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SHAKY SEPTEMBER AHEAD / P10

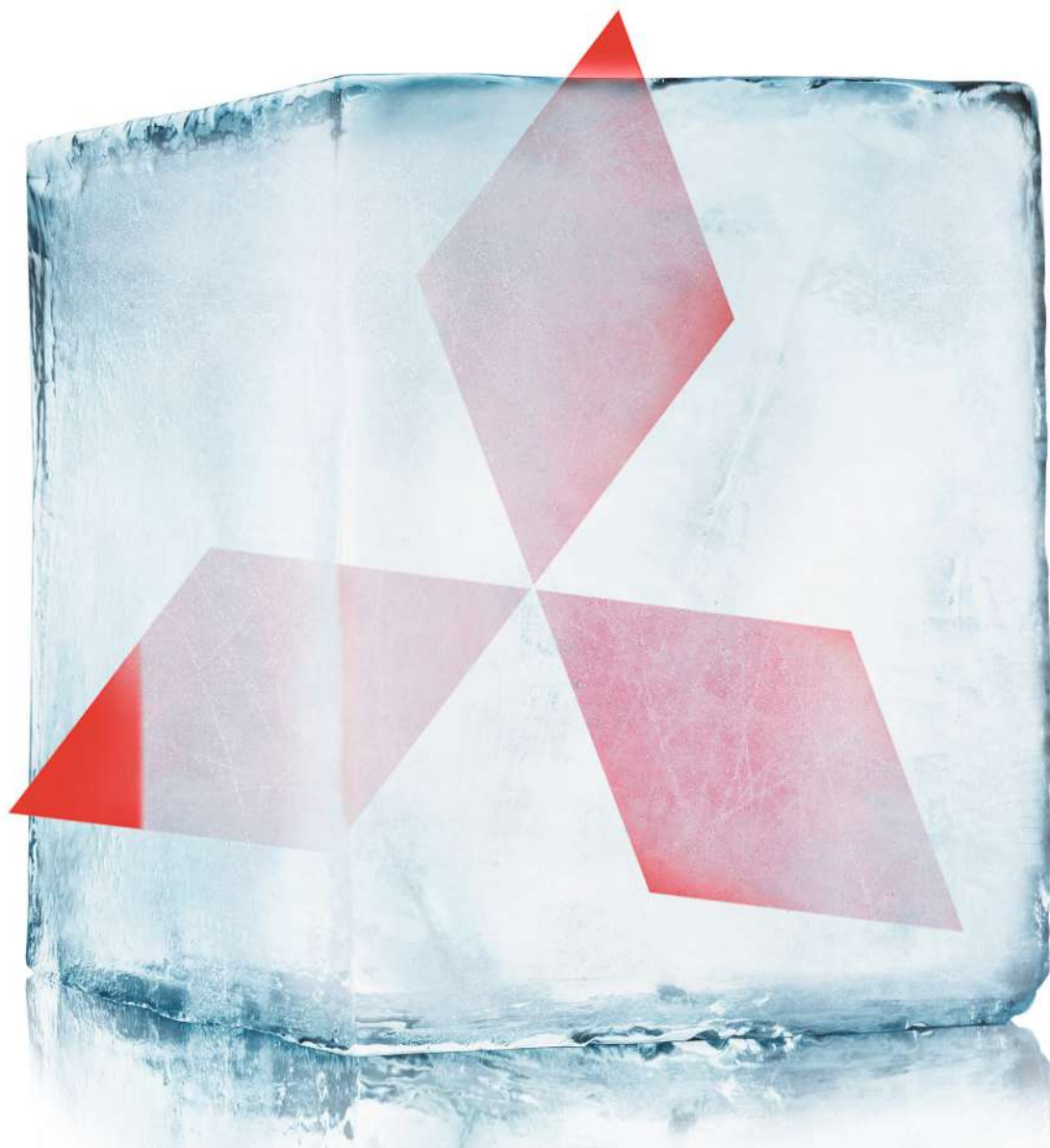
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Social distancing mustn't
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MITSUBISHI'S BIG FREEZE

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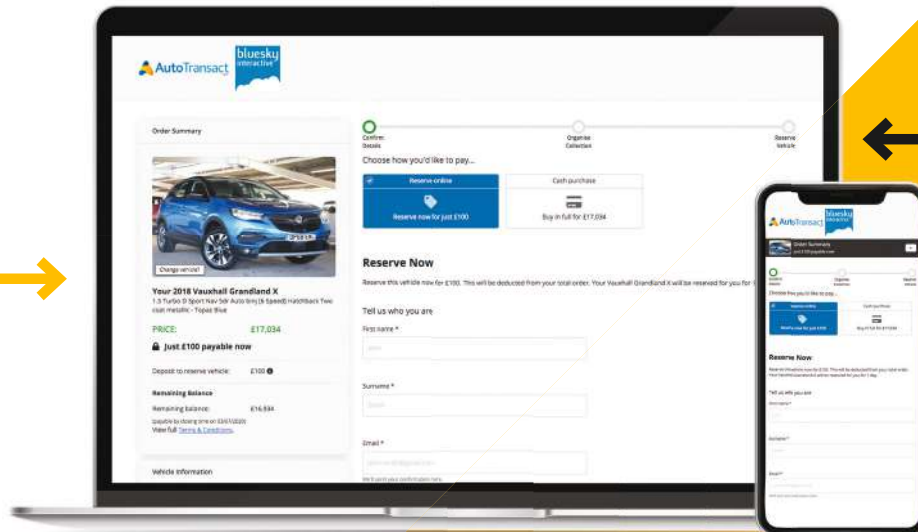


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EDITOR'S LETTER

There was some gloomy reading from the Institute of the Motor Industry this month. Delving into Department of Education data, it revealed apprenticeship recruitment in the automotive sector has fallen by 75%.

I agree with IMI chief executive Steve Nash that it is understandable that dealers and manufacturers have shifted their focus from long-term workforce development to the short-term issues of profitability and efficiency in much-reduced market conditions.

But short-termism is what cripples much of UK motor retail. Six years down the line *AM* will be reporting a shortage of skilled technicians, just as we did five years ago as the new car market peaked. And just as we did 10 years before that.

Of course, if the UK's franchised networks were enabled to consistently make 4-5% annual returns they'd be capable of riding out the troughs without abandoning crucial long-term investment.

Nash pointed out that many dealers will have funds in their Apprenticeship Levy pot already, which gets gobbled up by a state clawback if not used by the employer within two years. The IMI and other bodies are lobbying to get the levy clawback suspended, but Nash's message for the interim was to use those funds or lose them.

The same applies to our skilled workers, in my view. Make use of them.

The plate-change month is nearing, so maximise the opportunities and let's all smash September together.



MEET THE TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor



Stephen Briers
Editor-in-chief



Jeremy Bennett
Head of digital/
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MITSUBISHI EXPECTS 'NO MASS EXODUS' OF DEALERS

Brand will 'continue to operate' despite freeze, insists UK MD, Rob Lindley

Mitsubishi Motors in the UK managing director Rob Lindley has told *AM* he expects "no mass exodus" of car dealers from the brand's franchised UK retail network.

This is despite the Japanese carmaker's long-time UK importer, the Colt Car Company (CCC) writing to its 103 franchisees on July 27 to inform them that the brand's Mid-Term Plan would mean an immediate freeze on new models entering the European market.

The move will, essentially, result in Mitsubishi becoming a one-car brand within 18 months – that car being the Mirage hatchback (pictured) which generated 1,179 of its 16,199 sales in 2019 – as the L200

pick-up falls foul of Euro 7 emissions regulations at the end of 2021.

Other models will be sourced from an existing stock of 15,000 vehicles already in the UK. Imports of the Outlander plug-in hybrid (PHEV), which has underpinned the brand's sales in recent years, will cease at the end of this year.

Despite CCC's indication that it wanted to retain much of its franchised network as parts and aftersales providers, Lindley said that there was "no urgent need" for changes to retailer contracts.

One *AM* dealer source said he expected Mitsubishi's existing UK franchise contacts to be "ripped up" and replaced by separate sales and aftersales agreements.

But Lindley insisted in his interview

with *AM* that "as it stands nothing has intrinsically changed".

He added: "For me it's a story, but it's not the story people have made it out to be.

"Mitsubishi is continuing and we're continuing to operate.

"Yes, there are no new models being introduced into the market, but this isn't simply the story of a brand pulling out and disappearing.

"We'll still have new and used car stock well into 2021 and new cars available to buy well into 2022 and beyond.

"It gives us time to see what our next steps will be."

Many Mitsubishi franchisees are already planning ahead, however, with most deploying resource to secure a replacement franchise.

RETAILERS' RESPONSE

Livery Dole managing director Hayden Williams teamed up with sales manager Joe Chatting, company secretary Diane Slater and workshop controller Chris Veitch to complete a management buy-out (MBO) from owner Nigel Clegg in late February.

Williams told *AM*: "If you'd have asked me if I'd have invested if I had any idea we'd be facing a global pandemic and the loss of our franchise within the next four months, I don't think I would."

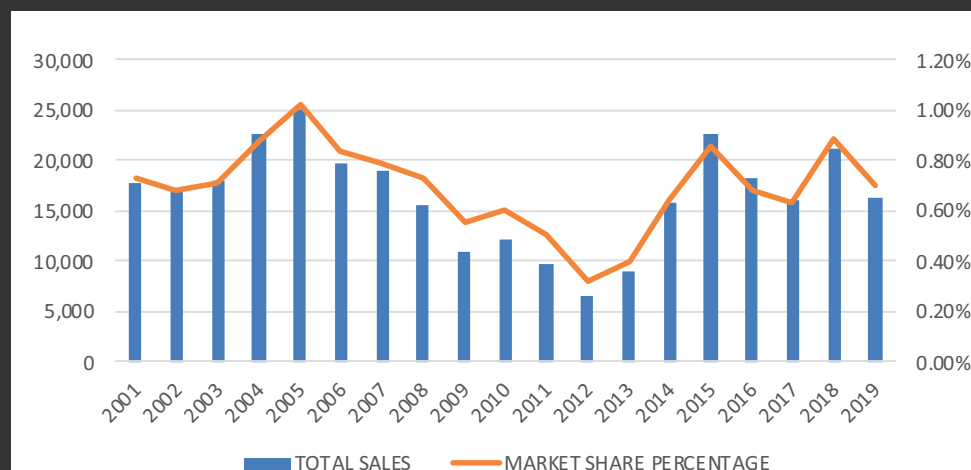
Like many Mitsubishi retailers Williams said that Livery Dole was strong in aftersales and used cars, reflecting that the manufacturer's decision only stood to impact "the most complicated and least profitable part of the business".

He said: "If this had happened 10 years ago, when we were dependent on large bonuses from the manufacturer, then it would have been disastrous.

"The bonuses have become really insignificant in recent years, a nice to have but not fundamental to the business."

Williams said his solus Mitsubishi business, in Marsh Barton, near

≡ MITSUBISHI MOTORS IN THE UK – NEW CAR REGISTRATIONS



Mitsubishi's UK sales have been on a roller coaster journey this century, with a somewhat sustained impact following the 2009 financial crisis.

Mitsubishi's 2005 UK sales total of 24,972 was its best result this

century. But, after a dip to just 6,549 in 2012, it recovered to 22,693 by 2015 and 21,156 on the back of the Outlander PHEV's success in 2018.

Last year's 16,199 registrations were its lowest since 2014.

To the end of July, the Society of Motor Manufacturers and Traders (SMMT) registrations data revealed that sales had declined by 47.8%, to 5,637 (2019: 10,789) in a market down by 41.2% overall.



Exeter, was already surrounded by most of the market's major car brands, making finding a replacement franchise difficult, but he said a few had made "tentative enquiries".

"The concern would be the cost," he said. "It's not in my plans to spend a vast amount on a new gin palace right now."

Nathan Tomlinson, managing director of fellow south-west Mitsubishi franchisee Devonshire Motors and a Mitsubishi dealer council member, said: "Our next challenge is to prove we can achieve what we have achieved with Mitsubishi with another brand. That's something I find really exciting."

Like Williams, Tomlinson suggested that the impact of the withdrawal of Mitsubishi Motor Corporation (MMC) from Europe might not be felt straight away due to the network's success in used cars and aftersales.

Lindley told *AM* the network achieved an average 78.4% overhead absorption in its previous financial year (to the end of March), with that figure rising to 132% in June's post-lockdown period as franchisees made £19,000 profit before tax on average – double that of the same period in 2019.

Mitsubishi revealed a new corporate identity in 2018 and many franchisees were concerned about the prospect of investing in upgrades to their facilities, but Mitsubishi Motor Europe paused the plans at the start of the COVID-19 pandemic.

Tomlinson said: "The saving grace for many Mitsubishi dealers is the cost base reduction. We are able to run a very efficient operation to continue to do a good job for all parties."

Robin Luscombe, the managing

director of Leeds-based Luscombe Motors, was counting himself lucky after moving MG Motors under the same roof as Mitsubishi at its site in Hunslet during lockdown.

He said Mitsubishi's plans had come "out of the blue", but added: "At the moment I'm just counting myself quite fortunate that we'd already taken the decision to introduce that new MG franchise."

Lindley conceded that CCC was another party that had been caught out by MMC's decision.

"The first I heard of it was in a conference call to Japan on the Wednesday before we wrote to our retailers," he said.

"We knew the Mid-Term Plan had been put off from May to July and we knew it might contain some strategic changes and that they'd look across the three brands, but we didn't think they'd take this particular decision."

CCC, itself, is now on the hunt for a new manufacturer partner in the UK and hopes to have one in time to offer an alternative business proposition to its Mitsubishi franchisees.

In its letter to retailers CCC said that it had already been looking at opportunities to bring a new brand to the UK adding that "in light of (the MMC) announcement we are focused on accelerating these opportunities with the goal of introducing additional brands to our business as quickly as possible."

Asked about the introduction of new brands in a traditional distributor/dealer model at a time when many manufacturers are targeting online sales, Lindley said: "We have developed the Mitsubishi online

FOR ME IT'S A STORY, BUT IT'S NOT THE STORY PEOPLE HAVE MADE IT OUT TO BE. MITSUBISHI IS CONTINUING AND WE'RE CONTINUING TO OPERATE

ROB LINDLEY, MITSUBISHI MOTORS IN THE UK

retail platform in the UK. We're well equipped and prepared to provide a blend of both."

Williams said he may be inclined to adopt a new CCC brand when the time comes. He said: "Livery Dole has a 35-year relationship with CCC, not Mitsubishi, so I don't see why not."

MMC'S 'STRATEGIC EXIT'

MMC's move comes as the Renault-Nissan-Mitsubishi Alliance embarks on a restructure of its global operations with the brands taking the lead in European, American and Asian markets, respectively.

Factory closures and increased cross-platform sharing form part of the plan to cut the cost of producing a vehicle by 40%.

Future Mitsubishi models will be targeted at the South-East Asian market in an attempt to boost market share there from around 6% to 11%.

MMC's decision to exit Europe also follows a £1.3 billion loss in Q1 and includes a drive towards 20% cost savings within the next three years.

David Bailey, a professor of business economics at the Birmingham Business School, said he expects further disruption among familiar car brands as the pressures of EU emissions regulations, the expense

of developing alternative fuel vehicles (AFVs) and the impact of COVID-19 take hold.

"A big squeeze is effectively playing out, and scale is seen as increasingly important for car firms," he said.

"Mitsubishi's decision to pull out of Europe is a reflection not only of Alliance tensions but also of these wider industry challenges. Expect more disruptions to come."

Steve Young, managing director of ICDP, is not so sure.

While he conceded that OEMs "must have their strategy departments and accountants running the numbers every time there is a market setback or new regulatory demand in Europe" he said that none shared the unique characteristics of Mitsubishi of "lacking a coherent product plan and having partners who will maintain the presence from a stronger position".

Young expects the number of manufacturers with a presence in the UK to rise with the likes of Polestar, Lynk & Co and Hyundai's Genesis premium brand.

He said: "For now, my money is on few if any further departures from the European scene, and indeed some additions as Chinese players including some of the BEV start-ups seize the opportunity." **TOM SHARPE**



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WILL PLATE-CHANGE HELP TO COVER THE COVID-19 CRACKS?

About half of the dealers we surveyed think that new vehicle sales will be lower than normal for September, but the majority (70%) agree that staff redundancies are looking highly likely

UK franchised dealer networks need to grab all opportunities in the September plate-change campaign to patch the holes left in their budgets by lockdown.

It looks set to be a tough campaign for the automotive sector.

An exclusive survey of more than 100 dealer leaders for *AM*, carried out by JudgeService Yourpoll, found 56% report their September new car order take will be lower than normal. Almost a fifth of those predict their sales will be more than 10% lower than for the previous September.

Asked about their gut feel for the September new car market as a whole, half hope it will be at normal levels or even stronger than last September.

Almost all the dealer leaders surveyed report that their used car teams are doing brisk business currently, and 74% said their used car sales are higher than is normal at this time of year.

They believe the biggest risk to their top line this autumn will be inadequate availability of stock, not a

lack of enquiries from consumers. The coronavirus pandemic forced shutdowns of numerous vehicle assembly plants globally in the first half of 2020, and some have resumed production with fewer shifts than previously.

Lower new car sales has led to a shortage in retail-ready, young-used cars for some retailers, who typically generate most of their stock through part-exchanges, our research found.

And in the weeks after car showrooms reopened from lockdown many of the motor auctions and leasing operations were running skeleton remarketing and logistics operations, which may have compounded the issue for some.

Overall, used car stock availability was seen as the biggest threat to prosperity in September for 49% of those polled, and new car availability or lead times for 25%.

Only one-in-10 dealers fears that a lack of consumer enquiries on new or used cars will harm their September performance.

Looking further out, most dealers remain quite positive about the full year sales outcome. Some 20% expect their unit sales to exceed

2019, and 41% foresee a result on par with last year. In the coming months more *AM* research will examine their expectations for full year revenues and profits.

The UK Government's Coronavirus Job Retention Scheme (CJRS) has been used extensively by the automotive industry, and our research at the end of July found only 18% of dealers no longer had staff on furlough. The majority of the others by now have less than 10% of their workforce on furlough, as 'pent-up demand' and the tapering of the scheme has prompted them to bring people back to work.

More than 90% of those polled are satisfied with the financial support the Government has made available since March, such as the CJRS and kick-start loans, but a third are dissatisfied that there hasn't been specific support for the automotive sector, such as incentives to boost the car markets.

A fifth also feel dissatisfied with the advice Government has issued businesses during the pandemic.

Anticipating continuing difficult conditions, dealer leaders are making tough decisions regarding

“



AFTER 30 YEARS IN THE TRADE, I'M NOT SURPRISED AT THE RESILIENCE OF CAR AND COMMERCIAL VEHICLE DEALERS AS WE EMERGED FROM LOCKDOWN

**NEIL ADDLEY,
JUDGESERVICE YOURPOLL**

their long-term workforce, the research shows. Some 70% expect to make redundancies, and the majority of those job cuts are either already in a consultation process or due to begin in September.

The scale of job cuts is quite diverse, but the majority are shedding less than 10% of the workforce. Nevertheless, a considerable 28% of those polled said they will sadly need to make almost one-in-five of their employees redundant.



Neil Addley, managing director of JudgeService Yourpoll, AM's survey partner, said: "After 30 years in the trade I'm not surprised at the resilience of car and commercial vehicle dealers as we emerged from lockdown.

"We're an entrepreneurial bunch and, talking to clients early on, it was apparent there was exceptional

effort being undertaken to plan for the reopening. Our research for clients indicated there would be 'pent up' demand. It's been great to see those sales materialise.

"While there will be job losses, I think these have been accelerated by, rather than caused by, COVID-19.

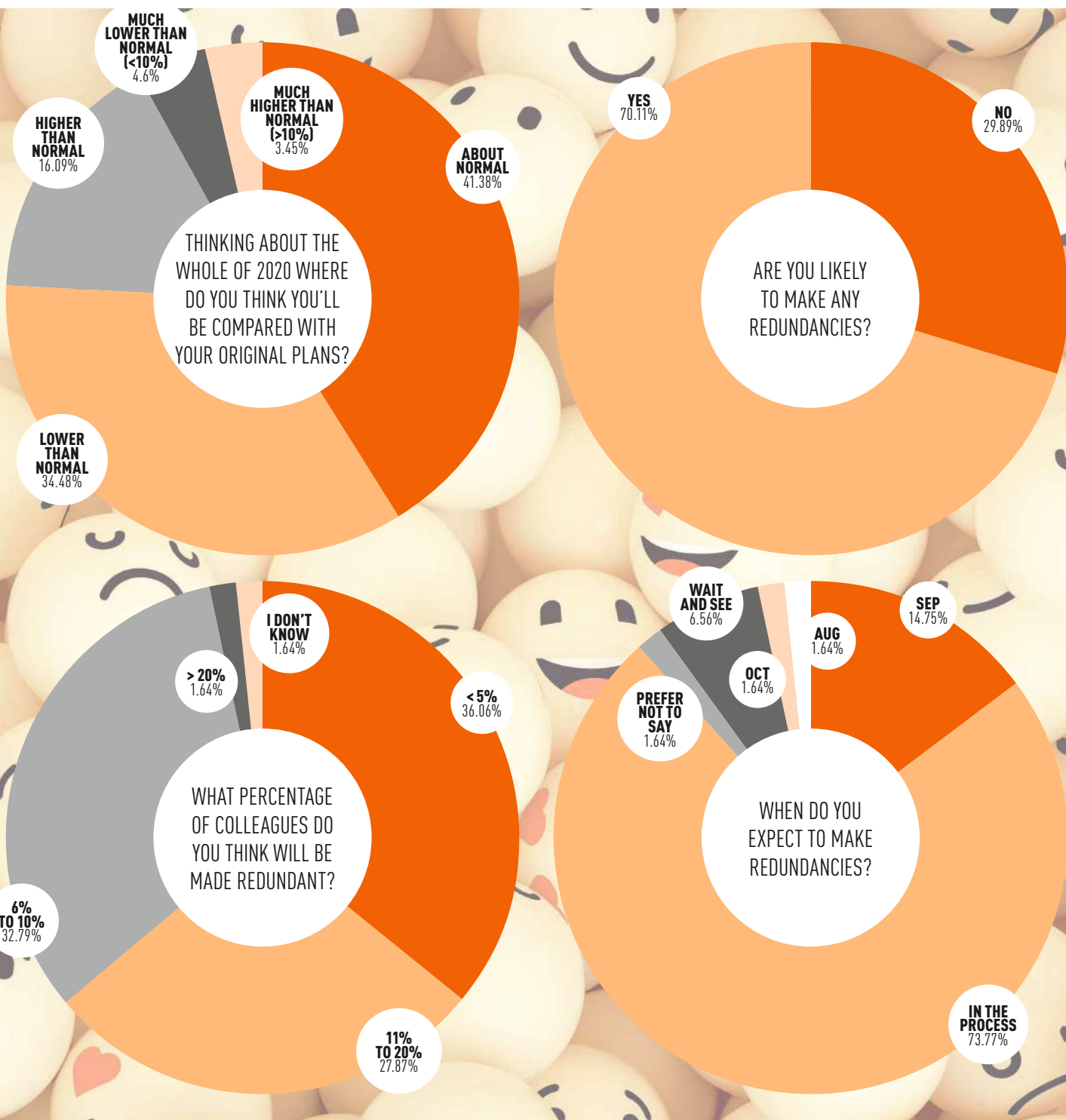
"The biggest surprise is the contrast between the national news

and the reality we see in our industry on a daily basis. The survey results, along with a record number of post sales and 'lost sales' calls we are making on behalf of our clients present a totally different picture to that portrayed on the BBC."

Addley added that, although a state stimulus package would be welcomed by the automotive industry,

in the meantime dealers with a focus on online marketing, great service and looking after colleagues and customers alike will secure a dividend.

And used cars remain a great opportunity, Addley said. Dealers must consider that one positive of stock constraints is robust used car values, and suppliers are keen



C to assist – JudgeService has launched an online part-exchange survey to help dealer clients assess their trade-in processes.

The Society of Motor Manufacturers and Traders (SMMT) revealed that used car sales volumes declined by 1.2 million units (48.9%) in the second quarter of 2020 as the pandemic had a “devastating” impact.

Its figures showed the annual used car market was down 28.7%

(2.89m units) at the half-year point.

The SMMT said that the pace of decline gradually eased throughout the quarter as dealers re-opened showrooms, but used car sales remained 17.5% down year-on-year in June as Welsh and Scottish retail sites remained closed.

In response, Auto Trader commercial director Ian Plummer said the sector should also be encouraged by buoyant used car prices.

He added: “Unlike the financial crisis, where retailers slashing their prices to entice car buyers had a very negative impact on the financial health of the market, with COVID-19, retailers have held firm.

“With such high demand, coupled with challenges in the supply chain, it’s absolutely the right decision, and, in fact, we’ve seen four months of consecutive growth in used car prices, with July recording the highest

rate of growth since August 2018.”

Jonathan Holland, managing director of remarketing specialist ADESA UK, said dealers must tap into all online sources for the right mix of stock they seek.

“Immediate access to desirable stock will be crucial over the coming months, especially with the major physical auction halls remaining closed to trade buyers,” he added.

TIM ROSE

THIS MONTH'S NEWS HIGHLIGHTS

IN DETAIL
To view the full story go to
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AUG

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DEALERS WARNED OF BOUNCE BACK LOANS SCAM

Car retailers were warned to be on their guard after a fraudster attempted to scam Airdrie-based James Glen Car Sales out of £41,000 and a Porsche Cayman sports car using the Government's Bounce Back Loans (BBL) scheme. Director Jim Bogan said a businessman offered cash to buy the car, but then tried to pay for it using a Government loan erroneously set up on James Glen Cars Sales' behalf.

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JOBS TO GO 'REGARDLESS' AS IMPERIAL IS SOLD

Cazoo completed the acquisition of £201.4m turnover, 18-site used car supermarket group Imperial Cars, creating a used car sales operation with a 5,000-car inventory. A fortnight later Imperial Cars began to consult its staff over widespread redundancies in a move managing director Mike Bell (pictured with director Neil Smith, left) said would have happened "regardless of Cazoo buying the business".

**AUTOMATION TO INCREASE AS VERTU CUTS JOBS**

Vertu Motors announced its decision to cut 345 jobs and future-proof its operations through increased automation. Chief executive, Robert Forrester, revealed the 6% cut to Vertu's headcount would save the business £10m in ongoing annual costs in a trading update showing adjusted profit before tax of £9m in June – ahead of the prior year and its original business plan.

22

UNWANTED SITES TO BE TURNED INTO HOMES

Retirement village operator McCarthy and Stone announced a drive to acquire unwanted automotive sites to develop 60 or more retirement communities across the UK. A statement suggested that the £100m land acquisition drive had come in response to Prime Minister Boris Johnson's call to "build, build, build" to aid the economy's COVID-19 recovery.



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DATE FOR DISCRETIONARY COMMISSIONS BAN

The Financial Conduct Authority (FCA) confirmed its move to ban all discretionary commission models in motor finance to save car buyers £165m-per-year and eliminate "conflicts of interest" in the sector. The new legislation is set to come into force from January 28.

ASTON MARTIN LOSES MORE THAN STATED

Accounting errors were blamed for an understatement of Aston Martin's 2019 losses by £15.3m. Revisions to the carmaker's accounts – including payments to US dealers which had previously booked later than they should have been – mean that losses amounted to £70.9m rather than the £55.6m previously stated. Aston Martin reported a 64% decline in revenues, from £406m to £146m, in H1, 2020.

**PENDRAGON TO CUT 1,800 JOBS**

Pendragon announced a plan to axe 1,800 jobs from its UK car retail network as part of a bid to save £35m and create a "leaner and more sustainable operating model" in the wake of COVID-19 lockdown. The group will initially close 15 dealerships following a review of its operational structure.

STONEACRE BUYS HODGSON NEWCASTLE

Stoneacre Motor Group continued to drive past its £1bn turnover target, and gained its first Toyota franchise, by acquiring £76.8m turnover Hodgson Newcastle group. The deal adds Mazda, Suzuki and Toyota dealerships at Newcastle and Mazda and Toyota at Gateshead.

SYTNER FIRE 'LIKELY TO HAVE BEEN ARSON'

Firefighters battled for eight hours to contain a blaze at Sytner Group's landmark Guy Salmon Jaguar Land Rover (JLR) Stockport dealership which triggered explosions and emitted billowing smoke overnight. Sytner Group divisional managing director, Steve Gough, said: "It is looking likely that an arson attack is the cause."

**INCHCAPE SELLING UP IN TUNBRIDGE WELLS**

Arden is poised to acquire Inchcape's Cooper BMW and Mini car dealerships in Tunbridge Wells, Kent, in a deal expected to be finalised by the end of August. The move will double Maidstone-based Arden's



representation with BMW/Mini. Inchcape UK chief executive, James Brearley, said the disposal was part of its continued "strategic withdrawal from the south-east and Kent".

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SEP

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SALES TRENDS

SINKING FAST – SALES IN SOME SEGMENTS ARE DWINDLING

Prospects don't seem too bright as city cars, large family saloons and MPVs feel the pinch

The rise in registrations in July of 11.3% was a welcome piece of news after so many months of terrible figures. However, no one is quite sure whether it merely represents a false dawn. A lot of sales in that month represented pent-up demand after the COVID-19 lockdown, so the rise may say more about the past than the future of the car market.

One of the noticeable effects of the crisis has been to accelerate pre-existing trends. Segments faring poorly in 2019 have seen their market share fall even more steeply YTD (year-to-date). Though falls in absolute registration figures don't mean so much when the whole market is down 41.9%.

The city car segment has seen an unprecedented fall in both market share and the number of models on sale. Share is down from 6.4% to 4.4% YTD, its lowest figure since the 1990s.

In terms of the cars which customers can choose, there has been something of a bloodbath. Ford (Ka+), Vauxhall (Adam, Viva), Renault (Twingo) and

Suzuki (Celerio) have all left the segment. Smart is on the way out (at least as a European manufacturer), and the Škoda Citigo and Seat Mii are now only available as effectively limited-edition electric models (although the Citigoe, as it is now called, is not available to order now, as the initial UK allocation sold out in March).

That means the mainstream A-segment consists of just the Toyota Aygo/Peugeot 108/Citroën C1 triplets, the Fiat 500, Fiat Panda, the Hyundai i10, Kia Picanto and the VW Up.

NO WAY BACK

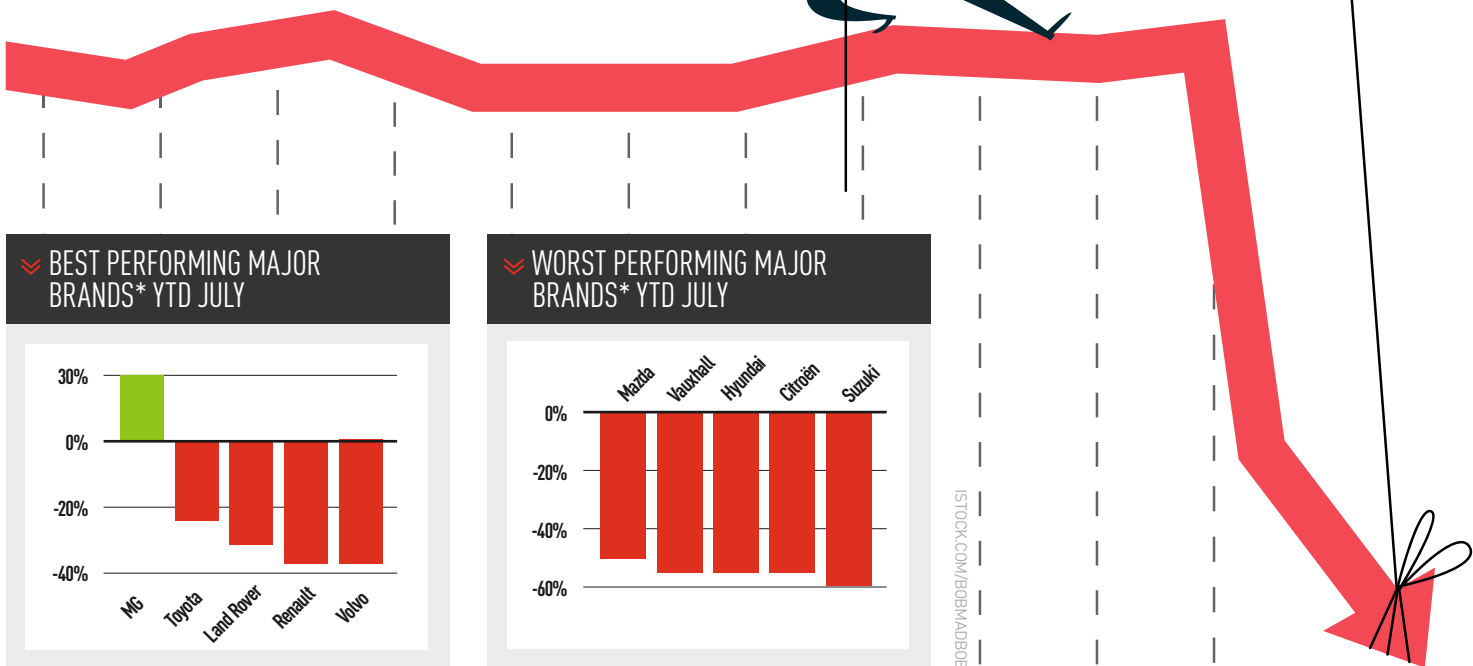
With the Toyota/PSA joint venture ending soon, and Fiat talking about moving the 500 to the B-segment, there seems no way back for this type of car.

At the other end of the size spectrum, large Multi-Purpose Vehicles (MPVs) are faring even worse, with market share falling from 1.2% to

0.6%. In the medium term, bespoke large MPVs seem doomed, and only passenger versions of vans are likely to survive. Indeed, the only purpose of recoding registrations for this segment will be so the total for all segments adds up to 100%.

When MPVs were in their heyday, they were generally built on the platform of a D-segment large family car (e.g. Mondeo/Galaxy), and their large family-car cousins are faring little better in the current market. Market share is down from 2.0% to 1.2% YTD, and only three models (VW Passat, Škoda Superb and Ford Mondeo) have sold more than 1,000 examples so far this year.

The latest group to hoist the white flag is Hyundai-Kia, which has dropped the i40 and Optima, leaving



SPONSOR'S COMMENT



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

I hope many of you are managing to take a break at some point. Given the pace of recent months, no

doubt everyone needs one.

The car market has flown out of the blocks as the UK emerges from full lockdown, and residual values have remained robust.

However, COVID's true economic impact will come later this year and, as forbearance and Government support schemes steadily unwind, times remain precarious and volatile for the economy.

Amid the news relating to COVID-19 we have received confirmation from the FCA on commission models and disclosures in motor finance, with a deadline of January 28, 2021, for firms to implement the new rules.

Here, at Black Horse, we fully support the FCA's aim of ensuring consumers receive the right outcome when taking out motor finance and continue to work closely with the authority to achieve this.

Black Horse does not offer finance schemes which allow dealers to adjust APR for them to gain increased commission, including the 'Difference in Charges' model highlighted in the original FCA report.

Additionally, Black Horse carries out robust affordability assessments aligned with FCA policy, taking care to ensure lending is affordable for customers for the duration of the agreement. We have already helped a number of dealers change their finance offering in anticipation of the new FCA regulations.

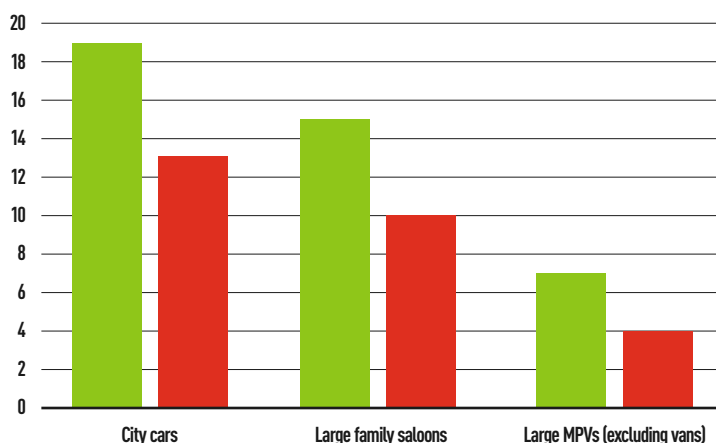
Over the coming months we will work with each of our partners to implement the changes, which go alongside a broad set of services we use to support both dealers and customers. These include dealer training programmes, customer and dealer product information and videos, mandatory disclosure of information through the sales process, and regular MI and engagement through our field teams.

Our role is to help and support. We will continue to do that to land these changes successfully and safely. Done right, this will build consumer confidence in auto finance.

Enjoy the rest of the summer and stay safe.

NUMBER OF CARS ON SALE IN DECLINING SEGMENTS

2015 2020



just eight manufacturers in the segment (even including Subaru, which has sold a total of 85 units YTD across Outback and Levorg ranges).

As B-segment superminis and C-segment small family cars have maintained market share, inevitably the biggest winner has been premium/large SUVs, with market share up from 13.3% to 16.5%.

The notable winners are the Volvo XC40 (up 6.2% YTD), now just a few hundred units behind the Range Rover Evoque, and, in a rare piece of good news for Jaguar, the I-Pace. The electric Jaguar is currently in a three-way tie for first place in the executive SUV category with the Range Rover Velar and Volvo XC90. The I-Pace is outselling the Land Rover Discovery, which the JLR product planners did not see coming a few years ago.

The interesting question is whether the new Defender will also outsell the Discovery, which early data suggests is possible. If the Discovery falls behind the Defender in the Land Rover sales charts, will it survive long term?

AND WHAT OF THE MANUFACTURERS?

At a manufacturer level, Ford (9.5%) is just managing to hold off VW (9.0%) for the moment. Behind those two are the familiar German trio of BMW, Mercedes-Benz and Audi, but what is happening behind them is more interesting.

Toyota is slowly consolidating its position in sixth, with a very respectable market share of 6.0%. This is partly due to the new Rav-4, which has increased registrations by 47.2%.

It has risen from obscurity to become one of the major models in its segment, even outselling the well-established Ford Kuga.

Behind Toyota is Vauxhall, on just 5.7% share. Normally, a manufacturer whose share almost halves in five years (it was 9.7% in 2015) would be considered a disastrous failure. However, Vauxhall's situation is more complex, as new owner, PSA, has cut back on the marketing incentives and seems prepared to let Vauxhall find its own level.

Now all eyes are on the September market, the last chance for manufacturers to make a significant difference to their annual sales.

Traditionally, the two economic factors that really drive the car market are how secure people feel about their jobs and how quickly house prices are increasing. If people are confident on those two scores, they are happier to commit to a car purchase.

With furlough being wound down, and massive uncertainty about what comes next (a possible no-deal exit from the EU in January), many people will not be feeling too secure about jobs.

Currently, house prices are pretty stable, but there are plenty of warnings of a potential drop coming soon – for 2021, the Government's Office for Budget Responsibility is predicting a fall of 3.8% as its "central" forecast, with a best-case of a rise of 4.1% and a worst-case of fall of 11.7%. Meanwhile, the SMMT is predicting a 30% fall in the UK car market this year to 1.6 million, and a figure of two million in 2021.

A market of two million seems fair as a "central" forecast, but one does not have to add too many factors (e.g. a spike in COVID-19 this coming winter, a messy separation from the Single Market), to get a number well below that.

One can well imagine what a 10% import tariff would do to new car sales. **DAVID FRANCIS**

NEW CAR REGISTRATIONS

Treat July uplift with caution, says SMMT

Car retailers' efforts to capture the demand pent-up among new car buyers during COVID-19 lockdown resulted in an 11.3% rise in July's new car registrations.

The Society of Motor Manufacturers and Traders (SMMT) chief executive, Mike Hawes, urged caution in celebrating the figures, however, stating that a far clearer picture of the UK's new car market should emerge after the September plate-change.

The SMMT expects the market to end the year 30% down on 2019 following the impact of coronavirus – representing more than £20 billion of lost sales.

Hawes said: "July's figures are positive, with a boost from demand pent up from earlier in the year and some attractive offers, meaning there are some very good deals to be had."

"We must be cautious, however. Showrooms have only just fully reopened nationwide and there is still much uncertainty."

He added: "By the end of September we should have a clearer picture of whether or not this is a long-term trend."

"Although this month's figures provide hope, the market remains fragile in the face of possible future spikes and localised lockdowns as well as, sadly, probable job losses across the economy."

1 FORD

The UK's market leader has shown everyone it'll still be boss in 2020, with 1,765 units growth in July, keeping it well ahead of second-placed Volkswagen.

2 VAUXHALL

Its Corsa was July's best seller, with 5,455 registrations. However, Vauxhall remained in the red with a 6% drop overall, as production of the Astra model at its Ellesmere Port factory did not restart until August.



3 NISSAN

Growth of 6.2% was a healthy July result for the Japanese brand. Its Qashqai SUV continues to be its core model, accounting for 2,971 of the total 6,575 registrations.

Marque	July					Year-to-date				
	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
1 Ford	18,814	10.76	17,049	10.85	10.35	78,688	9.50	144,838	10.15	-45.67
Volkswagen	15,617	8.93	15,183	9.66	2.86	74,550	9.00	126,074	8.84	-40.87
Audi	12,017	6.87	10,322	6.57	16.42	52,422	6.33	91,451	6.41	-42.68
BMW	11,446	6.54	9,198	5.85	24.44	58,026	7.00	99,219	6.96	-41.52
Mercedes-Benz	10,254	5.86	12,056	7.67	-14.95	55,937	6.75	105,046	7.36	-46.75
Toyota	9,899	5.66	8,134	5.17	21.70	49,259	5.95	64,818	4.54	-24.00
2 Vauxhall	9,771	5.59	10,398	6.61	-6.03	47,347	5.72	104,962	7.36	-54.89
Kia	9,110	5.21	7,115	4.53	28.04	38,080	4.60	60,347	4.23	-36.90
Renault	6,598	3.77	2,187	1.39	201.69	21,867	2.64	34,300	2.40	-36.25
3 Nissan	6,575	3.76	6,191	3.94	6.20	36,684	4.43	58,934	4.13	-37.75
Peugeot	6,392	3.65	5,666	3.60	12.81	27,842	3.36	50,010	3.51	-44.33
Škoda	6,121	3.50	5,302	3.37	15.45	29,233	3.53	46,566	3.26	-37.22
Land Rover	5,730	3.28	4,153	2.64	37.97	31,354	3.78	46,245	3.24	-32.20
Hyundai	5,425	3.10	5,649	3.59	-3.97	23,126	2.79	51,565	3.61	-55.15
Seat	5,357	3.06	5,391	3.43	-0.63	25,624	3.09	43,169	3.03	-40.64
Mini	4,442	2.54	2,983	1.90	48.91	22,718	2.74	36,233	2.54	-37.30
Volvo	3,958	2.26	4,288	2.73	-7.70	21,656	2.61	34,277	2.40	-36.82
Citroën	3,330	1.90	4,435	2.82	-24.92	14,947	1.80	33,857	2.37	-55.85
Honda	3,322	1.90	2,970	1.89	11.85	14,761	1.78	28,049	1.97	-47.37
Mazda	2,805	1.60	2,772	1.76	1.19	11,551	1.39	24,215	1.70	-52.30
Jaguar	2,746	1.57	2,515	1.60	9.18	13,297	1.61	22,263	1.56	-40.27
Dacia	2,558	1.46	1,445	0.92	77.02	9,991	1.21	20,013	1.40	-50.08
Porsche	2,295	1.31	777	0.49	195.37	6,368	0.77	7,562	0.53	-15.79
Fiat	1,949	1.11	1,475	0.94	32.14	10,277	1.24	19,224	1.35	-46.54
Suzuki	1,877	1.07	3,490	2.22	-46.22	9,690	1.17	23,827	1.67	-59.33
MG	1,846	1.06	1,040	0.66	77.50	9,558	1.15	7,326	0.51	30.47
Lexus	1,309	0.75	1,118	0.71	17.08	7,280	0.88	8,550	0.60	-14.85
Mitsubishi	929	0.53	1,005	0.64	-7.56	5,637	0.68	10,789	0.76	-47.75
Jeep	555	0.32	451	0.29	23.06	2,087	0.25	3,688	0.26	-43.41
DS	228	0.13	268	0.17	-14.93	1,146	0.14	2,099	0.15	-45.40
Abarth	213	0.12	221	0.14	-3.62	1,127	0.14	2,108	0.15	-46.54
Alfa Romeo	185	0.11	235	0.15	-21.28	1,125	0.14	2,097	0.15	-46.35
SsangYong	172	0.10	82	0.05	109.76	841	0.10	1,171	0.08	-28.18
smart	168	0.10	388	0.25	-56.70	594	0.07	3,530	0.25	-83.17
Bentley	158	0.09	154	0.10	2.60	689	0.08	966	0.07	-28.67
Maserati	64	0.04	77	0.05	-16.88	303	0.04	611	0.04	-50.41
Subaru	60	0.03	103	0.07	-41.75	366	0.04	1,466	0.10	-75.03
Alpine	10	0.01	29	0.02	-65.52	67	0.01	114	0.01	-41.23
Polestar	8	0.00	0	0.00	0.00	8	0.00	0	0.00	0.00
Chevrolet	0	0.00	2	0.00	0.00	0	0.00	23	0.00	0.00
Infiniti	0	0.00	38	0.02	0.00	0	0.00	241	0.02	0.00
Other British	187	0.11	211	0.13	-11.37	1,047	0.13	1,796	0.13	-41.70
Other Imports	387	0.22	632	0.40	-38.77	11,219	1.35	2,804	0.20	300.11
Total	174,887		157,198		11.25	828,389		1,426,443		-41.93



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FINANCE OFFERS

No deposit and 0% deals boost July figures

Incentives have played a major factor in stimulating market recovery in July and retailers will be counting on offers to help boost a bumper September.

Several manufacturers have told *AM* how high the stakes are for the second plate-change month this year, particularly after the usually busiest month of March was cut short by the UK lockdown.

According to the Society of Motor Manufacturers and Traders (SMMT) data, eight-out-of-10 major franchises are offering flexible terms on finance offers in a bid to address consumer uncertainty.

Manufacturer finance houses will now be busy contacting customers that are coming to the end of their first payment freeze to find out if they can resume payments – and if so, agree a plan on how the missed payments could be repaid.

The Financial Conduct Authority (FCA) has also advised finance houses that if customers can afford to return to regular repayments, or make partial payments, it is in their best interest to do so.

For customers still struggling financially as a result of COVID-19, the FCA is expecting finance houses to provide support by freezing or reducing payments to an affordable level for a further three months.

Customers that have not had a payment freeze or requested an extension of an existing payment freeze can also request this up until October 31.

Alongside the pent-up demand that has propped up July, *AM*'s data of 277 representative examples from manufacturer websites shows there has been an increase in 0% finance support from 44 to 56 offers out of the total in Q3.

The average APR has dropped slightly as a result of those 0% deals from 3.9% to 3.84% and there are 16 model ranges where new cars can be bought with no deposit from customers.

While the average monthly price has increased quarter-on-quarter, from £353 to £371, there is a greater number of offers overall (175) that are priced at, or below, the average in Q3.

It's clear from *AM*'s data that Škoda and Seat are pushing hard for affordability with a huge range of offers with no deposit and low monthly payments.

The Škoda Fabia, Scala and Kamiq, as well as the

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Top 10 models by lowest monthly payments							
Dacia Sandero Essential SCe 75	PCP	£944.00	48	£109	£2,917.00	6.90%	30/09/2020
Mitsubishi Mirage Verve	PCP	£2,080.00	48	£119	£3,596.00	6.90%	28/09/2020
Toyota Aygo x-trend 1.0 VVT-i Manual	PCP	£3,197.00	48	£129	£4,095.00	0.00%	30/09/2020
Dacia Logan MCV Essential SCe 75	PCP	£918.00	48	£139	£3,267.00	6.90%	30/09/2020
Volkswagen up! 1.0 3dr 60PS S/S manual	PCP	£3,213.62	48	£145	£3,446.10	3.30%	30/09/2020
MG3 Excite 1.5 DOHC VTI-tech	PCP	£1,910.75	48	£149	£3,312.25	0.0%	30/09/2020
Dacia Sandero Stepway Essential TCe 90	PCP	£649.00	48	£149	£3,922.00	6.90%	30/09/2020
Suzuki Ignis Dualjet 1.2 SZ-T Hybrid 5DR	PCP	£1,692.00	48	£149	£5,905.00	0.00%	30/09/2020
Toyota Yaris Y20 self-charging hybrid	PCP	£4,656.00	48	£149	£5,107.50	0.00%	30/09/2020
Dacia Duster Essential TCe 100 4x2	PCP	£1,657.00	48	£159	£5,526.00	6.90%	30/09/2020
Top 10 0% offers at lowest monthly payment							
Toyota Aygo x-trend 1.0 VVT-i Manual	PCP	£3,197.00	48	£129	£4,095.00	0.00%	30/09/2020
MG3 Excite 1.5 DOHC VTI-tech	PCP	£1,910.75	48	£149	£3,312.25	0.0%	30/09/2020
Suzuki Ignis Dualjet 1.2 SZ-T Hybrid 5DR	PCP	£1,692.00	48	£149	£5,905.00	0.00%	30/09/2020
Toyota Yaris Y20 self-charging hybrid	PCP	£4,656.00	48	£149	£5,107.50	0.00%	30/09/2020
Kia Picanto 1.0 manual	PCP	£2,044.00	25	£174	£3,996.02	0.0%	30/09/2020
Suzuki Swift 1.2 Dualjet Hybrid SZT	PCP	£2,222.00	48	£179	£4,235.00	0.00%	30/09/2020
Mazda2 1.5 75PS SE-L	PCP	£2,497.00	48	£188	£4,599.00	0.00%	30/09/2020
MG ZS Exclusive 1.5 DOHC VTI-tech	PCP	£1,579.00	48	£189	£5,644.00	0.0%	30/09/2020
Ford Fiesta ST-Line Edition 1.0 3 Door EcoBoost 95PS	PCP	£4,934.00	36	£190	£6,966.00	0.00%	30/09/2020
Nissan Micra IG-T 100 Manual Acenta	PCP	£1,046.31	36	£199	£6,419.69	0.0%	30/09/2020
Top 10 models by lowest deposit							
Škoda Fabia Hatch SE 1.0 TSI 95PS	PCP	£0.00	48	£234	£4,682.70	4.30%	01/10/2020
Škoda Scala SE 1.0 TSI 95PS	PCP	£0.00	48	£279	£5,989.50	4.30%	01/10/2020
Seat Ibiza SE Technology 1.0 TSI 95PS	PCP	£0.00	48	£281	£5,271.30	5.90%	30/10/2020
Škoda Kamiq SE 1.0 TSI 110PS with Race Blue metallic paint	PCP	£0.00	48	£294	£8,055.90	4.40%	01/10/2020
Škoda Octavia Hatch SE Drive 1.5 TSI 150PS	PCP	£0.00	48	£313	£7,038.90	4.10%	01/10/2020
Seat Leon FR 1.5 TSI EVO 130PS	PCP	£0.00	48	£331	£7,007.40	5.80%	30/10/2020
Seat Arona FR 1.0 TSI 115PS	PCP	£0.00	48	£332	£8,307.00	5.80%	30/10/2020
Seat Mii electric	PCP	£0.00	48	£347	£7,756.20	5.80%	30/10/2020
Seat Leon SE Dynamic 1.5 TSI Evo 130PS	PCP	£0.00	48	£354	£7,840.80	4.00%	30/10/2020
Seat Leon Estate FR 1.5 TSI EVO 130PS	PCP	£0.00	48	£367	£6,501.60	5.80%	30/10/2020
Top 10 EV or plug-in hybrid models by lowest monthly payment							
Hyundai Kona Hybrid SE 1.6 105PS Petrol Blue Drive 2WD DCT	PCP	£4,000.00	48	£226	£9,427.28	4.80%	30/09/2020
MG ZS EV Excite	PCP	£4,412.42	48	£279	£9,018.50	4.90%	30/09/2020
Hyundai IONIQ Hybrid Premium 1.6 Petrol 141PS	PCP	£4,400.00	48	£297	£8,943.83	4.80%	30/09/2020
Honda e Advance	PCP	£6,018.50	36	£299	£15,860.58	5.90%	
Nissan Leaf 40KwH 150PS N-Connecta	PCP	£4,624.67	36	£309	£14,169.25	5.0%	30/09/2020
Nissan e-NV200 Combi 40KwH Visia 5 Seat	PCP	£7,582.38	48	£309	£10,032.46	4.99%	30/09/2020
Mini Electric Level 2	PCP	£4,904.00	48	£319	£10,794.75	5.90%	30/09/2020
Seat Mii electric	PCP	£0.00	48	£347	£7,756.20	5.80%	30/10/2020
Toyota Prius Plug-In Business Edition Plus	PCP	£7,957.00	42	£349	£13,725.00	4.90%	30/09/2020
Hyundai Tucson 48 Volt Hybrid Premium 1.6 115PS Diesel 2WD Manual	PCP	£4,909.25	48	£359	£10,666.67	0%	30/09/2020

Ibiza are all available for less than £300 a month with nothing to pay up front.

There's even a battery electric vehicle (BEV) in the 10 models by lowest deposit with the Seat Mii electric. In a month where BEV and plug-in hybrid demand has increased by 259.4% and 320.3% respectively, it's not surprising to see offers underpinning consumer interest. All 10 of the BEV or plug-in hybrid models in *AM*'s data are priced below the monthly average payment for Q3. Nearly half are available for less than £300 a month.

Some manufacturers have said that, while afford-

ability is always important, the combination of these enticing low cost of entry offers and the potential pressure on disposable incomes makes a watertight qualification and checking process essential.

Peter Allibon, Mazda UK sales director told *AM*: "We have found that customers reaching the end of their contract are happy to discuss their options."

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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

AVERAGES BASED ON 277 Q3 OFFERS

Average deposit: £5,680

Average monthly payment: £371

Average balloon payment: £13,476

Average term: 45

Average APR: 3.84%

Number of 0% offers: 56

Number of £0 deposit offers: 16

174 offers priced at the average monthly level or below

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VIEWPOINT



SO, WHY DID ONLINE CAR SALES 'DISRUPTOR' CAZOO BUY INTO 'BRICKS AND CLICKS'?

STEVE YOUNG, managing director, ICDP



KICKSTART SCHEME WILL REMOVE BARRIERS FOR DIGITAL-SCEPTIC RETAILERS

JEREMY EVANS, managing director, Marketing Delivery

→ Does Cazoo's recent acquisition of Imperial Cars serve to prove that a pure-play online used car retailer is not a viable business model?

Cazoo was established 18 months ago by e-commerce entrepreneur Alex Chesterman, the founder of Zoopla and, before that, LoveFilm. He clearly has a good nose for an opportunity in an established market, and on announcing Cazoo he said used car retail is "ripe for disruption".

Yet, just months after its December 2019 consumer launch, and after fund-raising rounds in March and June made it the fastest-ever British "Unicorn" (start-ups with a notional value of more than a billion dollars), Cazoo has bought a bricks and clicks player.

I think there are three lessons.

The first is confirmation that there is no shortage of money around to invest in automotive distribution. The billion dollar valuation was, presumably, based on investors' belief in the distribution model being broken, in the track record of the leadership, and in modest results that might best be described as a pilot.

The second lesson is that operations matter. The 'golden rules' for success in the used car

business include active sourcing of stock and appropriate preparation of cars for resale – an appropriate standard, affordable cost and a fast turnaround.

I understand Cazoo faced some challenges in buying stock, probably related to the need to build relationships with manufacturers, funders and fleets to get the volume of quality cars needed for a large-scale business, and they had outsourced preparation to BCA.

Imperial has these critical relationships for sourcing, and has two regional 'preparation factories' able to process several thousand cars per month. It also prepares high quality imagery that supports the digital channel to form a key part of its offer.

Without these additions, it is unlikely that Cazoo would have been able to grow to a scale that worried the large UK dealer groups and used car specialists (or justified their valuation).

The third lesson – albeit as yet unproven – is that the traditional business model is not fatally broken. It certainly needs to be improved, and Imperial is a case in point in that it has invested heavily in digital and kept its physical footprint relatively modest.

The acid test will be whether, under Cazoo ownership, the physical network continues to expand – demonstrating the need for an omni-channel offer – or goes entirely online.

My money is on the former – there are still not enough customers who want a pure online experience to create a large-scale used car business, or even more so, to meet the needs of a manufacturer for new car sales volumes.

→ As the sector emerges nervously from lockdown, dealers are reporting that the shift towards a digitally-led sales model for new and used cars is progressing far more quickly than many might have imagined just a few months ago.

Concerns about COVID-19 are evidently prompting an even greater proportion of consumers to enquire about stock, engage with the dealer, and even transact car purchases online.

In this context, the Government's new 'Plan for Jobs' strategy, revealed by the Chancellor on July 8, presents a major opportunity for forward-looking car retailers.

Under the new strategy, a new Kickstart Scheme paves the way for dealers to train up the next generation of sales and aftersales staff, where digital skills are placed at the heart of career development strategies.

Okay, so increasing headcount might not be at the forefront of dealers' minds now, especially when most are still contemplating when, or if, to bring staff off furlough. However, the £2 billion kickstart scheme is fully subsidised.

The Government will fund 100% of the national minimum wage for six-month, 25-hours-per-week job placements for 16-to-24-year-olds across the UK. What's more, it is also awarding a £2,000 bonus for each apprentice hired.

This is paid out in addition to the existing £1,000 bonus payment that businesses earn when taking on a 16-to-18-year-old apprentice.

Combined with an additional fund of £111 million, allocated for training, the Plan for Jobs strategy also means car retailers can provide these new apprentices

"PROVIDE THESE APPRENTICES WITH SUBSIDISED, HIGH QUALITY, DIGITAL-CENTRIC TRAINING"

with subsidised, high quality digital-centric training.

The scheme and accompanying investment in traineeships, therefore, represents a copper-bottomed opportunity for UK car retailers to take digital natives on board as apprentices.

As well as the general upsurge in volumes of digital enquiries, dealers are contending with expectations that digital enquiries will be responded to in a timely and personalised manner.

Dealers also need to be ready to respond – and remain on-brand – across a wide range of channels, including Facebook, SMS, WhatsApp and email.

Realistically, there is a limit to how many apprentices any business can take on to manage the sheer scale of the task. And that task is only getting bigger.

That's where digital tools come in. They can bolster outbound marketing activity and drive around-the-clock interaction with 'virtual showrooms'.

It is clear dealers will need a combination of tools and digitally adept staff to meet the needs of a challenging, rapidly changing sales environment. New technologies and the arrival of the kickstart scheme help remove the psychological as well as financial barriers for digital-sceptic retailers.

"THERE ARE STILL NOT ENOUGH CUSTOMERS WHO WANT A PURE ONLINE EXPERIENCE"



MERGER COULD PROVE THE BIGGEST DISRUPTOR IN RECENT HISTORY

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



Have we recently seen the most disruptive merger in the history of the retail automotive sector?

Being a university academic does not necessarily train you in the art of unsubstantiated speculation. Usually, I would want to have at least some data upon which to work and then to attempt to form an opinion.

However, in this case, I am going out on a limb. I believe that one of the most potentially ground-breaking shifts in the UK car industry took place during this outbreak of COVID-19.

I don't refer to the obvious issue that more people are likely to buy products online or that it has shown that dealerships can probably do with fewer, or at least different, types of staff. These are important issues that need to be addressed, but are not the ones I am thinking about.

I have been an admirer of Alex Chesterman as a disruptor and innovator within a number of business sectors. Until last December he had not been involved in the motor industry, but the change was signalled with his launch of Cazoo last December.

On the face of it, online used car selling was not particularly innovative even with the package being offered.

However, the success of Cazoo has been phenomenal, helped by the fact that its major competitors (the dealers) were shut due to the

lockdown. As reported in *AM* (July 14) Cazoo reached 'unicorn' status by achieving a market valuation of \$1 billion just six months after its launch.

So, Cazoo's recent acquisition of Imperial Car Supermarkets makes sense on the basis that its arrangement with BCA would struggle to handle such rapid growth and the obvious need for wider geographical distribution.

Again, one would question the claim that this acquisition would be a major disruptor to the retail automotive sector.

My assertion is based on looking at Chesterman's track record. He transforms and disrupts markets then moves on. He founded Zoopla, changed the estate agent landscape, then sold it. For me, the intriguing move was his setting up of LoveFilm and the fact that it was bought by Amazon to form the basis of its Amazon Prime Video offering.

In its new format, Cazoo, in tandem with Imperial's infrastructure, could, undoubtedly, be a major player in the industry for a number of years.

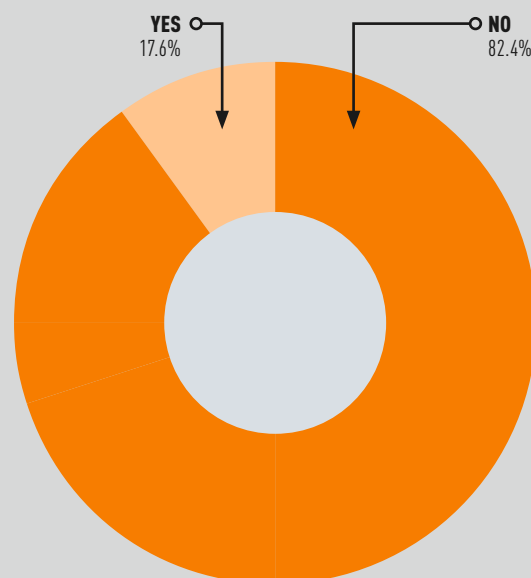
Now I have no idea if Jeff Bezos is interested in the car industry or not, but Chesterman now has a turnkey operation he can offer to anyone interested in entering it.

If Amazon is thinking of joining the car industry, then Cazoo's Imperial Cars link-up could end up leading to the biggest disruption our sector has faced in recent history.

"CAZOO, IN TANDEM WITH IMPERIAL, COULD BE A MAJOR PLAYER IN THE INDUSTRY FOR A NUMBER OF YEARS"

AMPOLL

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



September must be the critical month for UK motor retailers to grasp the remaining new car sales opportunities for 2020 after such a stormy spring.

Almost one million more new car sales are expected before the end of the year, according to the most recent forecast from the Society of Motor Manufacturers and Traders.

One third of those will likely need to come from the September plate-change campaign. Most assembly plants globally have re-started, so the cars are coming. But, crucially, dealers' need to keep a decent margin in every sale.

Yet the plate-change won't repair the damage done by the COVID-19 lockdown and its after-effects, many believe. "It will assist, but never generate enough profit," said one dealer who participated in the *AM* poll. He said used car sales could be the strongest opportunity to boost profits.

Another voter said he expects broader economic worries to leave September behind the 2019 result.

He added: "Many people are uncertain about their financial future and will restrict exposure to unnecessary debt. There will be greater demand for used cars for this and other reasons."

"Unless manufacturers reduce new car prices, introduce low cost finance deals and persuade the UK Government to introduce a scrappage scheme, new car sales will not take off. Then that will mean a lack of used stock, which is where dealers make larger profits."

NEXT MONTH: SHOULD THE PRODUCT GENIUS ROLE MOVE TO PURELY ONLINE IN THE FUTURE?

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Matching quality dealers with quality leads



search **heycar**

How heycar is bringing back the feel-good factor



It's easy to lose sight of what makes the automotive industry so special, particularly in challenging times.

That's why at heycar we're reminding people about the thrill of car-buying; the joy of a new set of wheels.

It's the driving force behind our latest £5million marketing campaign, which coincides with our first birthday.

The past 12 months have seen us generate £40million worth of sales per month for our network of 3,700 UK dealerships.

Over the coming year, we're determined to deliver even greater returns for our partners by boosting consumer confidence through supercharging our brand awareness.

Our new brand campaign - filmed in lockdown - will be live in multiple channels across TV, including video on demand channels, radio, Spotify, sponsorship, YouTube and our own social media channels.

Through these separate strands, we highlight the excitement and freedom unique to car ownership.

The campaign aims to drive fame for heycar, increase brand awareness and ultimately get more eyeballs on our dealers' stock by attracting more customers to visit our site by making heycar more

memorable.

It's further proof of how committed we are to bringing dealers and buyers closer together.

Our TV ad, which we shot in a socially-distanced manner during lockdown, highlights one of the great delights of driving - belting out your favourite songs.

It's supported by a competition through digital and social channels where members of the public will be invited to share clips of themselves enjoying their favourite in-car songs, alongside influencer activity.

Katie Wilson, our Marketing Lead explains: "Our aim is to continue to drive even greater numbers of car buyers to our network of quality dealers.

"Driving is one of life's great pleasures and there's nothing more joyful than hitting the

open road with friends or family and a top-notch playlist.

“While recent months have presented challenges across the industry, we want to remind people about all that's great about getting behind the wheel.”

All of this activity also coincides with fresh creative for heycar to ensure we continue to stand out in the industry. We remain committed to continually updating functionality on our website to improve the experience - this includes teaming up with leading automotive tech providers to give more customers the power and reassurance to potentially purchase online, alongside a 25% increase in listings with comprehensive video tours.

To date, heycar has received 16million visits to our website, with PR stories reaching 100million eyeballs in 2020 so far.

We're determined to find more innovative ways to engage with the car-buying public to increase visibility, customer awareness and the reputation of our dealers' high quality stock.

We're immensely proud of our role in driving the motor trade towards a digital future. Come along with us for the ride. It's going to be one hell of a journey.



The campaign leads with heavy TV investment to drive mass brand awareness.

PSA GROUP

AM
AWARDS: 2020
MANUFACTURER
OF THE YEAR

COVID-19 crisis requires agility, team effort, clear leadership and fast decision-making, says PSA Group's UK managing director and senior vice-president Alison Jones. *Sarah Tooze* reports

PSA Group's UK managing director Alison Jones is no stranger to crisis management. During her time at the Volkswagen Group in the UK she played a key part in handling the fallout from the emissions scandal in 2015. But she, like all senior leaders, is facing an unprecedented challenge with the COVID-19 coronavirus crisis, which forced dealers to close to all but key workers for 10 weeks and factories to temporarily halt production.

When AM spoke to her at the start of the crisis she said: "This is on a scale that many of us have never seen as a country and a community, so our biggest priority is to keep our employees and our customers safe so we're really focused on that."

"Then, secondly, it's how you can keep your business and your teams together and running and focused on what they can do. In any situation like this it's about coming together, having clear steering and then being able to move through the other side."

"But, you have to be very agile and our values within PSA are agility and efficiency and winning together and I think that is very apt at the current time."

"It's very much a team effort with clear



IT IS KEY THAT WE START TO SEE THE PULL THROUGH THE SYSTEM AND THAT WE SEE DEMAND FOR NEW CARS AND VANS IMPROVE. THIS WILL GIVE US THE ABILITY TO SUPPORT RETAILERS AS NEEDED
ALISON JONES

leadership, fast decision-making, but very robust decision-making."

Earlier this year, Jones, who leads the Citroën, DS Automobiles and Peugeot brands in the UK, told AM she was planning for around a 96% decline in new car sales during lockdown – a stat that proved pretty accurate (April later delivered a decline of 97.3%, while May was 89% down year-on-year).

Following the re-opening of dealerships, sales in June were down 34.9% year-on-year, and Jones said that Citroën and Peugeot had "slightly increased" their market shares.

She is still anticipating new car sales being down by around 27% for the year from 2019, and vans dropping 28% (in line with the latest forecasts from the Society for Motor Manufacturers and Traders).

Her aspirations for Peugeot, Citroën and DS are to be "in line with the market".

PSA Group has continued to support its retailers during the crisis by setting lower targets and extended payments.

Jones said: "We constantly review how we can support retailers."

However, she added: "It is key that we start to see the pull through the system and that we see demand for new cars and vans improve."



"This will give us the ability to support retailers as needed."

All of PSA's retailers have used the Government's Coronavirus Job Retention Scheme and investors also "reacted quickly and decisively to protect their cashflow to mitigate the impact on their cash reserves", according to Jones.

She considers Government support at the start of the pandemic to have been "essential to our sector" and "is appreciated".

She also welcomed the support for apprenticeships announced in the

KEY PRODUCTS



Peugeot 3008

After years of reliance on its small cars, Peugeot has found a sweet spot with this bigger-ticket SUV, which is now its top seller, thanks to great styling, powertrains and effective marketing.



Citroën C3

This Fiesta-rivalling B-segment hatchback accounts for almost one-in-four Citroëns sold, and is popular among fleets as well as private buyers.



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Chancellor's recent summer statement.

However, she added: "As we look towards the next six months and consider the challenges, recovering from the current pandemic, ensuring that the country is not hit by a second wave and the outcome of Brexit, it is critical to have certainty of what Government support packages will be in place for our sector."

Jones acknowledged that some retail groups have already publicly announced that they will make redundancies and that, like many businesses in various sectors

impacted by the crisis, "retailers will need to adapt to changing demand levels to ensure sustainability".

She advocates regular communication and said PSA has been working with its dealer council during the crisis and speaking to investors on a regular basis.

At the start of lockdown, Jones was chairing a weekly call to keep staff up to date with the crisis in the UK, what was happening within PSA in the UK and what was happening within PSA globally, and then giving them the opportunity to ask questions.

She had feedback from staff that that was "really useful".

"We still have frequent employee calls typically every two/three weeks and an active Yammer social portal," she said.

Similarly, communication has continued with customers through social media channels, the brands' websites and retailers' websites.

Jones said some dealers had taken the opportunity during lockdown to introduce live chat to their websites.

PSA, too, decided to invest in new



DS7 Crossback

A flagship SUV to rival the likes of the Jaguar F-Pace and Audi Q3, this well-equipped car is a statement of the DS brand's premium-segment intent.



Peugeot Partner

Vans are a crucial part of PSA's business, none more so than the Peugeot Partner, which outsells all in its segment with the exception of the Ford Transit Connect.

Discover why, search **'AutoProtect case studies'**



technology, launching a virtual showroom service, which allows buyers to receive live tours, interact with brand specialists and book test drives online. It is open seven days a week, from 12pm to 8pm, with customers able to log on via the main brand websites.

It follows the launch of similar services by Volkswagen Group brands Seat and Škoda, Renault and FCA Group.

Customer feedback on the new service has been "extremely positive", says Jones.

"They find it easy to use, like that it is not a 'hard sell' and have a very personalised experience where we address specific customer needs," she said.

"In addition, when we pass details on to the retailers, the leads are far more qualified and likely to convert to a sale."

Jones declined to give online sales figures, except to say that "the proportion of online sales is increasing all the time and we are very happy with how they are progressing".

Online has also played a role in communicating with customers about the reopening of showrooms with videos for all the brands showing what to expect from both a sales and aftersales perspective.

During lockdown, service maintenance

and repair (SMR) was available for keyworkers and workshop staff had to adapt to new ways of working.

"We were able to provide our repairer networks with support on how to operate safely using adapted protocols, visual aids and access to PPE (personal protective equipment) that has allowed them to reassure their teams and customers during the lockdown," Jones said.

"Since the start of June, demand for workshop booking has been high and, as a result, we are operating in a far more disciplined way such as dedicated appointment times, to ensure we adhere to the guidelines."

PSA's network is now "100% open across sales, aftersales and our independent parts business". In re-opening, PSA's retailers have "taken all the required health and safety guidance provided by the Government", Jones said.

From a test drive perspective, the cars and vans are fully disinfected and/or fitted with protective coverings before use, the sales staff sit in the back of vehicles with PPE, and, if weather permits, windows are kept open. Customers are also required to wear PPE for test drives.



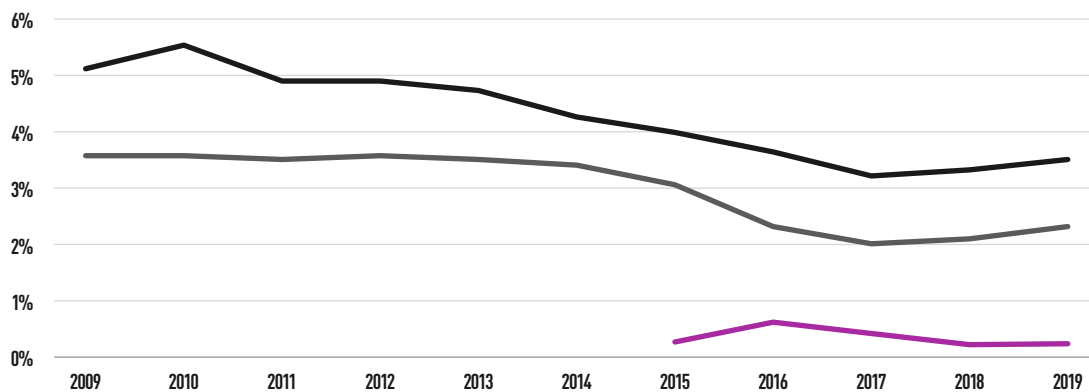
All handovers have become more digital with the use of product videos and when sending documentation.

Vehicles can be delivered to home addresses rather than being handed over in the showrooms, if required.

To encourage customers back into showrooms there are a range of offers, which Jones dubs "reassurance packages".

These are 'Park the Payments' (a three-

UK NEW CAR MARKET SHARE



PSA Group has lost market share to premium brands and sacrificed some in order to secure profitability

Peugeot
Citroën
DS



Peugeot, Citroën and DS brands now appear under the same rooftop at various locations across the UK



month payment deferment) for Peugeot, Citroën 1 2 3 (a £1,000 deposit contribution, two years' free servicing and three months' payment deferment), and for DS Automobiles, 'SimplyDrive', which provides an all in-one-package of three years' insurance, servicing, roadside assistance, warranty and road fund licence in one, fixed monthly payment.

Jones said that customers have been particularly interested in these packages, alongside low emission vehicles.

"Peugeot retailers will soon be seeing the next step in our electrification journey with e-2008 and the electric versions of e-Dispatch and e-Traveller," she said.

"Citroën has just unveiled the all-new electric e-C4 and C4 hatch that will be a *tour de force* in the C-segment, which makes it a really exciting time for Citroën when you add these models to the high level of

personalisation and comfort across the range.

"DS introduced the E-Tense range just before lockdown that is a significant proportion of their sales, and very relevant powertrains for customers."

The launch of new models has been delayed by the period of factory lockdown and lead times on factory orders vary from model to model.

However, retailers are now geared up for electric vehicles (EVs) with charging infrastructure available across the entire network.

PSA recommends dealers make their charging points free for customer use and customers also benefit from a six-month free subscription with the Polar network.

Jones acknowledged that some dealers have concerns about the SMR side of EVs, both in terms of revenue and keeping in

contact with customers as they might not be bringing vehicles in as often.

In her view, connected systems and apps will play an important part in addressing the latter. But dealers will need robust plans to maintain aftersales income.

The COVID-19 crisis has already highlighted the benefits of using technology but Jones still believes there is a place for physical showrooms in future car sales.

It is important that car sales are "really convenient for customers" and are done in the way that customers want, she said.

"So there will be online, we can see that growing now. There will be physical hand-overs. There will still be a place for showrooms.

"What you'll find (in future) is a blend of all those things and the COVID-19 shock may accelerate some of that, but in a positive way for our customers and our industry."

TEAMS ADVOCATE JONES HAS WORKED IN AUTOMOTIVE FOR A QUARTER OF A CENTURY

Alison Jones has worked in the automotive sector for 25 years, 21 of which were spent at the Volkswagen Group, latterly as Volkswagen UK managing director.

She was lured to PSA Group in February last year by the prospect of the organisation's "massive potential" and taking on a "bigger, more complicated job".

The group's profitability improved markedly in the first half of 2019, contributing to the *AM* judges naming PSA Group 'Manufacturer of the Year' in February this year.

The judges also acknowledged that the group had become "a significant consolidator of the automotive industry", following its acquisition of Opel Vauxhall in 2017, which has brought synergies and product development opportunities that all its brands are benefiting from.

Although the brands are run

separately, with Stephen Norman at the helm of Vauxhall, there has been integration in certain areas such as network development and parts distribution.

"It is better for network development to be integrated because one investor can have one conversation about physical showroom, aftersales workshops, and that makes more sense from an efficiency perspective," Jones said.

"The specialism of aftersales lends itself to being integrated. So we do it where we can get an efficiency and a benefit for our investors. Typically, customer-facing sides are not so."

Winning the *AM* award was a "a great accolade" for the PSA Group, Jones said, as it "demonstrates the effort and how far everybody has come over a number of years".

On a personal level, Jones was

named Cox Automotive's Barbara Cox 'Woman of the Year' in March.

The award recognises a woman that demonstrates a commitment to innovation, leadership or community. The judges highlighted Jones's role as vice-president for the Institute of Customer Service, her support for charities such as CALM (Campaign Against Living Miserably) and mentoring, in addition to her "exceptional leadership skills, strong customer and team ethos, and impressive results".

"I am a strong advocate of teams," Jones said. "To deliver results you need groups of people with the skillset or the aptitude or the downright determination to deliver and that's what I've worked to do – I seek them out.

"I have no interest in working my way through a hierarchy to speak to any of my team members, I speak to them directly."





MINUTES WITH...

Adele Feeney, Reynolds
and Reynolds UK MD



What has been the biggest growth opportunity for the business over the past 12 months?

We took the decision three-to-four years ago to invest in the HGV dealer management system (DMS) sector. We'll start the rollout for that in September. Some other products can just be converted car DMS, but we know these retailers have very specific requirements and so it's been developed with their businesses in mind. In hindsight, it's been fortuitous that we have invested in the commercial vehicle sector because those retailers have not been as badly affected as the car market. A lot of the HGV specialist dealer groups kept running to help the logistics sector keep moving during the lockdown and they continued with sales, too. We now have 50% representation of the Daf network and we're also working with the other manufacturers like Iveco and MAN.

Retailers use so many different systems to aid their businesses. What are you doing to help cut admin?

The utopia for us is having a single point of data entry no matter what application it is you're using. So, we've been working on that project for a long time with our own products so now, when you have a single point of data in Contact Advantage, that will speak to every one of our other systems like Power DMS or Retail Management System (RMS). There is no rekeying of data.

What about third party integration? This is an area some dealers get frustrated with.

We are open to third-party integrations with our systems because there's no point fighting against that. What we're working

WE'RE FOCUSED ON ORGANIC AND PROFITABLE GROWTH AND MARKET SHARE DOESN'T COME INTO OUR KPIs AS A BUSINESS

ADELE FEENEY

on now is making sure that works with third party solutions too in the same seamless way across all our systems. That's always a movable feast, so we'll look at integrations if we have an OEM preferred solution or if there is a solution that 10-20% of our customers are using.

Retailers often tell AM that swapping DMS providers can be one of the most difficult things a business can do. Is it getting any easier?

Any change to that level is going to be difficult to a degree, but I feel like we've put measures in place to make the transition as smooth as possible. We always say there's a minimum of 16 weeks from signing the contract to going live and we will never deviate from that. You need that time for the systems to bed in, for everyone to familiarise themselves with the new software and, more importantly, for the dealer group to be ready. Provided the customer follows the project plan timeline there shouldn't be any problems with switching systems. I would be happy for any one of our customers to chat to a prospect about how we performed when it came to switching their DMS to Power.

Contact Advantage has been part of the business now for almost five years. How are you making sure it's a product that is staying at the forefront of the customer relationship management (CRM) market?

We're actually looking to roll out a major update for Contact Advantage and, while the company name will remain, the changes have been so comprehensive, we're calling the product Claro. We hired a user interface and digital design expert and it's made the management dashboards really intuitive. Claro is in pilot now and we'll start rolling that out across our customer base at the end of September. Claro allows for a high level of customisation with data and what users want to see in their reporting. It means we can get really specific on the types of things specific job roles want to see when they get to their desk each morning.

What are your aspirations for taking market share in the UK?

To be brutally honest, we really don't think about market share when it comes to our growth aspirations. We're focused on organic and profitable growth and market share doesn't come into our KPIs as a business. Having that focus on trading profitably and aligning our cost base to income we can guarantee has set us up really well to perform when the market is hit with challenges like the recession or now with the COVID-19 pandemic.

How has the business been affected by COVID-19?

We haven't really put anything on hold. Development and recruitment has continued and we were in a position where we didn't need to furlough anyone on the team in Birmingham or Glasgow. We have

FACT
FILE

HQ BIRMINGHAM
AND CONTACT
ADVANTAGE IN
GLASGOW
NO. OF STAFF 195

recruited 12 new starters during lockdown. Our IT team managed to get us up and running within 48 hours of the lockdown. Our chairman looks at downturns as the time to over-invest and that's set our business up well to be resilient. As a private company, we can dictate our own future and we have remained acquisitive with Go Moto in February. This is another fortuitous move as that business helps facilitate self-service with workshops so customers can check-in on touch-screens and drop off keys or pick them up when collecting their car. We're working on customising the software side now for a UK launch before the end of the year.

What measures did you put in place to support dealers during the lockdown?

We were really proactive with support measures by pausing all charges for two months with the agreement of a short extension to contracts on the other end. We have customers that have their server hosted online with us or some have their own physical servers. For those online, it was easy for them to transition to working from home during the lockdown, but we supported those with physical servers by facilitating the ability to connect to their systems remotely. Those physical servers also need manually backing up so we offered that service for free where we would normally have charged for it. Some needed more licences to add access to their systems for those working from home, so those were made free too.

Do you think there have been any positives for automotive retailers as a result of the lockdown?

I think expectations of suppliers are higher now than they have ever been. When dealerships were closed and some staff were furloughed, the senior teams at dealer groups took that time to further review their business and supplier relationships. It's definitely prompted the thought process to look at how we can help drive further efficiencies for dealerships. They're looking at their supplier relationships and value very closely right now. You're always striving to have customers use 100% of your product's capabilities and it's very difficult to reach that, but I think lockdown has definitely put a focus on groups wanting to get the most out of what they have paid for.

THERE MIGHT BE A SMALLER NUMBER OF DEALERS OUT THERE, BUT I THINK THAT ALWAYS CREATES OPPORTUNITIES
ADELE FEENEY

What do you think are some of the biggest threats to the automotive retail model?

There's an inevitability that the lockdown will make people even more comfortable with completing transactions online. Things like electronic signatures and e-deal jackets are becoming more commonplace and I think that's something that will gain more traction in the automotive retail market. There is probably going to be a different commercial model between OEMs and dealers on new cars. I can also easily see how the next generation of car buyers will move from HP, to PCP, to PCH to a frictionless subscription model that's packaged in the right way. I still think there will always be a place for dealerships and as long as the industry embraces change, which I think it always has done, then online sales doesn't have to be a threat.

What is the biggest threat to your business?

There is a lot of consolidation going on right now between brands like PSA and Vauxhall and FCA. There have been withdrawals from the market like Mitsubishi and manufacturers are looking at rationalising their UK dealer networks. So, there might be a smaller number of dealers out there, but I think that always creates opportunities too. If the networks are changing that also provides opportunities to review suppliers. Another threat for everyone in the industry is delaying decisions and pushing back install dates. Everyone is in that same boat but it's only going to be temporary so it's not something we're overly concerned about. It's difficult to say when that might change but I'm optimistic by the start of next year the confidence levels will return and the level of uncertainty everyone is feeling may improve. There does come a point in time when, as a business, you have held off on a decision as long as you can and you just have to start moving forward. **TOM SEYMOUR**

ADVERTISING FEATURE

Demand remains high in BCA's online Top Car sales programme

By Stuart Pearson, BCA COO UK Remarketing



BCA is reporting continuing exceptional levels of interest from buyers for prestige, performance and luxury vehicles, with the BCA Top Car sales now being staged every Thursday at 1pm to meet demand.

Sales are staged entirely online, with buyers logging in safely via BCA Online or the BCA Buyer app to compete for stock.

The BCA Top Car sale offers an exceptional choice of luxury, prestige and performance vehicles and these online weekly sales are generating a genuine buzz among our buyers.

Vehicles are entered for the Top Car sales by specialist sellers of prestige, performance and luxury vehicles including Porsche Financial Services, Bentley Financial Services, UKcgr, BCA Outsourced Solutions and Alphaera.

There is also stock entered from fleet, finance and dealer vendors, all typically valued in excess of £25,000 with a comprehensive service history and warranted mileage.

Vehicles on offer include Aston Martin, Audi, Bentley, BMW, Jaguar, Lamborghini, Land Rover, Lexus, Maserati, McLaren, Mercedes-Benz, Porsche, Tesla and Volvo models. The highest value car sold since BCA sales went exclusively online was a 2018 Lamborghini Aventador that realised £222,000 in July.

There continues to be 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.

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



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SPOTLIGHT:

CUSTOMER EXPERIENCE

Going the distance on satisfaction measures

We look at some of the ways in which dealers are still striving to engage and impress sales and service customers

ISTOCK.COM/DUSANPETKOVIC



TRADING PROFITABLY

'NEW NORMAL' IS PLACING A STRAIN ON RETAILERS WHO ARE HAVING TO RETHINK TRIED AND TESTED PRACTICES

PAGES 32-33

A CONTACTLESS SOCIETY

FACE-TO-FACE CONTACT BETWEEN DEALER STAFF AND CUSTOMERS HAS ALWAYS BEEN IMPORTANT ... BUT WHAT HAPPENS NOW?

PAGES 35-36

THE OEMs' PART IN RECOVERY

CARMAKERS ARE KEEN TO SEE SHOWROOM STANDARDS MAINTAINED, BUT WITHOUT BEING HEAVY-HANDED

PAGES 39-42

Strain of continuing to trade profitably in a new socially distanced world

Retailers have had to rethink many tried and tested practices as the need for customer and staff safety has come to the fore

M

otor retailers have been forced to rethink their entire sales and service practices and strategy, as a direct result of COVID-19.

The requirement for social distancing has compelled dealerships to implement a raft of measures and install the necessary equipment to protect customers and staff.

As a result, most dealers have switched to a fully appointment-based model, limiting the number of customers on site at any one time.

It has also meant staff have had to be more efficient than before when dealing with customers: starting and finishing appointments on time, and maximising their time spent with them.

Retailers have also tried to minimise physical contact between staff and customers for safety reasons by continuing to provide the likes of collection and delivery.

However, this has all come at a great cost to many dealers, meaning a complete overhaul of their traditional way of doing business. It also puts a strain on cashflow and efficiency, although many have successfully adapted to this new normal.

Perrys Group managing director Darren Ardron said COVID-19 had forced him to re-evaluate his whole business and he found that many non-essential costs could be stripped out. He has also been able to make greater efficiencies by running on reduced capacity.

"We have all realised that from now on we have to run a very tight ship," said Ardron.

"Accordingly, we have had to adapt our business model and do a lot more work on an appointment basis, allowing us to allocate our resources more efficiently."

Another lesson learned is the need to communicate clearly to the customer so they know exactly what to expect, said Ardron. This level of communication has extended to management and staff, with the adoption of Zoom and Microsoft Teams across the group, to reduce expenses such as travel, he said.

"If you tell the customer what to expect, usually they are fine with it," said Ardron. "It's when you don't keep them in the loop that you get yourself into hot water."

CLOSING ON SUNDAYS

Perrys is currently piloting Sunday closures across 10 of its sites to see what effect it has on weekly sales. While it hasn't made a noticeable difference to sales, Ardron said that it has freed up staff to cover during mid-week, when they are needed most.

"We saw that Sundays weren't particularly busy for us," said Ardron. "So, if this is successful, we could roll it out to all 50 of our bases, meaning the 100 or so staff who normally work Sundays can be better deployed to cover mid-week as our call centre deals with Sunday enquiries."

Clive Brook, managing director of Clive Brook Volvo, said customers have been very understanding of the situation. He has already received much feedback, praising him for the work he has done to put them at ease.

"We have seen an awful lot more of it, and not just in response to marketing questionnaires," said Brook. "You can see and hear that from customers who have been elsewhere and didn't feel comfortable or were turned away because perhaps the set-up wasn't as structured."

"Because customers can see the effort and energy we are putting in to keep them safe and still deliver the best service, they are much more respectful of our time. That means they are arriving and leaving on time, as well as more focused on what they want."

Initially, Brook's biggest concern was over unaccompanied test drives, because there's less control of the sales process, and being able to point out the car's key features and benefits.

But his fears have been allayed, with conversion rates significantly increasing as, he said, the customer feels more relaxed driving on their own.

"Efficiency has become a greater part of our culture, now," said Brook. "We've become more assertive in our approach to dealing with customers too, particularly in respect to the customer keeping appointments."

"In return, customers are remembering what we have done to help them and have shown loyalty by coming back to us, while enquiry rates are up 60% on last year. It's a clear sign that everyone is embracing this change together."

Jonathan Gravell, managing director of Gravells, said that because his business was

“WE HAVE HAD
TO ADAPT OUR
BUSINESS

MODEL AND DO A LOT
MORE WORK ON AN
APPOINTMENT BASIS,
ALLOWING US TO
ALLOCATE OUR
RESOURCES MORE
EFFICIENTLY

DARREN ARDRON, PERRYS

primarily focused on cash management, he has been reviewing efficiencies and controls in every department. That has also meant increasing productivity across all roles, he said.

As a result of COVID-19, Gravell said his business has had to improve its sanitisation processes too. He has also been proactive in reassuring customers that all services are operating safely again.

“We’ve spent a lot of time putting COVID-19-safe processes in place across our dealership group; screens, sanitisers, personal protective equipment where needed,” said Gravell. “We’ve also enhanced cleaning routines, as well as communicating the new processes with returning staff and reassuring customers.”

CHALLENGING RESTART

However, because at one time he had no firm reopening date, the restart was very challenging, said Gravell, with the need to regularly adapt and update his plans. It has also increased the pressure and stress on staff, he added.

Thanks to strong customer confidence and support, however, sales and service work has exceeded initial forecasts, said Gravell. But none of that would have been possible without all the planning and reorganisation that has gone on behind the scenes, he said.

“All staff have shown incredible flexibility in adapting to the new challenges,” said Gravell. “There continue to be new challenges every day and we continue to make small changes and adapt. Many retailers will be under extreme cashflow pressure come the fourth quarter, so strong processes underlined by a great customer experience will convert more opportunities, generate more revenue

and reduce the cost of sale.”

Karl Davis, managing director of Coachworks Consulting, said that because of continued anxiety among those at risk from the virus, the sales process across all departments needs to be as efficient as possible to make them feel safe. Dealers have responded with measures such as better publicised click and collect services and seven-day return policies, he said.

“The use of video has increased and leading suppliers like CitNOW have stepped up with the online training support that they offer,” said Davis. “Split shifts in after-sales have also provided longer opening hours, while supporting social distancing.”

Retailers have, said Davis, proven how quickly they can adapt to new ways of working. However, he added, they need to be consistent in the delivery of all their processes.

“Dealers can overcome this challenge by clearly setting out the process and what’s expected, and then making sure all colleagues comply,” said David. “Also they need to create a culture of constantly checking and assuming nothing.”

“These processes need to be backed by spending a moment or two concentrating on the customer themselves, rather than their car needs, process or data capture.”

The challenges faced by the automotive industry have fundamentally changed in

recent months. But so has dealers’ resilience and ways of overcoming them.

Ardron concluded: “This has served as a pause and reset moment for the industry. It has allowed us to take a forensic look at our business and decide what is important moving forward.” ALEX WRIGHT



ISTOCK.COM/SIDEWAYSDESIGN

Improve your customer's digital experience

Employ digital tools to carry out some of the 'heavy lifting' on marketing

By **Jeremy Evans, managing director at Marketing Delivery**

Lockdown has taught us many lessons. Chief among them is that dealers must be able to engage more effectively with customers via digital channels. Despite showrooms reopening, many consumers will continue to communicate with dealers – and, increasingly, transact the purchase of a car – from the comfort of their own home. However, they will continue to demand high levels of customer service in terms of personalisation and speed of response.

Managing enquiries as normality resumes

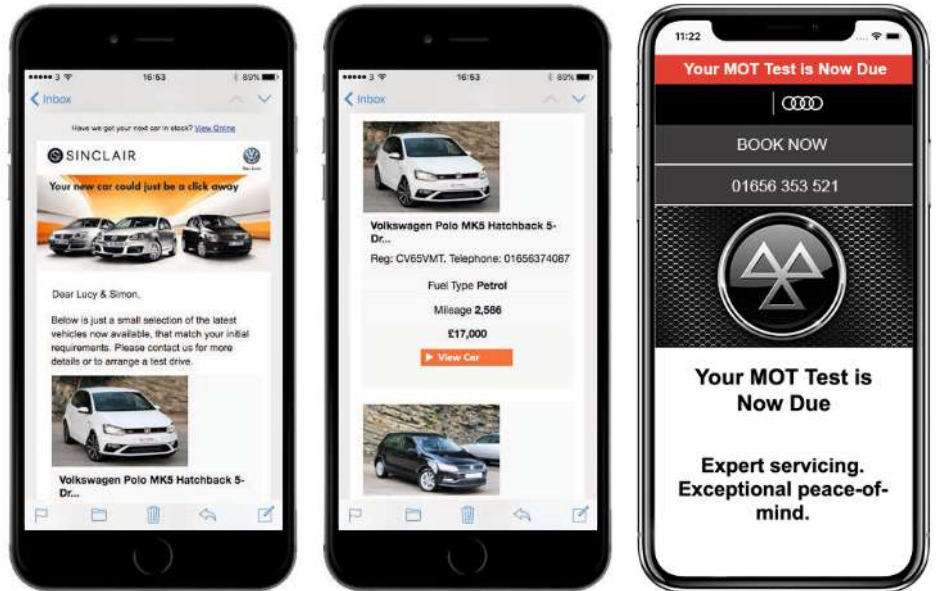
In the coming weeks and months enquiry levels are likely to plateau. With customers unable, or unwilling, to spend time in showrooms, dealers need robust digital tools and processes to build productive interactions with prospective customers.

Digital lead management tools can collect, cleanse, process and prioritise customer information, and ensure appropriate consents are captured and stored to aid seamless customer contact.

Prioritising genuine sales leads

Even during quieter times dealers have plenty of enquiries to deal with. Now, after lockdown, these increasingly stem from a diverse range of channels. Instead of walk-ins, dealers can now expect to field greater enquiry volumes from Facebook, text messages and WhatsApp, email or phone.

As well as offering meaningful interaction to every potential buyer, dealers need to prioritise and direct the hottest leads into the sales pipeline. While that may seem a daunting prospect, especially where staff remain furloughed, digital automation can take up much of the strain.



Both during and after lockdown, many dealers using Marketing Delivery's Car Alerts system have noticed growing interest in used stock.

Car Alerts uses programmatic email campaigns to keep prospects up-to-date with new vehicle stock and price changes on existing models, tailored to the prospect's original enquiry.

A new element to the Car Alerts system, called 'Real-time Click Alert', detects when a prospect opens an email and views an available vehicle. This then automatically sends an alert to the dealer with the customer's contact details and the specific model they have viewed, helping sales teams target customers actively looking to make a purchase.

The MOT/plate-change bottleneck

Later in the year, workshops can expect an influx of new MOT business, as the Government's temporary extension draws to a close.

Couple this with significant volumes of expiring MOTs, the usual number of service bookings, and anticipated high

demand in September, and dealers could face a bottleneck as they deal with substantial volumes of both sales and aftersales enquiries.

Programmatic email campaigns can once again help process much of this business. For instance, automated MOT reminders can provide customers with a clear call-to-action to book an appointment online, rather than relying on the service desk to proactively make individual calls themselves.

Digital tools can also take care of the 'heavy lifting' for outbound marketing activity, driving interaction with a 'virtual showroom' around the clock.

Automated sales and aftersales campaigns can help dealers retain a personalised approach for their customer contact, delivering messages in a timely and targeted manner but with less time and labour required.

Facing unpredictable enquiry volumes for sales and aftersales teams, and adopting an automated, personalised approach to customer contact could make all the difference.

For more information please call 01892 599 917
or email: get.in.touch@marketingdelivery.co.uk

Marketing Delivery

DATA DRIVEN MARKETING



Customer experience – magical touches in a contactless society

Dealerships re-evaluate how best to interact with customers. **Debbie Kirlew** reports

The global pandemic has changed how business is conducted in every sector across the world. But for automotive retailers, where face-to-face has maintained its potency even in the digital age, it has resulted in a huge transformation.

Traditionally, car buyers would be invited on site for a test drive as soon as possible, even if the bulk of the research and enquiry journey had taken place digitally.

Key to strengthening relationships during the ownership cycle, service customers were always encouraged to come in, but now we have to keep our distance. In fact, as I write, I am sat in my own pod in Jemca


Toyota's Edgware Road service centre.

Previously, my car would have been parked for me and I would be shown into a communal waiting area. Today, I parked the car myself and was shown to a service advisor ensconced in his own booth via a one-way system with my place to stand marked out and my facemask in place. A very different experience. However, staggered and specific appointments mean my car will be completed within a set time-frame, limiting my time in the centre so I can better plan my day.

Toyota Edgware Road is part of the Jemca Car Group with 11 Toyota and Lexus centres in and around London. Delighting customers in the coronavirus era has been delivered

both physically and digitally. Opening from 7am until 8pm helps spread appointment times, giving customers confidence to visit but is also alleviating staffing issues.

General manager Diana Mackinnon said: "Following reopening, we were sending customers away because we didn't have enough sales people. Now we have recruited additional team members and introduced four shift patterns to cover the extended opening and weekends.

"Coronavirus gave us the opportunity to press the restart button. We have done away with the fixed day off during the week which for a sales team of our size was causing problems before the pandemic. Together with sickness, 

SPOTLIGHT:

SAFETY POST-COVID-19

Cholidays and training, having a fifth of sales executives on their fixed day off meant we could be operating at less than a third of the team. The new shift pattern means we can deliver a higher level of customer service because we are better managing our resources.”

The sales team has also embraced the virtual appointment. Utilising Microsoft Teams on their iPads already in use, sales executives are providing vehicle walk-rounds without the need for a site visit.

Mackinnon added: “Retail was moving in that direction, anyway, but the pandemic has moved it along at a rate of knots. Around 75% of virtual appointments result in a physical visit so they haven’t been replaced, but it is helping to move people along the sales process at a distance.”

Group-wide, the digital marketing team has enhanced the business’ online presence including hosting the Toyota network’s first virtual unveil. A sophisticated, high-tech 3D virtual rendering of the newly launched Yaris was created, allowing browsers to explore the car from all angles and focus on specific design details otherwise only achievable through a full video shoot. A targeted Facebook campaign yielded 191,558 impressions with a reach of 102,222, netting 1,298 link clicks.

Group digital and social media manager Thomas Gilpin said: “The model has been put in front of an incredible number of people who may otherwise have not taken a look.”

At Luscombe’s Suzuki, Mitsubishi and MG dealership, video calls are made via Whats App, Facetime and Zoom on a grander scale. Part-exchange appraisals and option discussions are still face-to-face, but by video which is proving better than email. Other initiatives include a pre-visit video for service customers explaining where to drop the car off and the measures taken to keep customers and staff safe. A technician’s appraisal video for used cars has also been introduced, providing additional confidence in the car under consideration.

Managing director Robin Luscombe said: “We have had great feedback from these and it has significantly improved contactless sales. We mix the new digital bit with the old fashioned, friendly people bit. It is still very much led by the people in the business, but utilising digital. Digital car retailers can’t do that because they are sat in an office and they can’t show someone around the car digitally nor can they appraise a car.

“If the customer is having a video conversation with the salesperson and they ask specific questions, the sales person can show them as part of the call. It’s a blend of both worlds and it will be here to stay.”

At Devonshire Motors, managing director Nathan Tomlinson and his team have adapted its personal and bespoke customer

care resulting in an even more individualistic approach where employees really listen to a customer’s needs.

Tomlinson said: “At the end of March everything we took for granted in terms of providing a hosted customer experience changed. But what absolutely didn’t change, and, in fact, has become even more important, is familiarity, trust and empathy.

“Almost every customer is different – in terms of their expectations and also in terms of their requirements. By continuing to be personal and tailoring everything we do to suit each individual, rather than implementing an across the board approach, we have seen exceptional customer feedback and built stronger relationships than ever.

“Digital has played a huge part in providing a great customer experience and we have been keen to prove that digital can be personal and bespoke too.”

The business has not introduced full end-to-end solutions since its customers found fully automated online processes uncomfortable and difficult to trust. Instead, consumers are provided with all the tools and information online with full transpar-

“WE MIX THE NEW DIGITAL BIT WITH THE OLD FASHIONED, FRIENDLY PEOPLE BIT. IT IS STILL VERY MUCH LED BY THE PEOPLE IN THE BUSINESS, BUT UTILISING DIGITAL

ROBIN LUSCOMBE

ency and the ability to go as far along the process digitally as they like with the option to switch at any time.

Digitally, Devonshire Motors is available up to 10pm every night of the week to provide bespoke quotes, offers and guidance while home or work test drives are available seven days a week. The enquiry and order stages are further supported by Marketing Delivery, enabling automated communications to blend seamlessly with the personal touch which has proved invaluable in bolstering its contactless customer experience.

John Clark Motor Group has ramped up its use of CitNOW’s suite of video products to enhance its contactless customer experience, including preparing customers for unaccompanied test drives by showing the car’s controls and features and responding to queries without physical contact.

Colin McAllister, group training and development manager, said: “With Live [CitNOW’s live chat video tool], salespeople can really show their true personality and connect with customers as they would in the showroom.

“The whole sales process is shortened and sped up, arriving at the final stages of a transaction far more quickly.”

The first time sales manager Craig Oliver used Live at Volvo Edinburgh, the customer placed the deposit on a £45k car in the showroom on the call.

He said: “I performed a walkaround, explained a few key features and benefits and handled any objections on the spot.”

The group is about to pilot CitNOW’s new desktop application which allows a sales executive to go through vehicle details with a customer remotely, sharing on screen the vehicle configurator and specifications, as well as finance options.

McAllister added: “We have lots of customers who live a two-or-three-hour drive away, so it makes a huge difference being able to do all this at a distance.”



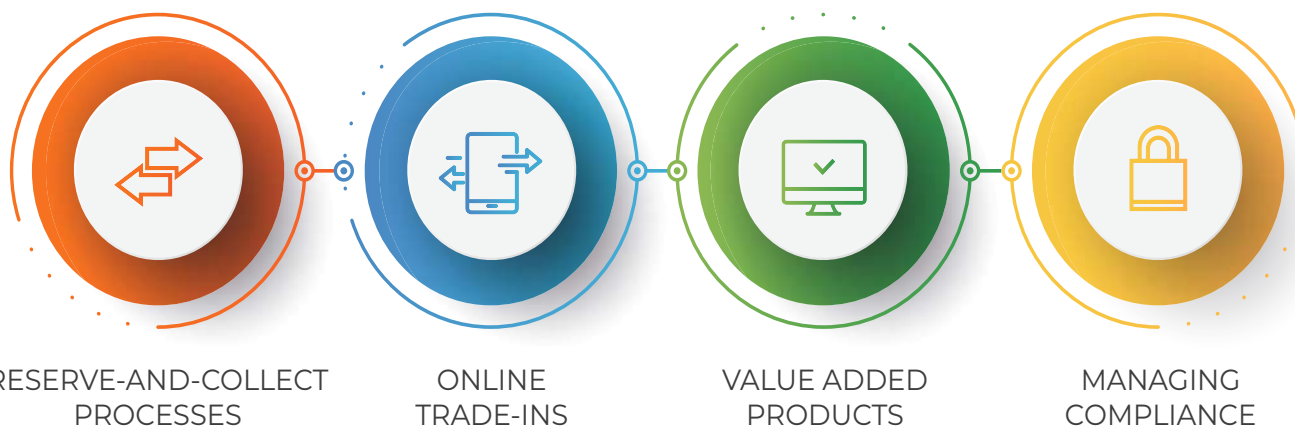
The four new areas to tackle in post-lockdown online motor retail

In the post-lockdown new normal, online motor retail has become crucial to dealers. With many adopting reserve-and-collect models, the already-important digital experience has rapidly become essential to retailing cars and vans.

This has meant a large degree of quite radical change in a very short period of time and inevitably, some elements of the new sales processes retailers are putting in place are working better than others, as technology is adopted much more quickly than in usual circumstances.

There are certainly important areas where we are seeing strong results such as finance quoting, eligibility checking and finance applications. Here, we are experiencing record-breaking numbers being processed by dealers using iVendi technology. For example, one in four consumers are now completing their own application forms online.

However, there are also other points where some dealers seem to be encountering issues. Below are the four most common concerns we have seen, together with suggested solutions that we are finding to be effective.



Reserve-and-collect Processes

The actual process of making a reservation online is now working well for most dealers. More problematic is making the digital process align with the real world. Many solutions that dealers use are weak at handling back end processes and, in the worst cases, this can lead to confusion and disgruntled customers who thought they had already effectively bought a car losing out.

The solution is simply to adopt better systems allied to better management of inventory and record keeping. In dealerships where large numbers of staff are often still furloughed, this is the kind of task that is frequently neglected, but it remains essential.

Online Trade-ins

Each of the three main available online trade-in solutions have their own pros and cons. **Automated trade-in prices** are simple and slick. However, they tend to use a broad brush valuation approach where too low a figure leads to a disgruntled buyer while too high means a probable renegotiation and a loss of consumer trust. We have heard of some solutions where the fall off in customer engagement is as high

as 95% at this stage. **Auction house-backed pricing solutions** provide a high degree of valuation certainty but it's unlikely that the consumer will get the best price possible. **Self-appraisals**, where the customer provides more detailed information electronically for a manual evaluation, breaks the journey up into stages but is more accurate. Our TRANSACT solution enables this process, allowing a revised deal to be created and sent back to the consumer within their account area.

Despite these compromises, each of these solutions will be right for certain dealers, and we can advise on the best for you. Equally, none of them seem to be right for others, and we've heard of a number of retailers that have removed their trade-in solution and reverted to a simple data capture form.

Value Added Products

Value added products provide an essential revenue stream for dealers, often boosting the potential available profit substantially. However, many choose not to integrate them into their online processes, something that to us represents a missed opportunity. This appears to be a cultural problem. Car and van retailers view an

extended warranty or paint protection as something that needs to be sold face-to-face. However, this opportunity does not really arise under many of the new post-lockdown sales processes.

The answer is to make VAPs part of your digital offering. We are now highly-experienced in how to successfully integrate them into your online processes and are happy to provide practical advice.

Managing Compliance

The truth is that, for the vast majority of dealers, the move to increased use of online sales processes will massively aid compliance. For example, ours record processes in a high degree of detail, using formats that can be easily called up to audit later.

However, you do need to ensure that this capability isn't being taken for granted. Wherever new processes are being adopted, compliance has to be checked from the point of view of all stakeholders - the consumer, dealer, lender, insurer and regulator. In the rush to adopt new processes, mistakes can sometimes be made.

James Tew, CEO, 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 is based in Colwyn Bay.



Video drives engaging contactless customer experiences

We are emerging from the coronavirus pandemic much more digitally competent and confident.

Over recent months, business meetings switched to online and video-based gatherings replaced direct social interaction. Now, we are far more familiar and comfortable engaging in video conversation and accessing video content as a natural part of the information gathering process. In May and June, for example, the 'watch' rate for personalised CitNOW sales videos reached an all-time record of 85%.

As the customer experience has become increasingly digitised, the idea that online content should act only as a teaser to entice consumers through the door has changed. The onsite visit was always the overriding objective, and retailers were reliant on the face-to-face experience to finalise the sale. But, with the physical doors closed, the online 'showroom' was well and truly open, and customers were visiting. The pandemic forced us all to radically rethink our approach and the customer experience has been transformed as a result.

Engaging, relevant and extensive online content is more imperative than ever. Online listings with video showcasing the vehicle, 360-views inside and out and multiple images, are now even more invaluable. Alongside accurate descriptions and independent reviews, such digital content is enabling much of the initial buying decision process to take place remotely at levels we had not seen before.

Allowing customers to take the next step remotely - speak to an expert, ask questions and explore the car - has become crucial.

During lockdown we fast-forwarded the launch of Live Video, our two-way video feature to meet the new customer experience. Sitting alongside our well-established pre-recorded personalised video suite of products, it has been embraced by both sales teams and customers. Live Video allows specific features to be

demonstrated and explained in real-time, whilst the part-exchange appraisal can also be undertaken virtually.

Chief Customer Officer Carol Fairchild said: "I think one of the most valuable lessons we learned working with our retail clients during this time is the best and most effective conversations with car buyers are not always sales centric. Customers wanted to be kept informed and were open to considering their next purchase, but lockdown

conditions extended the buying window so communications became far more informal and individual. By using video, in all its forms, retailers were able to forge an emotional connection in the same way as someone visiting the dealership itself and really bridge that online to offline experience.

"This is a genuine shift to a much more personalised yet largely contactless customer relationship."

"This is a genuine shift to a much more personalised yet largely contactless customer relationship. It shows how we can easily take a person from the impersonal and anonymous world of the web into the personal environment of the dealership without the need for a site visit. It is a very significant step change in the customer relationship and the service we, as a sector, deliver."



Manufacturers play their part in the recovery

Carmakers are keen to see showroom standards maintained, but without being heavy-handed

The strength of a retailer's partnership with their franchise has probably never faced a test on the level seen over the past six months.

While senior dealership teams were formulating their strategies for what would be the eventual reopening of showrooms in June, the onus was also on manufacturers to step in and do all they could to maintain their networks and set them up for a bumper September before the uncertainty of a COVID-19 winter.

Part of that has been helping to guide customers with how best to operate in post-lockdown based on adapted versions of the National Franchised Dealers Association (NFDA) and Society of Motor Manufacturers and Traders' (SMMT) safe restart guidelines.

This included offering point of sale materials (at a cost), as well as sourcing personal protective equipment (PPE) kits, distance markers and screens.



COMMUNICATION IS KEY IN A CRISIS

Establishing clear communication and some certainty for retailers was the immediate priority for all the manufacturers *AM* spoke to.

All have made heavy use of the now ubiquitous video conferencing services to keep their networks informed before reopening.

Kia, *AM*'s Franchise of the Year winner for 2020, wanted to make communication as open as possible.

It quickly established a new video conferencing dealer forum called Keep in Touch With Kia, where those in the network can dial in to regular Zoom meetings to get updates from the senior team, as well as voice any concerns or request support.

Simon Hetherington, Kia UK commercial director, said: "It's been good to keep



“IT'S BEEN GOOD TO KEEP THAT FEEDBACK LOOP OPEN ... SO, WE CAN TALK ABOUT WHAT WE'RE GETTING RIGHT AND WHAT WE'RE GETTING WRONG

SIMON HETHERINGTON, KIA

that feedback loop open as we can't go on visits or to events. So, we can talk about what we're getting right and what we're getting wrong.”

PSA UK, *AM*'s manufacturer of the year for 2020 (see page 24), has also been holding fortnightly and sometimes weekly video conference meetings with the Peugeot, Citroën, DS and Vauxhall networks.

David March, PSA UK network development

director, said: “The biggest questions that came up ahead of reopening during those video calls were mostly about securing stock and the logistics of making sure we had volume ready for the recovery.”

Dale Wyatt, Suzuki UK director, said the first thing to do before reopening was give dealers certainty. He wrote personal letters to each dealer and said: “We suspended all brand costs and brought all bonus

SPOTLIGHT:

CUSTOMER EXPERIENCE



payments forward. We put together a couple of webinars to keep everyone informed. I try to call a few dealers on Facetime every day just to check in and see how they're getting on."

Wyatt separated the return back to work into four phases.

Stage one was titled lockdown, two was 'getting back on your feet', followed by 'up and running' and then 'sprinting to the finish line'.

He said dealers are currently at stage three 'up and running', but it was important not to bombard and overload retailers.

Wyatt said: "We're not reintroducing targets and we're not policing standards. Bonus payments are paid up front. We know they need certainty."

The Japanese brand also took the decision to make a specific television campaign around Vitara Hybrid and Swift Hybrid that would focus on the fact the Suzuki dealer network was back open and ready to "help get you back on the road".

Peter Allibon, Mazda UK sales director, said the most important thing



about the lockdown for his brand has been the financial viability of the network.

Mazda communicated what its approach would be between June until the end of September.

This included postponing mystery shops until at least the end of September and guaranteeing all dealer margins, albeit at a slightly reduced level.

Ewan Shepherd, Lexus UK director, said: "We took an early approach to establish strong communication with the network at least three times a week.

"We concluded that safety was the number one priority for customers and staff so we swept aside our usual set of standards and replaced them with a mandatory set of

requirements that built on the NFDA and SMMT guidelines. We quickly got a 100% sign up from the network."

COVID-19-SAFE SHOWROOMS

While retailers in the UK need to operate in a safe way, following the SMMT and NFDA's sector-specific guidance, the majority of carmakers AM spoke to were not prescriptive about the exact way in which dealers should operate in a post-lockdown environment.

It means the set-up of each showroom, irrespective of brand, should be quite similar if they're all following the "COVID-19: Industry guidance and best practice for automotive retail" document.

As Hetherington explained, there's no reason for a dealership, regardless of brand, to not follow the industry guidance, given that to not do so would jeopardise their business and the safety of staff and customers.

Hetherington said: "We've never liked telling dealers how to do their jobs and we try to be as hands off from that side of things as possible.

"We're relatively flexible on things like standards and we moved away from mystery shops some time ago."

Kia won't be auditing dealers to make sure they're operating in a way that is post-lockdown friendly.

While there's no tick box list that needs to be implemented, Kia has shared best practice ideas around social distancing and arranging visits by appointment.

Allibon agreed that aligning any franchise-specific guidance with the SMMT and NFDA was important.

He said: "The last thing dealers want is for 22 different franchises to start saying how they should be operating and setting out their showrooms."

While PSA UK customers are welcome to wait in showrooms that have socially distanced waiting areas, there won't be the usual refreshments other than bottled water.

March said: "It's important customers feel safe and that they know the retailers are doing everything they can to minimise any risks. One of our dealers has been putting on removable stickers that show the vehicle has been valeted and COVID-free. I thought that was a nice touch to help customers feel more at ease."

WE DO WANT TO CHECK ON THE OPERATIONAL STANDARDS, BUT IN A WAY THAT'S SUPPORTIVE, RATHER THAN USED AS A WAY TO PUNISH

DAVID MARCH, PSA UK





“ I TRY TO CALL A FEW DEALERS ON FACETIME EVERY DAY JUST TO CHECK IN AND SEE HOW THEY’RE GETTING ON

DALE WYATT, SUZUKI



March has been discussing bringing mystery shops in Q3 or Q4 but it’s likely to be restricted to just digital, rather than physical.

He said: “We also don’t want mystery shops to be punitive.

“We do want to check on the operational standards, but in a way that’s supportive, rather than used as a way to punish.”

Kia and PSA UK put together a series of videos for dealers to use online to help explain what customers can expect when they come into the dealership.

The PSA UK videos were put together with the help of its Robins and Day retail group business and its training academy.

Product-specific videos were also put together to assist in the handover process and to show the latest technology on each product. These can also be emailed to customers.

Wyatt said: “We haven’t said, you must do this and that. We’ve put together the Government checklist advice and suggested ideas like having proper routes through the dealership.”

However, Suzuki is planning to restart mystery shops in the future and these will look at elements around social distancing and operating in an environment to minimise COVID-19 transmission.

To help aid buyer confidence, Suzuki put in place a seven day, no quibble returns policy.

While Wyatt acknowledges this policy isn’t too dissimilar to the legal rights customers already enjoy to return a vehicle, he said being more overt about a returns policy will help with consumer confidence, particularly at a time when there is uncertainty about going to showrooms and making big purchase decisions.

Wyatt said: “I’d like it to be a permanent part of our brand’s story.

“There was some nervousness from the network about it, but we agreed that if a customer isn’t happy we would work with them around returning a vehicle, anyway, so it’s just a good way to get that messaging across that they can have the confidence to shop with us.”

CUSTOMER EXPERIENCE

Lexus, known for its customer service first approach, did put mandatory standards in place for a post-lockdown showroom experience. These are built on the SMMT and NFDA guidelines.

Mystery shops and customer satisfaction surveys restarted when showrooms reopened in June.

Shepherd said: “As well as safety, our biggest priority will always be excellence with the customer experience.”

In what has been a challenging year, Lexus has retained the top spot for Auto Express’s Driver Power survey as the best new car franchise with an overall satisfaction rate of 93.42%.

It’s the fourth year in a row Lexus has taken the top spot.

Shepherd said the Japanese hospitality concept of *omotenashi* (treating customers as though they are a guest in your own home) is being maintained, even though the way customers interact in a post-lockdown showroom has changed.

Lexus dealerships all have hosts, but he said this role has become more important than ever to help guide customers through the showroom in a safe way.

Post-lockdown opening has also prompted the creation of a new role for some in the Lexus network in the form of a customer preparation consultant.

These consultants call before a service



SPOTLIGHT:

CUSTOMER EXPERIENCE

or sales consultation to talk through what customers can expect if they're coming into the showroom and also to find out any specific requirements.

Shepherd said: "We want to find out if customers are happy to come into the showroom because they might not be. If they're not, we will help facilitate another way."

"Whether that's home delivery, collecting vehicles and dropping them off for servicing or offering video calls through WhatsApp or Facetime."

"We want to ensure we're maintaining that boutique hotel experience."

Some Lexus dealers have also introduced customer account managers that have a group of customers they are responsible for on sales and servicing.

It's something that came up as a result of feedback between the network and Lexus during lockdown and Shepherd thinks it's something that could take off due to how successful it's been so far.

While some niceties like quality coffee and nibbles in the showroom are suspended due to social distancing, Shepherd believes the majority of customers understand the restrictions, but appreciate retailers anticipating their needs and taking the time to find out how they would like to be treated.

Some dealers in the network have



extended opening times from 7am to 10pm while others are running 8am to 8pm to help space out customers to protect them and staff.

Longer opening times also helps ensure there is enough time to properly decontaminate and valet vehicles correctly.

PSA UK is piloting a digital showroom concept where the customer experience includes more use of video to interact with customers directly to bring them into the showroom and explain the product. This can be supported with the product demonstra-

tion videos put together by Robins and Day.

It's being run for three months before it will be reviewed for a potential roll-out across the networks.

Suzuki is now putting an even greater focus on looking at digital marketing channels and making sure digital showrooms are fit for purpose in a world that is embracing online sales even further.

Wyatt is supportive of home deliveries as long as it can be done in a way that is still a "brand experience".

He said: "The sales process has changed and we've gone from making sure we're picking up on leads, to increasing the speed of response to introducing additional content."

"Customer expectations are increasing all the time and I think lockdown has prompted investment in better video equipment and skills in front of and behind the camera."

Wyatt said personalised high quality video content has meant more dealers in his network are looking to recruit those with video production experience.

Mazda has been encouraging flexible customer experience solutions spurred on by its MyWay scheme in London that offered customers home delivery and collection and delivery for servicing.

The network has been asked to sign up to offer some customer convenience measures so Mazda can put some marketing power behind how flexible buying a Mazda can be.

Allibon said: "It's a pretty loose set of guidelines, but the main point is flexibility."

"It's offering remote sales consultations through video, offering flexible delivery and service options and remote product demonstrations."

While some dealers were already offering these things, Mazda wants to make more noise so it can start promoting that "when you buy a Mazda, you can buy it your way".

Signing up to these customer convenience measures isn't mandatory, but Mazda will be publishing a list of "participating dealers" that do raise their hands. **TOM SEYMOUR**



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HONDA E



The gloss black front panel helps to give the Honda e a unique look

Honda's current model range can be divided into two rather distinct camps: staid and sensible or utterly bonkers.

While the former accounts for the bulk of its sales, attracting more conservative customers, the latter – consisting the Civic Type R and NSX – has established it a somewhat cult status with enthusiasts.

With the Honda e, the brand is chasing a new type of customer. Therefore, it has developed an entirely new car. Honda's first production electric car, no less.

The Honda e is a retro-styled electric city car that looks like no other. It's designed to bring technology to the forefront, while delivering a zero-emission vehicle with style and desirability at heart.

Based on the Honda Urban EV concept that debuted at the 2017 Frankfurt motor show, the Honda e is a real-life concept car for the road. Its interior features a

panoramic array of widescreen monitors and all the mirrors are cameras.

The flush-fit door handles, one-piece gloss black front panel and circular lights give the car a unique look. It plays homage to the original Civic but adds a modern twist.

Under the floor sits a 35.5kWh battery that gives this car a range of up to 137 miles, although we'd say 100 was more realistic.

It powers an electric motor in the rear axle, meaning the electric Honda is rear-wheel drive, unlike its counterparts. While this doesn't make it particularly better to drive, it does mean the car can dispatch its power more cleanly without scrabbling for grip.

Buyers can choose between two models. The base Honda e develops 136PS and is priced at £26,660 (including Government grant). There is also the higher-spec Honda e Advance, which costs £29,160 (inc grant).

The Advance has 154PS, reducing the 0-62mph acceleration time from nine seconds to 8.3. Both serve up a decent



THE NEW
INFOTAINMENT
SET-UP IS MILES
AHEAD OF
ANYTHING WE'VE
EXPERIENCED IN
OTHER HONDAS

amount of shove, as you'd expect from an electric car.

Standard equipment includes air conditioning, heated front seats, parking sensors and rear-view camera, sat-nav and a suite of safety and driver aids.

The Advance gains a 360-degree camera system, heated steering wheel, upgraded sound system and blind spot monitor.

Connectivity plays a big part in the new car's functionality. Owners can interact with the car remotely via the My Honda+ smartphone app and use it as a digital key to unlock and start the car.

The new infotainment set-up is miles ahead of anything we've experienced in other Hondas. It's simple to use and allows the driver to configure what is shown on each display – there's even a 'virtual' fish tank.

With a limited driving range, Honda has focused on fast charging technology to ensure users can get where they are going. The Honda e can reach 80% capacity



Circular lights form part of the e's stand-out design



Drivers are able to configure each display

£26,660- £29,160
(INC. GOVERNMENT GRANT)

136PS OR 154PS
ELECTRIC MOTORS,
35.5KWH BATTERY

0-60MPH
8.3 OR 9 SECONDS;
TOP SPEED
90MPH

SINGLE SPEED

RANGE
131-137 MILES

0G/KM CO₂

in 31 minutes, using the fastest charger.

While the Honda e makes good progress on the motorway, it's clearly a car that is more at home in the city. The turning circle is similar to that of a black cab, making it the ideal urban commuter.

Compared with the Mini Electric, the Honda e offers a similar range and comes at a similar price. The Mini is bit quicker, but the Honda comes better equipped.

This is where buyers may become torn. Mini has opted to retain its classic look, with the car almost indistinguishable from a regular version. Honda, meanwhile, offers something more unique for those who want to stand out.

The PSA Group's new small electric cars, offered as the Peugeot e-208 and Vauxhall Corsa-e, along with the Renault Zoe, are more practical and provide a range of more than 200 miles, but they aren't as interesting or as much fun.

MATT DE PREZ

Q&A



REBECCA
STEAD, HEAD
OF AUTOMOBILE
AT HONDA
MOTOR UK

What role will the Honda e play in the brand's electrification strategy? Will this be a volume seller or act as something to draw attention to the brand?

Honda announced last year that we are accelerating our electrification plans, with all of our mainstream models being electrified by the end of 2022. Part of this announcement was two new BEV products, one of which is the Honda e and the other will be announced in due course.

How has the car been introduced to dealers and what preparations are they expected to make before they can sell it?

The Honda Power Charger installation programme has been rolled out across the network, with participating Honda dealers required to offer charging facilities from March this year.

Some other small electric cars have a longer range than the Honda e, how will you assist a customer to decide if it's the right choice for them?

With Honda e, we set out to create the

next generation of urban commuter vehicle and, as such, we developed a product that is the perfect size for use in the city, with a good balance of range and performance. To add further range, a larger battery would need to be added to the vehicle, increasing weight and taking up further space, which is not ideal for an urban commuter vehicle. From our internal research, we know the average daily commute is around 25 miles, so customers would be paying for range they do not regularly use. For those customers who regularly travel longer distances, we would advise purchasing from our range of petrol-electric hybrid vehicles: CR-V Hybrid, and the new Jazz e:HEV.

What add-on/after-sales opportunities are there for dealers to profit from?

There is a full range of accessories for the new Honda e including styling packages and alloy wheels, as well as the Honda Power Charger.

When will the cars be available in showrooms and what lead times will dealers be instructed to communicate to potential buyers?

The Honda e is available in retail forecourts now. For those customers placing an order – if we have the car in stock, they can take delivery of it in a week. Otherwise, the lead times are three months.

≈ KEY RIVALS



Renault Zoe



RANGE AND PRICE



NOT VERY EXCITING



Peugeot e-208



LOOKS



INFOTAINMENT/TECH



Mini Electric



BUILD QUALITY



EXPENSIVE WITH OPTIONS

≈ REVIEW RATINGS

AUTO EXPRESS



AUTOCAR



PARKERS



In association with



Magna's 'fresh eyes' can help retailers to emerge successfully from crisis

A business successful at bringing sector-specific IT knowledge and process management know-how to help car dealers drive efficiency and adapt to the post-lockdown trading environment could prove to be the holy grail right now.

While Magna Systems co-founder and director Paul Mellings is loath to be seen to be drawing positives from the COVID-19 crisis, he concedes his business is "extremely well-placed" to help steer car dealers on the best path to success in what many now refer to as the "new normal".

The business's full-time team of nine information technology specialists, support staff and workforce coaches (there are also 12 "highly experienced" sub-contractors) have a combined 370 years' experience in the sector. They anticipate a busy period ahead.

Magna Systems has the ability to enter a car retail business with fresh eyes. It will compile systems and process audits and reports which draw on its expertise in digital sales, lead management, the efficiency of workshop flow and vehicle stock management.

And, after more than four years in business, initially working closely with BMW, as it delivered software system roll-outs and change management programmes for car retailers and franchised manufacturer networks in the Netherlands, South Africa, Ghana and the Middle East, Mellings now anticipates a rise in demand for the business's know-how at home in the UK.

"The lockdown period gave us time to step back and re-assess how the sector could re-focus on the subject of contactless sales, in particular," he told AM. "We needed to be able to help our customers connect with customers and operate more effectively in a remote and paperless fashion, underpinning it with process and software solutions to support this.

"These are areas we have been specialising in since we were formed in 2016 and we've already proven that we are extremely well-placed to help retailers emerge from the current crisis fully-prepared and more efficient than ever."

Lincoln-based Magna Systems was launched by former CDK Product Launch Director Mellings and Joseph Lake, who is the business's IT director.

Its first project was working to support the roll-out of a new DMS system for BMW UK retailers, complete with online training and process support.

Lake remains the man behind the business' IT expertise, with managed IT, wired and wireless internet networks, telephony systems, business email and back-up and disaster recovery among a range of technological services on offer.

Mellings, meanwhile, heads the side of the business which offers process consultancy,

change management, mentoring and webinar workshops and coaching sessions which focus on a wide range of topics including the contactless sales journey, vehicle progress, aftersales retention and finance.

There is also expertise around the management of customer leads, customer surveys and the delivery of targeted marketing campaigns, with a digital marketing specialist among Magna Systems' latest recruits, along with a new business development manager.

The two-pronged approach – aiding by strong partnerships with the sector's biggest software providers – has driven the business' success and seen the BMW brand return time and again to tap into its breadth of services.

The growth of the Magna business has, so far, been driven by referral, however Mellings said it can apply its methods to all of the automotive sector.

The business now operates with retailers of all sizes, offering consultancy mentoring with coaching packages and IT support.

Among its clients, Magna lists Acorn Motor Group, Marsh Wall Limited and Lookers PLC, with whom the business has been working on rationalisation measures in recent months.

Mellings said: "We've grown organically as a business, but so much of our success is based on the experience of the people that work for us.

"There's a vast amount of expertise among the staff we have and, thanks to that, we've been able to allow a level of autonomy that sees our team come up with ideas, innovations and solutions that benefit our customers.

"We're not shy to give things a go and it's that spirit of exploration that is helping our clients adapt so quickly to today's rapidly changing retail environment."

SO MUCH OF OUR SUCCESS IS BASED ON THE EXPERIENCE



OF THE PEOPLE THAT WORK FOR US

PAUL MELLINGS



He added: "With the knowledge we have and the breadth of relationships with key suppliers, I know we have a toolbox at our disposal that can create solutions to support every element of a retailer's business and drive new levels of efficiency post-lock-down."

Among Magna Systems' software innovations is its own Auto BI workshop management system, which provides retailers with a live view of the work passing through their aftersales departments, detailing labour and parts costs and inventory to help drive efficiencies.

Mellings claims the system helped one franchised retail site realise a 26% growth in aftersales revenues thanks to the realtime view of departmental data.

In the sales department, Mellings said that streamlining customer data to ensure showroom staff know who is entering the business – and for what purpose – is among the key new efficiency drivers.

Magna is working with BMW to innovate its front-of-house processes in light of the COVID-19 crisis.

"Consistency throughout the CRM is key," he said. "Customers now come in knowing what they want and, more than ever, keen to see their demands met efficiently."

"It's essential that retailers know who they are dealing with the moment they walk through the contactless and virtual showroom door."

The team at Magna believes that legacy processes must be looked at hard, with its



business reports potentially forming a key driver of positive change and development. Experts from the business will observe the processes in place at each stage of the sales and aftersales journey then provide a thorough business report to help identify – and implement – more efficient practices. Typically, tailored coaching or training sessions are offered by Magna, with follow-ups to reassess any process changes further down the line.

One project the business is currently working on in the Middle East is geared

towards helping sales teams pinpoint new techniques to close open leads.

Closer to home, Mellings knows there's a sizable market for Magna Systems' training and change management services here in the UK.

"All too often, when we question a certain sticking point in a business and ask 'why is it that you do that', the answer is 'because that's the way we've always done it,'" he said.

"If ever there was a time for that kind of thinking to be ushered aside, it's now."

T: 01522 214444 W: www.magnasystems.co.uk

POLESTAR 2



On a motorway run, the Polestar 2 mimics the levels of comfort and refinement found in a luxury saloon



The launch of the Polestar 2 is about more than just the Geely-owned brand's first fully electric car, it's about the introduction of a new type of retailing.

Polestar wants to be a fully digital brand and that means buyers will not be able to walk into a showroom and buy a Polestar, or visit a dealership for servicing. The car is only available online and aftersales services will be provided via an electronic booking system with delivery and collection.

The £49,900 Polestar 2's underpinnings are shared with the soon-to-be-launched Volvo XC40 Recharge, but that's where the similarities end.

Polestar took inspiration from a Volvo concept car and made it a reality. It's lower than an XC40 and has a bespoke interior, with an all-new infotainment system.

The twin electric motor puts out 408PS to all four wheels, giving a swift 0-62mph time of just 4.7 seconds. Acceleration is instant and relentless, with the 50-70 mid-range, punch especially aggressive.

A 78kWh battery provides a WLTP range of 292 miles and a rapid charge time of 0-80% in 40 minutes. Our experience suggests 250 miles should be achievable.

What's most impressive about the Polestar 2, when considering its platform, is the way it drives. Unlike Volvos, which focus on comfort, the Polestar 2 is engaging.

It lives up to the brand's performance promise. The low placement of the battery helps keep the car planted, while its specially tuned suspension takes corners with ease.

The electric motors divide power between the axles to maximise grip.

After a few laps of Millbrook's Alpine



**THE POLESTAR 2
IS REASONABLY
PRICED, GREAT
TO DRIVE
AND HIGHLY
DESIRABLE**

handling course, we were impressed with the 2's abilities. However, when driving the car on 'normal' roads, the capabilities are well hidden. On a motorway jaunt, the Polestar 2 exhibits the same levels of comfort and refinement as a luxury saloon.

There are no sport or eco modes to worry about, just a nicely tuned accelerator pedal that allows for effortless (and efficient) cruising or breakneck acceleration, dependent on how far you dare push it.

For an additional £5,000, an optional Performance Pack adds manually adjustable suspension and Brembo brakes for the full track-spec experience. The ride is less forgiving, it must be said.

The Polestar 2's infotainment system is also worthy of praise. Apps like Google maps and Spotify are smartly integrated into the central touchscreen, enabling a smartphone experience.



Google Maps and Spotify are smartly integrated into the touchscreen



The boot is comparable to that found in a VW Golf



£49,900
- £54,900



408PS ELECTRIC
MOTORS AND
78KWH BATTERY



0-62MPH:
4.7SECS
TOP SPEED:
127MPH



SINGLE-SPEED



RANGE:
292 MILES



0G/KM CO₂

Q&A



JONNY MILLER,
HEAD OF SALES
DEVELOPMENT,
POLESTAR UK

What should a customer expect from your digital-only buying process?

The way people buy cars is changing. We've already seen a shift towards online sales for new and used cars and the coronavirus situation has only sped that transition up.

We will offer buyers the chance to see the car at one of our Polestar Spaces, which will be opening in numerous locations across the UK.

Sales will only be handled online, via our website. Once the car arrives in the UK we will handle the prep centrally before handing it to our logistics provider for delivery.

All vehicles will be delivered by truck, with at least 75% battery charge and there will be a personalised handover for each customer.

How will you deliver an aftersales proposition without a dealer network?

Aftersales is one of the areas where we can utilise elements of our sister brand, Volvo. We will use the Volvo dealer network to perform servicing and repair work as necessary. The sites will not be branded as Polestar,

however. In fact, we don't anticipate that the customer will ever actually visit a dealership. In keeping with our digital experience, owners will use their smartphone to book a service and the car will be collected by the dealership and then returned to the customer once the work has been carried out. With the digital key, the customer will not even have to physically meet a person as the driver will be able to access the vehicle and drive it away using a one-time access code on their own device.

Will Volvo dealers make money from this arrangement?

We will pay Volvo dealers to carry out the work on our behalf so they will make money working on our cars. Almost of all of the Volvo dealer network is signed up to provide Polestar aftersales services.

In the longer term, as more vehicles become electric, workshops could get less busy, this additional work from Polestar will enable Volvo dealers to remain busy. All Polestar 2s include three years' servicing, so owners will not pay anything during that period.

What will you do with used models?

We are working on an approved used car programme. The world of used cars has become digital, that is how we envisage our model. We aim to make the used car buying experience as close to buying new as possible.

≈ KEY RIVALS



Tesla Model 3



RANGE AND
PERFORMANCE



INTERIOR/BUILD
QUALITY



Audi e-Tron



HIGH-TECH CABIN,
INTERIOR SPACE



RANGE VS PRICE



Mercedes-Benz EQC



COMFORT AND
REFINEMENT



SMALL BOOT

≈ REVIEW RATINGS

AUTO EXPRESS



AUTOCAR



WHATCAR?



Operation is simplistic, as are all the car's features. You don't even need to switch it on or off, just jump in and select 'drive'.

The interior is beautifully finished with a variety of materials, including real wood and vegan fabrics.

There's plenty of space for passengers too, with similar cabin space to a large saloon.

The boot is about the same size as you'll get in a VW Golf, plus there's an extra storage space under the bonnet, ideal for storing the charging cables.

Cheaper models, including a single motor version, will be launched in due course. But for now the fully-loaded Launch Edition is the only model offered.

There aren't many negatives. The Polestar 2 is reasonably priced, great to drive and highly desirable, just don't expect to see one on your forecourt anytime soon.

MATT DE PREZ

VOLVO XC60 T8 R-DESIGN PRO

REPORT
PROGRESS



HOW TO SKIP AN ONCOMING WHEELBARROW

There's a high degree of complacency in modern motoring. It's so effortless to hop in, start up and arrive safely at your destination, almost oblivious to the astounding technology that enables that to happen.

The challenge for any product genius or sales executive is to raise awareness of this technology in a targeted, engaging way.

Take safety systems as an example – manufacturer videos will help explain how a car's sensors and systems will react in situations that few buyers will expect to ever find themselves in.

Not until the buyer actually experiences the benefits will they realise the true value, and then insist on such specification in their next cars.

An unusual incident – thankfully minor – a fortnight ago has helped me understand the value of the assistance systems on our Volvo XC60.

I was driving through a nearby village when an oncoming skip truck about to pass me shed a wheelbarrow, which bounced across the centre line directly towards the front of the Volvo.

The XC60 has Volvo's City Safety advanced crash prevention system as standard and, as I swerved and stamped on the brake pedal, I heard an audible alert and could sense the assisted braking



system helping to provide the maximum deceleration possible.

As a result, the errant wheelbarrow only glanced the edge of the front bumper rather than impact the Volvo head on.

The damage? A nasty scuff to the bumper's paintwork and dozens of mud/cement splats across the paintwork.

Happily, the truck driver stopped to exchange details so the car is now at a Volvo-approved bodyshop to be restored to as-new condition. **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 3 1 6

START
MILEAGE

0 0 5 6 4



THIS CAR IS AS SAFE AS HOUSES,
USUALLY A RELAXING DRIVE



NO 'FORCEFIELD' TO
REPEL LOOSE LOADS

» GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



John Beckingham, brand manager at Proven Kia, Subaru and Isuzu, correctly identified the Cadillac CTS in the last issue.

See if you can identify this month's model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with 'Guess the car' in the subject line and include your job title and company in your entry. Closing date for this is Friday, September 4.



BACK TO WORK AFTER FURLOUGH WILL BE NO WALK IN THE PARK

Readjusting after months away is a concern for two-in-five, according to CIPD poll

Nationally, 9.6 million jobs have been furloughed through the UK Government's Job Retention Scheme, which has begun tapering down ready to close at the end of October.

Hundreds of thousands of these have been in the automotive industry. Among franchised dealer groups alone, 80% of dealerships still had up to 20% of their staff on furlough at the end of July, according to a JudgeService Yourpoll survey commissioned by AM (see page 10 for more results).

From August 1, employers began contributing to National Insurance and pension contributions of furloughed staff. This month (September), they'll also fund the first 10% of the 80% of current salary that furloughed staff are entitled to, increasing to the first 20% in October.

This, plus a job retention bonus for employers of £1,000 for each worker brought out of furlough and retained until January 31, is expected to prompt businesses to call most staff back to work – even on reduced hours if necessary – and ramp up output while making redundancies only where necessary.

A law change this month has clarified that furloughed workers made redundant will receive termination payments based on their normal wage, not the 80% paid during furlough. Unfair dismissal claims will also be based on the normal wage.

Yet, as long as the COVID-19 pandemic continues, around two-in-five UK workers are anxious about the prospect of returning to their regular workplace, according to a poll by the Chartered Institute of Personnel and Development (CIPD). For many, it's a concern about their health, and, for some, it's a fear of getting used to how their job and workplace has changed.



UK Council for Psychotherapy spokesman Ronen Stilman said those who've been on furlough for a while have likely "found some kind of rhythm and pace" and adjusted to their new situation. Returning to work puts them through that adjustment process all over again.

"Our mind and body is on alert when it recognises changes in circumstance, and we might feel out of balance, out of sorts," he added.

The onus is on dealers to openly discuss in advance what safety measures and new processes have been put in place, to make furloughed staff aware of how routines have changed, and to ensure those who return feel able to discuss any anxieties and receive support within the workplace.

Some companies have developed 'welcome back packs', containing a personal message from the business leader, details of the support and advice available and some useful gifts such as hand sanitiser and face coverings.

Global recruitment firm BPS World suggests asking furloughed staff to reflect on their role prior to lockdown, to find out what they've missed in their time away and what tasks were deemed low priority during the pandemic.

"Re-onboarding is an opportunity for HR teams to reignite the passion of furloughed employees who may have felt a sense of disconnect from the business and their peers," said Leanne Kelly, content marketing manager at BPS World.

"Remind your employees why they chose to work for you in the first place." Kelly also urged dealers to involve those staff already working, because they may already be up to speed with the new processes and there's a risk of frustration and misunderstanding between them and those having to learn quickly.

"Give them the opportunity to share their feelings and take on board their feedback on how to make reconnecting the workforce more seamless," she added. **TIM ROSE**

ISTOCK.COM/PODIEKOD

RESOURCES

HANDY TIPS FOR EMPLOYERS

BPS World has created a 'Simple Guide To Re-Onboarding' which is available to download <https://bps-world.turtl.co/story/a-simple-guide-to-re-onboarding/page/3/3>

RETURN TO WORKPLACE PLANNER

The CIPD has created a useful flow chart to help employers make a step-by-step assessment of whether, and how, they should ask a furloughed employee to return to the workplace. https://www.cipd.co.uk/Images/return-to-the-workplace_tcm18-77797.pdf

GOVERNMENT ADVICE

The UK Government has a website full of guides for employers on making their workplaces safe for staff and customers during the continuing coronavirus pandemic.

<https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19>

TALENT ON THE MOVE



**THIERRY BOLLORÉ,
JAGUAR LAND
ROVER CEO**

Thierry Bolloré has been named as Jaguar Land Rover's new CEO, replacing long-time incumbent Professor Ralf Speth.

Bolloré is the former chief executive of Renault who was removed by the French brand's board, with immediate

effect, back in October last year.

At the time he described his departure, less than a year after he was appointed to the role, as a "strong-arm coup".

Natarajan Chandrasekaran, chairman of Tata Sons, Tata Motors and Jaguar Land Rover, said: "An established global business leader with a proven track record of implementing complex transformations, Thierry will bring a wealth of experience to one of the most revered positions in the industry."

Bolloré has previously held senior positions at global automotive supplier Faurecia.

He will now be charged with launching a post-lockdown fightback by JLR, which reported a pre-tax loss of £422m for the year ended March 31 and has announced a series of job cuts and

cost-cutting measures in an attempt to stymie its losses.

During Speth's time at the helm of JLR the manufacturer made a determined push into SUVs with the Jaguar brand's F-Pace, E-Pace and I-Pace electric vehicle (EV) models and brought Range Rover to a new audience with the introduction of the Evoque, an accompanying investment in UK manufacturing and research facilities backing the push for new product lines.

Falling demand for diesel engines and a dip in sales in China has hit the business hard in recent times, however. Its Project Charge programme was launched in 2018 to make £2.5 billion of operational savings.

Commenting on his appointment at JLR, Bolloré said: "Jaguar Land Rover is known around the world for its peerless brand heritage, exquisite design and deep engineering integrity."

"It will be my privilege to lead this fantastic company through what continues to be the most testing time of our generation."

"Renowned for their passion and spirit, the people of Jaguar Land Rover are the driving force behind its success."

"I couldn't be more excited to join the team continuing to shape the future of this iconic company."

Speth will be staying on at the brand in the position of non-executive vice-chairman.

MOVERS IN BRIEF

KARL HOWKINS, MD OF CD AUCTIONS



CD Auctions has welcomed former Citroën UK boss Karl Howkins as its new managing director, as the business embarks on the next stage of its development. In his role, Howkins will lead the company's expansion plans with further investment in digital platforms and physical infrastructure.

ANDY PALMER, OPTARE PRESIDENT



Former Aston Martin president and chief executive Dr Andy Palmer has become president of UK electric bus manufacturer Optare.

He has been with Optare's parent, Ashok Leyland, as a non-executive member of the board since 2015.

THOMAS SCHÄFER, ŠKODA AUTO CHAIRMAN



Škoda Auto has appointed Thomas Schäfer as its new chairman, replacing Bernhard Maier who spent almost five years at the

helm. His appointment comes as the Czech brand posted a 72% reduction in operating profit for the first half of the year, following the pandemic.

LAURENCE ABBOTT, MARKETING AND TECHNOLOGY DIRECTOR AT AUTOTECH RECRUIT



Laurence Abbott has been appointed marketing and technology director at Autotech Recruit. The company aims to develop

technical solutions that will equip contractors and clients with digital tools to drive efficiency, while streamlining recruitment and training processes.

JORDI VILA, NISSAN VICE-PRESIDENT FOR MARKETING AND SALES IN EUROPE



Jordi Vila has been appointed Nissan's divisional vice-president for marketing and sales in Europe.

Described as being "instrumental" in the success of the Nissan Leaf and e-NV200 and in Nissan's crossover leadership in Europe, Vila returns to the region after leading sales and marketing in Asia and Oceania.



**JIM FARLEY, FORD
PRESIDENT AND
CHIEF EXECUTIVE**

Ford's chief operating officer Jim Farley will take over from Jim Hackett as the company's president and chief executive on October 1.

The move follows Hackett's decision to retire. He will remain with the manufacturer as a special advisor until March of 2021.

Farley joined the brand in 2007 as global head of marketing and sales and went on to lead Lincoln, Ford South America, Ford of Europe and all Ford global markets in successive roles.

In April 2019, he was chosen to lead Ford's new Businesses, Technology & Strategy team, helping the company determine how to capitalise on powerful forces reshaping the industry – such as software platforms, connectivity, AI, automation and new forms of propulsion.

He was named chief operating officer in February of this year.



**ANDREW PILKINGTON,
REGIONAL OPERATIONS
MANAGER AT GENESIS**

Polestar UK managing director Andrew Pilkington has left the Geely-owned EV specialist for Hyundai premium car brand Genesis.

His departure from Polestar leaves the brand hunting for a new UK MD just as it embarks on the launch of its long-awaited Polestar 2 electric vehicle (EV)

and prepares to establish its first Polestar Space retail facility.

The move also further ramps-up anticipation about when Genesis might enter the UK market, with Pilkington understood to be based in London in his new role, away from the brand's European HQ, in Frankfurt.

Genesis was launched by Hyundai in 2015 and already sells vehicles in South Korea, China, the US and Russia. Earlier this year the brand revealed its first SUV, the GV80, and last year unveiled its Mint electric city car concept.

EIGHT QUESTIONS TO A...

FRANCHISE AFTERSALES MANAGER

Steve Churchill, BMW
and Mini franchise aftersales
manager at Snows Group



What are the main responsibilities of your role?

I am the franchise aftersales manager, working in conjunction with the franchise sales managers across three sites, covering BMW and Mini – a total of 80 staff members. One of my most important responsibilities is to ensure all our customers receive the best experience possible when visiting any of our businesses. Part of my focus includes having regular meetings with department heads to review customer feedback, looking at trends and implementing change so we can improve. This is then cascaded to the rest of the team to ensure they are aligned with our views and, more importantly, create the correct culture. I welcome and value feedback from the team as they are the face of Snows and are very much at the forefront of the business. Aside from this I also ensure my departments are profitable, and that robust controls are in place to manage all expenditure.

What are the most significant challenges ahead?

In these unprecedented times, reacting quickly and adapting our business model to suit the current climate is going to be a challenge. Since returning to some semblance of normality, it has been really encouraging to see the level of positive activity within the business. However, in order for us to continue being successful, it is paramount we maintain this momentum. We have begun to see capacity restrictions within the industry with suppression around retail work. A prime example is the MOT tests having been delayed six months. This has created a real pinch point in September, which, historically, has always been a busy month. Furlough schemes coming to an end will also knock consumer confidence, coupled with the potential of a continuing economic downturn.

How might these challenges be overcome?

We have already begun to look at a number of effective strategies. For me, rightsizing our business from a productive perspective is key. We have already looked at increasing our business hours and have for some time carried out MOT tests on a Sunday. We have engaged with a number of business partners, who specialise in offering finance solutions to help our customers spread the cost of repairs and servicing. This not only allows us to attract and retain customers, but it also takes the distress away from the customer and allows them stay on the road without financial concern.

What attracted you to this area of expertise?

I have always had a passion for cars, beginning my career as an apprentice technician more than 27 years ago. When I achieved my goal of becoming a master technician my sights were then set firmly on progressing my career further and my ambition was to succeed in management. Coming from a technical background and having a naturally inquisitive mind, I wanted to understand how the business worked and also how it could be improved. I was very fortunate that Snows shared this belief and gave me the opportunity. Snows have always encouraged me to push myself, strive to be the best and have fully supported me throughout my career.

What's the most important thing you've learned and how have you made use of it at your company?

I have always worked hard and tirelessly to ensure the business succeeds. One of the most important things I have learnt is to always be willing to learn and be open to new ideas. Ours is a fast paced, ever-changing industry and you have to be open to new ways of thinking. Being open minded allows you to adapt to each situation and challenge presented to you. Don't be afraid of change, trust your instinct and your years of experience. This approach can help you make the changes you need to at a time of unforeseen adversity. When you are faced with difficult situations you need to understand when to be proactive and reactive. This is also an ethos I share with my team, never pre-judge a situation and always listen to the detail before making a decision.

QUICK-FIRE QUESTIONS

What drives you?

Succeeding – and a constant need to improve and better myself. Never accepting normality as a substitute for perfection.

What's your favourite app?

Twitter. I can see what's trending. It allows me to connect with customers quickly with relevant content and maintain brand and group awareness.

How do you relax?

I enjoy going to the cinema. Cycling and walking our dog in the forest, this also helps me keep fit.

AM

AM, Media House, Lynch Wood, Peterborough PE2 6EA
Email: AM@bauermedia.co.uk

THIS MONTH'S QUESTION TO THE AM TEAM:

Which event(s) do you most want to see staged next year?

EDITORIAL

Editor Tim Rose 01733 468266
tim.rose@bauermedia.co.uk
@AM_editorTimR

► **Green Day's Hella Mega tour**

News and features editor Tom Sharpe
01733 468343 tom.sharpe@bauermedia.co.uk
@Sharpe_Tom

► **Rotherham United's promotion parade, of course. Premier League here we come!**

PRODUCTION

Head of publishing Luke Neal

► **Out of office**

Production editor David Buckley

► **Soccer's European Championship and the Olympic Games**

Senior designer Chris Stringer

► **All live music and festivals that were postponed from this year please**

CONTRIBUTORS

Matt DePrez, David Francis, Debbie Kirlaw, Tom Seymour and Alex Wright

PROJECT MANAGEMENT

Head of project management

Leanne Patterson b2bpm@bauermedia.co.uk

Project managers

Kerry Unwin, Chelsie Tate, Niamh Walker (maternity leave), Hollie Ismail

ADVERTISING

Commercial director Sean Childerley

Group advertising manager

Sheryl Graham 01733 366467

Account managers

Sara Donald 01733 366474, Kelly Crown 01733 366364,

Kate Atkinson 01733 366473

Recruitment enquiries 01733 366473

EVENTS

Event director Chris Lester

Event manager Sandra Evitt 01733 468123

Event manager Kate Howard 01733 468146

Head of exhibitions Katie Gordon-Hill 01733 468289

PUBLISHING

Editor-in-chief Stephen Briers

Head of digital/associate editor Jeremy Bennett

CRM & marketing manager Joanna Smith

Managing director Tim Lucas

Office manager Jane Hill 01733 468319

Chief financial officer Lisa Hayden

MD Automotive group Niall Clarkson

CEO of Bauer Publishing UK Chris Duncan

President, Bauer Global Publishing Rob Munro-Hall

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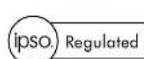
UK: annual £99 / two years £168 / three years £238

Overseas: annual £149 / two years £253 / three years £358

AM is published 12 times a year.

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