

AM

AUTOMOTIVE MANAGEMENT

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SECOND WAVE? / P6

Dealers should prepare for possibility of more setbacks

DOWN AND UPS / P14

When a fall in registrations feels like a positive

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Step up digital offering or risk being left behind



'PUMPED' FOR THE NEW EVs

IN HIS FIRST INTERVIEW SINCE BECOMING VOLKSWAGEN UK BOSS ANDREW SAVVAS IS UPBEAT / P20

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EDITOR'S LETTER

Pressure will now be building upon carmakers and captive finance houses to ensure UK franchised networks have the optimum tools to revive the new car market for the medium term.

Just before this issue of *AM* was finalised for publication, Chancellor of the Exchequer Rishi Sunak gave an economic update and dashed motor retail's hopes for a scrappage scheme or VAT holiday to boost demand for cars and vans.

Payment freezes for consumers that have been left temporarily strapped for cash by the pandemic may impact car PCP renewals by the end of this year. And there'll be customers whose dreams of having some equity in the deal risk being shattered as their PCP reaches the end of term. The prospect of finding a sizeable deposit to 'go-again', or, alternatively, refinancing or buying used may push some buyers towards the latter.

But new cars make used cars. A dearth of new sales this year will leave a scar on franchised dealer networks for the next four or five. So, surely the incentives must come from the carmakers themselves? With the pent-up demand being served already, low APR finance, loyalty discounts and extended terms will need to be in the industry's toolkit to stimulate new car customers into spending.

As September's plate-change campaign nears, it's time to consider all options.



MEET THE TEAM



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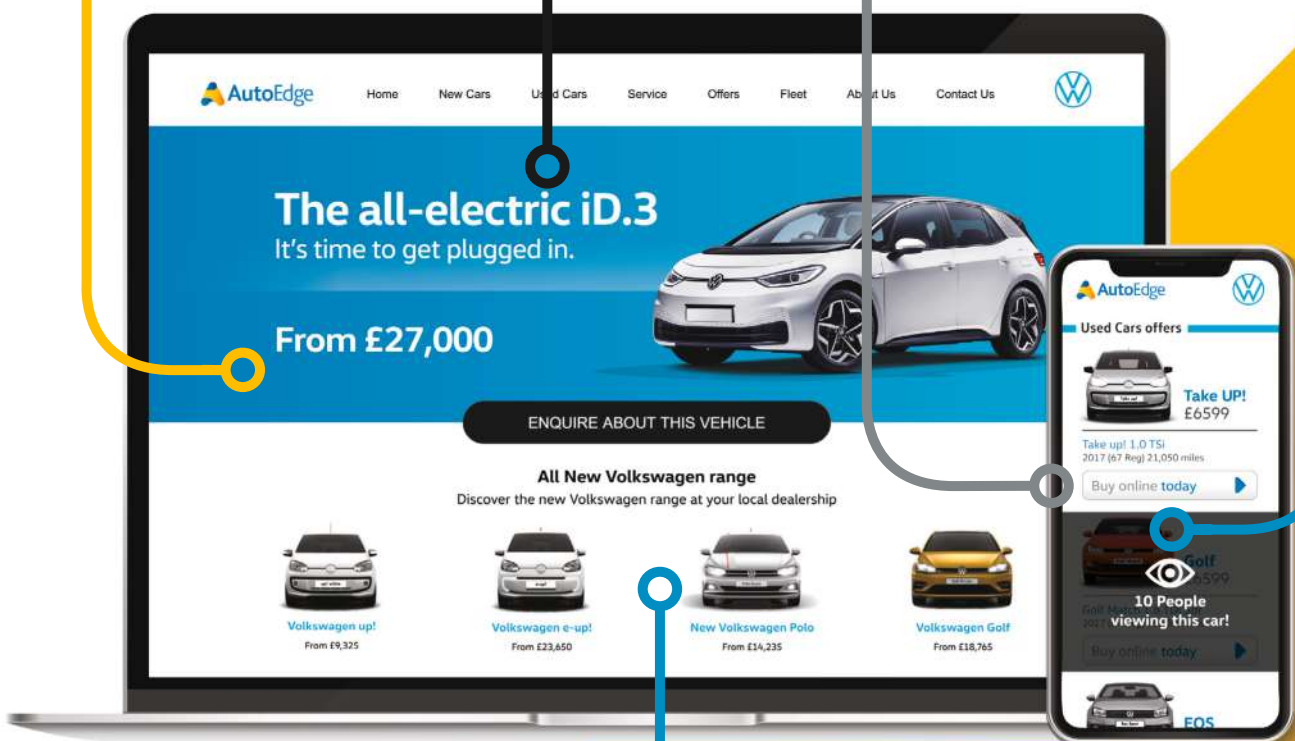
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'pumped'
about the
arrival of
its EVs



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The time is ripe for car retailers to step up their digital offering or risk being left behind. Expect more customers to carry out research from their living rooms



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Digital solutions are coming to the fore. Industry suppliers outline how they're helping dealers to adapt to the post-coronavirus new rules on trading in our 15-page supplement

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GET YOUR POLICIES IN PLACE AHEAD OF ANY SECOND COVID WAVE

It's understandable that retailers wish to concentrate on cash generation, but they should still consider worst-case scenarios

Car retailers are being advised to prepare for a worse-case COVID-19 "second wave" scenario as the threat of localised lockdowns heightens following Leicester's sudden spike in cases.

While the sector has gained praise for the speed of its ability to adapt to

post-lockdown, socially-distanced trading, businesses are being reminded not to let their focus shift too readily towards new volume targets and the potential of a September sales windfall.

FUTURE DISRUPTION

MHA MacIntyre Hudson Tax director, Nigel Morris, said businesses (that

haven't already) should be working hard to amend their contracts of employment, home working policies and procedures and IT infrastructure in anticipation of future trading disruption.

"After what we have seen with the lockdown in Leicester, I think we have to anticipate similar instances across the UK and my concern is that the focus of businesses has shifted," he said.

"The real worry is that now car retailers have worked so hard to adapt and are refocusing – quite rightly so – on their cash generation and recovery, it could be the second or third strike that takes them down.

"Businesses should be preparing for the worst."

Leicester's car retailers were exempt from business closures announced on June 29 and re-asserted by Health Secretary Matt Hancock in the House of Commons a day later.

The city's lockdown measures, which were subject to a review on July 18, affected almost 330,000 residents and enforced the closure of schools and retail businesses which had previously reopened their doors on June 15 as non-essential travel in and out of the area was banned.

As with the initial lockdown, car retailers were among businesses scrambling to interpret Government advice in order to determine if, or to what extent, they could remain open.

Marshall Motor Holdings chief executive, Daksh Gupta, said: "Initially, there was conflicting advice over whether car dealerships could remain open or not. The local council website said they couldn't and Government said they could.

"We would never do anything



without taking legal advice, but I initially asked my teams there to hold fire and we were eventually told that we were okay to continue."

KEEPING TABS ON COVID

Speaking in the House of Commons on June 30, shadow health secretary Jon Ashworth, who represents Leicester South, said that alerts about the situation in the city had been flagged up 11 days prior to its lockdown under the Secretary of State's "whack-a-mole" strategy to tackle further outbreaks.

Jarvis Simpson, former franchising manager at Infiniti Europe and now working with MHA, said that he would be advising retailers to keep close tabs on Public Health England's regionalised infections and deaths data to ensure they are prepared for any future regional COVID-19 lockdowns.

"I would absolutely be taking a look at those lists on a daily basis," said Simpson. "There were suggestions



“WE’VE BEEN BEATING THE DRUM TO LET PEOPLE KNOW THAT WE’RE OPEN FOR BUSINESS IN RECENT WEEKS AND THIS SITUATION REALLY MUDDIES THE WATER. IT’S TERRIBLY DIFFICULT

BARNEY STURGES, STURGES MOTOR GROUP



this might happen in Leicester and there may have been time to prepare.

"One way to ensure that your business isn't impacted in quite the same way as it was in March is to have a plan in place, clear communication with customers and as clear an idea as possible as to what functions you will be able to perform during the 'second wave'.

"What you don't want are days lost in a black hole of uncertainty about what to do next."

Volkswagen UK managing director, Andrew Savvas (see interview on page 20), stopped short of suggesting what support its franchisees might expect in a second lockdown, but said: "We have to continually monitor what is going on and make sure we're planning for the whole spectrum of possible scenarios.

"When we were in lockdown we didn't know when that situation was going to come to an end. We've got quite a lot of experience in



“MY CONCERN IS THAT THE FOCUS OF BUSINESSES HAS SHIFTED
NIGEL MORRIS, MHA
MACINTYRE HUDSON TAX

scenario planning, though, and I have a 150-page plan on my desk which is central to the decisions we may take.”

One of the key actions Simpson advised in the anticipation of a second wave regionalised lockdown would be to move used car stock outside the affected area to avoid possible value depreciation due to reduced demand levels.

That option is clearly more realistic for larger retail groups than smaller operations that may be based almost entirely within an affected area.

Gupta’s Marshall business has Seat and Škoda franchises in Leicester’s lockdown zone, with a Honda franchise just outside.

Sturgess Motor Group has an FCA Group, Hyundai and Suzuki multi-franchise site in Leicester, along with Jaguar and Land Rover dealerships.

CONCERN ABOUT RECOVERY

Group managing director, Barney Sturgess, told *AM* he was concerned that his business’ recovery could be stalled by the Leicester lockdown, with the new legislation “muddying the waters” of an ‘open for business’ message delivered to customers since June 1.

“We’ve been beating the drum to

let people know that we’re open for business in recent weeks and this situation really muddies the water. It’s terribly difficult,” he said.

Echoing Simpson’s concerns, Sturgess added: “In the current used car market – where you’re trying to compete on a national scale – it will really make life hard. The reality is that people will think twice about travelling into Leicester to buy a car they’ve seen advertised online if they don’t have to.”

To date, Sturgess has managed to return 50% of its workforce to the business post-lockdown and the group MD wants to maintain the progress made since England’s showrooms reopened on June 1.

He said: “Of course, we’ll do all we can to help the authorities suppress this local flare-up and we have already taken stringent measures to ensure our showrooms comply to social distancing and safe trading practices.

“I feel for the entire retail sector in Leicester. It’s hard to believe that it is part of the problem. Footfall in the city centre remains very low and businesses are restricting the number of people entering shops and have worked extremely hard to reopen in a safe manner.”



“WHEN STAFF ARE WORKING AT HOME, THINGS ARE VERY DIFFERENT AND WHAT PEOPLE NEED IN THEIR BUSINESS IS A CULTURE OF CHECKING

KARL DAVIS, COACHWORKS CONSULTING



“I INITIALLY ASKED MY TEAMS THERE (IN LEICESTER) TO HOLD FIRE AND WE WERE EVENTUALLY TOLD THAT WE WERE OKAY TO CONTINUE

DAKSH GUPTA, MARSHALL MOTOR HOLDINGS

TOP 20 REGIONS AS OF JULY 8

Area	Cases	Per 100k
Leicester	4,036	1,136.2
Merthyr Tydfil	541	896.8
Bradford	4,252	791.6
Oldham	1,856	787.7
Barnsley	1,900	774.9
Denbighshire	720	752.4
Rhondda Cynon Taf	1,796	744.4
Bedford	1,268	738.8
Blackpool	1,020	732.2
Rochdale	1,593	724.1
Rotherham	1,884	711.8
Blackburn with Darwen	1,020	684.8
Sheffield	3,973	682.1
Middlesbrough	954	678.8
Tameside	1,518	674.1
Bury	1,278	672.2
Knowsley	1,000	668.6
St. Helens	1,197	664.8
Wigan	2,122	650.7
Luton	1,384	646.4

Source: Public Health England, July 8, 2020

PRACTICAL STEPS IN A 'SECOND WAVE'

With 79% of Marshall's 3,500 employees now back to work, Gupta said the situation in Leicester would not affect his recovery plans or prompt him to return staff to furlough.

AM understands that other groups have adopted a different stance, taking the opportunity to trim their wage bill where possible.

From October, however, the Government's Coronavirus Job Retention Scheme (CJRS) will have been closed and a raft of other fiscal measures and goodwill gestures by suppliers may not be volunteered in the event of isolated lockdowns.

Morris said: "If we have another lockdown in November and there's no furlough scheme to fall back on where does that leave business?"

"Now is the time to reflect on the T&Cs of employee contracts and explore the possibility of a reduced activity clause and potentially a reduced or deferred period of remuneration.

"Clauses should also be sought out with suppliers and landlords to ensure payments and rents could be renegotiated in the event of a temporary shutdown.

"These things can save time and preserve vital cashflow.

"We can anticipate future closures and we absolutely must be prepared for them. Install the seat bags and airbags now to avoid a potentially nasty crash."

Karl Davis, the managing director of Coachworks Consulting, said that retailers must continue to learn from the lessons of lockdown and tailor their businesses to suit the new normal, with digital sales, paperless operating and cashless transactions all central to their businesses.

There is also a need to formalise home working arrangements and new business process, he said.

"Retailers need to document how they want things doing," he said.

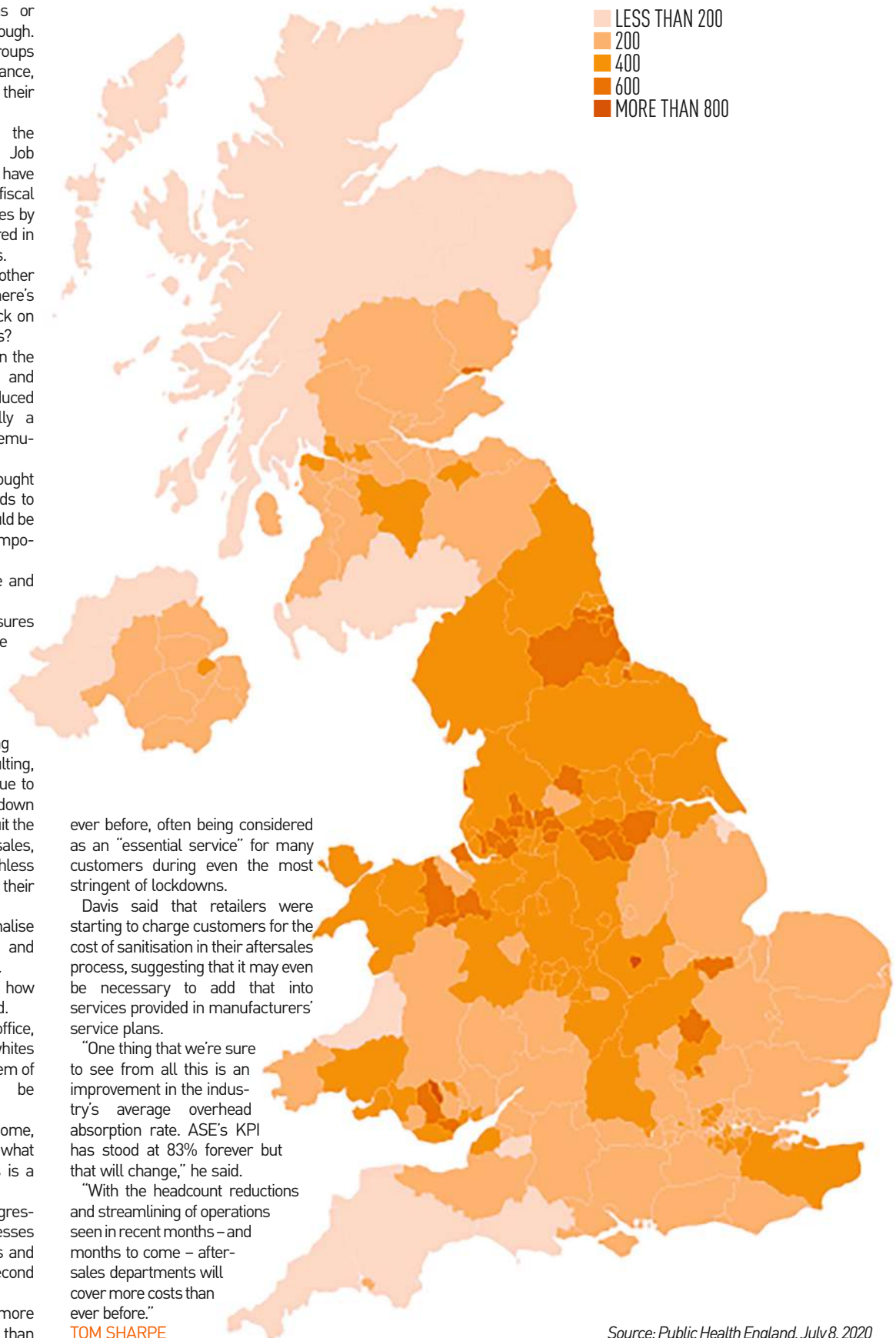
"It's one thing being in the office, where you can look into the whites of people's eyes and remind them of the standards that must be maintained.

"When staff are working at home, things are very different and what people need in their business is a culture of checking."

Davis believes the most progressive automotive retail businesses have improved their processes and are now more resilient to a "second wave" scenario.

And aftersales will be a more important part of the equation than

≡ CORONAVIRUS CASES BY LOCAL AUTHORITY PER 100K POPULATION



ever before, often being considered as an "essential service" for many customers during even the most stringent of lockdowns.

Davis said that retailers were starting to charge customers for the cost of sanitisation in their aftersales process, suggesting that it may even be necessary to add that into services provided in manufacturers' service plans.

"One thing that we're sure to see from all this is an improvement in the industry's average overhead absorption rate. ASE's KPI has stood at 83% forever but that will change," he said.

"With the headcount reductions and streamlining of operations seen in recent months – and months to come – after-sales departments will cover more costs than ever before."

TOM SHARPE

Source: Public Health England, July 8, 2020

ADVERTISING FEATURE

From the new normal to where?

By James Tew, CEO, iVendi



Just a few months ago, it would have seemed implausible in the extreme to suggest that large sections of the new and used vehicle sectors would soon be operating primarily on a model that combined online sales and

finance with reserve-and-collect.

Yet, here we are today, in what everyone seems to be calling the new normal.

In a matter of weeks, dealers have become genuine digital operators. Simply being a showroom with a web site bolted on is no longer an option; today, you must fully integrate your business online or face the real possibility of no longer being able to trade.

Perhaps the most interesting aspect of these developments is the way in which they have shown that an industry sometimes unfairly criticised for being too traditional is very capable of rapid, large-scale change when the need arises.

The question is, what to do next with that potential? There is no clear answer. While predicting the future is fraught with danger at the best of times, the current situation makes it next to impossible.

Almost everything may, potentially, be up for grabs, from who is buying cars to how they will be used, from how they will be powered to what the dealerships that sell them will look like.

However, this uncertainty is being matched with a flood of interesting ideas and innovations from car, van and motorcycle retailers, alongside the commitment to implement them. It's going to be a challenging few months, even years, but we believe that forward-thinking, energetic dealers will emerge from the situation stronger than ever.



THIS MONTH'S NEWS HIGH

JUNE

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PENDRAGON RETHINKS LEADERSHIP ROLES

Pendragon began consultation over redundancies as it plans to reformat its leadership and management structure, but insisted the job losses involved "a small amount of leadership roles" within the business. At the end of June the group revealed a new "powered by Pendragon" slogan for its Evans Halshaw and Stratstone brands as part of a business "recharge".



PENDRAGON

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JCT600 CLOSES TWO VW SITES

JCT600 has closed its Volkswagen dealerships in Rotherham and Newark following a decision made prior to the COVID-19 coronavirus outbreak. The chief executive of the Bradford-based AM100 car retail group, John Tordoff, said: "It's just hard to make little businesses like Rotherham and Newark viable."

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TWO VAUXHALL DEALERSHIPS GO

Perrys Motor Group and Donnelly Group closed Vauxhall car dealerships in Leyland, near Preston, and Omagh as the Griffin-badged brand continues its network consolidation strategy. Arnold Clark also opened consultation over redundancies ahead of the possible closure of its Vauxhall dealership in Greenock.

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CAZOO IS 'UNICORN' COMPANY AFTER JUST SIX MONTHS

Cazoo claimed to have become the fastest UK business ever to achieve a valuation in excess of \$1 billion (£800.8m) – joining an exclusive list of companies known as 'unicorns'. Celebrating the unicorn status, just six months after the online car sales business' launch, founder Alex Chesterman, said: "Despite the current challenges many businesses are facing, Britain remains a market leader for talent and innovation and a great place to start a business."



NO RETURN IN CANTERBURY

The lack of a succession plan resulted in the closure of Canterbury's Northgate Garage Group after more than 50 years' trading. The FCA Group franchisee did not re-open after the March 24 lockdown, with 21 staff losing their jobs as a result of a permanent end to trading.



AUTO TRADER SAYS IT WILL PAY BACK CJRS FUNDING

Auto Trader vowed to repay the funding it accessed through the Government's Coronavirus Job Retention Scheme (CJRS) in its annual financial results. The pledge came as the business reported a 4% rise in revenues (to £368.9m), profit before tax up 4% (to £251.5m) and a 6% rise in revenue per retailer forecourt (to £1,949-per-month) in the year to March 31, 2019.

'REALIGNMENT' MEANS AN END FOR MERCEDES-BENZ TRIO

Mercedes-Benz Retail Group closed its car dealerships in Bromley, Caterham and Chelsea as part of a "realignment" of its operations in the London market area.



A spokesperson said the Chelsea and Bromley sites will continue to provide an aftersales function for customers.

LOOKERS DISCOVERS £19M 'BLACK HOLE' IN ACCOUNTS

Lookers revealed that fraud investigations had exposed a £19m 'black hole' in its accounts resulting from overstated supplier bonuses, fraudulent expenses claims and the inconsistent application of policies, processes and accounting standards. The news came after it revealed a shake-up of its board members in search of 'new skills and experience'.

Shares trading was suspended on July 1, meanwhile, due to delays in the submission of Lookers' 2019 financial results.



JARDINE IN CONSULTATION OVER REDUNDANCIES

Jardine Motors Group confirmed it had opened consultation over redundancies as part of a COVID-19-prompted restructure. A spokesman would not confirm reports suggesting the job cuts could total more than 500, but AM understands the changes will



include the closure of the group's Milton Keynes headquarters and a satellite facility in Colchester.

SMMT REGRETS LACK OF STIMULUS

The SMMT expressed "bitter disappointment" over the omission of an automotive sector stimulus package in the Chancellor of the Exchequer's COVID-19 'mini budget'. Its chief executive Mike Hawes said: "Of Europe's five biggest economies, Britain now stands alone in failing to provide any dedicated support for its automotive industry."



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JULY

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ADVERTISING FEATURE

BCA seamlessly switches to online selling

By Stuart Pearson, BCA COO UK Remarketing



BCA continues to keep the motor industry moving with the widest choice of stock in the wholesale marketplace, available through a variety of online channels that support all buying preferences. Every day, BCA's trade buyers have access to thousands of

vehicles online and can bid and buy safely and remotely via the BCA Buyer app or BCA Online.

Currently all sales remain online-only and we're keeping close to the latest Government guidance in order to protect our people, customers and suppliers. We'll look to restart physical auctions when appropriate.

There has been a huge amount of customer interaction through our online channels, with demand growing steadily for stock and online sales typically recording buyer participation ahead of that seen in pre-lockdown conditions.

Supply and demand remain well balanced at BCA and conversion rates are high.

BCA is offering its buyer customers the ability to buy the vehicles they require at a range of price points from non-runners and lower value older vehicles to prestige and luxury stock, motorbikes and motorhomes, all from their homes or offices.

BCA is running up to 20 sales in parallel at any one time with auctioneers and clerks, vendor representatives and buyers operating remotely and safely socially distanced.

Conversions, average selling price and performance against guide values at BCA all remain at high levels, with sold volumes rising and the number of buyers participating increasing significantly.

Go to www.bca.co.uk/sales for full details of the BCA sales programme.



WHEN A REGISTRATIONS DIP FEELS LIKE SMALL RECOVERY

Figures are down close to one third, but, compared with previous months, that's progress

Registrations in June fell by 34.9%: it is a measure of these strange times that a fall of approximately one-third counts as a recovery after the falls of 97.3% in April and 89.0% in May. It might seem that, in such chaotic times, no worthwhile trends could be identified. However, the falls in sales have been so evenly spread that underlying market trends are still evident.

In the previous recession, the big winner was the city car segment, which rose briefly above 10% market share. That was due to the scrappage scheme and mainly benefitted Hyundai and Kia.

This has not been lost on the UK Government, which looked briefly at the idea of another scrap-page scheme, but decided that (a) it did not really benefit UK manufacturers last time around, and (b) it would not look good to be subsidising petrol engines when it wants to get to zero tailpipe emissions as quickly as possible.

Subsidising only electric cars was not really an option, given only reasonably affluent people buy what are still fairly pricey vehicles.

In the crisis, city cars were one of the worst-affected segments with market share year-to-date (YTD) down to just 4.5% (see table). In a way, this is to be expected. City cars are often bought as second vehicles, and most are barely using their first car at present, let alone replacing their second one.

In the mainstream family car segments, the market share of B-segment (superminis) is virtually unchanged at 29.1%.

Slightly surprisingly, B-segment hatchbacks and crossovers are down by almost the same amount (50.1% and 48.1% respectively). B-segment MPVs have almost ceased to exist, with total sales of just 613 YTD, the majority of which were the Kia Soul. In small family cars (C-segment), overall share was also static at 38.1%. Again, hatchbacks (-48.9%) and crossovers (-46.2%) fell by similar sums. C-segment MPVs 'only' fell by 53.5%, but they now account for less than 5% of C-segment sales.

Large family cars (D segment) are going the way of the small MPV. Market share was down to just 1.3%, with a majority of what sales there were coming from the VW Group (Passat, Superb,



Arteon). Curiously, Vauxhall Insignia sales collapsed by 92.8% to just 484 units, meaning it was comfortably outsold by the Peugeot 508.

PREMIUM EV SUCCESS

More surprisingly, the D-segment's premium brother, the compact executive, was the second-best performing sector, with market share up to a record 6.0%. Mostly this was due to the success of the Tesla 3 – Tesla, as a company, is having quite a good crisis, Elon Musk's increasingly bizarre comments notwithstanding.

However, the BMW 3 Series is also doing very well, with registrations the same as the combined figure for the Mercedes C Class and Audi A4.

Sales of larger premium models have not fared as well. Executive models (e.g. BMW 5 Series) saw market share drop to 2.4%, while luxury saloons fell to a record low of just 0.22%. One notable figure is that the Porsche Taycan was the best-selling luxury saloon in the UK last month, and is in third

place YTD behind the Mercedes S-Class and BMW 7 Series. Following Tesla's success, this is more evidence that luxury saloons are likely to go fully electric before most other segments. The two main disadvantages of battery electric cars (cost and weight) are not big issues in a £100,000 saloon that already weighs 2,000kg with a petrol engine.

No prizes for guessing the segment which has fared best this year. Large/premium SUVs have increased market share to a record 16.7%.

Within the overall figure, small premium SUVs suffered least, with a fall of 30.2%, helped by the new Range Rover Evoque (down only 13.7%) and the Volvo XC40 (actually up 2.6%).

Unsurprisingly, the worst affected sub-segment was large non-premium models which fell 41.9%. There is a general trend towards premium models in this sector (if you are going to be fashionable with an SUV, you might as well be properly fashionable with a premium model), as well as the fact that some non-premium manufacturers may be cutting

SPONSOR'S COMMENT



By Richard Jones,
managing director,
Black Horse

It seems hard to believe that we are already so far through the year – a different

kind of summer holiday now beckons!

We hit the 100-day milestone of lockdown but have also seen restrictions eased in early July. We've been able to move forward and look to the next few months with great anticipation; how the industry is emerging and what we have expected or wondered about is becoming a reality.

While we have seen the immediate economic contraction at scale, the true impact will show later in 2020 as support mechanisms get withdrawn.

The hope is that the low point is behind us and we will start to see economic bounce back along with the further easing of restrictions, although the projections for how long our recovery will take are broad and we have Brexit sitting on the horizon too.

We have seen positive indications from the used car market during June and July along with a positive bounce back of private new car purchases. While this is good news, there remains uncertainty over the coming months with unemployment not yet fully materialised.

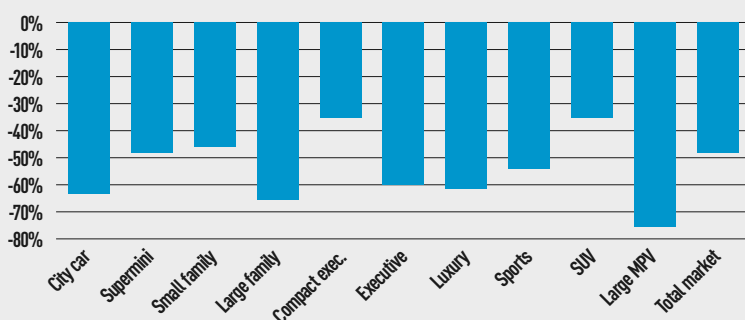
Regional lockdowns also become a real threat as we've already seen, just one of the many things to consider as part of our 'new normal'. It's more likely that getting the economy fully back on track will take a long time.

Priorities for me remain in supporting existing customers as they reach the end of payment holiday arrangements, remaining open for business and working closely with our partners.

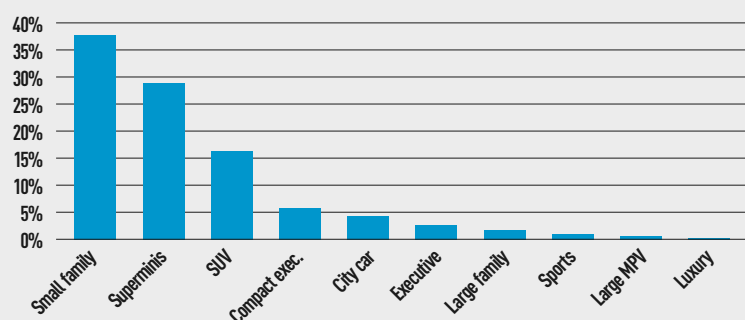
The liquidity and strength of our business and expertise of our people will see us come through this in a strong position to support customers and partners, existing and new.

Please continue to take care while enjoying the increased freedom.

DECLINE BY SEGMENT YTD JUNE 2020



MARKET SHARE BY SEGMENT YTD JUNE 2020



ISTOCK.COM/MICROSTOCKHUB

back on large SUVs which threaten their CO₂ fleet average.

FORD REGAINS LEAD

At a manufacturer level, Ford has regained market leadership, having fallen behind VW for the first quarter. The new Puma has got off to a remarkably strong start under the circumstances, and is already No 2 in the segment, behind the Vauxhall Crossland X. The Focus is also fractionally ahead of the Golf, but the new eighth-generation Golf is still to make an impact.

So, Ford will have to fight hard to retain the top spot for the full year.

Behind Ford and VW, BMW and Mercedes are in an equally tight race for third spot. BMW is currently shading it, mostly thanks to the success of the 3 Series, which is more than 4,000 units ahead of the Mercedes C-Class.

Audi is some way back in fifth and still cannot seem to make up the ground lost when it could

not homologate all its cars to the new WLTP standard. In fact, Audi is only 0.2 ppts ahead of Toyota, which is on a charge.

Possibly the most unlikely stat of the year so far is that the Toyota Corolla has increased sales in absolute terms (by 0.9%), and is now the fifth best-selling small family hatchback. Alas, the same cannot be said of Vauxhall or the Astra. Vauxhall registrations have fallen by more than any other major manufacturer and market share is down to a record low of 5.8%. Sales of the Astra are down by 73.8%, and it is being outsold by models such as the Nissan Leaf and Mercedes CLA.

Overall, the market is behaving completely abnormally in terms of size, but quite normally in terms of manufacturer and model shares.

Companies attributing a poor market share to the effect of COVID-19 may be unwise to count on a sudden improvement when we fully emerge from the coronavirus crisis.

DAVID FRANCIS

IS AROUND THE CORNER.

blackhorse.co.uk/abetterway

NEW CAR REGISTRATIONS

Showrooms reopen to 'lacklustre' sales

"This is not a recovery and barely a restart," warned Society of Motor Manufacturers and Traders (SMMT) chief executive Mike Hawes as its data showed 145,377 new cars were registered in June, the first month out of lockdown for car showrooms in England and Northern Ireland.

The result was 34.9% down on June 2019's market and the SMMT said "the lacklustre performance" plus 10 weeks in lockdown has left the UK market to date almost 616,000 units behind the same period in 2019.

It followed just 20,247 new car sales in May while retail premises were required to stay closed and the public were advised to stay home – only a small proportion of dealers continued sales remotely with home delivery.

The trade body claimed that many of June's registrations could be attributed to customers finally being able to collect their pre-pandemic orders, and appetite for significant spending remains questionable.

"With one-in-five showrooms in England remaining shut throughout June, and those in Wales and Scotland unable to open until the end of the month, there remains uncertainty regarding the true level of demand.

"The hoped-for release of pent-up sales has not yet occurred, with consumer confidence for big ticket purchases looking weak meaning that automotive is likely to lag behind other retail sectors," said the SMMT.

Hawes continues to call on UK Government to boost the economy and business confidence.

1 TOYOTA

The Japanese brand bucked the trend and grew June registrations by 2.7% YOY. Its increase was purely in fleet, where Yaris and Rav-4 were strong.



2 BMW

Its June result was down 47% (9,350 orders) year-on-year. More than 2,500 of those lost sales were 1 Series models.

3 MG

Despite lockdown, its registrations are still 22.7% ahead year-to-date and its June orders – including March's hangover – were up 88%.

Marque	June					Year-to-date				
	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
Ford	13,622	9.37	22,049	9.87	-38.22	59,874	9.16	127,789	10.07	-53.15
Volkswagen	12,431	8.55	20,474	9.16	-39.28	58,933	9.02	110,891	8.74	-46.86
1 Toyota	11,709	8.05	11,398	5.10	2.73	39,360	6.02	56,684	4.47	-30.56
2 BMW	10,635	7.32	19,985	8.94	-46.79	46,580	7.13	90,021	7.09	-48.26
Mercedes-Benz	9,569	6.58	14,947	6.69	-35.98	45,683	6.99	92,990	7.33	-50.87
Vauxhall	9,104	6.26	15,540	6.96	-41.42	37,576	5.75	94,564	7.45	-60.26
Audi	8,099	5.57	14,208	6.36	-43.00	40,405	6.18	81,129	6.39	-50.20
Nissan	5,884	4.05	9,247	4.14	-36.37	30,109	4.61	52,743	4.16	-42.91
Kia	5,501	3.78	8,527	3.82	-35.49	28,970	4.43	53,232	4.19	-45.58
Škoda	5,272	3.63	7,361	3.29	-28.38	23,112	3.54	41,264	3.25	-43.99
Peugeot	5,168	3.55	7,313	3.27	-29.33	21,450	3.28	44,344	3.49	-51.63
Mini	4,921	3.38	8,662	3.88	-43.19	18,276	2.80	33,250	2.62	-45.03
Renault	4,720	3.25	6,094	2.73	-22.55	15,269	2.34	32,113	2.53	-52.45
Land Rover	4,691	3.23	6,495	2.91	-27.78	25,624	3.92	42,092	3.32	-39.12
Volvo	4,374	3.01	5,260	2.35	-16.84	17,698	2.71	29,989	2.36	-40.99
Seat	4,090	2.81	6,790	3.04	-39.76	20,267	3.10	37,778	2.98	-46.35
Hyundai	3,643	2.51	7,803	3.49	-53.31	17,701	2.71	45,916	3.62	-61.45
Dacia	2,093	1.44	2,935	1.31	-28.69	7,433	1.14	18,568	1.46	-59.97
Citroën	2,067	1.42	4,015	1.80	-48.52	11,617	1.78	29,422	2.32	-60.52
3 MG	2,025	1.39	1,078	0.48	87.85	7,712	1.18	6,286	0.50	22.69
Fiat	1,818	1.25	2,404	1.08	-24.38	8,328	1.27	17,749	1.40	-53.08
Jaguar	1,712	1.18	2,938	1.32	-41.73	10,551	1.61	19,748	1.56	-46.57
Honda	1,617	1.11	3,854	1.72	-58.04	11,439	1.75	25,079	1.98	-54.39
Mazda	1,464	1.01	3,731	1.67	-60.76	8,746	1.34	21,443	1.69	-59.21
Suzuki	1,431	0.98	3,159	1.41	-54.70	7,813	1.20	20,337	1.60	-61.58
Lexus	1,359	0.93	1,199	0.54	13.34	5,971	0.91	7,432	0.59	-19.66
Porsche	1,056	0.73	1,054	0.47	0.19	4,073	0.62	6,785	0.53	-39.97
Mitsubishi	771	0.53	1,483	0.66	-48.01	4,708	0.72	9,784	0.77	-51.88
Jeep	437	0.30	582	0.26	-24.91	1,532	0.23	3,237	0.26	-52.67
Alfa Romeo	234	0.16	329	0.15	-28.88	940	0.14	1,862	0.15	-49.52
Abarth	212	0.15	258	0.12	-17.83	914	0.14	1,887	0.15	-51.56
SsangYong	159	0.11	122	0.05	30.33	669	0.10	1,089	0.09	-38.57
DS	153	0.11	351	0.16	-56.41	918	0.14	1,831	0.14	-49.86
smart	146	0.10	522	0.23	-72.03	426	0.07	3,142	0.25	-86.44
Bentley	102	0.07	94	0.04	8.51	531	0.08	812	0.06	-34.61
Maserati	50	0.03	84	0.04	-40.48	239	0.04	534	0.04	-55.24
Subaru	44	0.03	244	0.11	-81.97	306	0.05	1,363	0.11	-77.55
Alpine	16	0.01	20	0.01	-20.00	57	0.01	85	0.01	-32.94
Chevrolet	0	0.00	5	0.00	0.00	0	0.00	21	0.00	0.00
Infiniti	0	0.00	40	0.02	0.00	0	0.00	203	0.02	0.00
Polestar	0	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
Other British	140	0.10	248	0.11	-43.55	860	0.13	1,585	0.12	-45.74
Other Imports	2,838	1.95	519	0.23	446.82	10,832	1.66	2,172	0.17	398.71
Total	145,377		223,421		-34.93	653,502		1,269,245		-48.51

INTRODUCING THE GAME CHANGER

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Portfolio 3Sixty uses the Black Horse data you already have to bring customers back to buy their next used car.



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Get ahead of the competition

Start using this automated tool to help you retain more customers.

FINANCE OFFERS

Plate change is next big test for car retailers

Retailers are back on the ball for Q3 and gearing up for a September plate change that will be a further big test for the new car market since businesses reopened in June.

New business volumes in the consumer car finance market fell in May 2020 by 78% compared with the same month in 2019, and by 41% in the five months to May 2020.

It's no surprise the latest Finance and Leasing Association (FLA) figures are down, but the next quarter should start moving the numbers in the right direction.

Geraldine Kilkelly, head of research and chief economist at the FLA, said: "The FLA's latest figures suggest that, while the motor finance industry continued to be severely impacted by the lockdown restrictions in May, new business volumes improved on the record low in April as the industry embraced the use of click-and-collect to meet customer demand.

"As the industry gears up to meet an extended period of forbearance and a strong pick-up in demand for new credit, the Government and Bank of England need to ensure that all lenders, including non-banks, have access to financial support schemes.

"This is vital if households and businesses are to be served by a competitive and vibrant motor finance industry post-crisis."

The Financial Conduct Authority (FCA) put some safeguards in place to help consumers in financial difficulty since the lockdown and these have now been extended until October 31.

Finance companies will now be contacting customers to see if they need further payment freezes on their car finance over the next three months or whether they can agree on a plan to return to making regular payments.

Car manufacturers had pre-empted the FCA's measures by introducing payment freezes back in April and some manufacturers are continuing to create their own retail support packages to aid consumers in Q3.

Kia has 0% deals on the Sportage, XCeed, Niro, Ceed Sportswagon and Picanto and reduced APR offers across all models and grades on 36-month PCPs.

In addition, Kia is throwing in the first two services and two years' roadside assistance for free on all new XCeed and Sportage orders in July to get the ball rolling in Q3.

Further discounts of up to £2,500 are available on selected models when customers part-exchange their old car.

The Venga, Carens and Soul also get an extra £500 'Keep it in the Family' discount over the next three months for customers that own another Kia.

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
MG							
MG3 Excite 1.5 DOHC VTI-tech	PCP	£1,910.75	48	£149	£3,312.25	0.0%	30/09/2020
ZS Exclusive 1.5 DOHC VTI-tech	PCP	£1,579	48	£189	£5,644	0.0%	30/09/2020
ZS EV Excite	PCP	£4,412.42	48	£279	£9,018.50	4.90%	30/09/2020
HS Exclusive 1.5T GDI	PCP	£3,113.75	48	£259	£7,395	0.0%	30/09/2020
Nissan							
Micra IG-T 100 Manual Acenta	PCP	£1,046.31	36	£199	£6,419.69	0.0%	30/09/2020
Juke DIG-T 117 Manual N-Connecta	PCP	£1,500	36	£323.73	£9,750	5.0%	30/09/2020
Qashqai 1.3 DIG-T 140 2WD Manual N-Tec	PCP	£3,000	48	£298.28	£9,027.37	0%	30/09/2020
X-Trail 1.7 DCI 150 2WD Manual N-Tec 5 seats	PCP	£7,544	36	£329	£11,722	0.0%	30/09/2020
370Z 3.7 328 6 Manual V6 GT	PCP	£5,088.17	36	£369	£15,297.26	6.0%	30/09/2020
GT-R 3.8 V6 570 4WD Recaro	PCP	£24,631.11	36	£599	£45,059.72	6.0%	30/09/2020
Navara 2.3DCI 190 4WD 7 Auto Tekna Double Cab	PCP	£13,388.90	36	£299	£13,001.30	4.99%	30/09/2020
e-NV200 Combi 40kWh Visia 5 Seat	PCP	£7,582.38	48	£309	£10,032.46	4.99%	30/09/2020
Leaf 40kWh 150PS N-Connecta	PCP	£4,624.67	36	£309	£14,169.25	5.0%	30/09/2020
Kia							
Picanto Titanium Edition 1.0 manual	PCP	£1,267.50	36	£189.72	£4,702.65	4.9%	30/09/2020
Picanto 1 1.0 manual	PCP	£2,044	25	£174.17	£3,996.02	0.0%	30/09/2020
Rio GT-Line 1.0 T-GDi 6-speed manual ISG	PCP	£1,698.50	36	£254.66	£5,810	4.9%	30/09/2020
Ceed 3 1.4 T-GDi ISG	PCP	£2,226.50	36	£313.83	£8,152.73	4.90%	30/09/2020
Ceed Sportswagon 3 1.0 T-GDi ISG	PCP	£2,250.50	36	£314.62	£8,372.48	4.90%	30/09/2020
Ceed Sportswagon 2 1.6 CRDi ISG	PCP	£4,229	25	£334.01	£8,899.88	0.0%	30/09/2020
ProCeed 'GT-Line' 1.6 CRDi ISG	PCP	£2,547	36	£369	£9,317.40	4.9%	30/09/2020
XCeed 3 1.4 T-GDi ISG	PCP	£2,410	36	£321.25	£9,778.88	4.9%	30/09/2020
XCeed Edition 1.0 T-GDi 118bhp 6-speed manual ISG inc premium paint	PCP	£5,033.72	25	£199	£11,185.28	0%	30/09/2020
Niro Self-Charging Hybrid 3 1.6 GDi 1.56 kWh battery auto DCT	PCP	£2,710	36	£356.25	£12,130.20	4.90%	30/09/2020
Niro PHEV 2 1.6 GDi 8.9kWh battery auto DCT	PCP	£3,026.50	36	£424.36	£12,789.45	4.90%	30/09/2020
Niro PHEV 2 1.6 GDi 8.9kWh battery auto DCT	PCP	£6,053	25	£401.77	£14,569.43	0.0%	30/09/2020
Soul EV First Edition 64kWh lithium-ion battery Auto	PCP	£3,429.50	36	£560.76	£14,020.05	4.9%	30/09/2020
Stinger GT-Line S 2.0 T-GDi	PCP	£3,642.50	36	£618.37	£11,109.62	4.90%	30/09/2020
Stonic Maxx 1.0 T-GDi auto DCT	PCP	£2,010	36	£283.80	£8,218.65	4.9%	30/09/2020
Sportage GT-Line 1.6 CRDi 48V ISG (2WD)	PCP	£2,712	36	£363.89	£11,275.20	4.9%	30/09/2020
Sportage GT-Line S 1.6 CRDi 134bhp 48V 6-speed manual inc premium paint	PCP	£12,285.55	36	£249	£13,668.45	0%	30/09/2020
Sorento GT-Line 2.2 CRDi 8-speed auto ISG	PCP	£3,745	36	£485.25	£15,272.63	4.9%	30/09/2020

MG has 0% offers on its new ZS SUV and it is continuing its swappage scheme with discounts available up to £7,280. It has also introduced a Peace of Mind Promise on electric versions of the ZS.

The promise is worth more than £1,500 and includes three years' free servicing, a type 2 charging cable and a free home wall charger installation. MG's new EV also gets a deposit contribution of up to £2,500 for those that buy before the end of September.

In addition to a three-month payment holiday for all models ordered in Q3, Nissan is also supporting retailers with 0% APR offers on selected Micra, Qashqai and X-Trail models.

Nissan is also continuing to run its SwitchUP campaign, which offers up to £6,300 discount on

selected models when customers trade in an eligible vehicle.

Nic Thomas, marketing director at Nissan Motor (GB), said: "We understand that these are challenging times for households across the nation, so we wanted to design our latest offers to ensure Nissan vehicles remain accessible and affordable for customers.

"A three-month PCP payment holiday, plus interest-free finance and full warranty and servicing backup from our dealer network will give people peace of mind that they can buy their next new car with confidence."

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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



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VIEWPOINT



AUTOMOTIVE BRANDS NEED TO HEAD IN FOUR NEW DIRECTIONS

AARON SHIELDS executive strategy director at consultancy FITCH, which works with Lynk & Co



HOW SHOWROOMS MUST ADAPT FOR FUTURE SUCCESS

MICHAEL TREVETHAN marketing manager, Leach

→ The COVID-19 crisis has kick-started new ways of thinking and behaving among many of us. For automotive brands, the crisis has compounded existing concerns around consumers' transition to alternative mobility solutions like carpooling, sharing and public transport.

While, in many ways, the lockdown has helped to make an argument for access to a car – with public transport passenger numbers down by 85% in London alone – customers are increasingly looking for convenient and financially cautious ways to get around.

I predict that, by 2045, car ownership will be as rare as horse ownership. The roadmap for automotive brands, therefore, requires change now. They will need to invest in four directions:

ECOMMERCE

Mobility solutions will get easier and cheaper for the customer, enabled by an online model that takes away the pain points of car shopping. The new model will need to do the heavy lifting and support shoppers across all stages of the journey.

DIGITAL ACCESS TO HUMAN HELP

The pivot to putting customer service at the heart of the automo-

tive industry is already under way. At FITCH, we use a framework called PHD (physical, human, digital) emphasising the need to integrate human experiences with digital ones for an all-around enhanced customer journey.

As we consider a transition to a subscription-led model, the customer naturally has more frequent brand interactions, as customers drop cars back or pick out a new one.

INVEST IN TIER ONE LOCATIONS

At the moment, automotive brands should be re-considering relationships with dealerships and working to create a better brand experience for customers when they do return post COVID-19. The focus should be on high-footfall locations – which should be treated as Beta stores for wider reopenings.

ENGAGING CAUTIOUS CONSUMERS

There will be many shoppers looking to spend less across all categories as we emerge from COVID-19. It is crucial these shoppers continue to see mobility as essential and affordable. In transitioning to sustainable alternatives, like EVs, automotive brands will be able to make a better case for car ownership or subscription, with electric charging likely to become increasingly affordable.

The success of any brand in engaging with the most cautious shoppers goes back to the earlier point around creating an entire ecosystem of mobility: the brands able to provide subscription cars, related services and to make the case that their offering is environmentally sustainable – as well as affordable – will be the winners in the new economy.

→ After almost three months of shuttered showrooms, there's no denying that things look quite different.

But, with strict social distancing measures in place, how can sales teams uphold a brand's personalised service?

Clever layout of vehicles and a subtle one-way system can help to control the flow of people, but with many establishments restricting visits to 'by appointment only', the investment in a new approach to the user experience needs to match the potential return.

High-value purchases demand a flawless customer journey. It's more important than ever to have a joined-up approach to all aspects of the buying process.

The first hurdle is, inevitably, going to be drawing the eye of passers-by.

We've been producing state-of-the-art display graphics and light-boxes for Principle and BMW (Synter Group) since 2012, and strong visuals really are key to getting customers to step onto the forecourt.

Whether it's roadside banners advertising that you're open for business, or interchangeable light-boxes that offer advertising space 24/7, large-format, on-message signage is the first step on the road to getting the customer to the point of enquiry.

For those browsing the stock in person, providing something as simple as branded personal protective equipment – such as a face mask and gloves – will instil confidence and show you truly value the customer's experience – and health. The same goes for directional signage, window graphics and sanitisation stations.

"CAN WE INTRODUCE A LONGER COOLING OFF PERIOD IN LIEU OF THE TEST DRIVE?"

As AM reported recently, one of the biggest changes now is to test drives. However, this could be a positive move. What better way to sample the goods than being able to tootle about town alone for 20 minutes?

This can pose a problem for smaller, independent forecourts. But, rather than refuse to let customers try before they buy, there are other options. Can we introduce a longer cooling off period in lieu of the test drive, an approach which has worked in the mobile phone industry for years?

When it comes to the number crunching, Perspex screens allow salespeople to continue to sit down with a potential buyer.

The haggling phase shouldn't be where traders let themselves down either – and there is a very real risk here.

Take the time to reassure the buyer that it's safe to drive their car that same day, provide a gift that gives a nod to these strange new times, and make sure to check in within a few days of delivery. This kind of experience will be remembered.

As we edge towards a new way of shopping and selling, with the 'touchy feely' aspects of the automotive journey undergoing an overhaul, it's important that other sensory experiences take priority.

"I PREDICT THAT, BY 2045, CAR OWNERSHIP WILL BE AS RARE AS HORSE OWNERSHIP"



WILL GOVERNMENTS EXERT MORE POWER OVER CARMAKERS?

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



It is always interesting to analyse where the power lies in any situation. For a number of years I have been arguing that the motor industry is no longer in control of its own destiny. The influence of Government has become increasingly powerful and appears to have been enhanced by the situation arising after COVID-19.

When you start to look at what the coronavirus has done to our industry, the impact has been enormous. For example, there was a loss in production of 2.6 million vehicles in Europe alone in March and April.

The University of Duisberg is predicting a loss of 100,000 jobs across the German brands globally and also a worldwide slump in demand of 15%.

A number of car manufacturers have appealed for Government support and this call has been backed by some industry bodies. This appeal is justified and should get a positive reaction from any responsible government.

Perhaps the most outspoken politician on the subject has been President Macron who has pledged to inject €8 billion (£7.2bn) to fuel the French car industry.

On the surface, this would seem laudable, but there was an interesting caveat to what he was saying that has not been picked up widely.

In his initial speech he talked about the financial stimulus, but stated that 'no car model currently

made in France should be manufactured abroad'. In subsequent interviews he spoke of 'reshoring' and the re-localisation of car manufacturing back to France.

This may not be that significant immediately, but, going forward, Macron is saying that, if the car manufacturers want support, they will be a need to look to manufacturing in France.

In addition, he says he wants France to become the leader in EV production in Europe and, again, support will only be given if the manufacturer strategy aligns with French environmental policy.

The challenge will come if other governments decide that the time has come to retrench their support for domestic manufacturing. If this is the case, then there is a shift in the power balance, the price of government support is a loss of power in deciding where you locate and also what your product line-up should look like.

This has been supported in a *Financial Times* editorial which encourages politicians to learn the lessons from the last bailout a decade ago and use their influence to change the industry.

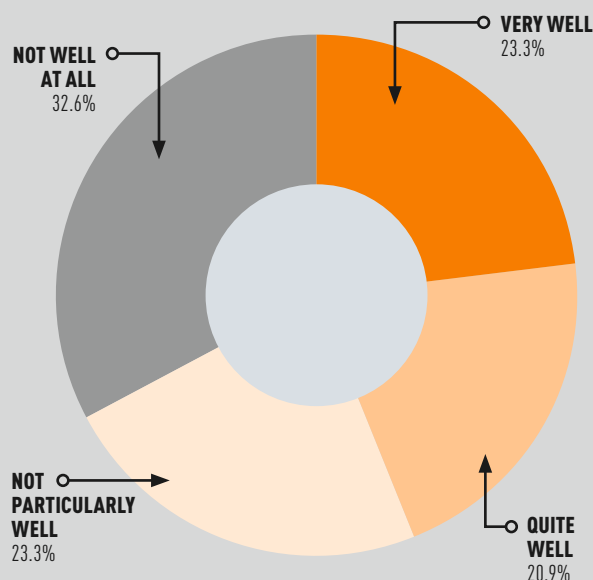
The *FT* argument is that at the last bailout there was an opportunity to push the industry towards becoming environmentally-friendly and, by implication, the opportunity this time should not be missed.

Whether you agree or disagree with Macron's approach, France appears to have a strategy for its car industry. Not sure about the UK.

"A NUMBER OF CAR MANUFACTURERS HAVE APPEALED FOR GOVERNMENT SUPPORT AND THIS IS JUSTIFIED"

AMPOLL

HAS THE UK MOTOR RETAIL INDUSTRY HANDLED THE CORONAVIRUS LOCKDOWN WELL?



The motor industry's reaction to Government restrictions at the height of the COVID-19 pandemic could have been better, according to the majority of AM-online readers.

It's a narrow majority of voters who thought the sector had not handled lockdown well, with some citing the risk to used car stock and redundancies conducted early in March unaware of the Government's job saving measures yet to be announced.

But four-in-10 AM-online users believe the crisis was handled well. One stated: "I lost my job in the motor trade due to the impact of COVID-19, but I think the industry as a whole has handled things well."

Another said: "My group managed to get some sales done online and those of us on furlough had our pay topped up from the 80%, so I couldn't ask for more really."

One voter warned "the pent-up demand will soon evaporate" and "a controlled devaluation of stock" is needed to stabilise the market.

And calls for scrappage scheme are counter-productive, another voter claimed. "We're effectively telling customers to wait longer in case they get a better deal," he said.

NEXT MONTH: WILL THE SEPTEMBER PLATE-CHANGE RESTORE THE AUTOMOTIVE SECTOR'S FORTUNES?

VOTE NOW AT [AM-ONLINE.COM/POLLS](https://am-online.com/polls)

VOLKSWAGEN

VW UK's newest boss is not dismissive of COVID-19's impact, but he is confident that having the right model mix will help the maker and its franchised retailers bounce back, reports **Tom Sharpe**

To say that Volkswagen's ID electric vehicle (EV) range is important to the fortunes of its franchised retailers is something of an understatement.

The success of the ID.3 hatchback, and ID.4 crossover set to arrive at the end of this year, will be a central part of the German brand's efforts to retain network profitability following a return-on-sales rise from 0.67% in 2016 to 1.14% in 2018, before a dip to 1.08% in last year's challenging market.

Following VW's decision to cut 1% off the margin earned by its retailers at the turn of this year and the impact of COVID-19 coronavirus that will be no mean feat.

Reports that the ID.3's scheduled summer arrival had been jeopardised by software issues would have set alarm bells ringing.

But, in his first interview since becoming Volkswagen UK's boss, Andrew Savvas, who joined the brand as successor to Alison Jones in December 2018, insisted that the UK plan for the ID.3 launch remains on track.

"That timeline hasn't changed," said the affable Aussie, who declared that his retailers were "pumped" for the arrival of the new EVs.

Savvas assured *AM* that there would be more than enough ID.3 allocation for its initial crop of customers, with "plenty of interest coming through", despite the widely-reported issues.

The car is just the first of a rapidly growing family of EVs, however, as VW looks to make good on its target of produce 1.5 million EVs by 2025, by which time it will have invested £11 billion in development.

Savvas said: "ID.4 is planned to arrive towards the end of the year and the first month in 2021 and then we'll welcome the arrival of two more new ID models in 2021, so we'll have four in the ID range by the end of next year."

In the UK, Volkswagen's registrations volumes stayed virtually flat in 2019, declining just 0.66% to 91,608 (2018: 92,212), but, by the end of February, its 2020 registrations were up by 4.54% year-to-date to 22,145 (21,184).

When the outbreak of COVID-19 disrupted the key number plate change month of March, VW's sales dipped 40.13%, leaving the brand 24.23% down year-to-date with 45,095 (2018: 59,519) registrations.

But its continued ability to outpace the market left it with a market share of 9.33% (YTD) in Q1.

Savvas is confident the brand has the products to ensure its retailers remain ahead of the curve.

"It's a pivotal time for us," he said.

"Golf 8 just got launched. Golf, in a normal year, is up to 60,000 registrations a year,

which is pretty much a franchise in itself. We'll soon have mild hybrid and plug-in hybrid in that model.

"We'll also be introducing the Touareg R plug-in hybrid and the new Tiguan, with a plug-in hybrid.

"Arteon and Arteon Shooting Brake are other introductions to the range this year.

"Then we're about to launch the ID family."

Sell your way to sustainability

Car manufacturers and NSCs have suffered the effects of unsold inventory as a result of the COVID-19 lockdown period, but Savvas said that getting "on the front foot" when trading restrictions were eased would aid the recovery.

VW joined fellow Volkswagen Group brands in offering the initial three-months of its Solutions Personal Contract Purchase (PCP) for free – with the brand covering payments for that period – from June 1.



Andrew Savvas attended the opening of Lookers VW in Battersea, London

KEY PRODUCTS



Polo

The Polo lost its crown as VW's second-biggest seller to the Tiguan in 2019 as sales dipped 17.1% to 37,453 (2018: 45,149) and it has the new Peugeot 208 and Vauxhall Corsa to contend with.



ID.3

The ID.3 is the first in VW's new ID EV model line-up, which will spawn three more models by the end of 2021. The ID.3 can be bought with drivetrains offering a range from 205 to 342 miles.



The ID.3 hatchback is expected to play a prominent role in Volkswagen UK's future success

Highlighting the importance of dealers' efforts to sell stock as Volkswagen looks to meet new EU emissions regulations which dictate fines for any brand with a fleet average over 95g/km CO₂, Savvas said: "We were left with some stock during shutdown, but we need to keep building cars and maintaining our flow of product for the rest of the year."

"There's still a way to go and, as a brand, we're still committed to that (30% carbon footprint) reduction by 2025 and becoming carbon-neutral by 2050."

"In terms of the model mix we have right now, I think we're in a similar place to most manufacturers. We needed the right mix and the opportunity to liquidate that stock as soon as possible."

"I'm confident now that we made the right decision in supporting that stock and helping to clear it so retailers can have a really strong September."



“RIGHT NOW, THE MOST IMPORTANT THING FOR US AND OUR DEALERS IS LIQUIDITY”
ANDREW SAVVAS,
VOLKSWAGEN UK

"Right now, the most important thing for us and our dealers is liquidity."

Savvas said he was under no illusion of the impact of COVID-19, but said he was confident there would be no failures among its franchisees in 2020.

While not as open about the support offered to retailers during the crisis from the likes of Suzuki and Mazda, Savvas told AM that a package "giving retailers guarantees on certain parts of their business" was introduced during the first week of lockdown – delivering "certainty and simplicity" for the network.

Speaking to AM in late-June, Savvas said: "Our dealer network has been absolutely brilliant. What they have done over lockdown, to get their sites ready for June 1, has been phenomenal."

He added: "Selling cars remains the key component of the recovery and getting out of lockdown and ramping up our network's

activity became a priority as time went on."

Savvas acknowledged there was a balance to be struck between going all-out to drive sales following the COVID-19 lockdown and re-entering the market cautiously for fear of financial difficulties as increasing number of staff return from furlough.

But he said: "What we have to consider is where customers are likely to go if your business isn't open and accessible to them. They're going to go to the competitor next door."

"The feedback we have received in terms of encouraging and supporting our retailers as they prepare to re-open hasn't been negative and we have seen the fruits of that in our aftersales operations in particular."

Ownership re-shuffle 'a coincidence'

Feedback from retailers has been mixed in Volkswagen's National Franchised Dealers Association (NFDA) Dealer



Golf

The Golf 8 arrived just ahead of the COVID-19 lockdown and will be a key volume driver in the remainder of 2020. Savvas described it as "pretty much a franchise on its own".



Tiguan

A major update of the range will introduce new high-performance Tiguan R and plug-in hybrid derivatives this summer. These should further boost the popularity of VW's second-biggest seller.



The VW Arteon R and its Shooting Brake version (right) are due to be introduced this year

Attitude and Electric Dealer Attitude Survey results.

The brand would argue that the introduction of the ID range will see its score across all questions in the Electric Dealer Attitude Survey rise from an average of 5.6 in May (OEM average: 6.02).

VW's Dealer Attitude Survey scores have struggled to recover from the 2015 diesel-gate blow, however, and the brand held a 5.2-out-of-10 overall rating (OEM average: 5.9) in the latest (Winter 2019) results.

Required levels of capital investment (4.8), return on capital (4.1), profit return (4.4), inducements for self-registrations (4.5) and the bonus and rebate scheme (4.9) were among the brand's weakest areas.

At the AM Awards roundtable in February, John Clark Motor Group chairman, John Clark, flagged-up a reduction in the Volkswagen UK margin for franchised retailers – introduced at the turn of this year – stating: "The average VW dealer made 1.06% last

year and they just took 1% off the top end."

The change in margin agreements coincided with the shift in the ownership of more than a dozen Volkswagen franchises across the UK, with Sytner, Inchcape and Jardine disposing of a combined 11 sites in just three months.

Despite assertions by AM sources that profitability and the margin structure changes played a part in the string of transactions Savvas said that there was no suggestion that was the case.

He said: "Some investors simply had a

different strategic direction.

"What I found encouraging was that we had other investors who were clearly keen to invest in other VW dealerships.

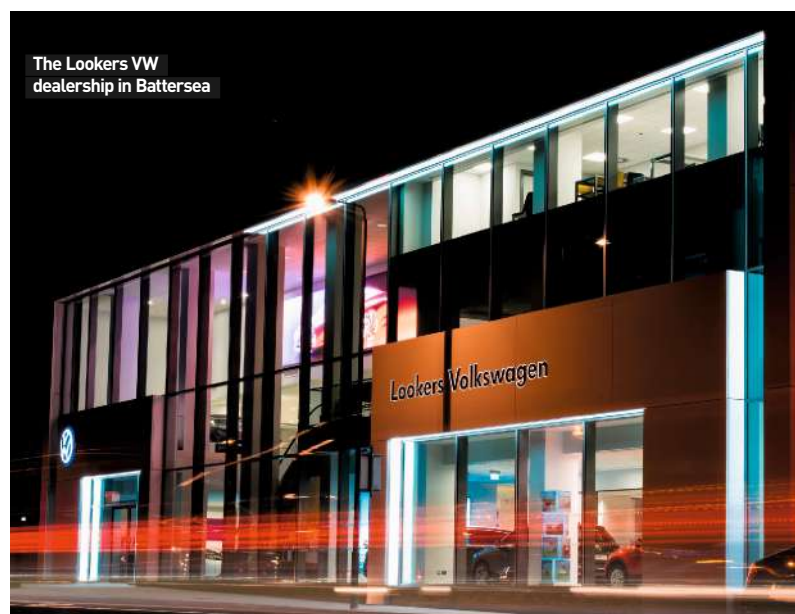
"If existing investors want to come into the franchise in a larger scale then that has to be seen as a vote of confidence in my view.

"No one alerted me to a particular trigger. Our profitability as a network has been growing through 2017, '18 and '19."

Savvas said Volkswagen would not be strategically cutting the scale of its dealer network like some other manufacturers.

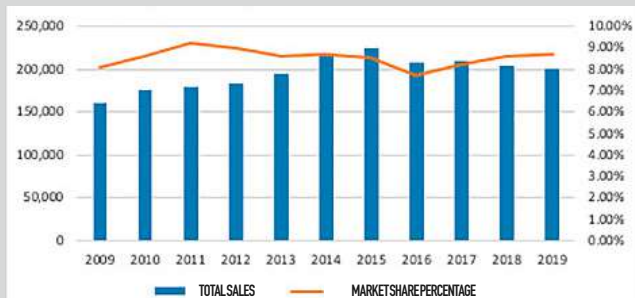


Car rental is being trialled at Parkway Northampton

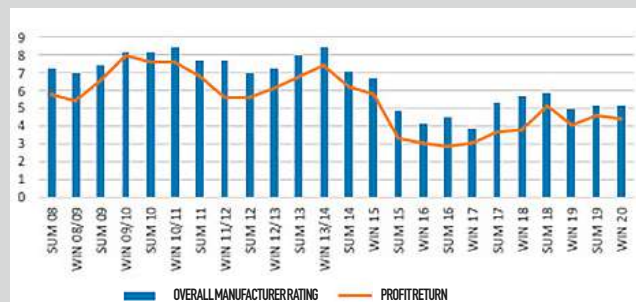


The Lookers VW dealership in Battersea

❖ VOLKSWAGEN UK REGISTRATION & MARKETSHARE %



❖ NFDA DEALER ATTITUDE SURVEY RESULTS



He quoted a network scale of 188, with just five sites having closed in the previous seven months.

Within days, however, JCT600 had announced the closure of its dealerships in Rotherham and Newark. JCT600 chief executive, John Tordoff, told *AM* the two closures had been completed with Volkswagen UK's "full blessing and support".

Changing face of VW retail

Savvas indicated that a shift of Volkswagen UK's franchised retail offering was already under way, without the need for "wholesale changes".

"How retailers sell and what they sell is quickly going to be very different to what they did in the past," he said.

The Volkswagen 'We' range of connected services are a central component of the changes, with a We Deliver service which sees parcels delivered to your car being added to a raft of services, which include the practical advantages of a connected vehicle booking its own service slot.

While reports that VW was set to accelerate a move into mobility with the acquisition of Europcar made headlines as *AM* went to press, Savvas said that dealers were already experimenting with rental.

"Our rent-a-car service is already being trialled in the UK," he said. "In Northampton, right now, you can walk into Parkway Volkswagen and rent a VW."

"Customers are starting to demand change in the way they lease and buy a car."

Despite the advances in VW's customer-facing tech, the brand is yet to launch an online new car sales platform, and Savvas said: "It won't happen this year and I don't think it's going to happen that soon."

The delay to VW's move into digital sales is surprising given the evolution of the market during the COVID-19 crisis and Savvas' assertion that the brand's online aftersales booking system has reached record levels this summer.

Late last year Volkswagen introduced its first EV service plans and increased the maximum age of cars eligible for servicing to 20 years (from the previous eight years) to improve penetration of its car parc.

The network's average overhead absorption rate stands at 51%, but Savvas said:

"I'm interested in capturing every single customer that is driving a Volkswagen."

"Where we are with the penetration of our car parc isn't good enough and driving that is one of my main objectives for retailers."

In the face of a rapidly changing market, Savvas acknowledges that aftersales remains a key driver of retailer profitability.

And, amid the rapid arrival of EV product and the changing face of the sector, it is

clear he is keen to forge a close and resilient relationship with his network.

"For me, I've always seen my approach as not coming in and springing a surprise," he said. "There needs to be a clear path and clear expectations. The best partnerships don't always come from agreeing on everything, but that doesn't mean that you shouldn't desire strong, constructive relationships."



JCT600 closed its VW dealerships in Newark and Rotherham (pictured) in June

❖ HOW CLIMATE CHANGE LEFT ITS MARK ON SAVVAS

Andrew Savvas's first taste of the UK was to represent his native Australia at Futsal in an international tournament held in Burnley in 1995.

Despite the purpose of his latest visit being extremely different, he showed a desire remained to represent his home nation when he had kangaroo tattoos applied to each ankle to show solidarity during January's devastating bush fires.

A suggestion from tattooed Volkswagen UK colleague and head of network development, Chris Stevens, prompted the idea.

And the boss's effort succeeded in raising more than £15,000 for WWF Australia's bush fire relief fund.

Savvas said: "I wanted to do something different to ensure I have a permanent reminder of the impact climate change has on us and to recognise the brave Australians on the frontline fighting the fires."

Several franchised retailer groups pledged four-figure support for the cause.

As *AM* went to press Volkswagen announced that it would donate Aus\$1m (more than £550,000) to Bush Heritage Australia for bush fire and reforestation projects in the country. The One Million Trees Project in the Eurardy Nature Reserve in Western Australia will receive Aus\$250,000 and a project to restore 400 hectares in New South Wales' Scottsdale Reserve will receive Aus\$750,000.





MINUTES WITH...

Glen Demetriooff, president
and chief executive, RAPID RTC



RAPID RTC is still a family-run business at its core and I know your roots are on the showroom floor, so how did the venture get started?

I started the company with my wife back in 1996. I was in automotive retail at the time. I began my career at a Toyota dealership in Winnipeg (Canada) and wrote the software while I was working there. I had been general sales manager, but I stopped working at the dealership in 1998 to focus more on what we were doing. I was pretty conservative in my start-up years. I didn't believe in borrowing money. It was all done on a bootstrap by myself and my wife.

You didn't start out in lead management as such, though?

The original software I wrote was for quoting lease and finance payments. At that time salespeople were really glorified product presenters. Any detailed discussion, or closing the deal, lay with the desk manager and there was a lot of going backwards and forwards. I felt there had to be a better way. I wrote my pricing model software to empower sales staff, ensuring that they could get hold of their own finance deal with the added comfort and efficiency of a little autonomy. When you get people that are professionals, hardworking people that know what they're doing and empower them, it's amazing what great results come out. I've always been a huge advocate of salespeople. I've worn both hats.

How did the lead management side of the business come about?

We continued with that first kind of technology until around 2007/08 and around that time internet leads were growing,

WE STARTED DABBLING IN THE UK AFTER AN ENQUIRY FROM A MANUFACTURER AND A PILOT WITH A DEALER IN NEWCASTLE. AFTER THAT WENT REALLY WELL, WE KNEW WE HAD TO ESTABLISH A UK TEAM

GLEN DEMETRIOFF

We were approached by a manufacturer in the US to complete a mystery shop. They said they had this process where leads were being sent to retailers, but they didn't know if they were being responded to. We did that for multiple years, but, as we were delivering feedback, we realised that, no matter what we did or said, they would never achieve 100% return because of the constant turnover of staff and different priorities in the dealership. We thought 'this is a really big opportunity'. We built our lead-handling tool in 2011 and launched in 2012. We started dabbling in the UK (as DMT Group, before a 2018 rebrand) after an enquiry from a manufacturer and a pilot with a dealer in Newcastle. After that went really well, we knew we had to establish a UK team. From a growth standpoint we have achieved double digit growth each year in the UK. We've gone from four to 2,000 rooftops since 2016 and we now have 50 staff. There are around 5,000 car dealer rooftops here,

compared with around 3,000 in Canada, so it's a big market for us.

How do you charge for your service?

It's offered via a monthly subscription per rooftop. Live Dealer is £379 a month. The chat package depends on the volume of calls, but is generally £400-to-£600-a-month. Bundled pricing for both can reduce the figure by about 25%.

Did you find the UK market a different challenge following your experience in Canada?

Every market has the tendency to say 'our market's a bit different and we have this hurdle to overcome', but we're all working to the same goal. The process of responding to leads is universal. First, we opened up our email enquiries and then live chat was doing really well for us. The reason people no longer want to email as much is that they want immediacy. That's why chat is now where the industry is going. We involve chat as the next level of response, but we're true to our DNA and the belief that the salesperson is the authority. Showroom traffic will always come first. The person in the showroom has made the visit to see you and you want them to sign. The next priority has to be an online enquiry about a specific unit.

So sales customers are connected directly to a sales person?

There are a ton of chat providers in the marketplace. The easy way to do it is to have someone masquerading as a salesperson and pretend they work at the dealership. But the customer is there for information and if they can't get the answers they need, or the rapport, then

FACT FILE

FOUNDED:
1996, UK ENTRY
IN 2016

LOCATIONS:
WINNIPEG AND
TORONTO,
CANADA;
DALLAS,
TEXAS;
LONDON, UK;
AND PARIS,
FRANCE

**KEY
PRODUCTS:**
LEAD
MANAGER;
LIVE DEALER

CLIENTS:
1,000 UK
ROOFTOPS/
3,000 GLOBAL

they will move on. They need to speak to a salesperson be told to look at the specific product a little deeper, enabling them to get more involved, to move on with the process.

But sales staff are often tied up with other things in the showroom. How do you ensure they respond promptly?

Our team has to respond to people when they come online. We will qualify the lead and then alert the salespeople who can deal with the enquiry. We have to be able to feed these opportunities into the showroom floor. How do we make a salesperson 100% efficient in dealing with enquiries? By augmenting their online and showroom activities. We page in real-time, beep them on the showroom floor, and the first person that says 'I'm in' is connected to the chat via their smartphone or desktop device. Once that happens, these two people are speaking. There's no app or software to download, it's all browser-based. It's really a very unique offering.

So RAPID RTC does have a call centre-type facility to respond to leads initially?

Yes. A customer isn't going to wait two or five minutes for a reply. We have 50 people across the globe who field these enquiries for retailers, and they handle more than 1,000 leads a day. Calls are generally handed over within two minutes and, during that time, our receptionist will be beginning the transaction discussion. Bots can't work in this scenario. If you want specs, a bot can work. But, if you want a meaningful conversation leading to a transaction, you have to be speaking to the people who can facilitate that.

I understand you've now launched Live Dealer in the UK. What is that and how does it work?

Live chat has been in the UK market for some time, but we wondered how we could enhance that further? Video call. We'd developed our Live Dealer product in the past, we'd done the heavy lifting and the testing, but we hadn't launched it. When COVID hit we said, 'this is going to change things, people are going to want to work with video now'. The problem was that we couldn't use a platform like Microsoft Teams, because you have to know one another, to have an email address or log-in code. The web-based system we eventually developed doesn't require that. If the customer agrees to have a video call following an invite from the salesperson then they simply press a green tab on their browser and it begins.

IF YOU WANT SPECS, A BOT CAN WORK. BUT, IF YOU WANT A MEANINGFUL CONVERSATION LEADING TO A TRANSACTION, YOU HAVE TO BE SPEAKING TO THE PEOPLE WHO CAN FACILITATE THAT

GLEN DEMETRIOFF

How important will this product be for the business's continued UK growth?

I would say that 50%-to-75% of our clients are going to take this product because it's well-timed and it's easy. So many customers out there are searching the internet and browsing, they're waiting for the salesperson that's going to engage them. 70% of customers don't buy the vehicle they initially wanted to buy. Why?

A lot of the time it's because a salesperson could provide compelling data or they were able to say 'well, we don't have that in stock, but would you consider this colour or this trim level'. Only when you have that face-to-face conversation with someone do you open up the possibility of that transaction taking place. Salespeople are king in our business. They are the rain makers.

And video chat presumably also allows some kind of part-exchange evaluation possible at a customers' first point of contact?

You could value a part-exchange and make a walk around of a vehicle. The salesperson can also screen share, so there's the ability to see spec sheets, logbooks or go through finance options, transferring from the desktop in the dealership to a smartphone or iPad to go outside onto the forecourt.

I guess RAPID RTC products could be said to 'gamify' the sales process in a dealership, with salespeople racing to respond first to leads fed to their devices?

Some salespeople might still

think 'I'll work my leads' and continue to churn those, but we don't have many 25-year veterans on the sales floor anymore. For many, their sales life span is less than a year. We lose a lot of talent and that might be down to the fact that new starters don't get the opportunity to succeed early in their career, to make those sales happen. We see our system as a great leveller in that respect and, sure, it will create a little healthy competition... but that's already there.

And managers can also analyse their number of enquiries and responses?

Absolutely. A manager can log in and see the volume of incoming leads and how effectively they are handled. New functionality in our Response Quality Module within Lead Manager scores dealership sales staff based on criteria such as sending clippings, use of action terms, asking questions and spelling. We have a dealer care team which can assist with any staff training.

TOM SHARPE



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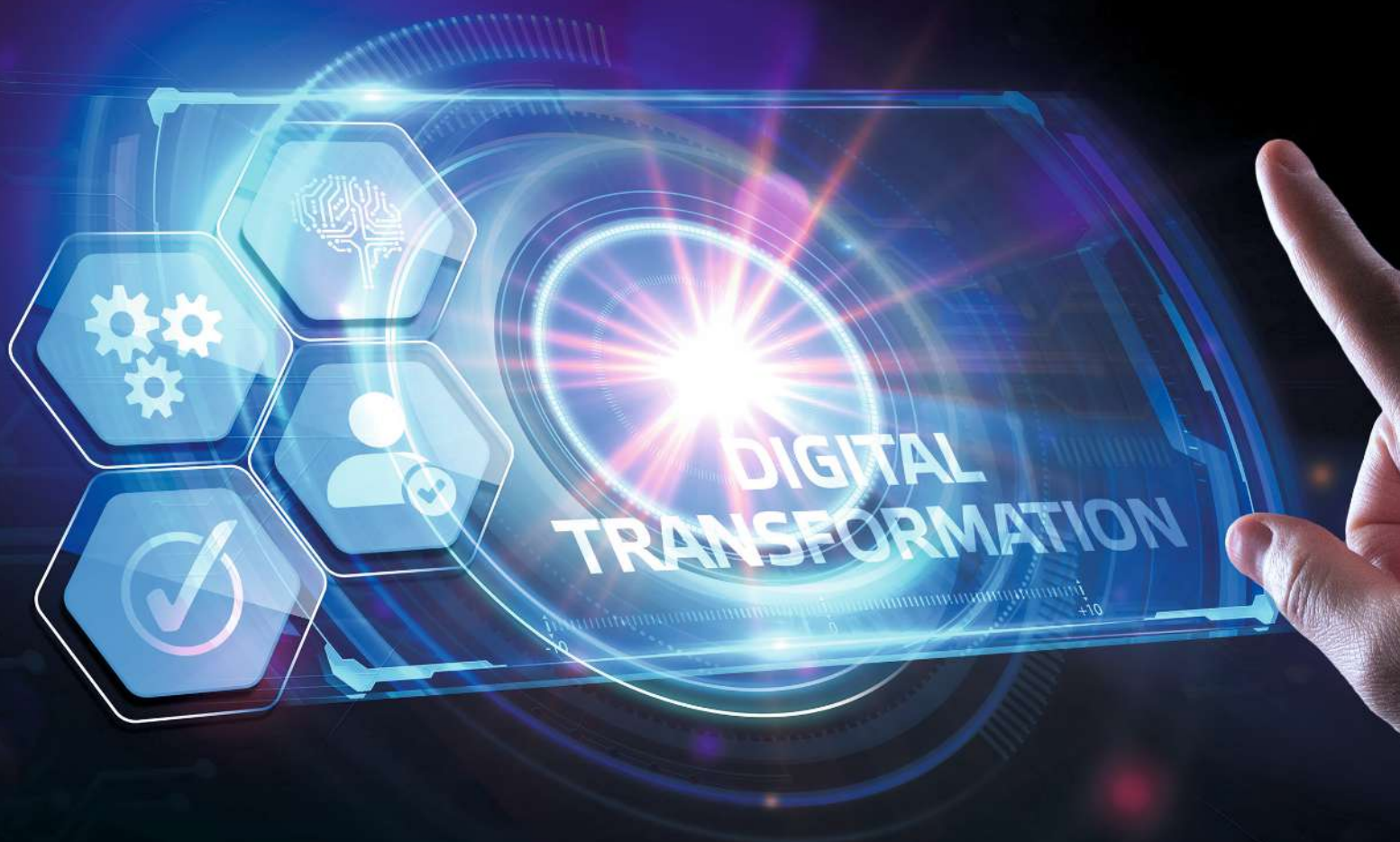
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- Suitable for alternative uses (S.T.P.)
- Guide price of £900,000

Please contact:
Toby O'Sullivan on 0121 609 8084
toby.osullivan@avisonyoung.com

Time is ripe to step up the digital offering – or risk being left behind

Expect customers to carry out more research from their sitting rooms before they visit showrooms to seal the deal



ISTOCK.COM/PUTILICH



Motor retail was already deep in a phase of major digitalisation when the COVID-19 pandemic struck and now some industry observers think that transition will be expedited.

Lockdown has made more consumers comfortable with making online video calls and with shopping from their sofas, and left the retailers already geared up for remote sales with a highly visible competitive advantage.

And now that showrooms can again welcome buyers in person, some believe motor retail must not simply return to its old ways and time-consuming processes.

Rupert Pontin, director of insight at car sales platform Cazana, believes the time that consumers spend at a dealership will likely decrease. There may be a drop in buyers' need to test drive a car, or more may desire a test drive from home at their convenience. Dealers' virtual shop window – their presence online – is vitally important.

"New and used car sales operations will need to adapt to a more flexible, distant way of selling to the public," he said.

AM100 dealer group Peter Vardy is gearing up to complete half of its car sales online by 2023. It is making heavy investment into e-commerce in sales and aftersales, and its online retail platform Silver Bullet integrates car search, part-exchange, finance and purchase fulfilment. Its chief executive Peter Vardy said the system, which can also be used on-site, is freeing up salespeople's time to deal with more customers.

Likewise, at Volvo Car UK, managing director Kristian Elvefors expects all the brand's new car sales to be achieved on its Order Online platform by 2025, whether handled in a dealership, at home or at a client's workplace.

And in aftersales, he expects future apps to enable Volvo customers to book for repairs and make payment, taking pressure off service advisors.

The looming changes to the retail experience and to how consumers acquire their cars are hoped to bring more convenience to the customer, but they are posing challenges to many dealers who've tied up capital in showrooms at the demand of carmakers' corporate identity schemes.

So, small scale dealer groups which lack their own resources and funding to quickly develop new services in line with consumers moving to 'user-ship' from ownership, will need to collaborate with each other to gain scale, according to consultant Guseppe Marotta.

Marotta spent four years as policy advisor to CECRA, the European dealer trade body, and works with a joint venture established by seven Italian franchised dealer groups to advise them on future mobility services.

"Dealers have long been involved in rental, but MaaS goes one step further. Our quest is to ensure dealers think in this way," he said.

"The MaaS market can definitely be embraced by dealers, no matter what their size."

Better use of data in the years ahead will give dealers more appreciation of the value of their customers.

Marcus Dacombe, international product marketing director, CDK Global, believes dealers must map the lifetime value of each consumer – the journey does not end after purchase.

Dealers must deliver service and value throughout the entire lifecycle of car ownership, as there are valuable gains to be made in the aftersales market, which is all too often ignored.

"By combining consumer data and knowledge of relevant touchpoints, dealers can have more valuable conversations with consumers at every stage of the car buying and car ownership journey," said Dacombe.

James Tew, chief executive of Ivendi, agreed that data will play a crucial part in improving dealers' activities, helping them refocus what they do. Alliances and integrations will be needed for this to happen, because motor retail is such a diverse and complex sector and dealers cannot expect to have a single tool that does everything they require.

The past few months have made the complexity in dealers' processes very evident, and that's something he believes must change to secure their

future prosperity. Simplified, omnichannel sales processes, using data and machine learning, will help groups manage high volumes of transactions much more effectively.

As an example, Tew predicts that retail groups will adopt centrally managed teams to sell the lucrative finance and add-ons such as insurance using video technology or phone calls. He questions the benefit of having an individual doing so in every showroom.

Such developments may be fairly natural extensions from the lessons motor retail learned during the lockdown, but Tew believes the way manufacturers support franchised dealers should change in the future, to enable them to expand into new services consumers require.

He believes franchised dealers need rewarding more highly for the brand experience they deliver in competition with other new car suppliers, such as contract hire brokers, who'll have far lower overheads and give a pared back experience.

If dealers are to continue the home delivery services some adopted during the lockdown, they need to be able to stand the cost. Tew said there clearly is a market for home deliveries, and many will happily pay for the convenience, but click-and-collect is an easier solution for most.

"Everyone needs to ensure they have a click-and-collect offering in place as standard, and then, optionally, a delivery service if they can afford it and they see demand. For a new vehicle I don't think this is contentious at all from a customer's perspective, but the contentious point for the dealer is that, as it's a distance sale, the customer has the right to return the vehicle."

Shaun Harris, sales director of Codeweavers, said not everything will happen online, and there are still plenty of people who want to buy at the showroom albeit after doing part of the work remotely. Dealers must properly consider the experience they can provide. He added: "I think automotive has things to learn from retail...see the influences of the way people buy things in general and what that means for automotive."

ICDP managing director Steve Young said many dealers didn't exploit effectively the lockdown situation to implement new strategies and to learn how to use these tools to give customers the possibility to manage more steps online. He suspects that, despite the coronavirus experience, most sales will still be 'closed' in the showroom, but customers will do more steps of their journey online.

He added: "Maybe instead of visiting two to three dealers, they will have two to three, or more, video-chats sitting comfortably on their sofa, before visiting only one dealer. Dealers now have the opportunity to learn and test new tools, and if they want to stay key to the sales process in the 'new' normal, the time to invest is now."

TIM ROSE

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Jump in demand for iVendi's reserve-and-collect tech as lockdown eases

Pandemic has brought online motor retailing into sharper focus

As dealers ease out of lockdown, we're seeing a jump in demand for the recently-introduced iVendi technology that allows car, van and motorcycle retailers to offer an online reserve-and-collect model.

The reservation feature in our CONVERT product allows consumers to gain first refusal over a vehicle by making a small payment online. This removes it from sale for a period specified by the dealer, who also receives an alert.

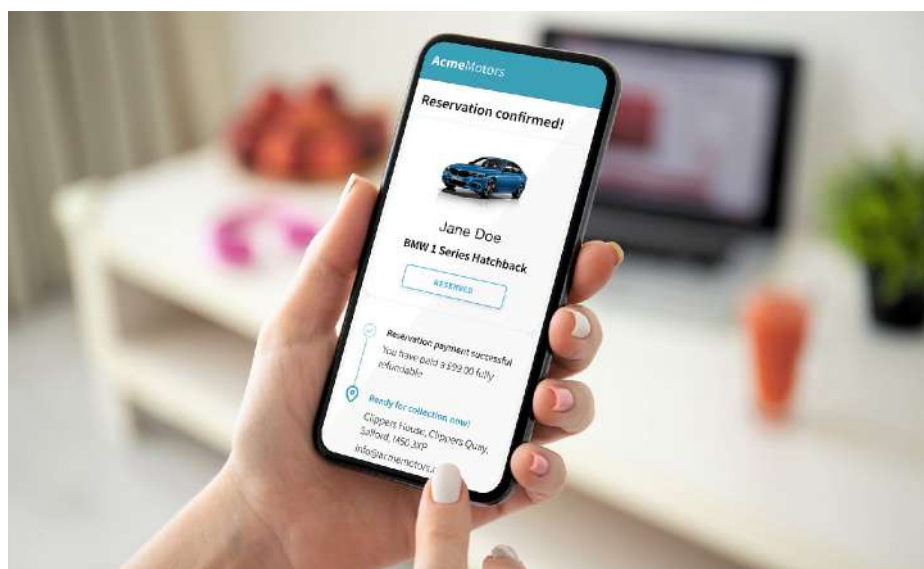
This highly-qualified lead is presented in the dealership's iVendi platform, giving the user a number of options including potentially generating digital deals for the customer to complete the purchase.

James Tew, CEO at iVendi, said: "We launched this feature in February with the intention that it would allow dealers to provide consumers with a new means to progress a sale online, especially out-of-hours. Of course, as we emerge from lockdown, it has taken on a new significance as dealers look to adopt reserve-and-collect trading models. As a result, we are receiving many calls from dealers and sales are picking up."

He added that, over the past few weeks, there had been high levels of interest in not just CONVERT, but many different kinds of online motor retail technology – and high levels of confusion as a result.

"There is a lot of noise in the market at the moment, with many companies understandably promoting many different kinds of online solutions. It's not an ideal environment for dealers who need to make quick decisions that may have a very real impact on the future of their business.

"What we are trying to do, instead of selling the dealer the first thing in which they express an interest, is to talk about



how they are reshaping their trading model in response to the current crisis and then see what kind of technology they need. There is a definite need for support, guidance and expertise.

"The fact is, there remains quite an extreme difference between dealers with a highly developed online motor retail presence, who are having to effectively tweak their proposition, and those who suddenly find they are having to adopt a complete solution, pretty much from scratch. The latter, unavoidably, have quite some catching up to do in a very short space of time."

iVendi's CONVERT is designed to turn website visitors into highly qualified leads by facilitating the process of transforming initial online consumer interest in a vehicle into a sale. Alongside the reservation option, it provides a variety of new and proven tools including single or multi-lender quoting facilities, consumer finance eligibility checking, a stock engine which

manages data accuracy in vehicle quoting, lead management, and finance product information and videos designed for consumers.

It is part of a new three product range – ENGAGE, CONVERT and TRANSACT – launched by iVendi this year. Together, they provide a comprehensive and effective omni-channel vehicle retailing solution for major international organisations, single site retailers and everyone in between.

About iVendi

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



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Passion for life

The background is a vibrant blue. It features several stylized virus icons, each with a circular core of dots and radiating lines. On the left and right sides, there are dark grey silhouettes of human heads and shoulders, facing each other. At the top center, a dark grey rectangular box contains the text 'INSIGHT RESPONSIBLE RETAILING'. In the center of the page, a large white double-headed arrow is positioned between two vertical white bars. Below this, the title 'Responsible Retailing' is written in a large, bold, black font. At the bottom, a paragraph of text in a smaller, white font explains the content of the report.

INSIGHT

RESPONSIBLE RETAILING



Responsible Retailing

Industry suppliers outline how
they're helping dealers to adapt
to the new rules on trading

How suppliers are adapting to a post-pandemic world of 'responsible retailing'

The provision of digital solutions has made much progress in recent years, but the advent of COVID-19 looks certain to speed up supplier processes

Automotive suppliers have accelerated their digital developments as well as offering many products and services free of charge to aid dealers through the pandemic while also adapting the workplace and working practices to minimise the risk of infection.

Maintaining communication with dealer customers and employees was invariably cited as crucial to provide support, strengthen relationships and identify practical solutions while training videos, guides and webinars were delivered online.

There's probably no other place quite like the physical auction where the hustle and bustle of automotive activity is quite so pronounced.

Manheim Auctions, one of the largest divisions in Cox Automotive incorporating 15 physical auction sites, closed its physical auctions and transport division immediately lockdown was announced.

Yet, although a survey of employees unanimously agreed the company's management of the transi-

tion from furlough to back-to-work was extremely positive, the physical auctions remain closed to buyers.

Its online auctions, which began in May, with strict appointment-only, vehicle collection procedures allowed the properties to open gradually over a three-week period. A pre-payment system by bank transfer was implemented and documentation was prepared in sealed envelopes and handed over using safe procedures buckets. Its simplified 'bid and buy' online auction facility ensured much of the 14,000 stock it had on site as lockdown was announced has now been sold.

"It has been magnificent," said Chris Cush, director of auctions and transport. "We did have some customers who were purely using online, but we have seen an overwhelming increase in these numbers and the appetite has been phenomenal."

With franchised dealers reopened, by late June Manheim had recovered to 91% of the vehicle arrival levels of last year. Meanwhile, conversions

for all vehicles for June to date (June 24), have been at an aggregate 78% comparing favourably with the regular seasonality rates. However, dealer product, which tends to be lower value, is at 85-90% with some achieving 100%.

Cush added: "We have made it known for some time that we see auctions moving from physical to digital. COVID has accelerated customer behaviour in that respect."

At Aston Barclay, auctions continue in online format only although new

protocols from mid-June have enabled buyers in limited numbers on site, by appointment only, to view vehicles prior to auction – a particular request from those seeking to buy prestige vehicles.

A contactless collection and delivery process is in operation at each of its six auction sites. Also, processes surrounding deliveries to dealerships are checked thoroughly.

Increasing numbers of users have logged into Aston Barclay's Buyers App which provides regular messaging on forthcoming online sales and available stock and can also be used to bid.

CEO Neil Hodson said: "It doesn't feel like the right time to open our doors to physical sales just yet, given our online sales are working well for both buyer and vendor."

"For some dealers, COVID-19 has forced them to buy online for the first time and the feedback has been positive."

"Once physical auctions begin again many buyers say they will mix up online and physical auction attendance to fit in with their work."

Away from the auctions, at Castrol, many of its employees are now working from home while its critical operating staff remain on site with strict processes in place. Castrol has also activated business continuity plans, which allow it to respond as quickly as possible to the changes. Working in partnership with retailers, Castrol response teams are ensuring dealerships receive the products and services they need.

Absolute Alignment provides 3D, WiFi and Bluetooth wheel alignment equipment and has replaced physical in-person demonstrations with online demos saving time and costs, proving it's possible to reduce its team's travel. Equipment is now being





delivered and installed while adhering to social distancing guidelines.

Chris Dear, technical director, said: "Probably one of the biggest changes we have made is investing in an increased amount of storage space. We have made sure this is local to the business in Farnborough, and it's so all new stock of wheel alignment equipment can be quarantined for a minimum of 72 hours before being moved, transported to customers or installed."

For suppliers such as automotive dealership software provider CDK Global and video platform hosts CitNOW, remote working is *de rigueur*, but the pandemic has also heralded changes.

CDK's teams spent much of their time helping dealers maximise the DMS. Stuart Miles, CDK's managing director UK & Ireland, said: "If we can help dealers maintain contact with their customers when confidence returns, the data in the system will be up-to-date."

Virtual roundtable meetings allowed CDK to discuss with dealers return to work plans, identifying the most in-demand products and those which need to evolve to adapt to the changing retail environment.

Three support guides explored ways to scale operations down, maximise success throughout the lockdown and scale back up, attracting 500 views within its dedicated customer portal.

Miles said: "The roundtables focused on the key needs for dealers which were concentrated on

understanding and the requirement for further digitisation. There has always been a need for increased digitisation, but COVID-19 accelerated that desire."

Consequently, a COVID-19 product suite of technology-smart solutions which support remote working, has seen many short-term products already go live. They include a new, fully digitised, pre-authorisation workflow for aftersales repair orders, created in pilot with Jemca Car Group to be rolled out to all Autoline Drive customers at no cost. Its Advanced Parts product, part of Connected Parts, has been modified to facilitate improved zone spacing and to minimise movement during stock checks in the parts department. Heat map analysis identifies busy areas of the warehouse to help with safe parts picking and its MOT data cleanse tool is about to be launched.

Callouts to its engineering team to attend 'break-fix' issues for hardware products on site dropped to just 10% during lockdown but by mid-June there had been a return to 85-95% of pre-COVID levels. Strict approval criteria for site visits includes evaluating the dealer's health and safety policy and ensuring its staff have the necessary personal protective equipment.

Miles said: "We are asking ourselves 'is it necessary to go on site?' and consequently we have managed to reduce site visits."

As lockdown took hold, CDK provided dealers with VPN access free of charge to enable their

employees to access its systems and work from home without additional cost.

Miles said: "The automotive industry has been aware for some time of the changing needs of customers and COVID-19 has improved the digital experiences they are after."

In the week commencing April 20, as retailers were given the green light to start selling and delivering cars again, just over 16,000 CitNOW videos were distributed to consumers in the UK. One month later (May 18), more than 54,000 videos were produced, up 230%. Although still down year-on-year, the proportion of customer interactions using video is higher than at any other time in automotive retail history as CitNOW helps dealers to adapt to contactless selling.

Chief customer officer Carol Fairchild said: "We've seen video used for many new purposes. Video's popularity is likely to continue growing as consumers become increasingly used to contactless transactions."

As lockdown took hold, CitNOW fast-forwarded some new releases such as Live Video within CitNOW Sales and Workshop enabling retail staff to engage in two-way video chats with customers. A new integration with iVendi now allows customers to select finance options straight from the video including applying for finance, performing a check, and, if approved in principle, paying a reservation fee for a vehicle.

DEBBIE KIRLEW

HELPING DEALERSHIPS GET BACK TO SELLING CARS, **SAFELY**

During May & June we helped our customers re-open safely. Now it is back to the business of helping them sell cars!

Here at DVLC we are a specialist sign maker to the motor trade. During the initial stages of lockdown, we kept in contact with our customers providing social distancing signage for those dealerships who kept their aftersales departments open for the servicing of key workers' vehicles. Aware the dealerships would require a broad range of social distancing products once trading resumed, we put together a portfolio of over 40 products during April.

The month of May saw the trade prepare for re-opening in June and DVLC dispatched over 50,000 items of social distancing signage. These products were frequently branded to our customers' requirements and dispatched within our 3 working day service. Should any dealership require additional or replacement

social distancing signage over the coming months, DVLC are here to help...

Now that dealerships have re-opened, our focus has returned to what we do best and have a passion for, and that is helping our customers sell cars! Over the last 23 years we have forged a wealth of knowledge in this area and through the supply of highly effective, bespoke designed POS signage, that is exactly what we do. One of our key strengths is that we manage this, whilst always maintaining group / manufacturers' brand standards, and if anything, enhance the displayed vehicles.

Another strength of our Industry leading service is to listen to our customers' goals and then channel our design skills and industry knowledge towards this joint aim, rather than offering a generic solution which would be less effective.

The ease of ordering also makes us stand out, from initial contact you will receive your bespoke design proof within a few hours, and once approved have your POS signage within 3 working days.

DVLC have a full suite of POS solutions to display across your whole dealership and off-site promotional events. We truly are a 'one stop shop' for all your POS requirements! Areas covered include new product launches, seasonal campaigns, sale events and manufacturer led campaigns. All of this across a host of products from vehicle graphics to outdoor printed banners.

Also popular are our 'Dealership Essentials' varying from windscreen flashes, sold, was/now/save and the recently added 'This vehicle has been sanitised' graphics. Please visit our website to learn what else we can do for you.



We are also currently helping our customers promote their Quarter 3 offers, along with the now popular 'Back to Business' promotions.

Here at DVLC our mindset is to build a long-term relationship with our customers, exceeding their expectations whilst helping them achieve their sales and growth targets...

Get in touch today, we would love to hear from you!

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**DRIVEN TO HELP
YOU **SELL CARS****

Preparing automotive for the digital-first 'new normal'

Reputation.com's Reputation Essentials Toolkit provides dealers with a turnkey solution

The digital-first switch within automotive was well under way, even before COVID-19. Whether it was checking the stock of a dealership, looking at vehicle costs and add-ons, contacting a dealership through live chat, social media, reviews or something else; dealerships have been steadily adopting new technologies.

The pandemic has accelerated the digital transformation needed by dealerships that now have to rely on technology to increase the speed and efficiency of their processes, and provide an even more customer-centric experience. Dealers are turning to technology to foster customer loyalty, centralised communications and maintain data accuracy in all of the online environments a consumer may use.

Google, Google and even more Google

Did you know that *more than half* of all searches on Google, around 2.9 billion per day, go no further than the results page. That's because the searcher finds their answer without needing to visit your website, by looking at your Google My Business (GMB) knowledge panel. GMB sees as much as 10 times the web traffic your website does.

Reviews were briefly paused during the peak of the pandemic, but things are slowly getting back to normal. So, generating Google reviews should be a priority. That's because reviews have a significant impact on Google's local search algorithm.



Want your dealerships to be seen when someone searches 'car showrooms near me', 'BMW dealership' or something similar? You need to be asking current customers to leave a review!

Reputation.com recently published a report with its findings of how certain sectors have been impacted on Google by COVID-19. Key findings include:

- Automotive is experiencing the strongest uptick in review volume, and the sentiment is very strong
- The automotive industry saw largely positive feedback during lockdown
- Customers appreciated how dealers were adapting their service to meet customer needs at a time of social distancing

Digital-first and the new normal

Dealerships were already becoming more digitally savvy before COVID-19, but as mentioned earlier, the pandemic has accelerated this, and research into review sentiment shows this hasn't gone unnoticed by customers.

So, what new tools can be used?

Well, having stock levels updated in real-time; an active social media presence;

GMB accounts up-to-date at all times (especially contact information and opening hours). But what about other things like virtual test drives? A concierge service for pick-up and drop-offs; online purchase; or something else?

Essentials Toolkit: everything in one place

Reputation.com works with some of the largest car manufacturers and dealer groups in the UK. We're their Reputation Experience Management (RXM) partner of choice because of the scope of our platform, and our in-house knowledge.

To help dealerships rebound quickly and hit the ground running after COVID-19, we've developed the Reputation Essentials Toolkit.

The toolkit is a turnkey solution for dealer groups looking for a product to streamline and optimise staff efforts.

Key features include review requesting, review monitoring, Reputation Score, business listing snapshots, training, and more – all in one package.

Contact Reputation.com at contact-uk@reputation.com quoting 'AM' or visit reputation.com/essentials-toolkit to learn more.

Web: **Reputation.com**

Liverpool Innovation Park, Edge Lane, Liverpool, L7 9NJ

Tel: **0800 066 4781** Email: **contact-uk@reputation.com**



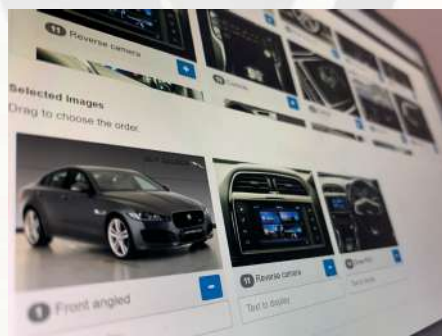
My ShowRoom

On Demand Personalised Videos and Images

Make every used vehicle enquiry response an Auto Imaging – My ShowRoom response.

We know that speed of response is key to enquiries. Which is why Auto Imaging – My ShowRoom is a brand new way of instantly sending personalised vehicle content to the customer. No need to wait for suitable weather conditions, vehicles to be available, clean etc. Content is created from a combination of pre-existing assets (images, videos) and new live capture. From enquiry to a fully produced vehicle presentation delivery can take as little as 10 minutes and can be done from the comfort of your desk. There is no need for high speed internet as the creation of these videos is handled in the cloud.

The Auto Imaging app which is popular with many top 100 groups, fleet centres and independents now includes My ShowRoom. This update enables all Auto Imaging customers unlimited access to these new features for only £79 per month per site. Try a free trial today.



Remote photography training.

Auto Imaging has been providing image and video capture technology to the Automotive industry for 8 years. Our Auto Imaging app is used in more than 300 UK locations. 2020 has seen us begin to expand into other countries. We can do this remotely as our app is very simple to use and has live real time in app remote training and feedback.

We have many digital partners that allow retail dealerships seamless integration to our services.

My ShowRoom builds on this functionality by adding instant personalised video enquiry responses into the same app. This allows the retailer to use a combination of existing Images and videos taken in the Auto Imaging app to create personalised content immediately on enquiry.

What is the My ShowRoom Process?

An enquiry comes into the dealership. Then using either the Auto Imaging app or the desktop dashboard, the retailer notes the enquiry. As soon as the retailer enters the VRM of potentially suitable vehicles the app will populate those assets. These assets can be existing live videos, images or the retailer can capture new live content. You can even record a bespoke voiceover on the provided

Auto Imaging iPhone, and narrate over the playing image/video sequence. This newly created video can have automated or live staff introductions, and site flyover intros automatically added based on login.



The video can then be sent by text or email, viewed on either an Auto Imaging or a retail branded URL page. Retailers can view and be notified in the dashboard when videos are watched and see other metrics.

How does it differ from other solutions?

Accessibility of existing content means that retailers can instantly open the app and narrate over their content that is already stored in the cloud. Allowing for quick efficient personalised videos even if the vehicle is not physically available, dirty, off site etc. This is an extremely valuable tool as centralised prep centres and off site storage become more common.

These curated videos are also important for those less able to navigate websites, or perhaps have physical challenges in sight/hearing.

For more information or a free trial please get in touch.



Automotive Imaging & Video Applications



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Regulatory systems and support for F&I sales in the digital age

FISC has provided finance and insurance training solutions for 16 years

With online car sales forecast to hit one million in 2020, there is no denying that the automotive industry's digital revolution is well under way. In fact, it is reported that the COVID-19 lockdown has accelerated the utilisation of digital services by five years, over the three months of lockdown.

As more of us work from home and attend meetings through our phones and laptops, it is evident what the 'new normal' is starting to look like.

While customers can configure, order, apply for finance and pay for

a car online,
Chris Codd
– TRACS™

Training and Development

Manager at FISC Limited, reminds us that retailers still need to ensure their regulatory obligations are being met and that customers are still being treated fairly with regard to both consumer credit and general insurance.

Since 2004, FISC has been providing F&I compliance and training solutions to the motor industry.

Chris comments: "Our systems and services are used by 14 motor manufacturers and finance companies in more than 2,000 dealerships internationally and growing rapidly. Our aim is 'to deliver the best products and services to make our



clients' businesses more efficient, effective and successful'.

"We achieve this by constantly developing and improving our systems and services by having a deep understanding and experience of all aspects of the motor industry. We pride ourselves in achieving real results by providing class-leading systems and services and working with our clients to meet their goals in the most cost-efficient way".

He adds: "Our TRACS™ division operates an appointed representative (AR) network which can cover both consumer credit and general insurance as well as providing motor dealers with a wide choice of other compliance services.

"Our dedicated team of experts can provide a range of bespoke compliance and training services tailored exactly to the needs of any business, however large or small. All of our AR network members get access to our FCA Tracker suite of products which are available on all devices, and provides the best-in-class FCA compliance showroom software for both finance and insurance; all backed up by our comprehensive FCA Competency Training package."

Suitable for both showroom-based face-to-face sales, and contactless digital click and collect/deliver sales, membership of the TRACS™ network ensures that retailers can evidence that the core FCA regulation of treating customers fairly is adhered to at every step of the process.

Especially important is FISC's remote digital signature software, which ensures that all digital transactions are safe, secure and genuine, which is vital for the ever-growing number of distance sales now taking place.

To find out how to join the TRACS™ AR Network or how FISC can help support and guide you through the digital world of regulation, please take a look at our e-brochure and our website.

You can call us on 0114 244 4355, email us at info@tracsnetwork.co.uk, or get in touch directly with Chris via chris.codd@tracsnetwork.co.uk or call 07969 238854.



WE PRIDE OURSELVES ON ACHIEVING REAL RESULTS BY PROVIDING CLASS-LEADING SYSTEMS AND SERVICES



Web: www.fisconline.co.uk Tel: 07969 238854
Email: info@tracsnetwork.co.uk



Turn declines into £££s

Wheels4Sure offers a way to avoid 'computer says no' disappointment and potential extra income for dealers

Wheels4Sure car leasing was launched in 2012 by Reginald Larry-Cole and Scott Martin. With more than 50 years combined experience, they knew that a finance decline was not good for both the customer and the dealer.

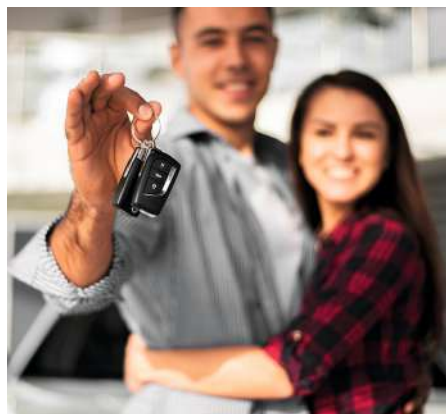
The traditional model of buying a new car meant customers were expected to have a faultless credit history or face paying extortionate interest rates. This put new vehicles out of the reach of working people with a less than perfect credit score.

The alternative was a used vehicle which was several years old and paying practically the same monthly payments as they would have done for a new car had they passed the credit check. It was this fiscal injustice that Reginald and Scott were determined to put right eight years ago.

Time and time again the two heard the same story from people who were gainfully employed in stable occupations suffering from 'computer says no' syndrome.

They decided to base their underwriting on a customer's present financial standing, occupation and proof of disposable income

A LOT CAN HAPPEN IN SIX YEARS. CAN YOU IMAGINE IF YOU GOT DIVORCED AND YOU HAD TO WAIT SIX YEARS TO DATE AGAIN?



as opposed to a financial history spanning six years. Reg often says: "A lot can happen in six years. Can you imagine if you got divorced and you had to wait six years to date again?" Absurd right? So why base underwriting for a new car over that length of time?

Wheels4Sure caters to key and essential workers such as NHS, police, teachers etc. It is currently offering NHS staff 15% off the initial payment and a further £525 discount spread over 35 months for each new lease.

THE BASICS...

Wheels4Sure offers a clear, fair and transparent proposition to lease a new vehicle with a three-year service plan at a fixed price and with no hidden extras.

Since it is self-funded, decisions can be made quickly and a customer can be in their new vehicle within five days.

Wheels4Sure backs up its underwriting process with telematics GPS tracker and Starter Interrupt. This simply means the cars work on a 'pay as you go' basis.

Once payment is made, the lessee will be issued a new code until the next scheduled payment.

DEALERSHIP OFFER – REFER & EARN

Why go through all the motions of the steps to a sale only to let a computer decide that both dealer and customer are going to walk away empty-handed? Simply ask the customer if they wish to be referred to Wheels4Sure and once they become a client you would be rewarded for solving the customer's problem (need for a car) and earn a referral fee on what would have otherwise been a zero-revenue outcome. It's a win/win – the customer is happy, and you earn from a non-revenue situation.

Wheels4Sure offers £300 per successful referral for a qualified lead who becomes a customer.

Interested? Please get in touch via info@wheels4sure.com, or call us on 0203 823 1010 for more information.

**Wheels4Sure.com car leasing
for every credit score**





“We kept selling cars with the doors closed.”

William Blackshaw, Dealer Principal, Blackshaws.

When the country locked down, North East Mitsubishi and Suzuki retailer Blackshaws put a red banner in its window saying: ‘Deal with us online.’ Using Codeweavers solutions, customers did just that.

The bottom line is, having sold 67 cars in June last year, this June, in lockdown, they sold 71.

As Will says: “We’re looking forward to getting back to normal. But it’ll be a ‘new normal’ with Codeweavers solutions playing an important part.”

www.codeweavers.net/shift-towards-digital/



Turning an airborne disaster into a triumph

How adversity can be the mother of invention

An airborne disaster just waiting to happen. That was the German zeppelin, the gigantic hydrogen-fuelled airship Hindenburg, as it approached Lakehurst Naval Air Station, New Jersey on May 6, 1937 (right).

At 804 feet long (more than three times the length of a Boeing 747), it was the largest aircraft ever built.

Regarded as the last word in luxury air travel, it boasted 72 passenger beds, heated cabins, a silk-lined dining room, lounge, writing room, bar, smoking room and promenades with windows that could be opened on the flight itself.

It had flown 63 times, mainly from Germany across the Atlantic with promotional blurb proudly proclaiming: 'Across the ocean in two days'.

But, on that fateful May evening in 1937, the Hindenburg, filled as it was with flammable hydrogen, exploded in a massive fireball, reduced to ashes in just 34 seconds. Of the 97 people on board, 62 survived.

Ambitious plans to build more airships were, inevitably, cancelled both due to the disaster itself and to the fact that fixed-wing aircraft could carry just as much and fly faster while being cheaper and needing fewer crew.

And thus the aeroplane, as we know it today, took off.

Fast forward to the present day and yet another airborne calamity.

Another opportunity to demonstrate that adversity, and so necessity, really can be



the mother of invention. And deliver an altogether better way of doing things.

As we all know, the process of selling cars is, and has always been, much like the Hindenburg itself, slow, expensive and laborious, with, even without the trappings of a silk-lined showroom, daunting overheads to deal with.

But, while lockdown has compelled us to do less, it's also compelled us to find ways to sell more.

With showroom doors firmly closed, there's been a necessary shift towards digital solutions that can help customers to become more comfortable with purchasing vehicles online.

All the benefits of the showroom experience can be brought right into the customer's living room, helping customers to buy vehicles more quickly and easily.

And so, of course, to buy more of them, too.

Customers can go through the entire process of buying their chosen vehicle online. They can part-exchange, add any optional extras such as service plans, apply for finance, place a deposit and arrange

“ALL THE BENEFITS OF THE SHOWROOM EXPERIENCE CAN BE BROUGHT RIGHT INTO THE CUSTOMER'S LIVING ROOM

collection or delivery. All this is in addition to enjoying complete control by reserving a vehicle whenever they choose and wherever they happen to be.

At the same time, retailers can market their vehicles direct to their customers, creating multiple quotes on different vehicles to be sent straight to a customer's inbox.

All the research indicates it's a trend that's set to become the new normal once lockdown is a distant memory.

And why wouldn't it be?

After all, who wants to go back to selling fewer cars?

Or spending two whole days flying across the ocean for that matter!

www.codeweavers.net/shift-towards-digital/



Find out more about the future of selling cars by arranging a demo.
Visit our website: **www.codeweavers.net/shift-towards-digital/**
email **info@codeweavers.net** or call us on: **0800 021 0888**



WARRANTIES PROVIDE AN OPPORTUNITY FOR DEALERS TO CREATE A LONG-LASTING RELATIONSHIP WITH CUSTOMERS

In this Q&A we speak to **Rich Green**, President of UK and Automotive Europe at Assurant Europe about his experience during the pandemic and what the crisis means in the way of changes for the industry moving forward. Assurant is a Fortune 500 company and a leading global provider of extended warranties that protect major consumer purchases, including vehicles. Rich previously served as CEO Europe at The Warranty Group, which Assurant acquired in May 2018.



No conversation at the moment can avoid COVID-19 and how companies have adapted to the pandemic. How has Assurant changed its ways of working?

As a global business, we acted swiftly and deliberately to focus on three guiding principles: safeguard our employees, deliver for our customers and business operations and support our communities. As many organisations did, early on, we transitioned our employees to working from home, including our call centre agents. This has been critical to maintaining support for dealers and customers throughout the pandemic.

Our 3 guiding principles: safeguard our employees, deliver for our customers and business operations, and support our communities.

All call centre agents from Crewe to Forest of Dean are working remotely and will be for the foreseeable future, continuing to provide the high level of service that our clients and their customers expect to receive from us. Over the last 12 months, our Net Promoter Scores have consistently been above 58.

You mention some of the ways Assurant has adapted. What have been the biggest challenges in the automotive sector?

It goes without saying the pandemic has had a significant impact on the industry. From European OEMs to independent dealerships and service chain partners, every business has been affected. Across the UK, dealerships were unable to open for 10 weeks and, when they did, a lot changed.

As the industry emerged from lockdown, there was a whole new significance as dealers looked to adopt reserve-and-collect trading models. With the vast majority of car sales starting online and recognising that many customers would be seeking reassurance before visiting a showroom, dealers needed to think about how they could build this reassurance into their digital journey.

Since re-opening mandates that showrooms must be 'Covid-19 secure' having completed a full risk assessment and taken all necessary safety and sanitisation steps to minimise risks, promoting these measures is a natural value-building opportunity.

The pandemic has forced dealerships to adapt their services and sales practices. Now dealers have re-opened, which of these should be kept as part of their long-term business?

During this crisis dealers have had to do a lot of real-time evaluation about their business model. In many cases they have focused on online sales with a click and collect system. There are a range of new online channels emerging, including complete online delivery services. However, for such a significant purchase, it's difficult to replicate the level of advice and customer service you get in person. Therefore, dealers need to think about how to offer a complimentary proposition where the digital experience reflects the physical one.

Whilst choosing a car will increasingly happen online, dealers can concentrate on the value additions during collection. Offering appropriate extended warranties, service plans and GAP insurance ensures the consumer feels protected, but also loyal to a dealer for repairs.

What are the best ways to make sure people keep coming back to dealers, and not just have a one-off car purchase?

There's a range of different services dealers can offer to keep clients coming back. Again, offering cover

for maintenance costs through extended warranties, service plans or GAP insurance, is a critical way of maintaining an interest in the entire lifecycle of a vehicle. If customers have a warranty through you, they are more likely to come back to get the car fixed or purchase a new one.

We recognise that the product alone isn't enough, it's also critical to get the customer service right. What I'm most proud of at Assurant, is the wide range of experienced account managers and field employees who are on-hand to support our clients, as well as the call centre agents who process claims and queries promptly. Having a great layer of customer service means loyal customers and a better customer journey.

Offering appropriate extended warranties, service plans and GAP insurance ensures the consumer feels protected, but also loyal to a dealer for repairs.

There's been a lot of discussion about a 'green recovery' from the pandemic. How can dealers be mindful of this whilst managing the increased interest in vehicles?

The pandemic has turned the way people think about transport on its head. There's been a marked decrease in road usage but, over the next 6-12 months, it is likely public transport could take the biggest hit. People are starting to get back in their cars and the government is advising against using public transport if it is avoidable. This could present an opportunity for dealers as a number of consumers who previously relied on public transport may now look at



purchasing a vehicle to get around. However, there is an important point about how to retain the green benefits of lockdown. One of the things that is growing in popularity is electric vehicles. Demand for these is growing in the UK with over 170,000 registered last year* - the second highest figure in Europe. Demand for conventional models will remain strong with good value diesel and petrol engine cars for a long time to come. However, dealers should look seriously at the electric vehicles opportunity, especially given the government is banning the sale of new petrol and diesel cars from 2035.

Will electric vehicles change the type of products that insurers offer? How do you think increased electric vehicle adoption will affect the maintenance lifecycle?

With fewer moving parts, such as a gear box, clutch, exhaust or catalytic converter, there's less to go wrong in electric cars. Therefore, there could be less opportunities to have touch points/contact with the customer. This could be concerning for dealers reliant on keeping customers through the maintenance cycle. This means it's even more important for them to find other ways to keep involved in a customers' journey. To support

dealers and customers during this transition, we recently announced the launch of EV One, a specific extended warranty for electric vehicles. It is an opportunity for dealers to support customers' individual needs while creating a long-lasting relationship between the dealer and customer.

EV One is an opportunity for dealers to support customers' individual needs while creating a long-lasting relationship between the dealer and customer.

With so many new changes being introduced, what are Assurant's plans to support the automotive industry moving forwards?

Although a lot has changed in the world recently, our ethos hasn't. We will continue to ensure we use our decades of experience and expertise to deliver innovative products and services for our partners, creating products that add value to their business and their customers. We have new services ready to launch later this year and look forward to helping our dealers succeed for years to come.



Interested to find out more about how Assurant can support your business? For further details:

e: hello@assurant.com

w: www.assurant.co.uk

All content correct at date of approval 26/06/20. Assurant, Inc. (NYSE: AIZ) is a leading global provider of lifestyle and housing solutions that support, protect and connect major consumer purchases. Anticipating the evolving needs of consumers, Assurant partners with the world's leading brands to develop innovative products and services and to deliver an enhanced customer experience.

*Source: <https://www.smmr.co.uk/vehicle-data/evs-and-afvs-registrations/>

Matching quality dealers with quality leads



search **hey**car

Getting back in gear: How heycar is helping dealers bounce back better

With showrooms shutting for 10 weeks to help combat the coronavirus outbreak, the automotive industry was plunged into a situation the likes of which it had never experienced before.

As we continue to emerge from lockdown and life slowly begins to take on a more familiar shape, we face further challenges of an economy going in reverse and customers nervously wondering whether now is the right time to make big purchases.

That's why, now more than ever, at heycar we're committed to bringing dealers and car buyers closer together through our data and insights driven approach.

Throughout these past few months, we've kept communication channels open to both, using this insight to drive an ambitious programme of product development and changes to our marketing mix that allowed us to maintain consumer interest levels while showrooms were shut.

It has resulted in improved levels of transparency for the public, increasing their peace of mind and allowing them easier access to the information they require to make the right decision on their next car. At the same time, dealers have benefited from a pipeline of leads and lead quality is a core focus in the coming months.

Improvements to the heycar platform include offering more car buyers the



power to purchase online and a 25 per cent increase in listings with comprehensive video tours. Visitors to [heycar.co.uk](https://www.heycar.co.uk) can easily compare cars at a glance, compile a shortlist of favourites with specific dealers as well as request a viewing and call showrooms directly.

Our network of dealers have hailed these improvements, saluting the speed at which we responded to the crisis that engulfed the industry and they have welcomed our new approach of sharing postcodes on all leads we provide to dealers.

During lockdown, we saw record numbers of enquiries to the heycar website, with customers browsing from our nationwide network of 3,700 franchise dealerships. We quizzed these visitors on how they felt and how their behaviour would change as a result of coronavirus.

We shared these findings with our dealer network, who in turn told us how they had adapted the way they operate with the introduction of virtual appointments, click and collect services unaccompanied test drives and showroom appointments. We then informed customers via email that dealers were open again and reassured them about

the safety measures they had in place.

As forecourts welcomed visitors again, we've seen how car buying behaviour is changing. We've identified a growing desire for car-buyers to locate dealerships within easy reach of home - there has been an 89% uplift in impressions and a 207% increase in leads resulting from people including 'near me' in their car searches on Google. Specific location queries are also surging, prompting a 43% rise in searches and an 84% leads uplift.

The launch of heycar in the UK last August aimed to bring more trust and transparency to the used car market and we're making great strides. With all of our decision-making driven by insight - from both consumers and dealers - we've led the pace for change within the industry.

We're proud to have championed and supported our dealers, colleagues and customers through these difficult times. But our hard work is by no means over. We'll continue innovating, putting customers first and supporting dealers as the industry weathers and ultimately recovers from this storm.



hey car

Website: www.heycar.co.uk

Email: dealer@heycar.co.uk

LEADING THE ELECTRIC CHARGE

Matt de Prez takes a detailed look at 18 electric vehicles 'featuring in showrooms this year

HONDA E

Range: 136 miles

Honda's retro-looking electric city car is the brand's first fully electric vehicle. With a 35.5kWh battery, it delivers a range of up to 136 miles.

There are two versions available: the entry-level model has 136PS and is priced from £26,160 (including Government grant), while the Honda e advance has 154PS and costs £28,660.

It features a side camera mirror system that replaces conventional side view mirrors with compact cameras, providing live images to two six-inch screens inside the cabin.

The car also has pop-out door handles, while inside there is a five-screen, full width digital dashboard and connected infotainment system. The largest area of the digital dashboard is occupied by dual 12.3-inch LCD touchscreens which act as the primary infotainment display.



PEUGEOT E-208

Range: 211 miles

An electric version of the new Peugeot 208 will be offered alongside conventional petrol and diesel models.

It's the first in a series of planned EVs from the brand, which intends to electrify its entire range by 2023.

The e-208 uses a 50kWh battery with a 136PS electric motor, giving a range of 211 miles.

In line with Peugeot's powertrain agnostic approach, the e-208 looks no different to any other 208; it's only the powertrain that is changed, enabling all models to be made on the same production line.

Prices start from £25,000 (including government grant) for the entry-level model and all versions get air conditioning with remote cabin pre-heating.



MINI ELECTRIC

Range: 144 miles

Mini is expecting strong demand from company car drivers for its first electric model and has priced the Mini Electric (featured in the July edition of *AM*) to be cheaper than the equivalent petrol version. Orders are open and prices start at £24,400 (including grant), about the same as a top-spec Cooper S automatic. Other than minor tweaks, the Mini Electric shares a body and interior with its combustion-fuelled cousins. A re-designed grille, digital instrument cluster and new wheels are the most noticeable changes.

The car uses a 32.6kWh battery and its electric motor develops 187PS, giving the car performance on a par with a Cooper S model. Acceleration from 0-60mph takes 7.3 seconds.

SEAT MII ELECTRIC/ŠKODA CITIGO-E iV/VW E-UP

Range: 162 miles

The familiar-looking VW Group trio have been revived for 2020 with a new electric powertrain. Previously only offered in the e-UP, the 36.8kWh battery and electric motor combo gives a range of 162 miles.

Škoda's version, the Citigo-e iV (pictured), is the cheapest at £16,955 (including grant) due to it being offered in a lower trim level than the VW and Seat.

In any guise, the car offers a 250-litre boot, smartphone integration via dash-mounted holder and air conditioning.

Apart from the entry-level Škoda, all models can charge at up to 40kW, replenishing the battery in one hour.





BMW iX3

Range: 273 miles

BMW has confirmed its iX3 electric SUV will use a 74kWh battery pack when it starts production next year.

The car should achieve a range of around 273 miles and provide a power output of 286PS. Using a single motor, it's likely the model will be rear-wheel drive.

It's the first electric vehicle based on BMW's fifth-generation electric powertrain technology, which is designed to enable longer electric range than the brand's current models.

SEAT el-BORN

Range: 260 miles

The Seat el-Born will be the second new model to be based on the VW Group's all-new MEB electric vehicle platform.

It features a 62kWh battery, which gives a range of up to 260 miles. Seat says this should be enough to stem any range anxiety.

Re-charging can be completed in less than an hour using a 100kW rapid charger, making the car a viable option for higher-mileage users.

A power output of more than 200PS enables a 0-60mph dash of around 7.5 seconds. Prices are yet to be confirmed.



AUDI E-TRON SPORTBACK

Range: 278 miles

Joining the e-tron in 2020 will be the more aerodynamic Sportback version. Its sleeker body helps to boost the range to 278 miles.

Other tweaks maximise efficiency. These include drivetrain modifications that allow it to run in rear-wheel drive only. The E-Tron Sportback 55 develops more than 400PS in Sport mode, allowing it to sprint from 0-60mph in less than six seconds.

Likely to cost in excess of £70,000, it is available with digital matrix LED headlights and camera-based rear view mirrors.



MERCEDES-BENZ EQA

Range: 250 miles

Following the launch of its first all-electric car in 2019, the EQC SUV, Mercedes-Benz is planning a new entry-level EQA car for 2020.

The compact SUV, which is based on the GLA, is expected to cost around £34,000 and offer a range of 250 miles.

It's likely there will be a number of powertrain options, including two- and four-wheel drive configurations, using Mercedes' new scalable platform.

It will form part of the brand's new EQ line-up, which is expected to feature 10 EVs by 2022.



AUDI Q4 E-TRON

Range: 280 miles

First seen at the 2019 Geneva Motor Show, the Audi Q4 e-tron will be the brand's second electric model.

It is expected to cost around £40,000 when it goes on sale later in the year. An 82kWh battery should provide more than 280 miles of range.

The car has a similar footprint to the Audi Q5 and will introduce a new interior architecture for the brand.

VOLVO XC40 RECHARGE

Range: 248 miles

Volvo's first EV is based on its popular XC40 SUV. It features a 407PS twin motor powertrain with a 78kWh battery, giving a range of 248 miles.

The flagship P8 version is expected to cost around £50,000, but it's possible that lower output models will be made available at a later date.

Styling changes are minimal, with the covered front grille the most obvious difference.

Charging is available through an 11kW AC charger or a 150kW DC fast-charger, which should deliver an 80% charge in 40 minutes.

The launch of the car coincides with Volvo's new sales strategy, which will help customers identify which powertrain best suits their requirements.



POLESTAR 2

Range: 311 miles

Following the launch of the flagship Polestar 1, the 2 is the brand's first fully-electric mainstream model.

It borrows the underpinnings from the Volvo XC40 but wears a sleeker body and has a new interior.

The car is only available through Polestar's online buying platform and is priced from £49,900 for the Launch Edition trim level.

Next year, a cheaper model is expected to be introduced, starting at around £35,000.

The Polestar 2 uses a twin-motor set-up to provide all-wheel drive. The 78kWh battery pack can give a range of more than 300 miles and with around 400PS, a 0-60mph time of less than five seconds.



FORD MUSTANG MACH-E

Range: up to 370 miles

Ford's new line-up of electric models will be spearheaded by the Mustang Mach-E, a long-range, high-performing electric SUV.

Borrowing the iconic Mustang muscle car name, Ford designers say it's an electric car with "soul".

There will be a range of outputs and battery sizes providing ranges from 260 miles to 370 miles. Single-motor rear-wheel drive and dual-motor all-wheel drive set-ups will also be available.

The interior features a large portrait-mounted touchscreen and a digital instrument cluster.

First deliveries will start towards the end of 2020, with prices expected to range from £40,000 to £60,000.

PORSCHE TAYCAN

Range: up to 287 miles

A keen Tesla Model S rival, the Taycan is a sleek four-door coupe with a high-performance all-electric drivetrain.

The range starts with the 4S, priced from £83,367 (including grant). It can cover 252 miles, thanks to a 79.2kWh battery, and delivers 530PS.

Porsche also offers a Performance Battery Plus option pack, which raises peak power to 570PS and increases the battery output to 93.4kWh – the range is boosted to 287 miles.

The Taycan uses two electric motors, has all-wheel drive and a two-speed transmission.

Range-topping Turbo S models output 761PS and cost from £138,000.



VOLKSWAGEN ID 3

Range: up to 340 miles

The ID 3 will kick-start Volkswagen's new electric car offensive with a new sub-brand that will introduce a whole range of electric cars over the next five years (see VW feature on page 20).

Prices will start at around £26,000 for the entry-level 45kWh version, offering a 205-mile range.

There will be a 58kWh version that can cover 260 miles between charges and a range-topping 77kWh model that can go 340 miles.

The ID 3 will be built at VW's Zwickau plant in central Germany, which has recently been repurposed for the new platform. The company has stated that it expects to build around 330,000 MEB-based vehicles per year there.



VAUXHALL CORSA-E

Range: 209 miles

The all-new Corsa was developed on the same platform as the Peugeot 208, therefore an electrified version is available.

It uses the same 50kWh battery and 136PS electric motor as the e-208, giving a range of 209 miles.

Prices start at £26,490 (including grant), which is more than the Peugeot although the Corsa comes with more equipment as standard.

Vauxhall has said that the e-Corsa will swiftly be followed by more electrified cars, including next year's new Mokka X small SUV, and that by 2024 it will have an electric or plug-in hybrid version of every model in its range.

PEUGEOT E-2008

Range: 192 miles

Launching alongside the e-208, the new e-2008 is a larger, crossover version of the popular supermini.

It uses the same 50kWh battery as the e-208, providing a range of 192 miles. Driving the front wheels is a 136PS electric motor.

The futuristic interior uses Peugeot's i-Cockpit layout and is available with a 3D digital instrument cluster. Electric models follow the same trim walk as the regular 2008, offering Active, Allure, GT Line and GT. Prices start at £28,150 (including grant).



KIA SOUL EV

Range: 280 miles

Sharing the same 64kWh electric drivetrain as the Hyundai Kona and Kia e-Niro, the new Kia Soul (featured in AM's May issue) promises a range of 280 miles.

The boxy SUV has a compact footprint, but retains a spacious interior.

It boasts the latest infotainment system from its Korean maker, with a 10.1-inch touchscreen and connected services.

Kia says it has secured additional supply of right-hand-drive electric cars for 2020, meaning supply should be better than it has been for the e-Niro.



DS 3 CROSSBACK E-TENSE

Range: 200 miles

Utilising the same platform as the Peugeot e-208 and Vauxhall Corsa-e, the DS 3 E-Tense (driven in AM's January 2020 edition) provides a more prestige approach to the compact electric vehicle.

Using the same 50kWh battery as the other Groupe PSA models, it can travel up to 200 miles between charges.

Order books are already open, with prices starting at £30,490 (including grant). The first cars should arrive in the UK this summer.



VOLVO XC60 T8 R-DESIGN PRO

REPORT
PROGRESS



PLUG-IN HYBRID IS THE 'USAIN BOLT' OF XC60s

For many buyers, jumping from a combustion engine car into a full electric vehicle (EV) carries perceived risks they don't feel ready to take. So plug-in hybrids, such as our XC60 T8, give dealers a chance to gently move consumers in the direction of pure electric and make the UK Government's 2035 deadline for the switch to electric cars seem a bit more achievable. Customers can sample electric propulsion – and develop a habit of trying to squeeze out maximum mileage per charge – while still having their petrol-fuelled safety net for longer trips.

	Volvo XC60 T8 Inscription Pro	BMW X5 xDrive45e Xline	Audi Q5 55 TFSle S Line
Price £	58,725	64,690	56,225
0-62mph (secs)	5.2	5.6	5.3
Battery range (miles)	26.0	54.0	26.0
MPG (WLTP combined)	104.6	201.8	134.5
Running cost per mile (pence)*	131.2	118.6	110.1

*3yr/30k Source: KeeResources KwikCost, excludes VED, insurance and Class 1A NIC

When Volvo introduced its T8 plug-in hybrid powertrain, in the new XC90 in 2016, there was zero competition in the premium sector and the mainstream Mitsubishi Outlander was the only other plug-in SUV in the UK market. Since then there's been a flood of PHEV entrants across the mainstream, premium and luxury sectors, including the XC90's smaller brother, XC60, that we've run since January.

Examining the data for our XC60's main German rivals shows it can certainly hold its own, but BMW's latest plug-in X5 SUV is piling on the pressure, due to its larger batteries giving it longer electric range and running cost benefits. But that comes at a considerable extra front-end premium – almost £6,000 more in list price. And the BMW lacks the XC60's graceful looks, in my view.

Our Volvo remains the Usain Bolt of the trio, sprinting to A-road speed limits just ahead of the others. And as Volvo will reimburse buyers' first year of electricity, the incentive to charge up at home and workplaces will ensure its 26-mile pure electric range is no deterrent.

TIM ROSE



£65,870
INC OPTIONS



2.0-LITRE PETROL-ELECTRIC PLUG-IN HYBRID, 406PS



0-62MPH 5.2SECS
TOP SPEED 140MPH



104.6 (WLTP)



60G/KM (WLTP)

CURRENT
MILEAGE

0 2 2 3 2

START
MILEAGE

0 0 5 6 4



SWEDISH STYLE, BRAND
IMAGE, ACCELERATION



MORE EFFICIENT RIVALS
ARE EMERGING

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Chris Banks, group sales manager at Winchester Motor Group, correctly identified the Bristol Blenheim in our last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. The closing date is Friday, August 7.



INCLUSION IS NOW THE NAME OF THE GAME FOR EMPLOYERS

It is becoming more important to embrace different cultures and backgrounds

As workplaces become increasingly more diverse, so automotive companies are having to go a step further to accommodate employees from a host of different cultures and backgrounds.

That means catering to staff of different ages, gender, races and faiths, as well as those with disabilities.

Many firms have already made big strides in this area, but others still have some way to go to creating a truly inclusive working environment.

So what can dealers, manufacturers and suppliers do to make all of their employees feel included and what lessons can they learn from those that have successfully done it?

Inclusion starts with the recruitment process. It's important that as wide a talent pool as possible is considered when hiring and that you look for candidates who will closely reflect your customer base, including women, who account for more than 50% of car buyers.

Traditionally, few women have been recruited into dealerships because they are often unable to fulfil the long hours required due to childcare needs. But companies such as Chorley Group have been bucking the trend by offering more flexible terms to fit around staff schedules.



COMPANIES NEED TO CLAMP DOWN ON ANYONE DISPLAYING SIGNS OF BIAS. THAT NEEDS TO BE LED BY THE PRINCIPAL OR GENERAL MANAGER, WHO SETS THE TONE FOR THE REST



JIM SAKER

"Our digital team is 100% female," said Chorley Group's sales manager Adam Turner. "All work from home in shift patterns between 9am and 11pm, arranged around their childcare needs."

Some companies actively try to hire people that reflect the demographic specific to the area where they are based.

In the Midlands, for example, many dealers are located in the areas where there is a high concentration of ethnic minorities, a lot of whom work in the trade.

Many firms have also adapted their workplaces for people with disabilities, including technology to help them do their job better, and the installation of disabled toilets. Some have even had to put in female toilets in their workshops because when they were built there were only male technicians working there. They didn't think they would ever have the need.

Some companies have also constructed designated prayer rooms, catering to staff who need to pray during working hours. Many are also becoming more sensitive about observing religious events and festivals.

There's also the need to attract more millennials into the motor industry, meaning that companies are having to upgrade their technology, as well as adapting roles to match their digital skillsets.

However, dealers must also be wary of alienating their older workers, who bring a different set of skills and experience.

Jim Saker, director of Loughborough University's centre for automotive management, said that inclusion starts from the top with the language and behaviour of directors and senior management, and it filters down through the organisation. The right training and education is also key, he said.

"Companies need to clamp down on anyone displaying signs of bias," said Saker. "That needs to be led by the principal or general manager, who sets the tone for the rest of the organisation."

As a baseline, companies first need to open up a two-way communication between management and staff.

They must also listen to their employees to understand what they can do to improve inclusivity and create a better working environment for everyone, and, most importantly, follow through on it.

Managers also need to spend time interacting with and getting to know their workers, according to Darren Bradford, director at Drayton Motors.

That includes being fully transparent about everything that's going on in the business.

"Communication is key: do not hide vital business information, it's a must that staff are aware of their success as well as the daily challenges the business faces," said Bradford. "In most cases, they come to you with ideas that can sometimes make your job easier and resolve issues."

With inclusion one of the defining factors in shaping workforces of the future, automotive companies, many of which have traditionally lagged behind, are going to have to evolve quickly or face being left behind. But the benefits that can be gained by successfully implementing it are enormous.

Steve Nash, chief executive of the Institute of the Motor Industry, added: "Inclusion means that employees become much more aware and engaged with their colleagues from different backgrounds. That, in turn, helps them to understand and cater to the needs of their customer base better."

ALEX WRIGHT

RESOURCES

CIPD FACTSHEET

The CIPD has produced a factsheet for employers to guide them on building inclusive workplaces, some of the common issues to overcome and how to manage diversity and inclusion in the long term.

www.cipd.co.uk/knowledge/fundamentals/relations/diversity/factsheet

MCKINSEY PERFORMANCE STUDY

Global consultancy McKinsey produced a Why Diversity Matters study in 2015 which found correlations between a business's performance and the levels of diversity within its workforce.

www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters

HARVARD BUSINESS REVIEW

Professor Letian Zang's research for Harvard Business Review found that industries which value diversity highly do benefit from it and that it can help businesses to innovate more.

www.hbr.org/2019/02/research-when-gender-diversity-makes-firms-more-productive

IT'S A 'V-SHAPED RECOVERY' BUT IT WILL 'LAST UNTIL 2022'

Car industry leaders exchange views on how long it will take the sector to bounce back from the setbacks prompted by the COVID-19 lockdowns

If there's no second wave of COVID-19, there is plenty of hope for a V-shaped economic recovery, the SMMT (Society of Motor Manufacturers & Traders) Summit was told last month.

Doubts remain over the depth of that recovery, but attendees of the virtual conference heard that car sales have been building quickly in countries that have come out of lockdown.

Talking through the company's global sales, Christian Dahlheim, Volkswagen AG head of group sales, said China has almost returned to normal and in Europe, "hard hit" by the pandemic, sales are climbing to around 70-75% of typical levels.

Dahlheim said Volkswagen expects a V-shaped recovery, but, in Europe, the recovery will carry through 2021. "In essence, it's a V-shaped recovery lasting until 2022," he added.

There are encouraging signs of demand as, once lockdown lifts, sales have been climbing to close to those of the previous year. He warned, however, there will be a long-term impact from the financial support governments have provided to safeguard industries and jobs.

The pandemic has sparked a worldwide recession. Chris Giles, economics editor of the *Financial Times*, said the outlook is an "enormous" 6% contraction of the world economy. Recovery won't be helped by the tensions between the US and China and international taxation challenges and, even though countries have domestic recovery policies in place, there is not the global level of cooperation there was in 2008-2009.

The data shows that as domestic economies reopen there is a V-shape recovery generally, he said, but not fully.

It will "fall short", he said, pointing to the OECD forecast for the end of 2021 which expects the economic output of the advanced economies to still be 5% below November 2019 – a bigger gap than the 2008 financial crisis – due to the new ways the world will have to do business until a vaccine is available.

The UK's economic output was down 25% in April at the peak of the coronavirus crisis. But, since opening in June, shops say consumer spending has come back rather quickly, he said.

After the measures implemented then, the UK Government is now moving into a second phase of support, with some assistance likely in specific sectors such as hospitality and travel.

Giles warned a scrappage scheme for cars is



**NADHIM ZAHAWI MP,
MINISTER FOR BUSINESS
AND INDUSTRY**

"The UK is a significant importer of vehicles and avoiding tariffs should be absolutely beneficial to both sides (the UK and EU) given our shared commitment to high regulatory standards.

"We are continuing to consult on our manifesto commitment to bring forward the end of the sale of petrol and diesel cars and vans from 2040 to 2035 or earlier if a faster transition is feasible.

"As part of this consultation, we are asking what accompanying package of support will need to be in place to enable the transition and to minimise the impact on businesses and consumers."

**GRAHAM HOARE OBE,
EXECUTIVE DIRECTOR,
BUSINESS
TRANSFORMATION,
FORD OF BRITAIN**

"We need to take our customers on a journey in parallel to building the infrastructure that makes those products usable in the hands of the consumer.

"We've about £11 billion of expenditure over the next few years on electrification and we need to spread that money wisely over the broadest range of products and with our partners."



unlikely as Whitehall suspects it would benefit overseas manufacturers and economies – as 90% of UK new cars sold are imported.

By the end of this year there will be consolidation as "the reckoning" of this crisis, he said. "There is going to be quite a bounce back in the months ahead, and in the future we'll need to face the facts, honestly, that there's been a lot of damage done by this crisis, and there will be a difficult path ahead," he added.

Brexit still needs to be settled and Giles said he's optimistic about the UK and European Union achieving a trade deal, because it's what both

sides desire. That doesn't mean it will be a great deal for the UK, it might be a compromise, he said.

Adrian Hallmark, chairman and CEO of Bentley Motors, said this is the third crisis for the UK's automotive industry in less than three years: WLTP caught the industry unprepared, then came hard Brexit preparations, and, lately, COVID-19.

Hallmark praised the Government's actions to support business through the lockdown, but added he'd like "the same kind of open dialogue" between the UK Government and the auto industry to examine how to get to 'net zero' carbon emissions. He believes longer range plug-in hybrids are part



**CHRISTIAN DAHLHEIM,
HEAD OF GROUP SALES,
VOLKSWAGEN**

"There needs to be some level of caution. All governments have saved a lot of the industry, but if you get a guaranteed credit that helps you for a certain time, at the end of the day you still have to pay back the amount you've borrowed. So we do expect an economic impact that lasts longer than the next few months."

**MICHAEL GRANOFF,
FOUNDER AND
MANAGING
PARTNER,
MANIV MOBILITY**

"We should not make too many assumptions for the long term out of what happens over the coming months... some changes will last from this period, but they're probably overstated right now."



**ANDREAS ZACHARIAH,
CHIEF EXECUTIVE AND
FOUNDER, TRAVELAI**

"Until the automotive sector better recognises that the car is just one of many mobility options a person has to get from A to B it will be at risk of being disrupted.... the autonomous vehicle (AV) is still unproven ground. The reality of when can AV step in to resolve the situation we have is not 2021 and probably not even 2022."



**ADRIAN HALLMARK,
CHAIRMAN
AND CHIEF
EXECUTIVE,
BENTLEY MOTORS**

"We need the right technologies in place and not just BEVs (battery electric vehicles), because for some people, and some product categories, a pure electric vehicle in the next 10 to 15 years will not meet their needs."



**PETER STEPHENS, HEAD OF UK
EXTERNAL AND GOVERNMENT
AFFAIRS, NISSAN MOTOR GB**

"The growth in last-mile delivery we've seen as a result of the lockdown offers a real growth opportunity as 100% electric vans are a great option for this....there is a real opportunity coming out of COVID-19 to push the agenda around net zero."

**GLENN SCHMIDT, VICE
PRESIDENT OF GOVERNMENT
AND EXTERNAL AFFAIRS,
BMW GROUP**

"For the next 10 years our prognosis is that half of our new vehicle sales will be electrified and with a plug."



**IAN PLUMMER,
COMMERCIAL
DIRECTOR,
AUTO TRADER**

"Although our latest research shows 77% of consumers are considering a ULEV for their next car, we're a way off being able to claim that electric is the new normal from the consumer point of view."



of the solution, not just pure electric vehicles (EVs).

Graham Hoare OBE, chairman of Ford of Britain, said reaching zero tailpipe emissions in the UK by 2035 is "a challenge we all need to rise to" but it "needs a clear and consistent pathway to bring change". Hoare said the industry and government must learn lessons from overseas, such as Norway which has spent 30 years building confidence in consumers. Today pure EVs are 70% of its market. "It's that consistency that's so essential," he said.

Hoare said that means a broad range of incentives, at point of sale and during use of the vehicle,

for the long term. Government could set goals in the short term that build the long-term outcome it desires, he said.

Dahlheim said the lockdowns will bring a faster transformation in digitalisation and sustainable mobility. Cleaner air, particularly in the world's largest cities, has raised awareness of sustainable mobility, he said. Governments want it and half of consumers are willing to drive an electric car, but the biggest hurdle is infrastructure. Once that problem is solved the transition from ICE (internal combustion engine) to EV will accelerate, he said.

Glenn Schmidt, vice president of governmental

and external affairs at BMW Group, also cited the example of Norway, which has implemented tax and purchase advantages and thorough charging infrastructure to make the share of EVs "skyrocket". In Germany state incentives of €9,000 (£8,200) have brought a compact EV down to price parity with combustion engine cars.

However he warned that there are countries where those incentives are reduced and the EV share drops. And there are still "psychological" challenges for many consumers to overcome, he said, so education and infrastructure remain vital.

TIM ROSE

TALENT ON THE MOVE



**NICOLAS VERNEUIL,
SALES DIRECTOR AT
NISSAN MOTOR GB**

Nissan Motor GB has confirmed Nicolas Verneuil will take the role as sales director for the brand, replacing Andrew Sellars who left his post on July 1.

Verneuil has spent three years as the company's marketing director and has 15 years of experience with the brand, across a variety of international, regional and dealer-facing roles, including sales performance management and dealer marketing.

Nicholas Thomas, who has been with Nissan for eight years, will



**NICHOLAS THOMAS,
MARKETING DIRECTOR AT
NISSAN MOTOR GB**

replace Verneuil as marketing director – a post he held previously before moving to Japan to lead Nissan's global EV business.

Commenting on his new challenge as sales director, Verneuil said: "With our brand's renewed vitality and the recently announced transformational Nissan NEXT mid-term plan, this is a great opportunity to lead the sales team at NMGB."

"Nissan already has a proven track record in electric vehicles and cross-overs, which we will build on with an

exciting product plan for the coming years."

Verneuil spent his early years in dealer network development and aftersales, focusing for several years on product marketing, including time spent as head of marketing operations.

He added: "I look forward to working in partnership with our dealer network, fleet partners and customers across the value chain to capitalise on these opportunities."

Andrew Humberstone, managing director of Nissan Motor (GB), who was appointed back in January, said that he was looking forward to working with Verneuil to accelerate Nissan's operational restart in the UK.

He added: "Nic replaces Andrew Sellars who will leave the business to pursue interests outside of Nissan."

"We would like to thank Andrew for his valued contribution over the past three years where he has worked hard to improve dealer relations, evident in our significantly improved NFDA (National Franchised Dealers Association) score."

"His strong focus on driving retail share has improved the overall quality of business, and he has also made significant developments in our used car and e-commerce programmes."



**NIKHIL RATHI,
CHIEF
EXECUTIVE OF
THE FINANCIAL
CONDUCT
AUTHORITY**

HM Treasury has appointed the current chief executive of London Stock Exchange Nikhil Rathi as the new permanent chief executive of the Financial Conduct Authority.

Rathi, who served as director of the Financial Services Group at HM Treasury from 2009 to 2014, previously led the Treasury's work on the UK's EU and international financial services interests.



**MICHAEL COLE,
PRESIDENT
AND CHIEF
EXECUTIVE OF
HYUNDAI
MOTOR EUROPE**

Michael Cole has joined Hyundai Motor Europe as its new president and chief executive.

The former president of Kia Motors America officially succeeded Dongwoo Choi on July 1. He will take responsibility for Hyundai's European commercial and manufacturing operations

As well as his most recent roles in Kia Motors America, he also served as chief operating officer of Kia Motors Europe and, prior to that, managing director of Kia Motors UK.



**DAVID MARCH, NETWORK
DEVELOPMENT DIRECTOR
AT PSA GROUP UK**

The PSA Group UK has appointed David March as its network development director less than a year after he became customer experience and strategy director for Peugeot, Citroën and DS Automobiles.

March takes the reins from former Vauxhall Motors network development director Andy Robson who took up the post last year.



**KEVIN GRIFFIN,
MANAGING DIRECTOR OF
SSANGYONG MOTORS UK**

Kevin Griffin has been named managing director of SsangYong Motors UK after Nick Laird was promoted to chief executive of parent company Bassa-done Automotive Group.

Griffin previously served as the brand's sales director.

He has more than 40 years' experience in the automotive industry, having started his career as a trainee salesman in 1978.



**STEPHEN MORANA,
CHIEF FINANCIAL
OFFICER AT CAZOO**

Cazoo has made Stephen Morana its chief financial officer 13 months after the online car retailer gave the role to the former chief financial officer of Paddy Power Betfair, Alex Gersh.

Morana played a central role in the flotation of two leading UK digital businesses in recent years, Betfair and Zoopla, both achieving "multi-billion-pound valuations".



**PHIL WHITE,
EXECUTIVE CHAIRMAN
OF LOOKERS**

Lookers chairman Phil White will assume the role of executive chairman while the group makes "sweeping changes" to its board as it battles to recover from the impact of an FCA investigation, internal fraud investigations and the effects of the COVID-19 lockdown.

Lookers said it is preparing to shake-up its board of directors in the search for 'new skills and experience'.



**CHRISTIAN
ERLANDSON,
AUTOFUTURA
CEO**

Autofutura has named data and analytics expert Christian Erlandson as its new chief executive officer.

Erlandson has more than 25 years of experience in the business information services industry.

He joins the provider of global automotive sales, retention and renewal software solutions from GfK where he had been at the helm as CCO since 2017.

EIGHT QUESTIONS TO A...

FOUNDER AND CEO

Andrew Alderson, founder
and CEO of Vanarama



What are the main responsibilities of your role?

To use a sporting analogy, I think my responsibility is to be the football manager for the team. Ultimately, it's my target to take Vanarama from the Premier League to the Champions League. That relies on me and my coaching staff (senior leadership team) putting the right long-term strategy in place. But, short-term, I also have to ensure the team tactics are spot on, the squad is strong, and we have a recruitment strategy that reflects that. This also includes constant competitor analysis and learning from other teams (businesses). Then, with the right team, tactics and strategy in place, I put my faith into that team to come together to execute the game plan by winning new customers, retaining existing customers and opening new areas for the business to exploit.

What are the most significant challenges in your field?

The move to subscription-based habits and online purchasing means our industry needs to be overhauled completely. KPMG estimates that up to 50% of car dealerships may disappear by 2025 or sooner. 98% of our customers have never test driven before they lease from us. 65% of consumers, in general, don't test drive before they buy. Our customers are spending 1,400 hours per month on our site researching vehicles. So, my most significant challenge is to be agile to the pace of change by putting customers at the heart of our business. If they want to access cars online, then that's what we need our business to do for them. And do it well.

How might these challenges be overcome?

Digital transformation. We've seen manufacturers and dealers try to spin up online businesses during the pandemic in a matter of weeks and rightly so. But, having a website is only one part of the equation. And it's a complex one in itself. You also need to be able to sell products through Facebook Messenger – we've sold more than 1,000 cars through our Facebook Chatbot, iVan. You need to integrate that with Instagram which we're doing right now. So, every digital channel becomes important because they're vital customer touchpoints. To succeed you need omnichannel presence and contact centre mentality. We've been doing this for 15 years and we offer click and arrive instead of click and collect. We offer a best-in-class ecommerce platform where our

customers can select from thousands of vehicles and have one ordered in a few clicks. This takes investment, time and the right expertise so it's not an overnight fix.

What attracted you to this area of expertise?

I've seen customer habits change over the years from vehicle ownership to vehicle usership and moving to online. From previous roles at dealerships I've seen first-hand customers sign up to long, expensive PCP contracts with huge balloon payments at the end. I always felt there was a better way and that's why I started a leasing business. Vanarama offers smaller deposits, affordable monthly payments and no lump sum due at the end. For me it's always been about offering the convenience, value and selection. You don't get that with traditional car buying. There's no need to sit in dealerships and haggle.

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

I've learned the importance of building a brand. When you're in a sector as fragmented and competitive as we are, you can't afford to rely on price alone. Many things make up a brand, especially customer experience. But the biggest element is fame. If your target audience has heard of you when they type a term into a search engine or social media platform, then you've got half a chance. Building a brand is expensive, particularly at the start, but it pays off in so many ways and not just in terms of customer acquisition costs.

QUICK-FIRE QUESTIONS

What drives you?

Working with the talent we are able to attract really drives me, it's exciting to be part of their development and what they can do to develop our business.

What's your favourite app? LinkedIn

How do you relax?

Family holidays, dog walks and long lunches, preferably all at the same time.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What did you stop doing or start to do during the recent lockdown?

EDITORIAL

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► **Started growing a full beard**

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► **I restarted tackling hills on my regular runs.** My home town's topography is very different to that around AM's offices in Peterborough.

PRODUCTION

Head of publishing Luke Neal

► **Started home schooling.** I'm not cut out to be a teacher

Production editor David Buckley

► **I have stopped taking buses.** Not very green!

Senior designer Chris Stringer

► **My wife and I took second jobs as home-schooling teachers**

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