the country where you don't have a DS Store within 40 miles you probably wouldn't be aware of DS.

"That's why I'm so aware of the role that the press can play in making people aware, but the efforts also have to be targeted – you could invest billion in bazooka marketing, but it has to be effective."

#### DS dealer awards

One way DS Automobiles UK has attempted to increase its profile was through sponsorship of the Formula E championship-winning DS TECHEETAH racing team.

For a brand set to feature only electrified vehicles in its line-up from 2025, the alignment looks logical.

On a practical level, Descat is keen to empower his UK franchisees to take an entrepreneurial approach to their business, and awarded the team at WR Davies Motor Group's DS Salon Stafford with its 'Entrepreneurial Award' for outstanding achievement in 2019 as recognition of this.

Descat said: "I think that the DS partners are all entrepreneurs and they did all take a risk – particularly when you take into account the UK market in particular, with all the macro-economic effects at play.

"If you ran your business as you had run your Citroen business then you won't succeed because you won't get the right approach. For a dealer it means finding new ways to market in your market area.

"In Stafford the guys were very creative. They partnered with local restaurants and created relationships that would build value.

"They would go for a test drive and stop for a coffee in a nice place and come back, so they've created local ambassadors like they also did in Edlington, in Northern Ireland.

"Regularly I reward dealers and occasionally people when they have been extremely entrepreneurial. It's not just dealer principals it's the DS expert or the sales manager.

"They write to me and say 'I have this idea, what do you think?' I love it. I know the salesman by his first name, they know me. We do live video chats and its very much like a family. It's like 'welcome to the DS family.'"

**“AS AN EMERGING BRAND WE NEED TO COMPETE IN THE SPACES WHERE OTHERS ARE, BUT DELIVER IN OUR OWN WAY**

ALAIN DESCAT, HEAD OF BRAND,  
DS AUTOMOBILES



DS wants to deliver Parisien-style levels of luxury in its showrooms



#### E-TENSE adoption

Like many brands still targeting volume growth in the challenging times delivered by economic uncertainty and 2020/21 EU CO<sub>2</sub> emissions regulations, which dictate €95-per-gram over a 95g/km fleet average emissions limit per car sold, DS Automobiles is pinning its hope of EVs.

Speaking to *AM* ahead of the Paris launch of the DS 7 Crossback 4x4 E-TENSE plug-in hybrid and DS 3 Crossback E-TENSE EV, Descat said that he hoped the proportion of electrified vehicles sold by DS "could be something above 20%" in 2020.

"We will push E-TENSE because this really is an opportunity to stand out as a new brand, a new cool brand if you like, which is also a responsible brand. It matters to me personally, but it also matters to all of us," he said.

He sees the DS 7 as an ideal car for a user-chooser business driver, but added: "DS 3 Crossback E-TENSE is more a retail car, I think.

"The price is roughly £50 more a month than the ICE but then you probably save £50 a month on fuel and that's not taking into account local regulations such as parking incentives or the congestion charge.

"I was in Brighton the other day and there was this great thing, they had this sheet which they distributed to all car dealers

where they compare EV versus petrol and show you all the benefits.

"Local authorities must continue to give clarity on the taxation, which isn't there right now."

In order to allow its retailers to share the DS experience, it has created a 24-hour test drive and it wants to continue its positive feedback well into a car's lifecycle.

It has now developed a DS 35 approved used car programme and its aftersales proposition includes vehicle delivery and collection or a DS courtesy car as a minimum requirement.

Descat wants the brand's customers to ideally visit their dealership and be served by sales staff all of whom have spent a week in Paris being immersed in the city's cosmopolitan luxury retail outlets to understand the level of service that DS wants to deliver.

In Paris, the brand showed the assembled journalists how the MyDS smartphone app would also form the gateway to a "privilege club" with restaurant recommendations and exclusive events offered to broaden the lifestyle aspect of the brand.

Descat said: "It's a competitive market. As an emerging brand we need to compete in the spaces where others are, but deliver in our own way, to trade on our unique appeal."



# Beating the slow months with Car Care Plan

Explore other ways to improve the bottom line when registrations dip

With everything that's going on globally and closer to home in the UK, you're probably aware that new car registrations haven't been doing so well recently. At the end of 2019 they declined 2.4%<sup>1</sup> and year-on-year figures in February also declined 2.9%<sup>2</sup>, an unfortunate dip, but nothing the automotive industry can't bounce back from.

With that said, it's important to look at ways to boost sales and spark interest, and one great way to do that is through ensuring a range of aftersales products are available to suit every customer.

So, how can this help? Providing a range of aftersales products keeps customers in contact with dealerships, increasing footfall even during the slower months. This is vital, keeping people coming through the doors and building loyalty as the customer's relationship with specific dealerships is maintained. It's a good idea to offer a range of different protection options, given your customers have different needs. Car Care Plan provides many different products – from warranty protection to GAP insurance, as well as Tyre and Alloy, Cosmetic and MOT Test Insurance, and Roadside Assist and Service Plans.

Working with Car Care Plan will keep your bottom line looking healthy while the new registration numbers pick up again.

Not only is there a range of products on offer, they can be tailored to your dealership. This means they will suit both your customers and your business, making



“Making the best use of aftersales options will help dealerships to thrive, and keep motorists on the road with added peace of mind”

them all the more important while sales pick up. With more and more business being conducted online, it's important to ensure that customers can also find the same convenience as they buy financial protection for their vehicles.

Car Care Plan provides e-commerce solutions that make sure your customers can buy cover easily. We work alongside you to set up business how you like it.

With an emphasis on customer convenience, through the busy or slower times, Car Care Plan has set up products that are simple and easy to use. For some products, claims can be made through an app and problems fixed at the customer's home or work place. Car Care Plan is keen

to ensure that everything is set up for the customer's ease and benefit, reaching people in their everyday lives to ensure that motor problems come with as little stress as possible. Car Care Plan also provides training and support to dealerships, increasing understanding of each product and equipping staff to help customers purchase cover.

Making the best use of aftersales options will help dealerships to thrive, and keep motorists on the road with added peace of mind. Car Care Plan has more than 40 years' experience working alongside dealerships and manufacturers to protect motorists, during the busier or slower months and years. Partner with Car Care Plan to boost your aftersales and provide your customers with the care they deserve.

<sup>1</sup> <https://www.am-online.com/news/market-insight/2020/01/06/new-car-sales-end-2019-at-seven-year-low-amid-consumer-uncertainty>

<sup>2</sup> <https://www.autoexpress.co.uk/news/105893/new-car-sales-2020-registrations-down-29-cent-february>



To find out more visit: [Carcareplan.com](https://www.carcareplan.com)



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# Profiting from Pre-owned

Why dealers should be poised to make  
the best of the UK used car market



**PETROL VALUES SHOW SIGNS OF WOBBLING**  
AND THAT WAS IN ADVANCE OF THE CORONAVIRUS  
PLACING A CLOUD OVER VIRTUALLY EVERY ASPECT OF  
BUSINESS LIFE IN THE UK

PAGES 42-43

**UNLOCKING THE ONLINE MARKET**  
A RANGE OF SMART NEW DIGITAL  
STRATEGIES FROM DIFFERENT RETAILERS  
ARE DRIVING TRADE AT A TOUGH TIME

PAGES 47-49

**ARE USED APPROVED SCHEMES  
HURTING DEALER PROFITABILITY?**  
TIMES HAVE CHANGED DRAMATICALLY BUT  
HAS THE INDUSTRY MOVED WITH THEM?

PAGES 53-55

# Petrol values show signs of wobbling early in year

And that was in advance of the coronavirus placing a cloud over virtually every aspect of business life in the UK

**W**hile the new car market dropped last year, used car performance helped to deliver stable levels of profit and volume as a key part of retailers' businesses in 2019.

However, there have been some signs of an early wobble in 2020 with pressure on petrol values in particular, according to retail data from Cazana.

All eyes are now on the wider impact of the global coronavirus pandemic as there is the potential for an early stumble to turn to a fall, as life goes on hold to varying degrees across the country due to these unprecedented circumstances.

Mike Jones, ASE Global chairman, said that before the coronavirus the used car market was looking very steady in the UK.

He said: "Profit returns have been solid and the picture from the auctions has been healthy.

"I suspect the market will take a bit of a pause and it's likely new cars will feel the biggest impact from COVID-19, rather than used."

Jones said that other than a couple of dips in 2019, return-on-investment for used cars has been consistent and dealers have maintained a solid focus on stock management.

According to ASE's data gross used car profit was up by 6% on average across the industry in January 2020 and it's up 16% when looking at the past two years compared with 2017.

Used car return on investment is at 85.6% for the rolling 12 months to January this year, against a benchmark of 100%.

Jones said: "There was a price guide book drop in Q2 2019 which affected the figures and there are always going to be some isolated cases where retailers are getting themselves into trouble, but, generally, the used car performance for retailers is in good shape.

"January for used cars was fine and February was looking okay too, although it is usually a small month. The March picture is less clear."

Philip Nothard, customer insight and strategy director at Cox Automotive, said there are two key concerns for dealers which underpin everything else – stock supply and margins.

The strength of the used car sector over

**THOSE WHO ARE SLOWER TO ACT, RISK MISSING INCREASED MARGIN POTENTIAL FOR GOOD QUALITY USED STOCK**

**PHILIP NOTHARD, COX AUTOMOTIVE**

recent months, challenging pricing, a competitive retail sector and the impact of improving consumer confidence have all provided retailers with opportunities.

Nothard said: "Those who are slower to act, risk missing increased margin potential for good quality used stock which is becoming more difficult to replace. Of course, at a macro level, we also have to wait and see how and where things will settle after the peak COVID-19 impacts have subsided."

## USED DIESEL AND PETROL VALUES

Cap HPI said prices for diesel have dropped over the past 12 months, but so has petrol.

Chris Plumb, senior valuations editor, Cap HPI, said that average diesel values over 2019 for used vehicles at three years/60,000 miles fell by 8.9%, compared with a 6.5% drop for petrol vehicles.

The performance of diesel needs to be put into perspective as Cap HPI's trade sales data in

volumes between three to four years old the percentage share of diesel was 60.3% with petrol at 36.6%.

He said: "Despite the supply of diesel products being plentiful, values tracked closely to petrol.

"The first three months of 2020 see the cumulative movements for both fuels to be level with each other. Our retail intelligence also shows that days to sale remain very close between petrol at 50 days and diesel at 51 days."

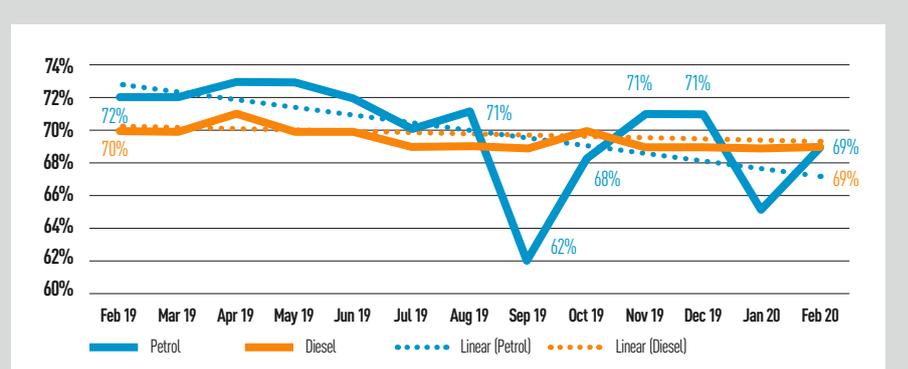
Cazana's data shows retail price performance for petrol dipping in September last year, also dropping at the start of 2020 before starting to recover.

Rupert Pontin, Cazana's director of insight, said these troughs in the data reflect pre-registration activity from manufacturers and the belief that car buyers wanted large volumes of petrol cars.

Pontin said: "Petrol-powered cars remain a concern and specifically sub-12-month-old vehicles with this sector showing instability over the course of the past year.

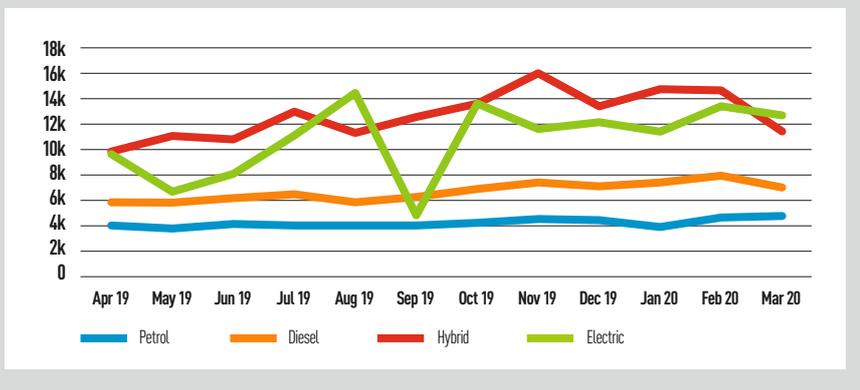
## ⇒ PETROL AND DIESEL RETAIL PRICE PERFORMANCE AS A % OF ORIGINAL COST NEW

Data source: Cazana.com



## ≡ AVERAGE VALUES BY FUEL TYPE

Data source: Cox Automotive



"This situation has been created by both government legislation and the manufacturers, neither of whom appear to have understood the retail consumer and company car buyer.

"What is certain is that the market is in for a bumpy ride in the coming weeks, perhaps months."

Nothard said there has been a realignment in trade values over the past 12 months and a strengthening in the used car market throughout Q4 2019 and into Q1 2020.

He put this down to the relative shortages of good quality used stock to set prices on the rise, while demand for used vehicles during that period remained strong.

Nothard agreed that times are looking a bit more uncertain, but he is confident the industry will come out the other side, maintaining a positive trajectory.

### THE USED HYBRID AND ELECTRIC VEHICLE MARKET

The hybrid and battery electric vehicle (BEV) market has seen greater fluctuations in values, according to Cox Automotive data.

This is down to relatively small volumes, model type lifecycle and entrants to the used market.

As more new models become available, Nothard expects to see average prices in the used sector grow. He said: "The Government announcement to bring forward the timeframes for banning conventional diesel and petrol vehicles, as well as hybrids, has not had much impact in the used car market to date."

Conversely, both Cap HPI and Cazana show relatively stable values for hybrids and BEVs.

Plumb said mild hybrids have performed slightly better than plug-in hybrid vehicles, while BEVs are developing as a growing used EV market at a particular price point for consumers looking for a second car for city commutes.

Plumb said: "We expect to see demand for BEVs to continue to increase as clean air zones are rolled out and the range of product widens."

Cap HPI's data shows that premium BEVs are a different proposition, often with longer ranges and more features, but the higher price points have meant they are yet to really take off.

Cazana's data shows that for all key age and mileage profiles except one, BEV and hybrid retail prices have improved or remained stable over the course of the past 12 months.

It is only the three year old BEV pricing that has dropped, and Pontin said this is a reflection of reduced demand for older technology with more restrictive driving ranges.

Pontin said: "It is worth acknowledging and monitoring this trend." He thinks the pace of improvements in new technology and driving range in new cars coming through may affect the pricing of many younger used cars.

### MODELS CLASSES IN DEMAND

Plumb said small-to-medium cars continue to be the most in demand model segment for used car retailers. Demand for small to medium SUVs also continues to grow.

Values for executive cars remained under pressure in March last year although not to the same levels Cap HPI witnessed in late 2019.

## ≡ POTENTIAL IMPACT OF CORONAVIRUS ON USED CAR MARKET IN Q2 2020

Car valuations experts urged car retailers not to reduce used vehicle prices during the COVID-19 lockdown in a bid to maintain market stability.

Four days after the start of the UK lockdown Cap HPI announced that no adjustments would be made to trade values.

Auto Trader, meanwhile, said that retailers must resist the temptation to reduce values to retain hope that the market will "pick up where we left off" after the COVID-19 crisis.

Its Retail Price Index data for March indicated that values had remained flat – down just 0.2% – but data and insight director, Richard Walker, said: "To ensure we can return to health as quickly as possible, we urge retailers to resist the temptation to reduce prices."

Derren Martin, head of valuations UK at Cap HPI, similarly urged retailers to "keep a cool head" with regards to stock pricing. He said: "Our advice would be that reducing prices will not stimulate the market."

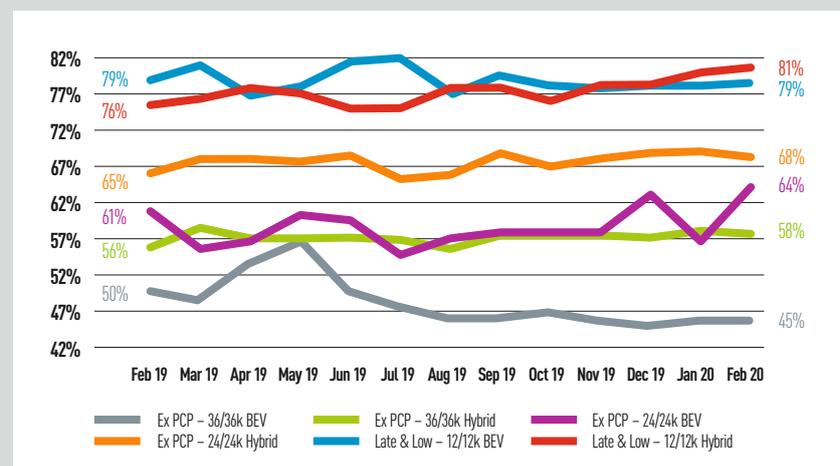
Big-ticket items across this sector remain a challenge due to the higher price points. There had also been some evidence of pre-registration within trade data by some manufacturers which has impacted some nearly-new car values.

Plumb said: "When considering options it remains important to match the appropriate level to the vehicle. The trick is to differentiate between the 'must-haves' and the 'nice to have', however, these will vary between brand, model and option."

TOM SEYMOUR

## ≡ BEV AND HYBRID RETAIL PRICE PERFORMANCE AS A PERCENTAGE OF ORIGINAL COST NEW – KEY PROFILES

Data source: Cazana.com



# Data can help us to prepare for a brighter future

By Richard Walker, data & insight director, Auto Trader



The automotive industry has faced a series of unprecedented challenges over the last few years. However, nothing could prepare retailers for the huge impact COVID-19 is having on their businesses. At a time of such uncertainty, we believe that it is more important than ever to have the capability to identify and understand critical changes in the market. As you'll read in my short Q&A, we have launched a new suite of reporting tools early to give our retailer partners access to our unparalleled market insight and intelligence.

Data, alongside one's own expertise and experience, is invaluable in adapting to a fast-evolving landscape and consumer expectations. That's why we've done all we can to give customers the benefit of our market intelligence as soon as possible to help navigate these unique challenges. At the time of writing (April 2), the UK has been in 'lockdown' for two weeks, and there is little certainty over how long it will last, placing huge pressure on retailers. However, there are reassuring signs that the market has every potential to return to health once the restrictions have been lifted, similar to what's currently happening in China. This includes an increase in the number of vehicles being saved on our marketplace every day, as well as nearly three quarters of consumers searching across our platform stating they were still in the market for a new/used car; 14% wanted to buy now and 58% would delay their purchase.

We therefore hope that by effectively giving our customers unprecedented access to our data, our retailer partners will have the insight they need to be in the very best possible position to profit when business resumes as normal.

## ADVERTISING FEATURE

# epyx launches llink Trade Buyer this month

By Vicky Gardner, head of remarketing, epyx



We're excited to announce that epyx has extensively upgraded its range of online remarketing products with the launch into beta testing of llink Trade Buyer this month.

The new platform replaces llink Disposal Network for the 3,000 dealers who use it to buy ex-fleet and rental stock, and has been redesigned based on both the availability of new technology and extensive research into the needs of existing and potential users.

Enhancements to llink Trade Buyer include advanced vehicle filtering with multi-pick selections and dynamic counts, updated vehicle summary and vehicle record cards with more detailed service history and clearer data presentation, full-screen imagery, key information indicators, downloadable stock lists and improved address tools.

The result is a faster, more efficient and more user-friendly buying experience that exactly meets the needs of stock buyers as we move into the 2020s.

For almost two decades, we have used the llink Disposal Network brand for our two remarketing platforms, whether they faced towards dealers who were buying stock or fleet vendors selling cars and vans. With the investment and enhancements made to the dealer platform, now seemed like the perfect time to create two clear and separate identities with the launch of llink Trade Buyer while continuing with llink Disposal Network for fleets.

Everything we have done in rethinking llink Trade Buyer is designed to do one thing – enable dealers to identify and acquire the stock they want as quickly and as easily possible – and the initial response from our users has been overwhelmingly positive.

If you're involved in buying cars and vans for your dealership, we believe it's well worth your time to take a good look.

To find out more visit [llinkTradeBuyer.co.uk](https://llinkTradeBuyer.co.uk), or email: [Remarketingteam@llink.co.uk](mailto:Remarketingteam@llink.co.uk)

ADVERTISING FEATURE

# Maximise business with the right BCA tools for you

By Stuart Pearson, COO, BCA UK Remarketing



With competition always intense for the best used vehicles in the wholesale sector, dealers need to make quick decisions when stock opportunities present themselves – and BCA has the tools to help them make the most of each and every profit opportunity.

With 24 centres covering the UK and sophisticated digital remarketing platforms, BCA is integral to the motor industry, with a complete range of vehicle buying and selling services, as well as logistics, storage and vehicle refurbishment.

The BCA Buyer app continues to evolve, delivering even more functionality and accessibility for our customers, and making it even easier to conduct business with BCA. With mobile becoming the device of choice for sourcing and buying vehicles on the go, the BCA Buyer app is the must-have digital buying tool, designed to simplify finding and buying stock with BCA, anytime and anywhere.

BCA Partner Finance gives dealers working capital to increase their stock holding and build their sales volumes. This makes it easier and quicker to replenish stock and control cash flow. Dealers can choose to upgrade their stock profile with higher value vehicles and potentially increase the profit per unit.

BCA Dealer Pro allows dealers to appraise, get daily adjusted valuations and remarket PX vehicles, and maintain inventory at the touch of a screen, with the freedom to see what is available across the entire dealer group where applicable.

BCA Valuations delivers daily valuation intelligence to ensure buyers and sellers are fully informed and in tune with actual market conditions.

Through innovation, quality of service and experience, BCA creates the most efficient, sustainable and profitable vehicle exchange to meet the growing needs of dealers, putting customers at the heart of our business.

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The coronavirus crisis means that for the next four months AM magazine will be available in digital format only, published from the third Friday of each month. Make sure you still read it.

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# Unlocking the online market

A range of smart new digital strategies from different retailers are driving trade at a tough time

**U**sed car dealerships have had to change their approach to automotive retailing in response to shrinking margins and falling registrations.

Sales in the UK's used car market declined 0.1% in 2019, down 9,935 on the previous year, according to the latest figures from the Society of Motor Manufacturers and Traders.

But retailers have been fighting back with a range of new strategies designed to boost business by harnessing the latest technological advancements in e-commerce that the industry has to offer.

The first step some suppliers have taken is to add 'good' and 'low' price tags to their classified adverts. These price indicators are designed to enable the consumer to make faster and better-informed decisions.

Chris Penny, brand director at AutoTrader, which established three price flags – low, good and great – on some of its for sale vehicles more than three years ago, said the intention was to incentivise retailers to price towards the middle of the market and push consumers in that direction too. In

December, it also introduced fair and high price markers, based on average valuations from what it described as "robust and accurate data."



"It's about giving the consumer more context in the decision-making process – a high-priced car isn't necessarily a badly-priced car, and a low-priced car isn't necessarily a well-priced car," said Penny. "That way it generates more trust in the retailer, enables the consumer to make a well-informed and quick decision, and provides as much information as you would receive in the dealership. The overwhelming majority of consumers say

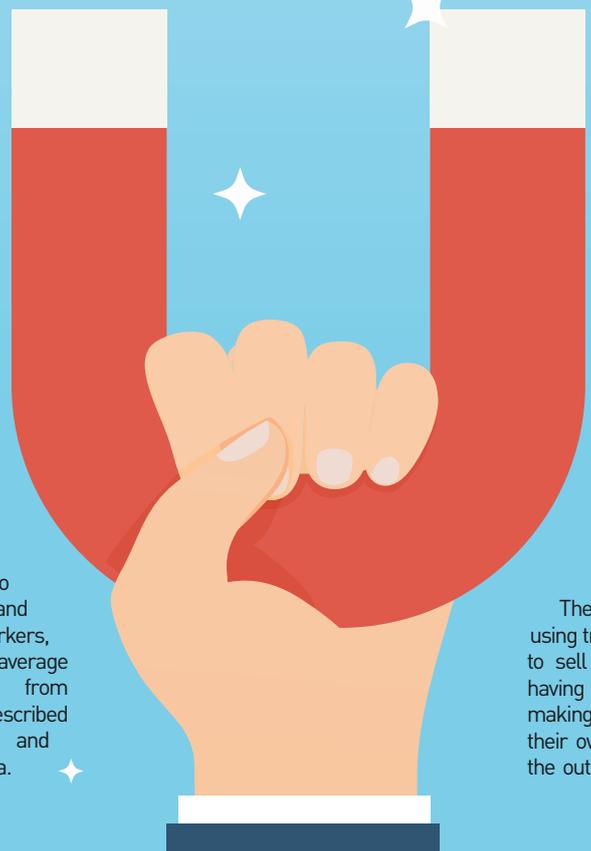
that they found the price flags helpful in guiding them towards the right vehicle. By the same token, consumers will still click on a high-priced vehicle because they want to find out why it's higher than the average car in the market for a variety of reasons."

Wendy Harris, vice-president of European sales for CarGurus, which analyses hundreds of thousands of vehicles in the UK daily, and rates deals as great, good, fair, high or overpriced, said the unbiased ratings make it easier for buyers to search across listings, find the right car for them and make an informed decision about purchasing it. For retailers, the ratings drive better consumer leads, she said.

"It can support retailers in the next stage of the buying journey too, making it easier to achieve the asking price, as buyers who may often want to effectively haggle can already see that the car is fairly priced," said Harris. "It can also help retailers to price cars right the first time, avoiding wasting time with having cars on forecourts that might not be priced accurately."

## SPEEDING UP THE STOCK BUYING PROCESS

There has also been a rise in dealers using trade stock portals that enable them to sell between themselves rather than having to stand around in an auction hall making bids. The platforms have come into their own in recent weeks following the outbreak of the Coronavirus and



the subsequent clampdown on travel and large gatherings.

Kieran Teeboon, managing director of Dealer Auction UK, which launched in 2008, said that his platform complements the physical auctions and provides dealers with multiple ways to access the market. The newly-relaunched platform, run in conjunction with AutoTrader, also allows dealers to set up alerts for the stock they want to see, ensuring fast turnaround of stock, he said.

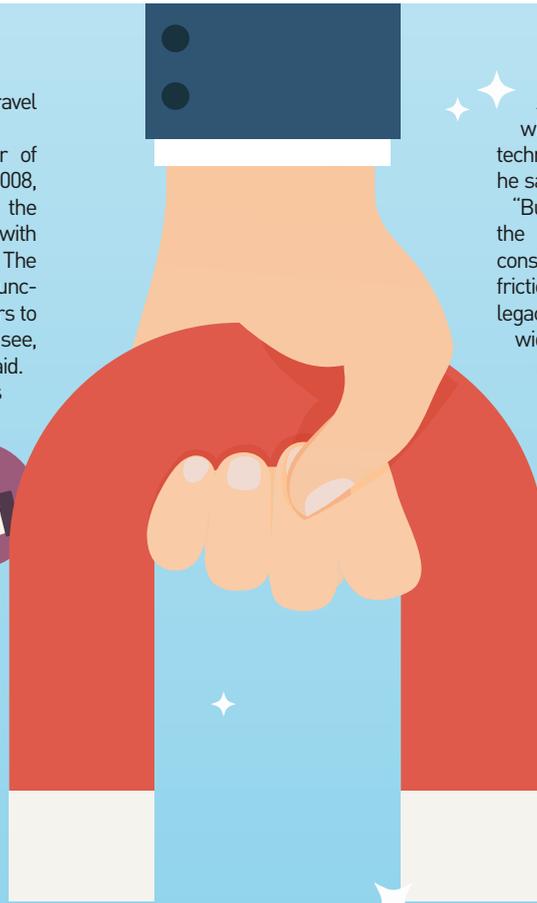
"Trading vehicles isn't a 'one size fits all' approach and, for many dealers, the ability to take advantage of both physical and virtual auctions provides real benefits," said Teeboon. "Indeed, we offer the whole Manheim physical auction catalogue on our platform, alongside our own partners' stock, so dealers have extensive choice when they are looking to buy. Around 600 new vehicles are loaded onto the Dealer Auction platform every day and, combined with the Manheim listings, dealers should have details for more than 7,000 vehicles at their fingertips."

Autorola's group sales director Jon Mitchell said that increasingly more dealers, fleets, manufacturers and daily rental vendors have adopted online trade stock portals as part of their overall remarketing strategy. This is because of the speed of purchase, and time and cost saved on travelling to search for stock, and not having to transport cars to auction, he said.

"We now have 2,000 active buyers and this number has grown in recent years as we have built the trust with buyers that the vehicle they see online with photos and descriptions is the one that will arrive on their forecourt," said Mitchell. "And if in the small number of cases the buyer is not happy with what they have bought, our resolution service gets issues resolved quickly and efficiently."

### RISE OF THE ONLINE SALES PLATFORM

The emergence of online used car retail models such as BuyaCar and Cazoo has been another gamechanger. The growth in this market has been fuelled by the need for dealers to widen their reach and sell more cars, a desire to protect margins, and



Amazon-like buying experience, which incorporates facial recognition technology to validate finance applications, he said.

"BuyaCar has demonstrated and refined the concept of online motor retail as consumers increasingly demand that frictionless purchase experience – but legacy sales processes still dominate the wider industry," said Oldham. "Online motor retail will explode in the next five years and dealers will benefit as we build the biggest platform of its kind."

Cazoo's founder and chairman Alex Chesterton said that consumers' buying habits were simply following those of other sectors. His company has tapped into that, enabling the consumer to buy or finance a car online and have it delivered to their door within a few days, which comes with its own opportunities and challenges, he said.

"There are challenges with selling complex products online without any face-to-face interaction," said Chesterton. "And of course offering national delivery is not without challenges. The

opportunity, however, is a very large market where even a small share is material."

Online used car finance approvals have also revolutionised used car retailing. Ivendi has been a pioneer in this area with a solution that enables the consumer to receive an instant quote from the lender any time of the day.

Ivendi's CEO James Tew said the key benefit of online used car finance approvals is time saved by both dealer and consumer, as well as the paperwork required. It also makes the whole buying journey more seamless, he added.

"If you want to apply at 7pm and the dealership is closed you can just go online and get credit approval within about seven to 10 seconds, so you're not having to wait around until the following day to find out,"

said Tew. "From the dealer's perspective you are effectively taking the shopper out of the market, and from a consumer standpoint they then have the assurance that everything is now in place to purchase the vehicle once they have been approved for credit." **ALEX WRIGHT**

**“IT’S ABOUT GIVING THE CONSUMER MORE CONTEXT IN THE DECISION-MAKING PROCESS”**

**CHRIS PENNY, AUTOTRADER**

customer demand for a frictionless buying experience.

BuyaCar has delivered almost 20,000 vehicles to customers since it was formed in 2002. Its chief executive Andy Oldham said the market for online used car retail has only really taken off now because the industry has realised the sales potential. BuyaCar has taken the lead on this, with the establishment of an



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# CarGurus increases conversion while decreasing response time for major dealer using Calldrip technology

Lead quality ramped up as new tech makes an instant impact

**C**arGurus, the fastest-growing automotive shopping site in the UK\*, has seen consumer traffic increase steadily and is delivering leads to more and more dealers in the UK. While the CarGurus platform has continued to drive more leads to dealerships, the CarGurus One Voice Report research found that overall lead quality across all lead providers has decreased in the past year\*\*. Over a third (34.6% of dealers) reported a downturn and remain sceptical about lead quality.

Despite email and phone leads being two of the most important touchpoints, lead management processes are still not up to scratch, according to the One Voice Report. More than a quarter (26.2%) of used car dealers are still using paper-based systems, and a further 14.6% use a simple spreadsheet. This manual approach to lead management makes it difficult for dealers to efficiently respond to leads, which translates to poor sentiment around lead quality.

CarGurus wanted to debunk this myth of poor lead quality so they partnered with Calldrip and a leading UK dealership to investigate the issue and test new state-of-the-art lead management technology.

"As consumers turn to email as a channel to communicate, dealers must adapt and quickly respond before they (consumers) move their interest on to the next vehicle (and dealership) while browsing. Consumer behaviour is fast-paced, so instant connect technology from Calldrip is perfect to handle the increasingly large amount of leads that providers such as CarGurus are delivering," said Sarah Cunningham, head of EU dealer marketing at CarGurus and PistonHeads.

## Putting technology to the test:

In November 2019, CarGurus partnered

with one of the largest UK dealerships which – at the time – was struggling to keep up with the volume of enquiries from their lead partners, including CarGurus. CarGurus recognised this as the perfect opportunity to start testing new lead follow-up technology from Calldrip.

## How Calldrip works:

When a consumer submits an email lead enquiry for a vehicle on CarGurus:

1. Calldrip converts the email lead into an inbound telephone call and rings the dealer's sales team
  2. The dealer agent or BDC answers the call and claims the lead
  3. Upon answering, they hear the customer's information
  4. Calldrip connects them to the customer
- The entire process takes less than 30 seconds, allowing dealers to capture the buyer's interest while they're still engaged.

## Putting practice into play:

CarGurus partnered with Calldrip to implement instant connect technology for the dealership. This quickly connected the

dealership with potential customers, making it easier for the call centre to schedule appointments. With more appointments set because of the quick response time, the dealership immediately saw the value of email leads generated through the CarGurus platform.

## Results:

Key results from partnering with Calldrip:

- Managed more than 3,000 leads
- Increased appointment set ratio on email leads from less than 10% to 20%
- Boosted engagement with customers, moving more from undecided to decided
- Improved consumers' first impression of the dealership in an industry known for slow response times
- Consistent, daily response time under 30 seconds

"CarGurus is committed to helping dealers sell more cars and proving their return on investment. We partnered with Calldrip to deliver on our promise and ensure dealers get the most from the leads we send them," said Paul Gilligan,



"Consumer behaviour is fast-paced, so instant connect technology from Calldrip is perfect to handle the increasingly large amount of leads providers such as CarGurus are delivering."

Sarah Cunningham, head of EU dealer marketing at CarGurus and PistonHeads



“CarGurus is committed to helping dealers sell more cars and proving their return on investment. We partnered with Calldrip to deliver on our promise and ensure dealers get the most from the leads we send them.”

Paul Gilligan, manager of strategic partnerships, CarGurus

manager of strategic partnerships at CarGurus.

“Calldrip technology consistently delivered industry-leading consumer engagement, sales appointment set ratios and consumer guest experiences. Our analytics highlighted record response times to each and every CarGurus lead across the three-month case study, which allowed the dealership to connect with more consumers in real time while they were still engaged. The results were clear: increases in appointments delighted the dealer and improved efficiency,” said Allistair Carmichael, VP UK & developing markets, Calldrip.

Increased appointment set ratio from less than 10% to 20% on email leads

(Nasdaq: CARG) is a global, online automotive marketplace connecting car buyers and sellers. The company uses proprietary technology, search algorithms and data analytics to bring trust and transparency to the automotive search experience and help users find great deals from top-rated dealers.

CarGurus is the most visited automotive shopping site in the U.S. (source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Audience, Q4 2019, U.S. Competitive set: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com). CarGurus launched in the UK in 2015 and is the fastest growing car shopping site among its nearest competitors based on the percent change in average unique monthly visitors from Q4 2018 to Q4 2019 (source: Comscore MMX Multi-Platform®, Custom-defined list includes Cargurus.CO.UK, Motors.CO.UK, AutoTrader.CO.UK, and

Gumtree.com). In 2019, CarGurus acquired UK-based PistonHeads.com, which it operates as an independent brand. As well as the UK and US, CarGurus operates in Canada, Germany, Italy and Spain.



**About Calldrip:**

Calldrip is speed of response lead management software. Its core product offers a platform that converts online customer enquiries into phone calls in under 30 seconds.

By connecting the salesperson with a prospective buyer while their interest in a product or service is still high, Calldrip is able to increase sales conversion by as much as 900%. Calldrip’s core product also transcribes, critiques and scores all sales calls to help improve sales process performance.

Since most purchasing decisions are now made when dealerships are closed, Calldrip also provides an out of hours appointment setting service from their own team. With the majority of people now buying from the first person they have one-on-one contact with, being first to respond effectively takes a prospect out of the market.

Calldrip is headquartered in Utah, US, and has its European office in Manchester, UK. They work with more than 6,000 dealers across 30 countries to help boost lead response times, and, ultimately, increase sales.

\* Comscore MMX Multi-Platform®, Custom-defined list includes CarGurus.CO.UK, Motors.CO.UK, AutoTrader.CO.UK, PistonHeads.com, and Gumtree.com

\*\*CarGurus One Voice Report, UK, 2020



**About CarGurus**

Founded in 2006 by Langley Steinert (also a co-founder of TripAdvisor), CarGurus



“Our analytics highlighted record response times to each and every CarGurus lead across the three-month case study, which allowed the dealership to connect with more consumers in real time while they were still engaged. The results were clear: increases in appointments delighted the dealer and improved efficiency.”

Allistair Carmichael, VP UK & developing markets, Calldrip

To learn more about the added value and insight CarGurus and Calldrip can bring to your dealership, email: [marketing-info@cargurus.co.uk](mailto:marketing-info@cargurus.co.uk) visit: [cargurus.co.uk/signup/CalldripCaseStudy](http://cargurus.co.uk/signup/CalldripCaseStudy) or call: 0808 501 5170





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NOVEMBER 12, 2020



# Automotive management LIVE

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# Are used approved schemes hurting dealer profitability?

Times have changed dramatically but has the industry moved with them? *AM* investigates...

**I**t's 30 years since Vauxhall transformed the used car market by introducing the first manufacturer-approved scheme, Network Q, and the concept was soon embraced throughout the industry.

It was easy for sales staff to explain such benefits as multi-point inspections and lengthy warranties when transactions were carried out face-to-face, but as buyers carry out more research online, the reasons for price differentials with independent dealers aren't always immediately evident.

So, should franchised dealers trim their margins to remain competitive, or should manufacturers and their networks do more to promote the added values and benefits which their schemes deliver?

Karl Davis was a dealer for Bentley, Rolls Royce and Volvo, and also worked for two major auto manufacturers, before setting up Coachworks Consulting in 2002. "The approved used (AU) concept was essentially conceived to increase the standard of presentation and hold up residual values. Today, we have Trading Standards departments to protect consumers, operating within a wider environment in which standards in general have to be higher," he said.

"However, over the years the market has gradually been turned on its head, and the over-supply of cars is more than counter-balancing the good which these programmes can do."

Davis believes both manufacturers and retailers must make more of the benefits of their AU programmes to customers, particularly concerning the due diligence involved, and the warranty protection.

"Every aspect is designed to deliver peace of mind to consumers, but there is a great deal of evidence to show they aren't being correctly highlighted," he said. "Manufacturers could do more, and retailers should do more to accentuate those attributes, in person and verbally, rather than relying on point-of-sale material."

Davis identified costs accumulated during the preparation and conditioning of vehicles as a major challenge for franchised dealers.

"Used car supermarkets and independents want to minimise costs at every opportunity, for example, by not using OEM replacement parts, but franchised dealers try to achieve profits for the manufacturer, their parts department, and their service departments," he said.

"If dealers then don't highlight the benefits of everything they do to prepare vehicles,

they are just left with costs, and if manufacturers continue to over-supply, they are doing more to harm residual values than the way in which vehicles are prepared.

"Everyone really must get their people to highlight all the benefits, before they get into discussions about price."

Like Davis, Robin Luscombe has some 35 years of experience in the motor trade, and for the best part of a decade has been the MD of Suzuki and Mitsubishi dealerships in Leeds. An array of awards and trophies testifies to his commercial nous, and he's acquired a reputation as an innovative operator in an industry often slow to embrace change. "I don't think consumers here go out to buy a manufacturer-approved used car, they look to identify a brand they can trust, and then it's about price and benefits and value," said Luscombe. "But it is ridiculous that franchised dealers are forced to add in extra costs and reduce margins when we are competing with people who don't have those costs."

Luscombe's solution is to focus intensely on managing his dealerships' online reputation, and to persuade potential customers that they are trusted brands.

"Almost everyone looking for a used vehicle will do some form of research. 



# SOMETHING TO REALLY **LOOK** FORWARD TO.



**You might think this is the worst possible time to launch a new platform for trade buyers – but we disagree. It's all about building anticipation – and we believe our new 1link Trade Buyer is something you'll be very eager to start using soon.**

Why? Well, it takes all the advantages of our established 1link Disposal Network and adds features such as intuitive search functionality and improved responsive design, making it easy to find the right vehicles for you.

What's more, you'll still get the same low-cost, flat rate buyer's fee and exclusive access to thousands of quality ex-fleet, lease and manufacturer cars and vans.

We're confident that it is simply the best platform of its type available. So when you're ready to restock again, we think you'll want to do it through 1link Trade Buyer. It's a platform worth waiting for.

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**1link** Trade Buyer

Being a main dealer or branded super-market is no longer enough, so managing online reputation is absolutely crucial," he said.

"Any dealer looking to consistently attract buyers needs a good cross-section of reviews and comments from customers of different types, to establish confidence in both the dealership, and the cars it is selling. Sometimes issues will crop up – especially with used vehicles, and however carefully you try to avoid them – so it's how you deal with them, and how you can make the customer feel satisfied."

Intriguingly, Luscombe's employs a customer experience director, Jane Whyman, whose role encompasses marketing, brand management, media, and much more.

"Many people put marketing above customer experience, but we take the opposite view," said Luscombe. "It's an important role, and often very rewarding because of the feedback."

"If you satisfy customers, they become advocates for your business, and when you have excellent reviews across a wide spectrum of sites, it builds trust and confidence among potential customers."

Darren Bedford, who held senior operational roles in the industry before becoming a dealer-principal, and is now sales director at Symco Training, agreed with Davis that many dealers are failing to communicate their offer, and believes fundamental change is required.

"Most manufacturers have failed to assess and improve their AU programmes over the years, and they are much the same now as when they were launched, despite huge changes in the way in which cars are marketed and sold," he said. "Likewise, dealers must really understand the sector in the market for which they are aiming. We can't expect customers to investigate and understand the complexities of our market, they have to be educated by dealers and their sales teams. For instance, if 20% of used cars coming into dealers are rejected because they don't meet quality standards, that's something we need to highlight, and the fact that only vehicles accepted by our experienced and highly trained technicians will go on to receive a warranty."

Bedford believes many dealers are compounding the challenges they face from independents and car supermarkets by operating separate teams for new and used vehicles.

He is adamant one category will always suffer,

especially at times when dealers focus on new-plate sales, and because they fail to swiftly move used cars to their forecourts. "You see numerous examples everywhere in the country, when dealers don't have cars ready for display after two or even three weeks, whereas the really sharp operators have them there in three or four days," said Bedford.

"The most dangerous thing is to fall between the two streams, new and used. Dealers need a detailed strategy for both revenue streams, and the teams must realise that both really matter."

"I'd also like to see more dealers with high satisfaction figures promote that information to potential customers. Manufacturers regularly extract data about the performance of the dealers, but then keep that data in-house, which is a wasted resource."

At the UK's newest automotive consultancy, Elevenci, Ged O'Neill is another veteran of the automotive scene, having operated AU programmes as a dealer, and also rolled them out for manufacturers.

He believes the debate about whether such programmes necessarily add a burden of extra costs to franchised dealers isn't black and white.

"In the US, for instance, dealers don't have a base preparation level for used cars, but when customers come in, they'll offer them as either certified pre-owned – which will cost you several thousand dollars as the manufacturer's programme will be put in place – or 'as is', with minimal checks and no warranty," said O'Neill.

"I'm in favour of AU programmes – if they're set up correctly. For example, a multi-point inspection will cover everything from the tyres and suspension to the windscreen wipers, but if a manufacturer tells the dealer to replace certain items even if the existing ones are perfectly serviceable, that does add unnecessary costs."

"I don't necessarily agree these programmes are detrimental to dealers' profitability, but it will always help if the manufacturer has a member of its used car team who has actually sold used cars, because they will understand the market's dynamics. If the programmes are good, they should be a win for everyone, although the better ones will always have a more collegiate input from the dealer network and the manufacturer."

But O'Neill urged manufacturers to should take time to assess if the core elements of their original programmes could now be better managed and implemented for their dealer networks. "For instance, most new cars are sold with three-year warranties, so if they are then sold after two years, one year of the original warranty remains, and it costs the dealer nothing. But if the car is sold when it is 2.5 years old, the dealer should be able to top up the programme with a six-month warranty, but not every used car programme allows that to happen, so dealers have to buy a 12-month warranty, with inevitable cost implications."

IAN HALSTEAD



**“ WE CAN'T EXPECT CUSTOMERS TO UNDERSTAND THE COMPLEXITIES OF OUR MARKET ”**

**DARREN BEDFORD, SYMCO**

# Market intelligence is more important than ever

The market is currently facing an unprecedented set of circumstances that even the most resilient of businesses will find exceptionally hard to navigate. In this short Q&A, Auto Trader's data & insight director Richard Walker explains why in today's fast changing market, data analysis should be a tool in every retailer's armoury

## Q Why is it important for retailers to be able to read the market?

**A** Whether it's the economic and political uncertainty surrounding Brexit, consumer fuel-type confusion or new emission regulations, the automotive market has faced a series of unprecedented challenges over the last few years.

However, nothing could possibly prepare retailers for the huge impact Covid-19 is having on their businesses. At the time of writing, April 2, the industry is having to respond to a new set of stringent measures to curb the spread of the virus that has resulted in dealerships across the country closing their doors. Given the rapidly changing situation, it's impossible to predict if, or how, it may have changed by the time of publication in a few weeks' time.

At a time of such uncertainty, we believe it's more important than ever for businesses to be able to identify and understand fluctuations in the market to inform business strategy. Data, alongside one's own expertise and experience, is invaluable in adapting to a new landscape, new challenges and new consumer expectations.

With the launch of AT Market Insight, part of a new suite of powerful reporting tools, we're giving all our retailer partners access to our unparalleled market intelligence, available through Portal.

## Q What is AT Market Insight?

**A** With around 50 million visits a month and close to half a million cars advertised every day, more than 75% of car buyer minutes are spent on Auto Trader. It means we are the UK's largest digital marketplace for new and used cars and have an unparalleled view of the market. Over the last five years we've invested heavily in our data capabilities so that we could surface that intelligence

in a meaningful way to help improve the profitability and performance of our retailer partners.

AT Market Insight is the culmination of that commitment and provides unprecedented access to our market insights at the touch of a button. It provides businesses with up-to-date market intelligence to identify key trends in the market, understand how it may affect their performance and inform how to adapt accordingly.

## Q How does it work?

**A** Retailers will receive vehicle supply and consumer demand data in both their local market and the national marketplace, alongside pricing and predicted speed of sale trends. With year-on-year comparison of market health (supply versus demand) each week and trended over time, retailers will be able to accurately see the direction of travel of the market, as well as identify fresh opportunities.

The intelligence is powered by our new Market Health metric, which compares the balance of supply and demand versus

the previous year to assess the health of the market for a specific vehicle type, and is presented in a simple and convenient indicator: Market Stronger; Market Neutral; and Market Weaker, and is fully customisable by fuel type, make, model, age and body type.

## Q What will AT Market Insight help me do?

**A** There are a variety of ways in which the unique insights can help, but there are perhaps three immediate benefits to your business:

- [1] It will help you understand your performance in the context of the wider market;
- [2] It will enable you to optimise your current forecourt through evaluating your operational and marketing decisions with vehicles currently in stock;
- [3] It will give you the insight to optimise your future forecourts, by analysing what type of stock to buy next that's in high demand in your area and beyond, once market conditions improve.

## Q How will it benefit my business?

**A** Our objective is to provide retailers with the intelligence they need to shape their strategy according to the market, and by doing so maximise their profit potential. It will enable you to confidently assess your performance vs the market, whether that's positive, negative or neutral. If the market is up but your business is underperforming, then perhaps you'll need to adjust elements of your strategy, such as stock and pricing. If the market is down and you're up, then you can be confident you're outperforming

### COMPANY PROFILE

**Key products:** Advertising, used cars, new cars, leasing, valuations, finance, reviews, insurance, logistics.

**Key staff:** Nathan Coe (CEO), Catherine Faiers (COO), Darren Moon & Rebecca Clark (Sales Directors)

**Founded:** 1977

**Based:** Manchester and Kings Cross

**Visit:** [trade.autotrader.co.uk](http://trade.autotrader.co.uk)

**email:** [press@autotrader.co.uk](mailto:press@autotrader.co.uk)

**Telephone:** 0345 111 0002



your competitors and have a successful strategy in place.

Ultimately, AT Market Insight eliminates the guesswork, identifies opportunities and provides you with an accurate picture of what car buyers are looking for, which in today's turbulent climate, can make all the difference to your bottom line.

**Q** What additional help is there for retailers when using Market Insight?

**A** We've built this tool with all our retail customers in mind. Whether you're a data enthusiast or a reluctant adopter, there's plenty of support available for you to extract as much value from this tool as you want. Our entire team of Account Managers have all been thoroughly trained on how to coach retailers to utilise the tool. So if you need support, we'd encourage you to contact us or visit the dedicated hub for AT Market Insight via [www.trade.autotrader.co.uk/at-market-insight](http://www.trade.autotrader.co.uk/at-market-insight)

**“ WE'RE GIVING ALL OUR RETAILER PARTNERS ACCESS TO OUR UNPARALLELED MARKET INTELLIGENCE**

**RICHARD WALKER, AUTO TRADER DATA & INSIGHT DIRECTOR**

**Q** When will AT Market Insight be available?

**A** AT Market Insight wasn't scheduled for launch until later in the spring. However, due to the current conditions facing retailers, and our belief that market intelligence can help our customers better navigate these challenges, it was made available from March 30, albeit with some minor features missing. We will be adding to its functionality throughout April and May.

But most importantly, we hope you and your loved ones are safe and well. We're all in this together and our goal is to support you as much as we're able to in the coming weeks.

# BCA Dealer Pro – a transparent part exchange process

**Higher expectations from consumers demand an improved part-exchange service – BCA Dealer Pro delivers just that and is driving sales as a result**

**B**etter informed and more technology-literate consumers are pushing dealers to be more transparent in the sales process. More often than not a vehicle buyer arrives on the forecourt with a valuation for their own vehicle and a target price for the car they wish to purchase. This makes the part-exchange process and the ability to value used vehicles accurately even more critical to trading profitably.

BCA Dealer Pro is used by leading franchised and independent dealers across the UK and is integral to many manufacturers' used car and online retailing programmes. Working in close partnership with its customers, BCA is introducing a series of innovative enhancements to the platform through 2020 that are adding to the efficiency and ease of use of the platform.

AM talks to BCA's group head of product, Guy Thomas about driving profit opportunities through the part-exchange process

**Q** How does BCA Dealer Pro help dealership sales teams close the deal?

**A** BCA Dealer Pro is an easy-to-use vehicle appraisal app that allows for the part-exchange process to be managed quickly and easily. Using a simple guided process to appraise, image and then accurately value part-exchange vehicles using BCA Valuations, Dealer Pro captures all the information needed to allow deals to be done with confidence. The customer and dealer sign on the app at the end of the appraisal, ensuring there is a fully auditable process. Dealer Pro delivers an accurate and professional part-exchange process which builds confidence with retail customers and improves profitability. This transparent approach is driving the rapid growth of

the Dealer Pro platform, which conducts over 2 million vehicle appraisals and valuations annually. BCA has also integrated Partner Finance into the app to enable dealers to finance a part-exchange at the touch of a button on the forecourt.

Using Dealer Pro, sales staff can appraise incoming part-exchange vehicles, creating a packet of data which can be shared within the dealership or the wider group. To make the system easy to use, BCA is integrating with technology providers including Dealerweb, Pinewood, EnquiryMAX, Fast Track and CDK to remove the need to rekeying and improve data accuracy. Dealers benefit from real time visibility of the status of all part-exchanges, including condition, value and location. Valuable management information can help to understand sales trends and manage risk. The Dealer Pro system shows how many vehicles have been offered in part exchange and those that still have the opportunity to close, which helps to focus attention on the deals that can be done.

**Q** What's the critical issue in building customer confidence in the part exchange process?

**A** Transparency in the process is key. The customer bringing in the part-

exchange vehicle expects a realistic valuation and a professional service and Dealer Pro helps the sales team deliver these objectives.

The part-exchange is a critical element of profitable retailing and BCA Dealer Pro helps dealers to appraise, value and retain or remarket part-exchange vehicles with the minimum fuss and maximum efficiency.

BCA Dealer Pro allows dealers to present to their customers a professional, transparent and trustworthy process when managing the part-exchange process. As well as making the customer experience as fluid and transparent as possible, Dealer Pro is there to make a salesperson's job more straightforward.

With cars entered into a dealer-to-dealer stock system, the Dealer Pro app ensures that every possible retail profit opportunity from each part-exchange vehicle is explored. Should another dealership within the group spot a car that has been uploaded to Dealer Pro, it can get in touch and offer a deal – all in real time.

This means that while the customer is still in the building, two deals can take place. The customer gets a fair price for their car, and the resulting non-retail part exchange is quickly and efficiently traded with another dealership that can retail it.

For those cars that don't fit the retail profile, vehicle details can be sent direct to BCA to start the remarketing process and sold through the most appropriate channel, efficiently returning capital to the dealership's bottom line.

Dealer Pro from BCA not only makes dealers' lives considerably easier, but helps them retain customers by offering a quick and easy appraisal service, with the added benefit of funding the P/X itself to manage cash flow.

## COMPANY PROFILE

**Key products:** Vehicle Remarketing, Vehicle Logistics, Automotive Services  
**Founded:** 1946  
**Visit:** [bca.co.uk](http://bca.co.uk)  
**email:** [customerservices@bca.com](mailto:customerservices@bca.com)  
**Telephone:** 0344 875 3480



**Q** How does Dealer Pro generate a fair market valuation on any part-exchange vehicle?

**A** Once the car's information is entered into the system, BCA Dealer Pro uses BCA Valuations to generate condition-adjusted daily-updated market value for the vehicle, allowing the sales team to relay accurate and dependable prices back to the customer.

BCA Valuations uses fully automated machine learning algorithms to calculate fair and unbiased valuations, based on 200 distinct data points across 5 million real transactions.

The service is now provided daily to BCA customers using the BCA Dealer Pro system and, uniquely, also provides future auction values, allowing dealers to make informed decisions on retail customers' part-exchange vehicles today that might not come back into their network for several weeks.

**Q** The service also integrates funding for the part-exchange. How does that work?

**A** In partnership with BCA Partner Finance, the PX itself can be funded, helping cashflow and freeing up capital. Operating within the Dealer Pro platform it allows dealers to appraise the vehicle and then apply for funding based on the BCA valuation.

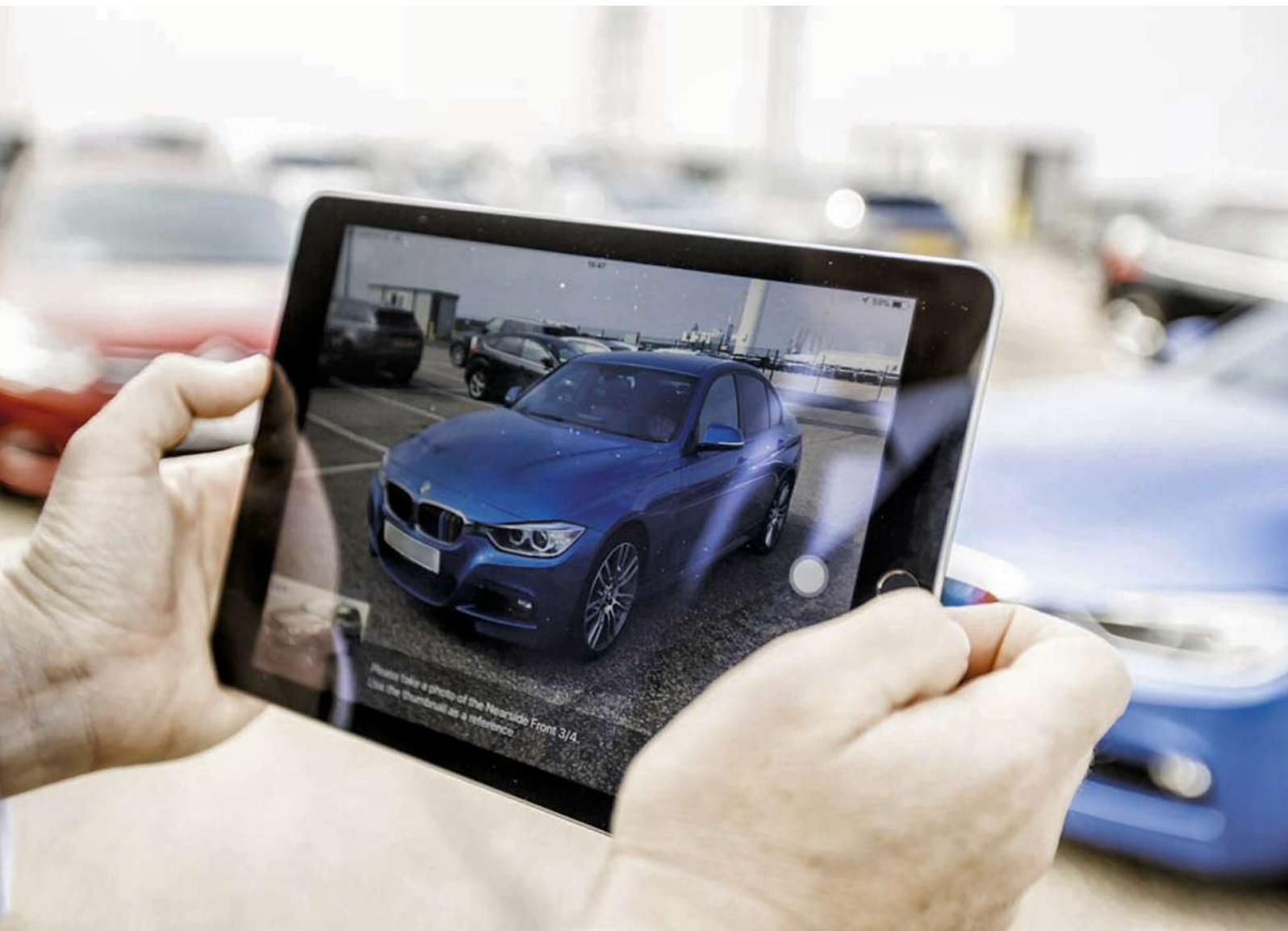
All this can be done while the customer is still on site, giving dealers flexibility to package an affordable deal for their customer, safe in the knowledge of the real-time view of the trade price for that vehicle.

It creates a unique stock management solution for the market. The Dealer Pro platform enables dealers to monitor stock levels, refresh valuations and decide which vehicles to remarket through BCA, while BCA Partner Finance offers dealers secure funding to purchase used cars at BCA and through part-exchange.



**DEALER PRO FROM BCA NOT ONLY MAKES DEALERS' LIVES CONSIDERABLY EASIER, BUT HELPS THEM RETAIN CUSTOMERS BY OFFERING A QUICK AND EASY APPRAISAL SERVICE**

**GUY THOMAS,  
BCA GROUP HEAD OF PRODUCT**



# Dealers play big part in new llink platform

The look, the thinking and the functionality have changed, but the core values behind the popular trade buyer platform remain solidly in place, says Vicky Gardner, head of remarketing at epyx.

**Q** epyx has launched its new llink Trade Buyer platform. Why did you decide to redesign the previous platform and adopt the new name?

**A** The existing llink Disposal Network platform had been continuously developed for trade buyers over literally decades. That meant it was very good in certain respects but, in others, to really move it forward and take advantage of the latest technology, we took the decision to undertake a complete redesign, one so comprehensive that we felt it called for a rebranding.

In constructing the new platform, we spent a lot of time talking to existing and potential users about what they wanted to see. We've invested heavily in recent years in our account management function and the relationships we have with our 3,000-strong dealer base are excellent, so we were able to have many really useful conversations.

As a result, dealers have had a really strong voice in how llink Trade Buyer looks and works.

**Q** Can you explain to us what is new about llink Trade Buyer and how it will benefit customers?

**A** Probably the first thing that users will notice is the enhanced look and feel. In use, it is simply a much more modern solution that is nicer to use. This sounds like a relatively small thing but it's not – how dealers interact with the platform is really important.

In terms of functionality, llink Trade Buyer is designed to do one thing – enable dealers to identify and acquire the stock they want as quickly and as easily possible.

So, it is now much easier to search for the car or van you want through advanced vehicle filtering tools that feature multi-pick selections and dynamic counts, meaning you have a better idea of what is available on the platform much more quickly.

Each vehicle is better presented with full-screen images, alongside an enhanced

description and vehicle record cards with more detailed service history and clearer data presentation. It's easier to assess each vehicle more accurately.

Finally, there are a range of tools that just make the process of buying simpler including key information indicators, downloadable stock lists and improved address tools.

**Q** Do car retailers have to pay a subscription or membership fee to buy vehicles through llink Trade Buyer?

**A** We're continuing with the flat rate fee structure that was in place for our previous platform and haven't raised our prices at all for the new technology. This approach is transparent, easy to understand, creates a direct link between usage and payments, delivers value-for-money and is popular with our customers.

**Q** A lack of stock variety has been a real challenge for dealer buyers in recent months. What kind of stock can be found on the llink Trade Buyer platform and from which sources are vehicles drawn?

**A** The vendors who use the remarketing side of our platform – llink Disposal Network – are largely drawn from major leasing and rental companies who will be well-known to most dealer stock specialists.

This means several things, the most important being that vehicles offered through llink Trade Buyer have excellent provenance. They have been serviced and maintained to high standards and are generally in a condition that is either retail-ready or very close.

It also means that there is an excellent choice spanning a wide range of manufacturers and a wide range of models across both the car and commercial spheres.

There is a sweet spot in the stock sold on llink Trade Buyer, which is ex-fleet stock from two-five years old with full-service histories and mileage of 10,000-15,000 per annum. However, this is by no means our only area of specialisation and there is a wide range of other price points and conditions.

We very, very rarely see a dealer join the platform who is not able to satisfy their needs to a great extent, whatever the market conditions.

**Q** We understand that car retailers can use the platform as an online channel to dispose of over-age stock. How straightforward is this?

**A** This is an area where we have seen much increased activity over recent years, especially as more and more dealers have become aware of the downsides of over-age stock staying on the forecourt.

To start selling, all they now have to do is register with us as a vendor, which is a fast and easy process. There is an annual fee, but this is then refunded if you sell more than 60 vehicles, while listing cars and vans on llink Trade Buyer is free.

Again, this is an area where we have put a lot of work into making the

## COMPANY PROFILE

**Key products:** llink manages every stage of a vehicle's lifecycle with an ecosystem of products including llink Disposal Network, llink Trade Buyer, llink Service Network and llink Hire Network, among others.

**Key staff:** Vicky Gardner, Head of Remarketing – Tim Meadows, Vice President & Commercial Director – Aditya Varadpande, Managing Director, epyx Limited

**Founded:** 2000

**Based:** Meriden, West Midlands

**Visit:** [www.llinkTradeBuyer.co.uk](http://www.llinkTradeBuyer.co.uk)

**Email:** [Remarketingteam@llink.co.uk](mailto:Remarketingteam@llink.co.uk)



**“ WE VERY, VERY RARELY SEE A DEALER JOIN THE PLATFORM WHO IS NOT ABLE TO SATISFY THEIR NEEDS TO A GREAT EXTENT, WHATEVER THE MARKET CONDITIONS**

**VICKY GARDNER, EPYX**

platform easier and faster to use, and we expect to see more dealers make use of this facility as a result.

**Q** What do you see as the other major strengths of the Ilink Trade Buyer proposition?

**A** As we've mentioned, our account management function is a key part of our approach. Our attitude is there is no point getting the technology right if the human side of things doesn't stack up.

It might surprise some people but we spend a lot of time simply talking to our dealers and those conversations can cover many different areas. At times, we're just having the kinds of chats you might have at a traditional auction about how the market is doing. At others, we provide in-depth technical support that ensures the platform is providing maximum value.

One of the lessons we have drawn over the many years we have operated our remarketing platforms is that, however much technology is available and utilised, this remains a people-driven industry, and personal relationships are very important. We work hard to ensure that our dealer community knows and trusts us. It's a key element of Ilink Trade Buyer.





## A smarter way to protect your customers

**SMART Protect** minor damage insurance was created because your customers are always our priority. With an 'Excellent' customer service rating on Trustpilot, **SMART Protect** offers an efficient and transparent claims process via the AutoProtect Claims App. Working exclusively with AutoProtect, repairs are carried out by Shine!, our BSI accredited vehicle repairer. All of this makes **SMART Protect** the smartest option for both you and your customers.

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OUR AWARD WINNING  
REPAIR SERVICE

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 Trustpilot  
  
Rated Excellent

**A**s a value-added product at the point of sale, SMART repair cover is now an invaluable source of revenue while its multiple usage and high claims frequency tick the Financial Conduct Authority (FCA) box.

#### Vehicle preparation

Phil Newstead, one of the owners of DHMB, which operates the Dent Repairs, SMART Repairs and Wheel Repairs brands, sees dealer profits in fast vehicle prep. The vast majority - 95%, of their business - is vehicle prep and the company has experienced average year-on-year growth of around 35% with the first two months of this year already.

Newstead said: "The quickest, cheapest way to get a vehicle to forecourt standard is by using smart repair."

Mark Llewellyn, managing director of SMART repair network Revive! began offering the repair services as a mobile technician more than 20 years ago when his biggest obstacle was explaining the benefit of professional repairs for minor dents and scratches. Now, the key point for dealers is understanding SMART repair costs. Two years ago, Revive!, which counts two of the top seven groups in the AM100 among its clients, launched its app providing full visibility of costs and returns for dealers.

Llewellyn said: "If you are managing 15 sites, two or three will be overspending on used vehicle preparation and you can ultimately reduce their spend."

#### Point of sale

Autoprotect Group provides both the insurance policies and mobile technicians through its fully-employed Shine network.

Nick Franklin, head of distribution and product development, said: "Over the past five years, SMART repair has come much more to the forefront of the range of add-on products dealers offer. If you compare the frequency of claims to Gap insurance, it's around 4% whereas SMART insurance claims are around 35% with certain points in the year as high as 70%. In terms of delivering value to the consumer, SMART insurance is a product of significant value."

The Shine repair network has

# Boost your earnings from SMART repair

Smart repair insurance is a win-win product. It means extra income for the dealer and buyers should see a return on their 'investment' when it comes to reselling the vehicle. *Debbie Kirlaw* reports



grown over the past year from around 45-55 technicians to 90 while the network also won the BSI Kitemark Excellence Award at the British Bodyshop Awards last year.

Franklin added: "There's a much higher propensity to claim so it's important that the product delivers significant return. Dealers need absolute confidence in the

product and the company when it comes to managing the best journey for the customer."

Inevitably, there's a mix of performance across the group's dealer clients with some as high as 40% penetration with the average 25-30%.

Newstead sees SMART repair insurance as an 'easy sell' for dealers since part-exchange

vehicles are discounted for minor damage: "Essentially, you are saying if you had this product, potentially your car would have been worth £1,000 or £800 more than what we gave you, but the policy is only going to cost you £300-odd."

With 200 technicians across the country, Revive! meets both dealer vehicle preparation 

requirements and provides mobile repairers when a claim is made. Llewellyn tracks the growth of SMART repair insurance to the stricter controls placed on selling GAP by the FCA.

He added: "If we go back five years, the claims part of the business was negligible and now it makes up 10% of our revenue. For the cost of the product, I think it will grow and grow."

Lexus Reading, part of the Jemca Car Group, has its own on-site SMART repair facility for used car stock preparation and has been selling SMART repair insurance for the past five years, achieving between 71% up to 88% on new and 31% to 45% on used.

General sales manager Lee Coverdale said: "It's popular as people clearly care about their cars and want to keep them looking their best, it also shows additional value and therefore gives confidence for a stronger part exchange price in the future. Along with the amount of cover received against the initial cost it is a clear win-win for the consumer."

Coverdale views the product as a retention tool while acknowledging a noticeable difference when vehicles with SMART repair insurance are returned for resale compared with those which were not covered, with the trade cost typically at £300-£500 more, but he added: "This isn't a reflection on the true value of the product because the consumer may have had multiple repairs on the same areas so their purchase has looked fantastic throughout the whole period of ownership."

**Auction**

Newstead urges dealers to consider investing in repairing scratches and dents on vehicles destined for the auction because higher grade cars inevitably fetch more money. It is a view underlined by auction house Aston Barclay which has reviewed the condition grades of used cars it sold late last year. The average value of a grade three and four car during these months was £6,429 and the difference in price was 6.99% of CAP's value, which equates to £449. By investing £185 in refurbishing the grade four car to grade three, the vendor would be rewarded with a £264 uplift in price in the current market.

Martin Potter, Aston Barclay



**“LAST YEAR WE UNDERTOOK 200,000 REPAIRS, BUT THERE ARE 31 MILLION CARS ON THE ROAD WITH ESTIMATES THAT 50% HAVE SOME KIND OF MINOR DAMAGE WHICH COULD BE FIXED WITH A SMART REPAIR**

**MARK LLEWELLYN, REVIVE!**

Group's auction managing director, said: "Each car has to be taken in isolation as to what prep it needs prior to being auctioned or being added to a dealer's forecourt. In a buoyant market refurbishing a car from a D or E to a C grade is worth the investment in time prior to sale as you will generally get your money back and more when it goes under the hammer."

**Growth**

Newstead believes aftersales departments can use SMART repair as a new revenue generator by offering a service to car owners whose vehicles are in the workshop and would benefit from a SMART repair, but don't have cover.

He said: "There is a very clear upsell opportunity. It does have its challenges because the vehicles are probably up on the ramp for 70% of the time when in the

dealership and people want their car back the same day. But I think potentially, it is a real revenue opportunity which no one has really got right yet."

However, Coverdale sees the logistics in offering a smart repair service to vehicles in the workshop without cover as complex, while multiple areas of damage would make it difficult to agree the extent of repairs.

One area which could see growth, but is proving a challenge, is advanced driver-assistance systems (ADAS) equipment on modern cars where many sensors are located in the bonnet.

Llewellyn said: "We have to be careful about what we can and can't do, many manufacturers can be a bit slow with getting information out and we want to make sure we are doing the right

thing. Some manufacturers are saying we shouldn't repair bumpers, but I'm not sure customers will be happy to take their vehicle to the manufacturer's bodyshop and wait for a few days for a job that would take a few hours at their convenience."

**Win-win product**

SMART repair insurance products enable customers to keep their cars in the best condition fixing dents and scratches as they occur, thereby boosting the car's part-exchange value.

Dealers enjoy much-needed point of sale revenue and when the car is returned to stock, prep is reduced resulting in a quicker time to forecourt increasing stock turn.

Meanwhile, the FCA is unlikely to have concerns for a product that delivers such obvious benefits for customers.

The market is also likely to grow, as Llewellyn said: "Last year we undertook 200,000 repairs but there are 31 million cars on the road with estimates that 50% have some kind of minor damage which could be fixed with a SMART repair. I think we are in the infancy of this and demand will continue to outstrip supply."



# Now is the time for dealers to re-engineer their business around quality service and products

Use this unexpected downtime wisely and plan for the future

**T**he unprecedented trading environment is a challenge for all organisations but the 'flipside' of challenge is opportunity. While very clearly the most important focus for all dealers must be upon the people and communities they serve and the people who work within the business and their families, many may find that they have an unexpected amount of time available to them. This could be your opportunity.

Now could be the ideal time for dealers to take a step back from the busy daily business and reflect on how they might develop their business and operating model, addressing other factors such as the rise of digitisation, increasing regulation and changes in the way people buy, finance and use their cars.

Take the time now and collectively small changes could make a positive impact on sales, retention and business reputations. In turn these can help reduce operating costs and address the challenges of competition. The process starts with a simple question:

## How can I serve my customers better?

If there is one thing I believe we can recognise right now is the importance of care and service. Get this right and you can gain a competitive advantage that can ensure the value of this service becomes more important than the cost.

A cultural focus on good customer outcomes is what the FCA mandates. The same process can also deliver a service 'edge'. Success starts with a focus on understanding and delivering customer needs. Get it right with customer-focused processes, controls and training and you can establish a lasting bond of trust.

## Now add quality products

Not all products are the same, nor is the support service. A review of your added value services that moves beyond cost can



One of over 90 Shine! mobile repair vehicles



help to establish if that product shares your quality aspirations. If there is a better option, then the value on retention and reputation need to be considered.

As an example:

SMART insurance is designed to take care of everyday minor vehicle damage. It is a product that can be of value to the majority of customers, protecting them from making claims on their car insurance and helping them to avoid the type of end of PCP 'wear and tear' issues that can create frustration and cost for your car buyer at the very point of vehicle change. Here are the AutoProtect SMART Product Headlines:

- A Trustpilot rating of 'Excellent' from over 5,470 verified;

- Ease and simplicity have been core to the product development, especially around the all-important claims experience. Ease, speed and transparency underpin the business model;
- With a highly effective claims app, customers control their claim;
- AutoProtect's award-winning repairer Shine! utilises state-of-the-art repair technology, so minor damage to bodywork will be erased on the spot. Shine's team of fully trained and BSi kitemark-approved technicians repair the customer's car at their home or place of work;
- All work is guaranteed for the lifetime of vehicle ownership, and our streamlined claims handling procedure is the best in the business.

## To close

I want to wish you well in these challenging times. I hope you can take time to consider re-engineering your business and build on the foundations already in place. If we can help then naturally, we would welcome the opportunity. Visit [be-smart.today](http://be-smart.today).

Contact: **Stephen McCombe** head of corporate sales - north  
Email: [sales@autoprotect.net](mailto:sales@autoprotect.net)



# HYUNDAI i10



A string of new features mean the new i10 looks the part against its rivals

**A**s AM's market intelligence section often reflects, the city car feels like something of an endangered species after years of SUV adoption led to the emergence of increasing competition from compact crossovers.

But despite the shift towards taller, bulkier cars, Hyundai started 2020 with the launch of a completely redesigned i10 hatchback.

The new Hyundai i10 is 20mm wider and has a 40mm longer wheelbase than its predecessor but appears to be targeting a more youthful audience, following-up the previous version's sporty PLAY run-out model with more dynamic styling and a 20mm drop in ride height.

A 40mm wheelbase extension liberates adult-sized rear accommodation and three rear seats in a class where two is the norm.

The i10's boot, meanwhile, has grown to a useable 252-litres.

Hyundai's rival to the likes of the Peugeot

108, Toyota Aygo and Volkswagen Up has never felt particularly sporty in the past, but with its new lower stance, LED fog lights and optional black roof it now looks the part.

Frowning headlights and pronounced creases down the length of the bonnet also add aggression.

Prices starting at £12,495 mean that it sits between the aforementioned city cars and their slightly larger B-segment stablemates. Driven here in range-topping Premium trim, the i10 came in at £14,995.

Thankfully the 16-inch alloys and tinted rear windows of this trim add to the impression that the i10 is now a more premium car.

Three trim levels are available (SE, SE Connect and Premium), along with the choice of a 67PS normally-aspirated one-litre petrol engine or the 84PS 1.2-litre tested here. Standard on all i10s is a dose of premium technology which includes cruise control, high beam headlight assistance, lane keeping technology and



IT SERVES UP AN ALMOST FORGOTTEN FLEET-FOOTED FEELING ONLY A TRULY COMPACT CAR CAN DELIVER AT LOWER SPEEDS

autonomous emergency braking.

The SE Connect adds an eight-inch touchscreen infotainment system with Apple CarPlay and Android Auto smartphone connectivity, a reversing camera and an upgrade from 14-inch steel wheels to 15-inch alloys for an extra £1,000. Premium adds tinted rear windows and 16-inch alloys on the outside and a heated multi-function steering wheel inside among its upgrades.

Hyundai's new city car has a few neat design features you'd expect to find in larger hatchbacks. Its multi-function steering wheel and attractive honeycomb pattern to the dashboard are highlights.

An optional £1,000 Tech Pack, meanwhile, will add a wireless smartphone charging pad and Bluelink telematics system which allows owners to locate their vehicle via their mobile phone and send navigation instructions ahead ready to start their journey.



Mid-grade i10s comes with a touchscreen and top models get a heated steering wheel



The 1.2-litre i10 is the faster version by some distance

Out on the road the little 1.2-litre engine doesn't feel like the range's more powerful option, more a minimum requirement for anyone spending any amount of time on A-roads and motorways.

Hyundai claims the 1.2 i10 is capable of a 12.6-second dash to 62mph – making it the range's fastest to that benchmark by a full two seconds – and a 106mph top speed.

There is fun to be had from the i10, though, as it serves up an almost forgotten fleet-footed feeling only a truly compact car can deliver at lower speeds.

This new city car is clear evidence of Hyundai's understanding that car buyers, easily attracted by trendy compact crossovers, now demand more from any daily transport.

From a quality and technology perspective, the new i10 has much to desire. But its cost could yet prove a hurdle for car retailers to overcome in the showroom.

TOM SHARPE



£12,495  
– £15,495



67PS 1.0 MPI  
PETROL, 84PS 1.2  
MPI PETROL



0-62MPH  
12.6-17.3 SECS;  
TOP SPEED  
97-106MPH



6SP MANUAL,  
5SP AUTO



47.9-62.8  
MPG



117-141  
G/KM CO2

## Q&A



ASHLEY  
ANDREW,  
MANAGING  
DIRECTOR,  
HYUNDAI  
MOTOR UK

**As car retailers get into their first year of sales of the new i10, what are the key selling points of the new model?**

All-new i10 is a completely fresh platform and introduces a combination of class-leading safety, a stylish design and improved driving dynamics. Customers now also expect to see the connectivity features and specifications from larger cars in city cars too, which is what all-new i10 delivers.

**The city car segment has suffered a decline in recent years. How important is the new i10 to Hyundai UK and what volumes do you expect to achieve?**

It's true the A segment has declined with many OEMs exiting the segment to concentrate on models with higher profitability but there is clearly still a demand from customers who want affordable, reliable cars. The i10 model has always been one of our core models, consistently only behind Tucson in terms of overall annual volume and in front if you consider retail demand alone. Our sales show all-new i10 will continue to be a very popular model with our customers.

**Which trim level of i10 will be most popular in the UK?**

Our mid-range SE Connect trim will offer our customers the best all-round package for the best price, offering additional specification such as 15" alloy wheels, combined with those connectivity features from the market segment above such as Bluetooth with voice recognition, DAB and an 8" touchscreen with standard subscription-free Apple Car Play and Android Auto. When we introduced all-new i10, we took the decision to re-align the range to reflect demand which has also given the benefit of significant RV uplift against the previous i10.

**Ford of Britain chairman and managing director, Andy Barratt, recently told AM that a compact EV was not a viable proposition. Will we ever see a pure electric i10?**

Currently we do not see the demand for electrification matching the need for affordability in this segment. As we've acknowledged, the A-segment is getting smaller, as more people turn to B segment SUVs such as Kona. It's these larger segments where electric technology can make the biggest difference to customers in terms of the requirement for longer range, but the basic architecture of a compact EV is still too expensive. We believe our approach with all-new i10 is the right way for the segment currently.

## KEY RIVALS



Peugeot 108



CHEAP, ECONOMICAL  
AND WELL-EQUIPPED



SMALL REAR SEAT  
ACCOMMODATION AND  
BOOT



Toyota Aygo



COMPACT, STYLISH  
AND WELL-EQUIPPED



NOT AS CHEAP AS  
OTHERS WHICH SHARE  
THE SAME PLATFORM



Volkswagen Up



PREMIUM BADGE AND  
(AT A PRICE) A PURE  
EV OPTION



LACKS SOME OF THE  
i10'S REFINEMENT

## REVIEW RATINGS

AUTOCAR



PARKERS



WHAT CAR?



In association with **hey car**

# In less than a year, heycar has shaken up the online marketplace

**A**s car retailers and suppliers come together to overcome the sector's biggest challenge for a generation, heycar has voiced its determination to forge the closest, most collaborative relationships of any automotive marketing partner.

The online used car marketplace launched back in August 2019 and has delivered growth "ahead of expectations" in its first months of operation, growing its number of dealer partners to more than 3,700 with the help of an extended free trial period to allow businesses to get to grips with its new offering.

Chief commercial officer, Karen Hilton, explained to *AM* that the business had worked hard to differentiate itself from other online marketplaces with its exclusive offer of warranty-backed, franchise retailer sourced used car stock to consumers and the provision of high-quality leads for car dealers.

Retailers that signed up with the platform early will have benefitted from a year of free classified listings, Hilton said, as the business was keen to prove how it could operate differently compared with its market rivals.

The platform shuns the 'recommended price' model served up to customers by other marketing platforms and on-site advertising to ensure that all stock gains the same visibility to allow for more "organic" searches, Hilton said.

It also vows to be more agile and collaborative than existing marketing platforms and is already liaising with retailers and converting suggestions into swiftly-trialled dealer solutions.

"Dealers have been here before. They've had the shiny new thing that's going to answer all their marketing problems," said Hilton.

"We wanted them to experience what we were all about first-hand, for free, as we learned exactly what they wanted from us."

Hilton added: "We've been warmed and

**WE'RE PUSHING ON AN OPEN DOOR. DEALERS WANT SOMETHING NEW AND DIFFERENT AND THEY WANT A CREDIBLE CHALLENGER**

**KAREN HILTON, HEYCAR**



impressed by the response of the franchised dealer networks. We're pushing on an open door. They want something new and different and they want a credible challenger in the market."

Retailers can list their entire vehicle stock for free on heycar and are only charged when a high-quality lead is generated.

Because of the way heycar's pricing model works, it works hard to ensure the quality of its leads and to work with retail partners to establish attribution.

All heycar leads have to have an email address, a telephone number and a post-code attributed to them, Hilton said.

"That might mean that enquiry rates might drop, but it works as a sort of sieve for the consumer," said Hilton. "If you're not

ready to give two methods of contact are you really about to spend £15,000 on a car?"

Consumers are embracing the heycar way of working.

In February, the platform attracted 1.6 million visitors and by mid-March it had more than 200,000 vehicles listed on its site, all of which fulfilled a platform profile which dictates a mileage of less than 100,000 and an age of less than eight years.

heycar was set up with the backing of Volkswagen in the manufacturer's home market. It later attracted investment from Mercedes-Benz owner, Daimler.

It has been established in the UK under a team led by chief executive Mat Moakes. Moakes had previously led Centrica's Local Heroes platform to help homeowners source tradesmen to assist with home maintenance.

heycar prides itself on its agile, online start-up approach to platform development, despite the scale of its key backers.

Hilton said: "There are currently a lot of parent/child-like relationships and that's where we want to be different.

"For example, we don't think it's fair to dictate whether a vehicle is a good price or not and the feedback we've had from consumers is that they don't trust that way of presenting adverts anyway. They just want to find the closest match to the car they've set their sights on through the most natural and organic search possible."

Hilton said the business did have a skilled team of four account managers and directors and hoped to streamline the support it offers using digital first communications and through direct contact with a leadership team which actively encourages engagement.

While Hilton hails from a manufacturer background, with the Volkswagen Group, she believes the heycar team is all the stronger for the variety of experience and perspective it can offer from a diverse team, 58% of which are working in the automotive sector for the first time.

T: 02038 684949 E: dealer@heycar.co.uk W: www.heycar.co.uk



The original heycar team of 18 has now grown to 57 – based at a headquarters near to that of rival Auto Trader in the heart of London – and is 60% female.

An ability to listen to its dealer partners and quickly trial and implement good ideas is a core element of the business's make-up, according to Hilton.

A heycar ideas session recently spawned 32 possible initiatives and resulted in a swift digital consultation which attracted responses from more than 70 retailer partners.

Among the latest updates to its offering due to be rolled out is a 'Dealer Portal' to help retailers stay in touch, monitor their performance and gain support for possible campaigns.

Hilton said that the business could not grow at the pace it intends to by simply tweaking

and optimising its platform, however.

In February it completed the acquisition of HonestJohn.co.uk, just weeks after the consumer advice website slipped into administration.

The HonestJohn brand will provide heycar with access to an audience of more than 25 million site visitors.

Commenting on the deal at the time, Moakes said: "We launched heycar to drive greater trust and transparency for motorists and the industry.

"The acquisition of the site will allow us to achieve that mission faster, by bolstering heycar's growth and industry presence."

Hilton said the business is also keen to succeed where others have failed in helping retailers to leverage a greater control of the "entire customer life-cycle".

In December last year heycar's new partnership with fellow automotive sector start-up Motorway made it possible for car buyers to sell their car via the platform.

Site users can have their vehicle valued before being directed to Motorway to view a number of offers from car retailers and car buying platforms, before an acceptance triggers collection of their unwanted vehicle.

Now it's poised to develop eCommerce solutions to help dealers continue to secure orders during this uncertain time.

Hilton concluded: "At the core of everything we do is a desire to help the retailers and help the customer.

"If we are assisting consumers to buy a product they need and retailers to sell what they want, in the way they want, then we're doing the right thing."

# KIA SOUL EV



Even though every exterior panel is new there's no mistaking that it's a Soul

**T**here's a raft of equipment on the new Soul EV that Kia is including as standard to help justify its £34,295 price tag after taking in the £3,000 plug-in car grant.

In a competitive field against the new Peugeot e-208 and Vauxhall Corsa-E, which start at around £29,000, Kia has decided its chunky B-segment zero-emissions crossover should meet the demands of customers who desire a longer range – 280 miles officially on a full charge – and high specification. This is a dramatically better offering than the previous Soul EV, which ceased sales in 2018.

Every exterior panel on the car is new but it remains instantly recognisable to fans of the old car.

Kia claims the new-generation 64kW/h battery pack powering this car have 25% greater cell energy density and are up to 30% more efficient than most rival electric

cars, and Soul EV's 150kW electric motors deliver 39% more torque than the old model. Power is up by 84% to 105PS.

Thanks to a having a DC charger as standard, long-distance commuters could charge Soul EV on a service area's 100kW fast-charger to 80% in less than an hour – adding around 200 miles. On a 7.2kW home charger it'll need overnight (9.5 hours) from flat to full.

Regenerative braking is selectable on Soul EV in four levels (from none to three), because Kia is conscious some drivers new to EVs want to brake as they've always done, whereas experienced EV drivers may be used to 'single-pedal' driving as the car slows automatically once the accelerator is released.

Standard Drive Mode Select lets drivers adapt the car to their preferred style or the road conditions, by choosing between Normal, Eco, Eco+ and Sport modes. Should drivers wish to sacrifice range, this



**THIS IS A  
DRAMATICALLY  
BETTER  
OFFERING THAN  
THE PREVIOUS  
SOUL EV, WHICH  
CEASED SALES IN  
2018.**

car can sprint in 7.6 seconds from standstill to 60mph.

On the test-drive, sales executives should ensure prospective buyers use the head-up display which projects navigation and speed information in front of them.

They'll also appreciate the powerful LED lights all around, black leather upholstery, heated front seats and steering wheel, adaptive cruise control, raft of safety systems and wireless phone charger at the base of the dashboard.

Soul EV is extremely comfortable, and thanks to its boxy shape and width there's no risk of front occupants rubbing shoulders and rear passengers have great headroom. It is refined and quiet at low speeds too, thanks to the electric powertrain. At higher speeds tyre noise is a little intrusive. That can be drowned out quite easily by its 10-speaker Harman/Kardon premium stereo, which is controlled through a 10-inch touchscreen.



A 10-inch touchscreen controls the premium sound system



Soul EV's extrovert styling is enhanced by standard two-tone colour combinations

Drivers of Soul EV will get noticed. This quirky car is not for wallflowers, and Kia has enhanced its extrovert styling by offering it in three two-tone colour combinations, mixing bright bodywork with contrasting shades for the roof and door mirror caps. The UK cars also feature an SUV Pack as standard, which brings prominent wheel arch and sill cladding and a skid plate on the front bumper.

Kia has added the Soul EV alongside the E-Niro, the first battery electric vehicle in its current line-up, and expects one in three of its UK sales in 2020 to be 'electrified' models (pure electric, plug-in hybrid or self-charging hybrid).

Given the growing desire for EVs, driven by company car tax regime changes and raised awareness of the real-world capabilities of the latest models, Kia's funky crossover should happily play its part and appeal to EV advocates who want to be noticed.

TIM ROSE



£34,295  
(AFTER PICG)



150KW ELECTRIC  
MOTOR, 64KW/H  
BATTERY



0-62MPH  
7.6 SECS,  
TOP SPEED  
104MPH



SINGLE-SPEED,  
DIRECT DRIVE



RANGE  
280 MILES



0G/KM CO<sub>2</sub>

## Q&A



PAUL PHILPOTT,  
PRESIDENT AND  
CHIEF EXECUTIVE,  
KIA MOTORS UK

**Has the Government's announcement in February of the 2035 deadline for electrification encouraged you to ramp up advertising while it's a hot topic?**

We will be doing TV advertising later this year. Initially for the Niro range, and later promoting the full range of electrified cars. We've been very consistent with our marketing spend, and have held it year-on-year, but with more focus on our electrification.

**Don't you need to build awareness, when Nissan and Mitsubishi have strong association with pure electric and hybrids?**

We've a shorter history in electrification, but we've a strong present situation. We've a good story to tell, and need to do that consistently. *What Car?* Car of the Year for E-Niro last year really put us on the map. We are now launching a second EV. Next month we're launching two more PHEVs (Ceed Wagon and Xceed). Later this year comes new Sorento with hybrid and plug-in hybrid. There's evidence today that we're ahead of the game. There's a huge discussion going

on about electrification, and we have solutions to that now, not in the future.

**What's the impact of CAFE regulations on your 2020 sales plan?**

Now balancing volume, profitability and CO<sub>2</sub> is a challenge. Last year we sold about 97,000 cars and one in 10 was electrified. To get to 95g CO<sub>2</sub>, maintaining a similar volume this year, we need 30% electrified, by which I mean EV, PHEV and hybrid.

Demand for anything electrified is very strong, and because supply improves through this year, right now demand is exceeding supply, which is good news for residual values. The VED changes (in April) will have a really positive impact on company car tax for electric vehicles.

Barring any major escalation in coronavirus in Korea, we have commitment of sufficient supply to sell 7,000 E-Niro and 2,000 Soul EV this year.

**Have you incentivised dealers more on EV sales in 2020?**

Dealers have the same margin on EVs as they had last year. We want to normalise EVs, not make them different. In 10-15 years EVs are what we'll be selling, so we want to make them as normal a part of the franchise as possible, while recognising that customers demand greater knowledge and advice. It's why I think electrification is a real opportunity for franchised dealers.

## KEY RIVALS



Nissan Leaf E+



WELL KNOWN,  
RELIABLE



SLOWER TO CHARGE,  
SHORTER RANGE



Peugeot e-208



KEENLY PRICED  
HATCHBACK



LESSER MAXIMUM  
RANGE



Volkswagen ID3



THE VW BADGE,  
FUTURISTIC STYLING



NOT LAUNCHED YET

## REVIEW RATINGS

AUTO EXPRESS



WHAT CAR?



CARWOW



## VOLVO XC60 T8 R-DESIGN PRO

REPORT  
PROGRESS



### SAFETY FEATURES YOU'D EXPECT BUT WITHOUT SACRIFICING STYLE

**O**ur XC60 R-Design Pro has more than 60 items of specification as standard, before the option packs are added, as pointed out in the last issue. The ones that immediately stand out are its advanced driver assistance systems, which combine to make the buyer more aware of their surroundings than ever before.

Volvo has a vision of no-one being killed in its new cars from 2020 and declared it will soon limit the top speed of its cars to 112mph (180kph), and the Swedish brand's long-held reputation for taking safety seriously is certainly upheld by the XC60. AM's car has the Intellisafe Pro pack, which minimises the chance of hitting something and maximises protection should another vehicle hit it.

For just £40 extra on the buyer's monthly payment, this pack gives them systems that alert the driver and automatically brake the car when detecting cars, cyclists and pedestrians pulling out in front of it and vehicles crossing behind when it's reversing out of parking spaces. It also includes adaptive cruise control, which works in partnership with road sign alert to slow the car accordingly if the road's speed limit changes, and the clever Pilot Assist which helps the driver keep the car centred in their lane.

Volvo is trialling fully autonomous cars and the technology already available proves the benefits of such thinking, even if widespread use of fully self-driving cars is years away yet. And while safety has long been a selling point for Volvo, the XC60 shows it does style too.

TIM ROSE



PRICED FROM:  
£65,870 INCLUDING  
OPTIONS



2.0-LITRE PETROL-  
ELECTRIC PLUG-IN  
HYBRID, 400BHP



0-62MPH  
5.2SECS, TOP  
SPEED 140MPH



104.6 MPG



CO<sub>2</sub> EMISSIONS -  
60G/KM (WLTP)

IT'S A TECHNOPHILE'S DREAM  MIGHT IT COVER FOR UNFIT DRIVERS?

CURRENT MILEAGE 2 0 1 7 START MILEAGE 0 5 6 4

## NISSAN X-TRAIL TEKNA 4WD

REPORT  
PROGRESS



### SHOPPING TRIPS MADE EASY - WHEN THEY WERE ALLOWED!

**F**or some weeks now - and for the foreseeable future - the AM team has been working at home. The X-Trail has mainly been sitting idle on the drive.

But before the tightest restrictions, it was possible to make visits to family and friends (while keeping the required distance). And keeping in contact meant delivering shopping and other essentials for isolated parents.

The X-Trail proved ideal for this because of its load carrying capacity and ease of use. To begin with, the push button function to open and close the boot and the flat entrance made it as effortless as possible to slide boxes of food into place in the 1,996-litres of space liberated by folding all the rear seats.

While there are floor panels concealing the two additional seats, they didn't obstruct movement of goods, across a near-flat space. The movement of parts of the floor to create separated loading areas is a useful touch to prevent items moving around. It's a shame in this instance that those additional, redundant seats meant the car lacks that bit of extra storage available under the boot floor.

Ease of access to items behind the front passengers is also aided by the rear doors swinging open nearly 80-degrees, reducing the risk of knocked elbows or dinged knuckles when pulling out heavy items.

Society of Motor Manufacturers and Traders' figures reveal a 181% increase in registrations year-to-date to February. I hope buyers have found the X-Trail as useful I have in this challenging time.

JEREMY BENNETT



PRICED FROM:  
£33,595



1.7 DCI 150 DIESEL



0-62MPH IN 10.7  
SECONDS, 121MPH  
TOP SPEED



6SP MANUAL



74.3 MPG

SUPER LOAD-CARRYING CAPACITY  BUT SOME SPACE IS STILL WASTED

CURRENT MILEAGE 1 0 0 6 0 START MILEAGE 0 6 9 0 0

### ≡ GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



David Hughes, retailer profitability manager at Jaguar Land Rover, correctly identified the Suzuki Capuccino in the last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email [am@bauermedia.co.uk](mailto: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, May 8.



# The way forward for electric vehicles is via smart charging

Smart charging: making the most efficient use of the available EV charging infrastructure while balancing the grid

**N**ot being able to find a charge point when you need one is what half of EV drivers worry about, says NewMotion's recent Europe-wide EV Driver Survey. In addition, 46% of the surveyed drivers say that an increase in the availability of public charge points is the one thing they would like to see improve. A further 37% of this group even think that this is the most important driver for mass EV adoption.

The additional benefits delivered through smart charging will also play a vital role in the ongoing mass uptake of EVs. For instance, smart charging helps to more efficiently use EV charging infrastructure, by balancing charging demand with the available energy supply. This helps to prevent overloading the grid while increasing renewable energy usage.

## What is smart charging?

Smart charging can offer a solution for the fluctuating supply of solar and wind energy by smoothing out peaks in supply and demand. For example, with apps or software that enable delayed charging, slower charging and with V2X technology. With V2X - that stands for vehicle to anything - electricity can be fed back into the grid, as well as into private power grids such as offices or private homes. Using smart charging solutions such as these might mean that upon plugging in, cars don't immediately charge at full speed for the total duration of the charging session.

Also, smart chargers can communicate with the grid operator, which can help with frequency regulation. In the case of grid constraints, charge point operators can react accordingly and slow down the charging session, thus contributing to a balanced grid.



## UK highly willing to charge smartly

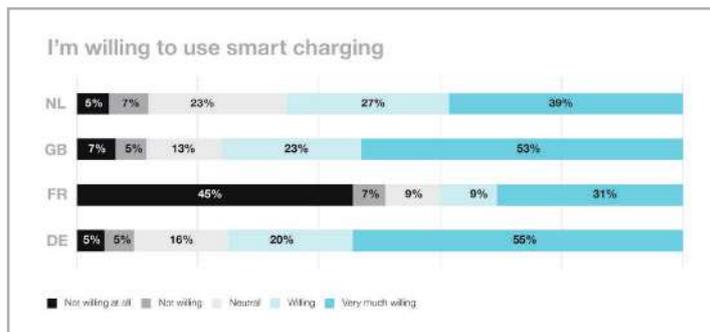
Current EV drivers are not only confident about the future of smart charging, they are actually ready and willing to use this technology. A total of 69% of EV drivers are willing to use smart charging, while only 11% are not. The desire to use smart charging offerings is especially strong in the United Kingdom (76%), which is higher than in Germany (75%), the Netherlands (66%) and France (40%).

Those who have already made the switch to driving an electric vehicle (EV) are very enthusiastic about it. The EV Driver Survey found that 86% of respondents plan to stick with driving an EV for the future, and nine

out of ten would recommend driving electric to others. This is something we can build upon with smart charging, as it offers a better user experience. Smart chargers are accessible via apps, for instance the EV Charging App, which can be used to start and stop a charging session and see the availability of the nearest charge point.

## Perfect partner in smart charging

NewMotion has been pioneering smart charging solutions for 10 years, making it the ideal partner for companies looking for a full service partner that can help them with all their charging needs, including installation, hardware, smart charging and service. Since 2009, the company has installed more than 60,000 charge points across Europe and partnered with a number of vehicle manufacturers - such as Ford and Renault - and lease companies such as Arval. The company offers a smart home charging solution that is available from £549 inclusive of £350 OLEV grant.



For more information please visit: [newmotion.com](https://www.newmotion.com)



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Headline strategic partners



# MOTOR RETAIL ADAPTS TO HOME WORKING

An industry not traditionally geared up for flexibility is having to move quickly

**A**round one in two dealership managers has been working at home since the UK Government told all car showrooms to close temporarily in the coronavirus crisis.

The new Job Retention Scheme allows dealers to ask employees who would face redundancy or being laid off without pay to agree to furlough – remaining employed on 80% of salary but being inactive for at least three weeks.

Yet an *AM* poll, which asked what proportion of general managers, sales managers and service managers had been placed on furlough by their employer while dealerships remain closed, found that 55% hadn't been, and 82% of these have continued working from their home.

It's a challenge to overcome for an industry which is full of traditional job functions not typically geared up for working remotely or flexibly. But numerous organisations are now providing online support to all industries.

HR body the CIPD advises companies to set clear expectations of how home-workers should keep in regular contact, and senior managers must remind them how their work fits in with short-term goals – but be prepared to flex those goals to minimise stress on their direct reports. Employers are still responsible for the health and safety of the staff sent home to work, including their mental wellbeing. So the CIPD's advice is to encourage staff to work in an appropriate place, take daily rest breaks and structure

their day to follow their usual work practices.

**“**WHEN EVERYTHING RETURNS TO NORMALITY LET'S LEARN FROM THE LESSONS AND FOCUS ON WHAT WILL MAKE REMOTE WORKING A NATURAL EXTENSION TO THE OFFICE ENVIRONMENT

CARLOS RUIZ, PORTAS GLOBAL

The Information Commissioner's Office (ICO) expects homeworkers to have the same kinds of security measures as they'd use in usual circumstances, to protect customers' personal data, but said it understands that resources might be diverted away from the usual GDPR compliance or governance currently. "We won't penalise organisations that we know need to prioritise other areas or adapt their usual approach during this extraordinary period," said the ICO. It will not penalise organisations that it knows have adapted their usual approach.

Empathy and compassion will allow senior managers to connect well with other home-working employees currently, said Headspace For Work's European general manager James McErlean.

"In the first instance it's important to check in regularly with teams, and try to observe subtle cues that go beyond what members say. These can be revealed in their energy levels or tone of voice. There's also an opportunity to practise mindful listening (to really listen without judgement) and allow staff to express how they feel mentally and physically.

"It's vital to acknowledge that a wide range of emotions will be felt across the team. So take the time to acknowledge

the diversity of experiences at play and respond to them in a skilful way, with kindness and without giving way to judgement or frustrations that can sometimes arise," said McErlean.

Brian Kropp, chief of HR research at Gartner, said one of the top engagement drivers for employees is seeing their work contribute to company goals, so objectives and successes must be shared regularly.

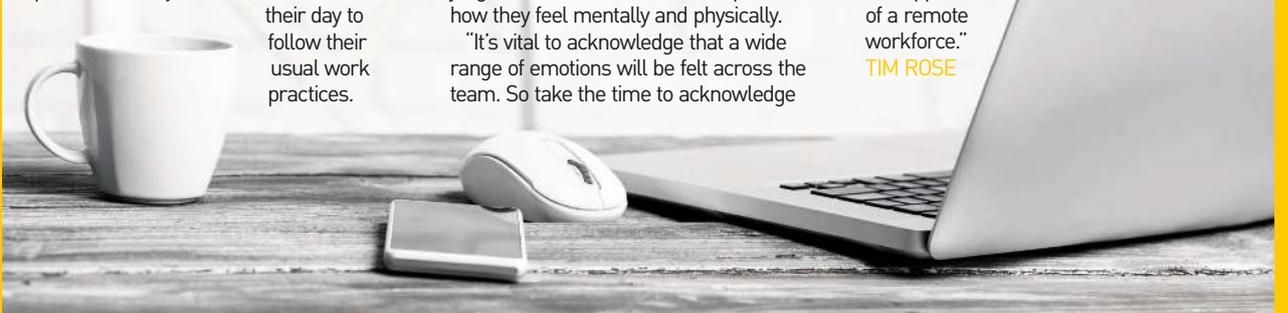
And firms which have long claimed to be all about their people need to now show they live by those values. Kropp added: "Managers need to redouble their recognition efforts, as effective recognition not only motivates the recipient but can serve as a strong signal to other employees of behaviours they should emulate."

One benefit of the current set of circumstances will be the proof that elements of motor retailing can adapt to different ways of working.

Carlos Ruiz, managing director of HR consultancy Portas Global, said: "When everything returns to normality let's learn from the lessons and focus on what will make remote working a natural extension to the office environment.

"As an employer this imposed transition will be challenging but you will swim instead of sinking if you embrace the proper implementation approach of a remote workforce."

TIM ROSE



## LINKS

**HEALTH & SAFETY EXECUTIVE ADVICE ON HOME WORKING**  
<https://www.hse.gov.uk/toolbox/workers/home.htm>

**ACAS GUIDANCE ON HOME WORKING**  
<https://archive.acas.org.uk/index.aspx?articleid=4853>

**GOVERNMENT GUIDANCE FOR BUSINESSES**  
<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

ADVERTISING FEATURE

# First review shopping list

Here's great way to see if your salespeople are qualifying their customers in the right way, says Simon Bowkett of Symco Training



Last month I talked about the need for salespeople to tell their sales manager a couple of interesting things about their customer at the first review stage. This time I want to talk about identifying what put the car on the customer's shopping list.

The shopping list is something we need to introduce at the meet and greet stage. I want my salespeople to say to every customer, "Hi, what brings you here today? ... the Q5? Great, there are three or four different models, which one have you been researching online? ... the S-Line? Great. What was it about the S-Line that put it on your shopping list?"

### Shut up and listen!

Then we just shut up and listen. If the customer says it's the active lane departure system, for example, we can be fairly sure it's important to them and that they've already done some selling to themselves.

By identifying these 'hot buttons' early, when it comes to the presentation and demonstration we know exactly what to focus on – the lane departure warning system, and some other safety features that might be important as well.

### Closing the sale

More importantly, we can use it at the end of the sale at the negotiation stage.

Equally, if the customer says he or she wants to go away and think about it, we can easily come back with: "I think what you are really asking me, Mr Customer, is what was it about this car that made it your first choice? Bear in mind it's got the active lane departure warning system, which is going to make life a lot easier, and I've heard it's making a lot of people's car insurance a little bit cheaper too."

### Some alternatives

You'll always get some salespeople telling you the shopping list technique is too cheesy and they can't use it. That's fine. They can call it the wish list, or say "why specifically the S-Line model?" and still achieve the same result. But for me it's shopping list every time – as I explain in my new sales training video on the AM website ([www.am-online.com/symcotraining](http://www.am-online.com/symcotraining)), or at [www.symcotraining.co.uk](http://www.symcotraining.co.uk) this month.

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# TALENT ON THE MOVE



ARNAUD LECLERC, HEAD OF ALFA ROMEO EMEA AND FCA GROUP UK MANAGING DIRECTOR

FCA Group UK managing director Arnaud Leclerc is set to assume the position of head of Alfa Romeo, for Europe, Middle East and Africa alongside his existing role. Leclerc will succeed Alberto

Cavagioni to oversee operations for all Alfa Romeo functions within the region, reporting directly to FCA's chief operating officer for EMEA, Pietro Gorlier, and the global head of Alfa Romeo Tim Kuniskis.

Leclerc replaced current Hyundai UK MD Ashley Andrew at FCA in January 2018.

In January this year, FCA appointed new heads of country in its senior management team for Jeep, Alfa Romeo, Fiat and Abarth.

Damien Dally returned to the OEM as country manager for Alfa Romeo and Jeep, while Francesco Vanni has been appointed as country manager for Fiat and Abarth. Both will report in to Leclerc.



PAUL LOWDON, COMMERCIAL DIRECTOR AT UK CARLINE

Former Vertu Motors general manager Paul Lowdon has joined UK Carline as its new commercial director.

Lowdon is credited for playing an "instrumental" role in the early days of Vertu Motors and for

building an industry-leading corporate sales team during his 13-year tenure.

UK Carline hopes he will help drive its business forward by creating new opportunities. The company said being able to adapt and change quickly to the ever-changing demands and needs of its customers is "paramount" to its growth, more so with disruption caused by the Coronavirus.

Lowdon said: "I am delighted to have been offered this once in a lifetime opportunity. I am proud to join the team to help drive the business forward and build on its success while creating opportunities for our colleagues and building on the high standards we provide for our customers."



DAN GOODFELLOW, HEAD OF DIGITAL AT CARSNIP

Carsnip has appointed Dan Goodfellow as head of digital. He joins the company from Inchcape, where he was digital marketing lead.

Goodfellow will help to customise the Carsnip environment for dealers to deliver maximum return by using enhanced analytics and end to end web tracking, from click to sale. He will also help to evolve the Carsnip offering and drive more users to its site, using his extensive experience in multi-channel digital strategy.



NIKKI FLANDERS, NON-EXECUTIVE DIRECTOR AT PENDRAGON

Pendragon has appointed Scottish and Southern Energy (SSE) divisional director and former chief operating officer of Opus Energy Nikki Flanders as a non-executive director.

She will serve on the company's nomination committee, remuneration committee and audit committee and will combine her role with her position within SSE. Her career has spanned a range of sectors, including retail, utilities and digital, in both non-regulated and regulated environments.



MICHAEL DOYLE, HEAD OF NETWORK, HONDA UK

Honda UK has promoted regional operations manager Michael Doyle to the role of new head of network and commercial development. Doyle replaces Rebecca Stead, who was promoted to head of automobile after Phil Webb moved to Honda Motor Europe. In his new role Doyle has responsibility for the development, strategy and direction of Honda's retail network for cars, motorcycles and power products.



D I N N E R

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A breakdown of the financial performance of the UK's top 100 dealer groups

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## EIGHT QUESTIONS TO A...

# LIGHT VEHICLE TECHNICIAN APPRENTICE

Deakin Petts, light vehicle  
technician apprentice at  
Drayton Motors Boston



### What do you do as part of your apprenticeship in a typical day?

As an apprentice light vehicle technician, my day to day tasks include carrying out typical servicing jobs on customers' cars. These are usually straightforward tasks, such as first, second, third and fourth services and visual health inspections.

I also shadow master technicians when they are undertaking more challenging, in-depth jobs. My other responsibility is to do the normal housekeeping jobs such as keeping the workshop clean by emptying bins, oil drainers, oil filter bins, etc. I tidy up, taking scrap out, sweeping and mopping.

### What are the most challenging aspects of your apprenticeship?

Lack of knowledge is a challenging aspect for anyone starting in the industry. Even though I've only had a short time in the trade, I feel I have learned a great deal through my apprenticeship. However, I realise there is so much more to learn in the trade and I have so much respect and admiration for the master technicians, as they have such a vast knowledge of Kia's workings.

### How is your employer helping you overcome them?

I am allocated time to shadow the master technicians at the dealership so that I can expand my knowledge on the job. The college training is also a huge part of helping me gain knowledge, and my employer helps by providing me accommodation for the week, all paid for, making it possible for me to take the time to learn and gain my qualifications.

### What attracted you to this area of expertise?

I've always had an interest in cars from an early age and it's continued as I've grown up and become something I want to focus on for a career.

I've always liked knowing how things work and once I learned how to drive, my love of cars was boosted. After finishing college, I was offered an unconditional place for an engineering degree at Lincoln University. I wasn't sold on university as I preferred to be more hands-on.

I started looking for an apprenticeship in the motoring industry to tie in my passion for cars with hands-on experience and I enquired to see if Kia Boston dealership had any availability.

I was delighted to secure a light vehicle technician apprenticeship, and I am currently one year into my three-year apprenticeship.

### What is the most important thing you have learned during your training – and how are you making use of it?

The main thing is to get into a routine. Double check and be sure you have done everything that you should be doing. Make sure to take it step by step so that you don't waste any time having to go back and check things. If you follow your routine with a job then you can't slip up.

Following manufacturer procedures is key. If you get into the routine of manufacturer's procedures you will not slip up. **MATT DE PREZ**

## QUICK-FIRE QUESTIONS

### What drives you?

My interest drives me... wanting to learn, further my career and become the best technician I can be.

### What's your favourite app?

Probably Instagram due to its social and educational purposes. You're able to stay updated with the world and new announcements from companies. It even allows me to stay updated with my local dealer and what new announcements they have for customers.

### How do you relax?

A few of my friends are in the trade, so in our spare time we'll end up helping each other work on each other's cars. Sometimes it's relaxing, other times it isn't! But there's always a sense of achievement when you get something done right.

# AM

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### THIS MONTH'S QUESTION TO THE AM TEAM:

What's your favourite cover version of a song?

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► **Jimi Hendrix, All Along the Watchtower**

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► **Scissor Sisters, Comfortably Numb**

**Production editor** David Buckley

► **Out of office**

**Senior designer** Chris Stringer

► **Ryan Adam's version of Oasis' Wonderwall**

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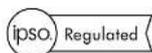
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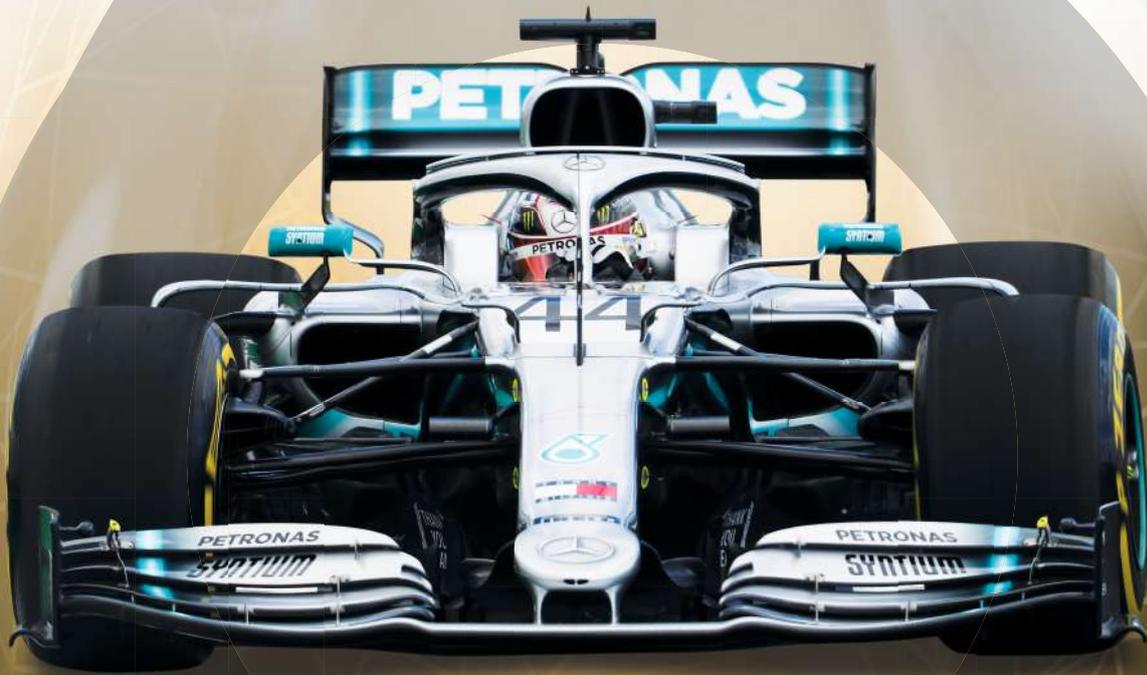
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