

AM

AUTOMOTIVE MANAGEMENT

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October 2019 £8.00

AM AWARDS / P10

We start the 2020 hunt for the best in motor retail

REFRANCHISING / P35

What you need to know before switching partners

MG ZS EV / P52

Is this the first truly 'affordable' electric SUV?



'FIND THE SALES SIZZLE'

JOHN O'HANLON - WAYLANDS AUTOMOTIVE / P26

The automotive industry is losing out on huge revenues due to incorrect MOT dates in DMS systems.

Holding current and correct data gives dealers an obvious advantage when it comes to contacting customers. There can be upwards of 6 months between each workshop visit so ensuring that the customer is contacted at the right time to alert them of upcoming services and MOT's is paramount to ongoing customer loyalty and business profitability.

However, there is still a huge issue in the industry where dealers are holding incorrect MOT dates against live vehicle records in their DMS systems. It is an issue that is often ignored and it is costing dealers money. By analysing industry MOT data from numerous DMS systems, the DVLA and DVSA, eDynamix identified potential revenue and profit gains together with forecasted cost.

The records were checked against the DVSA MOT database to highlight discrepancies of more than 30 days between the recorded dates. We found that 51.7% of the records checked had an incorrect or missing MOT date in the DMS with a further 8.2% of live vehicles having gone through an ownership change since the last workshop visit.

Identifying and cleansing these records from the DMS can save a dealership money as a result of a reduction in wasted contact spend.

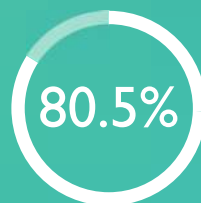
If a dealer is unnecessarily calling or sending electronic or physical communication to a customer to remind them of an upcoming service or MOT then this cost can be eliminated by reducing data errors.



of records had a missing or incorrect MOT date in the DMS



of MOT dates were incorrect by up to 3 months



of MOT dates were incorrect by more than 6 months



of vehicles were identified as having had a change of owner

Based on a live database of 10,000 vehicles and a projected 25% conversion of cleansed vehicle records, an MOT being sold for £45 and an estimated average of £100 of additional revenue from work identified during an MOT, the anticipated additional revenue from MOT sales is £188,500. With an expected gross margin of 40% this equates to £75,400 profit per dealership, per annum.

Lost revenue and profit across the industry...

£850m

Lost revenue

£340m

Lost profit

If on average it costs £2.50 per vehicle during the entire reminder process using operator calls, SMS messages and direct mail then a dealership could realise an annual saving of £6,700 through improved data quality and detachment of customers from vehicles that they no longer own.

Across the industry this equates to a potential additional saving of...

£30,150,000



Increase Profitability



Reduce costs



Gain customer satisfaction scores

Give us a call on 0845 413 0000 to find out more about our MOTCleanse platform
visit www.edynamix.com or email enquiries@edynamix.com

EDITOR'S LETTER

The clock has started counting down to the 2020 AM Awards. I urge you to look at the categories (on page 14, or Google '2020 AM Awards') and put your business and your teams forward. The car market has got a bit tougher lately, everyone is having to work that bit harder, and getting your teams recognised and shortlisted for a superb performance by the AM Awards is a definite way to put a grin on their faces.

I know this because *AM* has just won the Scoop of the Year Award. Our owner, Bauer Media, decided that one of the news stories broken by Tom Sharpe last year – that Vauxhall was about to rebrand and reduce its network by a third – was the hottest of any produced by its UK magazine and digital brands. And our cover image, of Vauxhall contracts in the shredder, was shortlisted for Cover of the Year. Considering that Bauer also owns big-budget consumer titles such as *Empire*, *Motorcycle News*, *Car*, *Heat* and *Grazia*, my little team and I are hugely proud to get such accolades. And the bottle of fizz was very welcome!

So please put in an entry to the AM Awards. There's even a new award, The Bright Spark, especially to recognise a great idea that has come from the people within the dealership.

Good luck!



MEET THE TEAM



Tim Rose
Editor



Tom Sharpe
News and
features editor



Stephen Briers
Editor-in-chief



Jeremy Bennett
Head of digital/
associate editor

INCREASE YOUR SALES AND MARGINS WITH WHAT CAR? NEW CAR BUYING

More than 20m people visit What Car? every year to research their next car

Find out how you can reach
these in-market buyers with the
What Car? New Car Buying service.



Avoid a race to the lowest price; deals are based on What Car?'s Target Price, which represents a fair price for the consumer and the dealer



A pricing model that gives you a far more cost-effective ROI compared with other channels



We encourage more leads for you by protecting consumer privacy with direct communication on our platform

For more information go to
whatcar.com/increasemysales

WHATCAR?



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Put your employees and businesses forward to win the biggest honours in the motor retail industry, as we launch the 2020 AM Awards

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Premium manufacturers and the biggest AM100 groups are increasingly seeking each other out

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Carmakers and dealers have different refranchising demands, but trust is the top priority

DEALERS MARK DOWN PREMIUM CARMAKERS

Manufacturers feel retailers' wrath over CI costs, volume growth demands and return on investment, says latest NFDA survey

Premium car brands may have been among the UK new car market's biggest volume winners in recent years (see Market Intel on Page 16), but the latest National Franchised Dealers Association (NFDA) Dealer Attitude Survey (DAS) found that they are rapidly losing favour among their franchised retail partners.

Survey-topping Lexus (+11.7) was the only premium brand to add to its overall score count from respondents to the NFDA's Summer 2019 survey. BMW (-67.2), Audi (-38), Mercedes (-32.1) and both Jaguar (-32.8) and Land Rover (-26.8) emerged among 18 fallers of the 30 franchised networks that participated in the 'total movement' rankings.

Following many retailers' supply struggles – caused by the roll-out of WLTP in September 2018 and RDE effects being felt this September – it appears that the premium brands' drive for growth and continued demands for costly corporate identity (CI) upgrades in a faltering market may finally be too much for some to bear.

Sue Robinson, the director of the NFDA, said: "The survey outlined a number of dealers' concerns, in particular, surrounding current profit return and return on capital for their dealerships.

"We urge manufacturers to continue to work closely with their dealer networks to address these issues and provide the basis for the automotive industry to thrive

despite the external challenges."

Kia and Lexus topped the ranking of franchisees' 'overall' rating of their manufacturer partners, with a rating of 9.1 out of 10. The average rating across all 30 franchises was 5.6.

Meanwhile, at the bottom of the pile, the FCA Group's Alfa Romeo and Abarth brands tied with a lowly 2.3 out of 10.

Not-so premium ratings

The premium brands showed signs that they were starting to fall out of their retail partners' favour. BMW finished just above the two FCA Group brands, with a rating of 3.3 (down from 4.4).

Citroën and Jeep tied to be joint third from bottom, with a shared score of 3.4, while Audi was the next premium brand loser in the results, dropping one point to score 3.5.

Jaguar finished 10th from bottom, with a score of 4.8, as JLR sister brand Land Rover finished a mid-table 14th, with an overall rating of 5.8.

Mike Jones, the chairman of ASE, which compiles monthly profitability reports on the franchised car retail sector, said the "biggest headlines" from the latest NFDA survey would be created by the drops in some of the premium brands.

Jones said: "Looking at the reason for the BMW and Audi falls, the survey points to two significant issues. The first is that the retailers are not generating what they regard as a satisfactory return on investment.

"This appears to be driven from the volume target aspirations of the brands with the two franchises coming in the bottom two positions in the survey [for that question]."

YOUR OPINION MATTERS

Profits and the push for volume

In the case of BMW and Mercedes, – which have increased registrations volumes by 9% and 19% respectively in the past five years [Jan-Aug 2019 compared with same period in 2015] – their franchised partners gave a clear indication that they were feeling the pressure of the push for sales in a declining market.

Audi attracted the lowest score – 1.8 out of 10 – when its retailers were asked to rate their satisfaction with their manufacturer's inducement to self-register vehicles.

BMW finished second-last with a score of 2.4, against an average

score of 5.0 for the question.

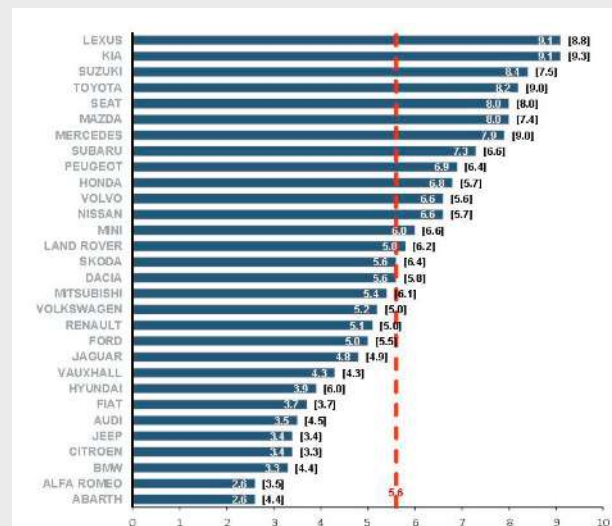
As ever, the results can be closely tied to the profitability of franchisees' relationship with their manufacturer partners.

When asked to rate the "current profit return" from representing their franchise, dealers scored Kia (8.4) and Lexus (8.0) best, while BMW tied with Alfa Romeo and Citroën at the bottom of the table with a score of 1.9 (All-brand average: 4.7).

Audi was second-last, with a score of 2.2, down from 3.5 in the last survey.

Audi and BMW swapped places, but remained at the bottom end of

HOW WOULD YOU RATE YOUR MANUFACTURER OVERALL ON SCALE OF 1 TO 10?





the table when franchisees were asked "How satisfied are you that the volume target aspirations of your manufacturer are realistic?"

Audi scored 2.1 out of 10 and BMW scored 2.5, against an average response to the question of 5.0.

The survey's winners

Kia and Lexus topped this year's ranking of the overall rating question, tied on 9.1 out of 10, with Lexus's score up 0.3 points from the previous survey, as Kia fell the same amount.

Following Kia and Lexus were: Suzuki (8.4), Toyota (8.2) and Seat (8.0), which tied for fourth place with Mazda, as Mercedes-Benz dropped 1.1pts to finish sixth.

Lexus seems to know how to keep its retailers happy, with top ratings for profitability and its alternative fuel vehicle (AFV) range among the standout results as it and Kia fought for the top spot in most of the survey's questions.

Year-to-date to the end of August, Lexus's new car registrations rose 12.7% year-on-year, to 8,974.

Ewan Shepherd, the director of Lexus in the UK, said: "Since the introduction of the Lexus brand in the UK, we have established a very strong relationship with our retail network partners. They are the key touchpoint with our customers and they are outstanding in delivering amazing experiences."

"Working closely with them is essential in creating the right conditions for success. Demand for our industry-leading range of self-charging petrol electric hybrid vehicles continues to grow, and the NFDA survey reflects the positive momentum within the Lexus brand."

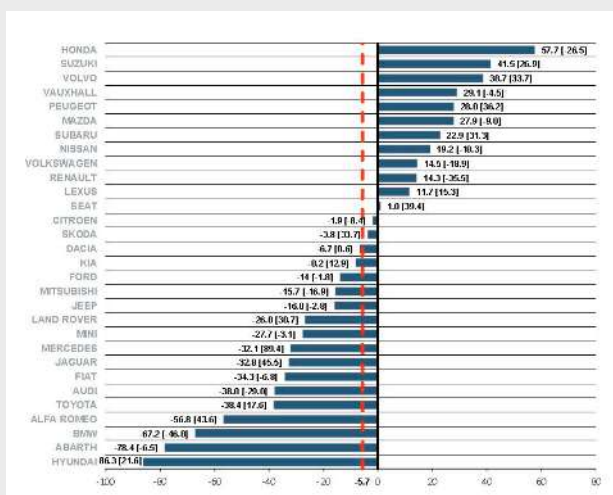
Speaking to *AM* at the recent launch of the Kia XCeed crossover, Paul Philpott, the managing director of Kia Motors UK, said the brand – whose YTD registrations were up 2.2% year-on-year at 63,799 at the end of August – expected record sales of 97,000 vehicles in 2019.

Philpott said the brand could reach 120,000 UK registrations, but insisted that it would do so without jeopardising its status as a "pull, rather than a push brand".

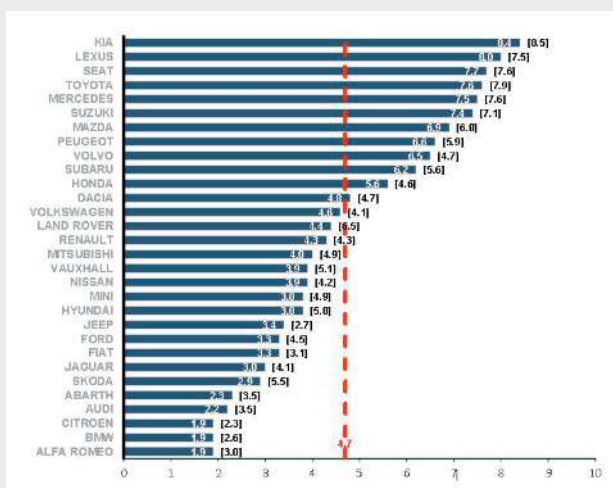
He added: "The results of the NFDA survey indicates that our dealers are happy with the relationship we have with them and we depend on our dealers very much. The formula we have is working."

Asked whether he had sympathy for those brands faring less well in the survey, Philpott added: "When I

➤ TOTAL MOVEMENT ACROSS ALL QUESTIONS



➤ HOW SATISFIED ARE YOU WITH THE CURRENT PROFIT RETURN FROM REPRESENTING YOUR BUSINESS?



started working at Kia, we were a 35,000 volume brand. We've worked bloody hard to get where we are with the relationships we have with our retailers. I certainly don't take that for granted."

Positive swing

Honda emerged as the most improved franchise amid the roll-out of its ambitious network restructure, reported by *AM* in July.

The Japanese manufacturer registered a 57.7-point increase across all questions in the latest NFDA survey. The result could be seen as vindication of the brand's new strategy, which involves reducing the number of its UK fran-

chised retail points from 155 to as few as 100 by 2022. The strategy – described by Swansway Garages director, Peter Smyth, as "commendable" and "a brave step" – is driven by a push to achieve an average return on sales of 2% for Honda retailers.

Honda finished 10th in the overall ranking of manufacturers, scoring 6.8 out of 10 (up from 5.7).

Finishing just behind Honda in the survey's most improved rankings was Suzuki, which added 41.5pts across all questions, and Volvo, which delivered an additional 38.7pts this time around. **TOM SHARPE**

■ Turn to page 35 for *AM*'s eight-page guide to franchising

➤ RECORD RESPONSE FROM RETAILERS

Across the entire list of 53 questions – which attracted 2,077 responses about 30 manufacturer brands – there was an overall average loss of 5.7pts in the Summer 2019 Dealer Attitude Survey.

Robinson said: "It is extremely encouraging to see a record response rate for the NFDA Dealer Attitude Survey Summer 2019, which revealed a minor decline in dealers' satisfaction levels with their relationship with their manufacturers."

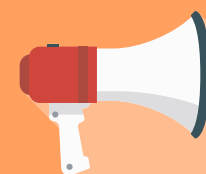
"This year's record response rate shows the value that franchised dealers place on the survey. In turn, it is encouraging to see that manufacturers use the survey to understand the main issues affecting their dealer networks."

"Despite a small decline, dealers remained fairly satisfied with their margins on used car sales demonstrating that this was a key area of focus during the first half of the year."

"Positively, average satisfaction levels with manufacturers' alternative fuel vehicle offering continued to increase."

Mike Jones said the decline in dealers' satisfaction levels indicated a "deterioration in the working relationship" between the retailers and many of the premium brands.

He said: "We will have to see when we get the winter survey whether this is a cry for help or signs of a longer-term issue."



ADVERTISING FEATURE

Giving dealers the flexibility to make quick stock decisions

By Stuart Pearson, COO, BCA UK Remarketing



Flexibility is critical in the dynamic used vehicle market and BCA works closely with dealers to ensure we continue to innovate to meet their needs. With competition always intense for the best used vehicles in the wholesale sector, dealers need to make quick decisions when stock

opportunities present themselves.

BCA Partner Finance affords customers greater flexibility in the stocking decisions they make and frees up capital to enable them to invest in growth elsewhere in their business.

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

BCA Partner Finance funds the whole auction purchase, including fees and VAT applied to both cars and LCVs eligible for funding using the scheme. The service offers both franchised and independent dealers of all sizes up to 120 days funding on vehicles purchased at BCA auction centres.

To make stocking decisions even more accessible, customers can also appraise part-exchanges through the Dealer Pro application and determine whether they want to retain and fund vehicles for retail stock or remarket them. At the push of a button, a dealer can decide to fund and retail a part-exchange, retain within the group or remarket through digital or physical auction. Thanks to a series of data integrations, the vehicle can be loaded into the UK's largest lead management and DMS providers. Dealers also benefit from accelerated payments as BCA Partner Finance now provides next-day payments, compared with the usual BACS method, which can take up to three days.

BCA Partner Finance gives dealers a competitive edge.

■ Log on to bca.co.uk or call 0844 875 3480



THIS MONTH'S NEWS HIGH

AUG

16

PENDRAGON SELLS CALIFORNIA CHEVROLET SITE

Pendragon completed the £17.2 million disposal of its Chevrolet car dealership in Puente Hills, California. The group said the transaction was "in line with the company's stated strategy of disposing of its US Motor Group" and follows the disposal of two Californian dealerships for a consideration of about £60m in May 2019.

19



PBT UP 17% AT HATFIELDS

Hatfields Group's 2018 revenues rose 7% to £297.8m (2017: £278.3m) as its profit before tax increased 17.2% to £9.6m (2017: £8.2m). The group – which won the 2019 AM100 Award for Best Financial Performance – led by managing director Gareth Williams (left), described its performance as "very respectable".

19

DISCOUNTS DRIVE GROWTH FOR CITROËN AND SEAT

What Car? data revealed that the 10 most discounting car manufacturers accounted for almost half of the UK's registrations during the first half of 2019. What Car? said Citroën, which offered the biggest discounts in the first six months of the year, at 11.75%, had delivered 4.16% market share growth while Seat, which recorded the fourth-largest discounts, grew its market share by 5.24%.

20



TRIBUTES PAID TO JOHN MULHOLLAND

Tributes were paid to John Mulholland, left, following his death, aged 55. Originally from north Belfast, the founder of John Mulholland Motors died from cancer on August 17. ■ On August 27 Ferdinand Piëch, one of the architects of today's Volkswagen Group, died aged 82.

22

DEALERS AND CARMAKERS NOT GIVING ENOUGH SUPPORT TO ULEV MARKET, SAY MPs

MPs who suggested that climate change targets require many UK motorists to 'ditch the car' by 2050 questioned the commitment of car manufacturers and dealers to the promotion of alternative fuel vehicles (AFVs). The science and technology select committee (STC) said there was evidence suggesting the slow uptake of EVs "could be partly due to inadequate support for the ultra-low emissions vehicle market from manufacturers and dealers".



SALESMAN SEEKS £300,000 FOR DEALERSHIP ACCIDENT

The family of a car salesman who suffered a brain injury in an incident at CarGiant in April 2018 are seeking more than £300,000 damages in a lawsuit. Mohammed Al-Zehairi was struck by a Citroën C4 Grand Picasso as it was being prepared by a colleague. Car Giant director Michael Holahan expressed his regret about Al-Zehairi's injuries, but wouldn't comment further due to the ongoing legal action.

21% OF DEALERS DON'T UNDERSTAND RDE TEST

More than a fifth (21%) of car retailers say their understanding of the Real Driving Emissions tests (RDE) which came into force on September 1 is poor, according to a Manheim survey. One in 10 dealers said they had never heard of it. Just 7% of respondents said they had a good understanding of the new tests.

MARSHALL ACQUIRES TWO HONDA SITES FROM JARDINE

Marshall Motor Holdings acquired Honda outlets in Newbury and Reading from Jardine Motors Group, becoming the brand's second largest franchisee in the UK and increasing Marshall's number of Honda dealerships to eight. Jardine has now ceased its representation of Honda in the UK.



FOUNDER'S SHARE SALE HITS MOTORPOINT STOCK PRICE

Motorpoint's share value fell more than 15% after the car supermarket's founder, David Shelton, sold 11 million shares "in connection with divorce proceedings". Motorpoint's share price declined from 240p to 203p following the £22m sale. Motorpoint agreed to buy 2.6m placing shares from Shelton and his partners at 200p each.



PENDRAGON 'MAY CUT 1,300 JOBS'

Pendragon may make 1,300 redundancies as part of a business restructure designed to stem losses revealed by a series of profit warnings, an AM source has claimed. Pendragon said it had "no comment" when AM asked for confirmation of the claim, which Pendragon was due to publish shortly after this edition went to press.

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SEP

3

6

10

ADVERTISING FEATURE

The web effect

By Carol Fairchild, commercial director, CitNOW



A web-first marketing strategy has dominated the past decade, yet never has it been so influential for car buyers. With 51% of car buyers starting their car purchase research online, making a stand-out virtual showroom is a necessity for today's car buyers.

Finding a way to streamline and accelerate your forecourt-to-web processes provides massive advantages – particularly given the average holding cost of a used car in the UK is more than £100 a day. The faster used cars are uploaded online, complete with all related digital assets, the faster sales enquiries come through to a dealership.

A new report from Google* says streaming video content has increased 28% year-on-year, with 50% of shoppers saying online video helped them decide which brand or product to buy. Meanwhile, two thirds of drivers feel it's important to see high-quality interior and exterior imagery of their purchase – further highlighting the importance of compelling digital assets in an ever-competing marketplace.

Tripling content output – images, 360-degree views and video – in one streamlined process, with a solution such as CitNOW Web, means retailers can upload rich assets as soon as vehicles are retail-ready. Vehicles can appear on the physical and virtual forecourt virtually simultaneously, with no waiting for the photographer to arrive. This can easily save a week or two between a vehicle that is retail-ready and sales enquiries arriving.

The time saving of a week or more provides a huge competitive advantage to those dealerships that embrace technology platforms. Capturing high-quality assets, and making distribution of those assets easy and seamless, helps customers and dealerships to connect even quicker. Rich assets, including video and 360-degree views, allow customers to learn about the car in their own time, enabling a faster sales process – as conversations can move to the deal stage faster.

We will demonstrate how a less than two-hour turnaround of a vehicle from physical to digital forecourt can boost sales at our Automotive Management Live workshop on November 7. You can also find out more at our stand, C14.

* <https://www.thinkwithgoogle.com/advertising-channels/video/video-streaming-trends/>



CitNOW

AM

AWARDS: 2020



IT COULD BE YOU!

Put your employees and businesses forward to win the biggest honours
in the motor retail industry, as we launch the 2020 AM Awards

MAKE YOUR BUSINESS STAND OUT FROM THE CROWD



MAKE



“Award winners say this has helped them to acquire new talent, raise their brand profile and improve client relationships. Furthermore, it appears that you don’t need to win in order to reap the benefits. Even organisations who have only ever been shortlisted and never won report returns on their awards investment”

Source – global awards research consultancy Boost



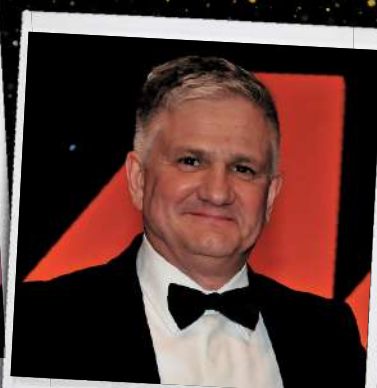
YOUR TEAM FEEL VALUED | ENTER NOW AT AM-AWARDS.CO.UK

AM AWARDS: 2020

SPONSORS



Volvo,
Manufacturer of the Year, 2018



Mercedes-Benz,
Manufacturer of the Year, 2016



Ford,
Manufacturer of the Year, 2015



Barnetts Volkswagen,
Best Dealership, 2014

The 2020 AM Awards is now open to entries. Put your businesses and your employees forward to receive independent recognition of their skills and excellence from our panel of judges. The finalists will gather at the AM Awards gala dinner on February 13, 2020, at the ICC in Birmingham, where AM will reveal the winners and celebrate

everyone who made it to the final shortlist.

Join the host of motor retailers large and small who have collected our exclusive AM Awards over the years. The categories are outlined overleaf, but full details and the online entry system are at am-awards.co.uk

The deadline is November 1, 2019. Good luck!

“Some of your employees who work day in, day out to support your business may not see the positive effect their work is having on staff morale. Awards are a great way to help recognise teams and members of staff for their hard work. If your employees can tell their peers they work for an award-winning business, they will feel proud of the organisations they’re a part of. Award wins are a great indication that the business is going in the right direction. And even if you don’t win first time around, use the experience, view it as a chance to learn and progress”

Source – global business leader group Customer Think

“An award win highlights your expertise. It gives you something to announce and, often, a winner’s logo to affix to your website. This provides external validation, acting as a stamp of quality. Furthermore, by entering or even winning the right awards you can show customers that you share their views and embody their values. It increases your credibility in their eyes and acts as a differentiator”

Source – Chartered Institute of Marketing

ENTRY DEADLINE FRIDAY, NOVEMBER 1



Arnold Clark Automobiles,
Retailer of the Year, 2016



Peter Vardy,
Retailer of the Year, 2017



Hendy Group Retail CV Team,
Best Sales Team, 2016



John Clark Motor Group, Best Training
and Development Programme, 2016



Marshall Motor Group,
Best Use of Social Media, 2017



Swansway Group,
Excellence In Aftersales, 2017



Jardine Motors Group,
Excellence In Customer Service, 2017



Volvo Cars North London,
Most Improved Dealership, 2017

AM JUDGING PANEL



Stephen Briers,
editor-in-chief, AM



Tim Rose,
editor, AM



Jeremy Bennett,
associate editor,
AM



Piers Trenear-Thomas,
industry analyst



Steve Young,
managing director,
International Car
Distribution
Programme



Steve Nash,
chief executive,
Institute of the
Motor Industry



Professor Jim Saker, director of
the Centre for
Automotive
Management,
Loughborough
University's
Business School



Ray Sommerville,
industry veteran,
former chief
executive of
Perrys

AUDITORS: BDO



This will be our fifth year of involvement and we are pleased to bring our experience of more than 25 years working with motor retailers to support AM in its recognition of the stars of the UK motor industry. Each year, we have been impressed by the quality of the entries. We look forward to auditing this year's entries and listening to the innovative ideas and success stories.

ENTER NOW AT **AM-AWARDS.CO.UK**

THE 2020 CATEGORIES

(* = audited by BDO)

Best Marketing Strategy

Marketing should help you to build your brand as well as to find new customers and help you to grow sales in the short term.

Sponsor: Motors.co.uk

Best Online Consumer Experience

Dealers entering this new award category should provide an excellent, comprehensive, customer-focused digital experience for consumers who are searching online for their next car, whether new or used.

Sponsor: Cargurus

Best in Customer Service

Entrants should have a customer-centric culture and take pride in strong satisfaction scores, but never allow complacency and react robustly to fix the situation whenever things go wrong.

Sponsor: LTK Consultants

Best Aftersales Team*

Open to franchised workshops and independent repairers, entrants will have high-performing teams of service reception, workshop control and technical staff who deliver great returns for the dealership.

Sponsor: Gtechniq

Best Sales Team (new and/or used)*

This award acknowledges the power of multiple individuals working together towards an acknowledged goal in a new

and/or used car or van sales department in the past 12 months.

The Community Hero award

We want to recognise dealerships that are deeply rooted in their communities, support local causes and organisations, and have a culture of giving something back.

Best Used Car Dealer (independent non-franchised)*

Retailing second-hand cars demands a host of skills and processes, from stock acquisition and preparation to marketing and protecting profit margins. We seek entries from independents and car supermarkets that show strength in all these aspects.

Sponsor: Santander Consumer Finance

Best Used Car Dealer (franchised)*

Pre-owned cars should not be the poor relations for the franchised dealership keen to win this award. Entrants should evidence strength in stock acquisition and preparation, marketing, sales and profits.

Sponsor: Tlink Disposal Network

Used Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: Car Care Plan

New Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: Supagard

Franchise Partner of the Year

Selected by a combination of readers' and judges' votes.

Most Improved Dealership*

Driving a business from being good to becoming great, or turning around a poor operation, deserves recognition, so share your story with our judges.

Sponsor: BNP Paribas

Best Dealership*

This category is open to single-site owner-operators and to best-performing dealerships within a larger group network, to reward strong performance across sales, marketing, aftersales and administration.

Best New Dealership*

Open to outlets opened or brands added since January 2017, this award aims to celebrate the early wins of young businesses and recognise the effort and talent required to make a success of start-ups.

Sponsor: Rapid RTC

Best Dealer Group (up to 10 sites)*

Brand specialists or regional heroes apply here. Entrants should be high-quality businesses, with strong sales and aftersales results, a culture of success and the financial rewards to show for it. Open to franchised and independent groups.

Sponsor: Jewelultra

Best Dealer Group (more than 10 sites)*

Here we recognise great large groups. Entrants should be high-quality businesses, with strong sales and aftersales results, a culture of success and the financial rewards to show for it. Open to franchised and independent groups.

Sponsor: MFG Group

Best Used Car Dealer Group*

Open to franchised and independent dealer groups, this new award seeks to recognise high levels of best practice in used car sales at the group level. Stock management, marketing and financial performance are among the criteria to be examined.

Sponsor: Autodenz

The Bright Spark Award

New for 2020, this category invites entries about ideas and innovations, no matter how simple or complex, that have come from a dealer's member of staff to make a work process simpler, save time or money, or solve a problem in some way.

Sponsor: CDK Global

Best New Product and Service

Open to industry suppliers that are helping to change dealers' fortunes. We expect to see innovation and measurable results, including examples of beneficial use by your customers.

HEADLINE AWARDS

Supplier of the Year

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This award recognises vehicle manufacturers that are developing and delivering the best products and technology consumers could want, both now and in the near future. Nominated and voted upon by the judging panel.

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We recognise someone who has made an outstanding contribution to the automotive industry during their career. The recipient is chosen by AM's editor, Tim Rose, and editor-in-chief Stephen Briers.

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NEW CAR REGISTRATIONS

AUDI AND TESLA MAKE HAY IN AUGUST MARKETS

But WLTP, economic uncertainty and design woes blamed for faltering luxury market

With fewer than 100,000 registrations in August, there are not many conclusions that can be drawn about the car market from this month's figures.

In principle, any car company that wants to catch the eye could register a relatively small number of additional cars in August and take a greatly increased share of the market. However, as the country has little space for any news beyond the gyrations of Brexit, it would be a brave marketing director who would bet on getting much coverage right now.

For what it is worth, the two companies that had stand-out performances in August were Audi and Tesla. Audi was up 19.2% for the month, which may suggest that the year-long bottleneck caused by problems homologating cars for WLTP is finally easing. The figures for Tesla are the hardest of all to decipher. The SMMT coyly includes them in "Other imports", but a separate source reveals that Tesla increased registrations more than 10-fold in August to 2,200 units, and doubled registrations



YTD to 4,000 units. Clearly, a company that does not officially release registrations is not interested in gaming the sales charts – the reason for the phenomenal surge is the arrival of the Audi A4-rivalling Model 3. It is not possible to split out Tesla sales by model, but it is safe to assume that approximately 2,000 of their registrations last month were Model 3s. That made it the UK's best-

selling compact executive saloon, with an August segment share of about 30%. As warning shots across the bows go, that is a pretty big one for the incumbent manufacturers.

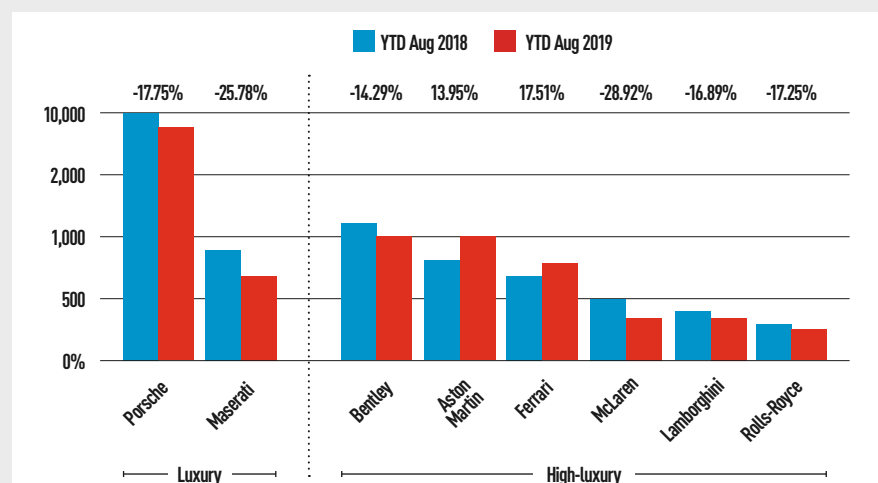
As we are on the subject of premium brands, it is worth taking a look at what is happening even further upmarket. We do not usually spend much time on luxury brands, but, as we are talking about the August holiday season, it is an appropriate time to look at what the yacht-dwelling classes are up to.

The first question is what counts as a luxury car brand? The long answer could take the rest of this article, so we will stick to the short one. For our purposes, a luxury brand is one whose cars start at about £50,000, and a high-luxury brand only makes cars costing more than £100,000. Hence BMW makes some luxury cars, but it is actually a premium brand because most of its sales are of less expensive models.

So far this year, the market is not doing very well

“BENTLEY'S BENTAYGA DOES NOT SEEM TO BE FLYING OUT OF SHOWROOMS, WITH ITS STYLING THE MAIN BONE OF CONTENTION

MARKET SHARE BY GROUP 2019



SPONSOR'S COMMENT



By Richard Jones,
managing director,
Black Horse

As I write this in early September, I wait with bated breath to see what the month has in store for us. September

is usually a peak month for new vehicle sales, but with significant uncertainty still in the political and economic environment, it will be interesting to see how this plays out this year. As I touched on last month, demand for new vehicles has certainly slowed and we have also seen used car prices levelling off following over-inflation in 2018.

But in the meantime, there are actions finance providers and intermediaries can and should be taking to drive forward improvements in our industry based around the four key focus areas from the report the FCA published earlier this year:

■ On commission structures, the FCA found that customers can pay considerably more due to some forms of commission, and more needs to be done to protect customers from higher-risk commission models. It has rightly identified that some models could generate a higher risk of poor customer outcomes and generate a greater distribution in interest rates and dealer commissions.

■ On product information and disclosures, it is vital that customers receive key regulatory disclosures and product features – such as implications of mileage, repayment, and vehicle ownership – before agreeing on the appropriate finance product for their needs. These terms must be explained in clear, plain English and be easily understood by all customers. As per CONC legislation, the existence of commission in particular must be disclosed before entering into an agreement.

■ Lenders cannot assume that FCA-authorised intermediaries are fully CONC-compliant. Lenders need to have oversight of the sales processes, the information provided to customers, and to have confidence that customers are getting the right outcomes.

■ Finally, lenders' approaches to assessing customer affordability must incorporate future affordability. Lenders must help their customers to consider if they can afford the product long-term, particularly if interest rates and housing costs rise.

Focusing our collective efforts in these four key areas will prepare the industry well for the future, whatever it may have in store.

– it seems the global economic uncertainty has caused even the plutocrats to pull in their horns, poor loves. Registrations of luxury models have fallen particularly sharply (see table below left), but that may be partly WLTP-related, as Porsche is part of the Volkswagen Group and its models have been stuck in the queue for engine approvals.

Maserati, of course, has no such excuse. Back in 2014, Maserati forecast that it would sell 75,000 cars globally in 2018 – in fact, its global sales fell to 36,000. In the UK, registrations in 2018 were just 1,300 and may not even reach 1,000 in 2019. The plan for Maserati was to position it below Ferrari as a higher-volume, more affordable Italian alternative. In fact, Ferrari is outselling Maserati so far this year in the UK, despite the fact that Maserati has competitors in some relatively large segments.

Luxury SUVs (e.g. Range Rover), luxury saloons (e.g. S-Class) and the top end of the executive segment (e.g. M5), accounted for more than 30,000 sales year-to-date, while supercars accounted for about 3,000.

In the high-luxury class, sales are generally doing better, but are still falling faster than the overall market. Arguably, every car manufacturer apart from Ferrari appears to be facing issues.

Aston Martin has seen sales increase thanks to its well received new range, but lost £78.8m in the six months to June 2019. That is not only disappointing to enthusiasts – a shareholder who invested in the October 2018 flotation at £19 a share is now looking at a share price of less than £6. The future of the company now depends on the forthcoming DBX luxury SUV, due for launch in the final quarter of this year.

A couple of years ago, a luxury brand launching a big SUV would have seemed as easy as shooting fish in a barrel. However, Bentley seems determined to show how difficult it can be. Bentley said its poor sales performance (stagnant despite the Bentayga range, which was intended to double production) is due to WLTP issues, but the truth may be more complex.

The Bentayga does not seem to be flying out of showrooms, with its styling the main bone of contention. When the Bentayga was first being considered, the Range Rover was in its tall, rather boxy, third generation (2002-2012). Designing a more upmarket SUV must have seemed quite a simple task at the time. However the Bentley that emerged only had its grille and lights to distinguish it – the rest of the bodysell could have come from almost any manufacturer.

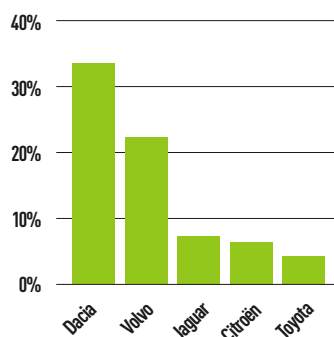
Rolls-Royce does not seem to be faring much better. The new Cullinan, brilliant piece of engineering though it is, seems to remind quite a few

people of the Canyonero from *The Simpsons*. At least the Cullinan is not bland, and its unusual proportions may grow on us over time, but they are somewhat challenging on first acquaintance.

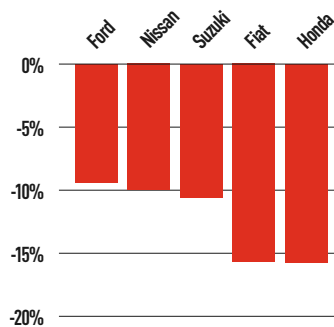
McLaren has also seen sales fall YTD, but there does not seem to be an underlying problem. McLaren's first quarter results showed increasing global revenues and stable overall sales. The company said it expected to achieve the same 4,800 global sales in 2019 as it achieved in 2018.

Finally, the sales figures for Lamborghini are a little mixed. 2019 will still be the marque's second-best year after 2018, but the Urus might have been expected to give a bit more of a boost. Still, Lamborghini had never sold more than 300 UK cars in a full year until 2018, which shows the company is now doing pretty well in this country. **DAVID FRANCIS**

FASTEST-GROWING MAJOR BRANDS* YTD AUGUST



FASTEST-FALLING MAJOR BRANDS* YTD AUGUST



* Major brands are those with more than 1% market share

NEW CAR REGISTRATIONS

Diesel decline slowing, says SMMT

Sales of new diesel cars have fallen for the 29th month in a row, although the pace of decline is slowing, according to the Society of Motor Manufacturers and Traders (SMMT).

Its figures show August 2019's new car market was 1.6% behind August 2018, at 92,573 car sales. Within that, petrol and alternative fuel vehicles (AFVs) rose in demand, but diesel orders dropped 12.2%.

Registrations from both the private and fleet sectors declined in the month, down 1.7% and 3.5% respectively, as demand in the small volume business segment increased by some 962 units.

Zero-emission cars grew fastest, up 377.5%, to 3,147 units, as new models and some pent-up demand boosted registrations, while 4,014 hybrid electric cars also joined UK roads, an uplift of 36.2%. However, the decline in plug-in hybrid registrations continued, down 71.8% to just 907 vehicles.

1 VOLKSWAGEN

It outsold UK market leader Ford by 570 cars in August and was 0.7% ahead of August 2018. The T-Roc crossover was a star performer, with 339% growth to 1,685 registrations.



2 KIA

Registrations fell by 100 units (3.1%) year-on-year, balanced across fleet and retail. Highlights include the now discontinued B-segment MPV Venga, which grew volumes by 1050% in fleet (to 161 units) and 544% in private.

3 DACIA

It's been a strong year for the budget brand, with 33% volume growth over eight months. August sales were 220 units (27.1%) up year-on-year. Demand for the Sandero hatch remains flat; it's the Duster SUV that's doing business, up 129% in August and 93% YTD.

Marque	August					Year-to-date				
	2019	% market share	2018	% market share	% change	2019	% market share	2018	% market share	% change
1 Volkswagen	11,334	12.24	11,255	11.96	0.70	137,408	9.05	141,402	9.00	-2.82
Ford	10,764	11.63	11,208	11.91	-3.96	155,602	10.24	172,777	10.99	-9.94
Audi	9,062	9.79	7,581	8.06	19.54	100,513	6.62	110,304	7.02	-8.88
Mercedes-Benz	5,040	5.44	4,868	5.17	3.53	110,086	7.25	107,605	6.85	2.31
Vauxhall	4,864	5.25	5,078	5.40	-4.21	109,826	7.23	114,809	7.30	-4.34
BMW	4,853	5.24	5,998	6.37	-19.09	104,072	6.85	108,372	6.89	-3.97
Toyota	4,205	4.54	3,620	3.85	16.16	69,023	4.54	66,651	4.24	3.56
Seat	3,610	3.90	3,624	3.85	-0.39	46,779	3.08	45,209	2.88	3.47
Peugeot	3,608	3.90	3,966	4.21	-9.03	53,618	3.53	54,516	3.47	-1.65
2 Kia	3,452	3.73	3,552	3.77	-2.82	63,799	4.20	62,427	3.97	2.20
Škoda	2,802	3.03	2,772	2.95	1.08	49,368	3.25	50,715	3.23	-2.66
Hyundai	2,686	2.90	2,689	2.86	-0.11	54,251	3.57	59,696	3.80	-9.12
Honda	2,592	2.80	3,612	3.84	-28.24	30,641	2.02	36,905	2.35	-16.97
Nissan	2,328	2.51	2,480	2.64	-6.13	61,262	4.03	68,373	4.35	-10.40
Suzuki	2,092	2.26	4,336	4.61	-51.75	25,919	1.71	29,319	1.87	-11.60
Renault	1,872	2.02	1,871	1.99	0.05	36,172	2.38	39,703	2.53	-8.89
Mini	1,819	1.96	1,867	1.98	-2.57	38,052	2.51	39,343	2.50	-3.28
Citroën	1,798	1.94	1,786	1.90	0.67	35,655	2.35	33,464	2.13	6.55
Land Rover	1,677	1.81	2,202	2.34	-23.84	47,922	3.15	47,477	3.02	0.94
Mazda	1,509	1.63	1,589	1.69	-5.03	25,724	1.69	25,992	1.65	-1.03
Volvo	1,268	1.37	1,059	1.13	19.74	35,545	2.34	29,045	1.85	22.38
Jaguar	1,049	1.13	1,242	1.32	-15.54	23,312	1.53	21,628	1.38	7.79
3 Dacia	1,031	1.11	811	0.86	27.13	21,044	1.39	15,794	1.00	33.24
Fiat	881	0.95	1,099	1.17	-19.84	20,105	1.32	23,331	1.48	-13.83
Mitsubishi	715	0.77	781	0.83	-8.45	11,504	0.76	12,425	0.79	-7.41
MG	663	0.72	586	0.62	13.14	7,989	0.53	5,685	0.36	40.53
Porsche	646	0.70	347	0.37	86.17	8,208	0.54	9,979	0.63	-17.75
Lexus	424	0.46	270	0.29	57.04	8,974	0.59	7,962	0.51	12.71
Jeep	411	0.44	232	0.25	77.16	4,099	0.27	4,032	0.26	1.66
Smart	212	0.23	277	0.29	-23.47	3,742	0.25	4,643	0.30	-19.41
Alfa Romeo	208	0.22	155	0.16	34.19	2,305	0.15	2,953	0.19	-21.94
DS	187	0.20	88	0.09	112.50	2,286	0.15	4,200	0.27	-45.57
Abarth	118	0.13	187	0.20	-36.90	2,226	0.15	3,531	0.22	-36.96
Bentley	96	0.10	160	0.17	-40.00	1,062	0.07	1,239	0.08	-14.29
SsangYong	80	0.09	62	0.07	29.03	1,251	0.08	1,819	0.12	-31.23
Maserati	54	0.06	49	0.05	10.20	665	0.04	896	0.06	-25.78
Subaru	52	0.06	100	0.11	-48.00	1,518	0.10	1,839	0.12	-17.46
Infiniti	34	0.04	44	0.05	-22.73	275	0.02	623	0.04	-55.86
Chevrolet	32	0.03	1	0.00	3,100.00	55	0.00	29	0.00	89.66
Lotus	19	0.02	18	0.02	5.56	162	0.01	163	0.01	-0.61
Alpine	12	0.01	109	0.12	-88.99	126	0.01	120	0.01	5.00
Other British	121	0.13	221	0.23	-45.25	1,774	0.12	1,928	0.12	-7.99
Other imports	2,293	2.48	242	0.26	847.52	5,097	0.34	3,063	0.19	66.41
Total	92,573		94,094		-1.62	1,519,016		1,571,986		-3.37

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FINANCE OFFERS

FCA Group takes bottom four Dealer Attitude spots on finance



CA Group's brands have been singled out by their dealer networks for a lack of competitiveness on finance offers, according to the latest NFDA Dealer Attitude Survey (DAS).

The DAS Summer 2019 rated franchises on a range of criteria from dealer profitability and volume targets. When asked "how satisfied are you with the competitiveness of your manufacturer's finance programme?" the average score was 6.5 out of 10.

Alfa Romeo was rated the lowest score on finance offers at 3.4, while Abarth was close behind at 3.6. Fiat and Jeep scored 4.1 each, rounding out the bottom four. All four have seen a decline in sentiment on how competitive finance offers are compared with the previous Winter 2018 survey.

Citroën was in fifth place, with a rating of 5.1.

While Abarth only had a response rate of 51% from the dealer network, Alfa Romeo had a 77% response rate from its network, Fiat's was 80% and Jeep was 86%, so the reaction is a good representation of how the network is feeling.

Kia was at the other end of the spectrum, with the highest rating on finance offers of 8.4, Suzuki was a close second at 8.3 and Toyota was in third place with 8.2.

While the dealer networks have made their distaste for FCA Group's retail offers clear, AM's data of compiled representative examples doesn't fully tally with the sentiment.

While Alfa Romeo's APRs are lower or on par with Kia's 5.9%, both Fiat and Jeep have a range of affordable 0% deals in Q3.

Fiat has 0% across the board to tempt customers before the end of September and Jeep also has 0% on volume models such as the Renegade and Compass to support the dealer network.

Fiat's 500X Urban crossover is more affordable than Kia's entry-level city car model, the Picanto, at £155 a month (albeit with a higher deposit level), compared with £170.84.

The issue is the large deposits demanded. With FCA's depreciation reputation, customers could be throwing their cash away. By contrast, Kia's offers show a 5.6% APR across its popular Sportage, Picanto and Stonic models, which offer a higher level of profit for the finance house and dealers.

AM's finance data for Q3 2019 shows that the average monthly price across all models and manufacturers is £358.63 and every Fiat model at least is priced below that level.

The distaste for FCA Group's finance offers may actually be more to do with the wider results. Abarth, Alfa Romeo and Jeep were rated as the bottom three

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Alfa Romeo							
Stelvio 2.2 TD 210PS AWD Speciale	PCP	£10,916.00	48	£399	£17,990	4.90%	30/09/2019
Giulia 2.0 TP 280PS Veloce	PCP	£6,999.00	48	£385	£14,697	3.90%	30/09/2019
Giulietta 1.4 TB 120PS Speciale	PCP	£3,999	48	£215	£8,393	5.90%	30/09/2019
Fiat							
500X Urban 1.6 E-torQ 110PS	PCP	£4,075	37	£155	£7,355	0.00%	30/09/2019
500 Lounge 1.2 69PS	PCP	£500	37	£215	£5,655	0.00%	30/09/2019
Tipo HB Mirror 1.4 95PS	PCP	£3,231	37	£179	£5,730	0.00%	30/09/2019
500X 1.0 Firefly Turbo S-Design 120PS	PCP	£4,777	37	£185	£8,763	0.00%	30/09/2019
Tipo HB S-Design 1.4 95PS	PCP	£3,581	37	£189	£6,770	0.00%	30/09/2019
Tipo SW Easy Plus 1.4 95PS	PCP	£3,311	37	£185	£3,311	0.00%	30/09/2019
Panda Cross 0.9 TwinAir 90PS	PCP	£1,838	37	£229	£6,498	0.00%	30/09/2019
500L 1.4 95PS Urban	PCP	£3,399	37	£155	£6,637	0.00%	30/09/2019
Panda City Cross 1.2 69PS	PCP	£1,883	37	£185	£4,837	0.00%	30/09/2019
Jeep							
Renegade Longitude 1.0 GSE T3 120 PS Manual	PCP	£5,830	36	£199	£7,451	0.00%	30/09/2019
Compass Longitude 1.4 MultiAir II 140PS Manual	PCP	£2,869	36	£249	£11,397	0.00%	30/09/2019
Wrangler Sahara 2.0 GME 272PS 4x4 Automatic - 2 Door	PCP	£9,999	48	£419	£19,276	5.90%	30/09/2019
Grand Cherokee Overland 3.0 MultiJet II 250PS 4x4 Automatic	PCP	£10,000	48	£559	£19,278	5.90%	30/09/2019
Grand Cherokee Trackhawk 6.2 V8 Hemi Supercharged 4x4 Auto8	PCP	£20,000	24	£879	£57,048	5.90%	30/09/2019
Kia							
Picanto 2 1.0 Manual	PCP	£1,125	36	£170.84	£4,162.50	5.90%	30/09/2019
Rio 3 1.0 T-GDi manual ISG	PCP	£1,728.50	36	£265.70	£6,013.75	5.90%	30/09/2019
Venga 3 1.6 Petrol ISG Manual	PCP	£1,607.00	36	£292.08	£5,758.75	5.90%	30/09/2019
Ceed 3 1.0 T-GDi ISG	PCP	£2,101	36	£273.84	£8,707.50	2.90%	30/09/2019
Ceed Sportswagon 3 1.4 T-GDi ISG	PCP	£2,281	36	£310.69	£9,090	2.90%	30/09/2019
ProCeed GT-Line 1.6 CRDi ISG Auto DCT	PCP	£2,579	36	£350.86	£10,507.50	2.90%	30/09/2019
e-Niro First Edition 64 kWh Lithium-ion battery Auto	PCP	£3,299.50	36	£530.84	£14,535	5.90%	30/09/2019
Optima 3 1.6 CRDi ISG	PCP	£2,461.50	36	£377.92	£8,572.50	5.90%	30/09/2019
Optima Sportswagon 3 1.6 CRDi ISG	PCP	£2,565.50	36	£389.15	£9,247.50	5.90%	30/09/2019
Stinger GT-Line 2.2 CRDi	PCP	£3,425	36	£529.30	£12,960	5.90%	30/09/2019
Stonic 3 1.0 T-GDi 6-speed manual	PCP	£1,887.50	36	£312.55	£7,965	5.90%	30/09/2019
Sportage GT-Line 1.6 CRDi ISG	PCP	£2,635	36	£363.53	£11,002.50	5.90%	30/09/2019
Sorento 'GT-Line' 2.2 CRDi 8-speed auto ISG	PCP	£3,745	36	£486.32	£15,232.50	3%	30/09/2019

manufacturers in terms of how dealers rated franchises overall, with scores of 2.6, 2.6 and 3.4 out of 10. The average was 5.6.

BMW, Audi and Citroën were all rated worse than Fiat, which came in seventh place overall in the bottom 10.

The theory that sentiment in the overall rankings

filters down to other questions asked in the DAS holds up for Kia, too. It was rated as the best in the UK, in joint first with Lexus at 9.1. **TOM SEYMOUR**



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VIEWPOINT



DON'T LET THE PROCESS GET IN THE WAY OF A SALE

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years



I have been involved in many discussions over the issue of training in our sector over the years. The argument runs that you need to train people in the processes and procedures, so that their behaviour is both compliant to industry standards and also meets financial regulations. I have witnessed many sales training programmes that involve how to walk around a car, the need to greet customers in so many seconds of arrival and how to ensure the customer takes a test drive. All of this is very commendable, but often misses the point.

An example I came across recently was a woman who was coming to the end of her PCP contract and was wondering what to do next. She went into her dealership to seek advice and was greeted by a young man who looked around her car and commended her for the pristine way in which it had been kept and the low mileage. He said they would have no trouble selling this when she returned it. He then insisted that she took a test drive in the new version of the vehicle.

The woman said she would go away and think about it. In the space of the next five days, she received seven phone calls from various people in the dealership (coming up to the month's end) trying to persuade her of the merit of the new deal they were proposing. The woman decided to

keep her old car and paid off the outstanding amount on the contract to the finance company. When asked why, she simply pointed out that if the dealership wanted her car that badly, it must be worth her while keeping it.

I am sure the salesperson did everything the training programme told him to and the dealership's zealous approach to contacting the customer would be commended in some quarters.

This wasn't a difficult customer; this was someone who was looking for guidance, but ended up with a conflict in her mind between what was being said by the dealership and what they were trying to get her to do, i.e. buy another car. They praised her and her car, which was flattering, but then wanted her to part with it.

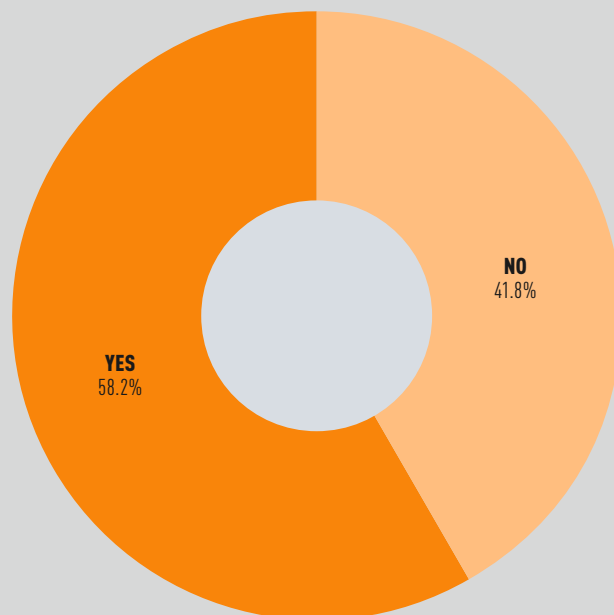
I know I am biased, but I have this underlying belief that you train dogs, but you educate people. Training someone to behave in a particular way without them understanding why they are doing it is problematic. It means they follow a process whether or not, as in this case, it sends a conflicting message to the customer.

Helping people to understand develops emotional intelligence and encourages employees to stand back and reflect on how a situation should be handled. This may require thinking outside of the training manual, but it may just lead to more and happier customers.

"I HAVE THIS UNDERLYING BELIEF THAT YOU TRAIN DOGS, BUT YOU EDUCATE PEOPLE"

AMPOLL

IS A HIGH ON-TARGET EARNINGS (OTE) POTENTIAL INCOME THE MAIN ATTRACTION FOR A CAREER IN MOTOR RETAIL?



A majority of respondents believe personal earnings potential is the main driver to get people to consider a career in motor retail, with 58.2% believing it is indeed the money that motivates people to come and stay. It is perhaps reinforced at employer level, given that job adverts targeting salespeople from outside the industry often use a high on-target earnings figure plus new car and benefits as the key incentives.

"It is probably the best earning opportunity for someone with no professional qualifications," said one automotive manager. But our poll raised the debate of the transparency of OTE figures. "Yes, but whether you can get it is a different story," said one voter. Another said: "It is an attraction. However, what people must understand is that many jobs that offer an OTE means that this earning potential is something that you could earn if you work hard and achieve targets, which often means that the job is not a nine-to-five, Monday-to-Friday role. As a business owner, I offer on-target earnings of £55,000 per annum, yet I still have individuals who earn £30,000 per annum purely because they expect to work nine-to-five."

Among the 'no' voters, many said the cash is important, but employees have to like the job, too. A high OTE may be a short-term recruitment tool, but to retain people you must make them feel valued and ensure the work is rewarding, said one voter.

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A collage of three photographs showing people at an event. The top left photo shows two men in suits talking. The top right photo shows a man in a white shirt and tie. The bottom right photo shows a large group of people seated in an audience.

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- Car Benefit Solutions
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- CDK Global
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- Glass's Information Services
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Reynolds have been attending AM Live as exhibitors since the first one. Throughout this time, we have also attended other automotive exhibitions, both as exhibitors and visitors, and AM Live is the only one that we consistently make the decision to exhibit at again and again. Not only is it the ideal place for networking with our customers, prospects and partners, but it consistently attracts the key decision makers and influencers to ensure a ROI on our investment. The friendly account management team are always on hand to ensure satisfaction ably backed up by the various technical teams. From planning to delivery of the event, AM Live has continually exceeded expectation to the point where we are rebooking for the following year before the current year event has completed. I cannot commend the event and those involved highly enough.

Steven Torrance, Reynolds & Reynolds

For us, AM Live is one of the highlights of the year. It is a well situated, well organised and well attended event where we know we will meet many existing and potential customers, including key decision makers and influencers, and be able to talk to them about the latest developments in the iVendi proposition. When we draw up our marketing calendar every year, it is one of the few must-attend events, which is an indication of our confidence.

Phil Harding, Head of partnerships, iVendi

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**“WE’RE NOT TRYING TO DO
ANYTHING ENTIRELY NEW,
BUT WE ARE JUST TRYING
TO DO IT A BIT QUICKER THIS TIME
JOHN O’HANLON, WAYLANDS AUTOMOTIVE**

FACE TO FACE: WAYLANDS AUTOMOTIVE

FINDING THE 'SIZZLE' IN SALES

Dealers need to put people and culture before process to make car buying fun, enjoyable and memorable, chief executive John O'Hanlon tells **Tim Rose**

The motor retail industry has become more straightforward for consumers, but there still isn't "enough of the sizzle" in buying a car, according to John O'Hanlon, the chief executive of Waylands Automotive.

Some of that may be due to the regulatory hoops that must be jumped through but the experience is still not a fun one for every customer, believes O'Hanlon. Which is one of his reasons for founding Waylands in November 2017.

"If franchised dealers want to continue to exist in 10 years' time we have got to work on that. The 'dodgy dealer' episode is well behind us. Now it is about how do we make it fun, enjoyable and a memorable experience. Part of that is about environment, but more of it is around people and culture," he said.

O'Hanlon was blessed with time to think in 2016 after selling Ridgeway, the AM100 regional dealer group he ran with founder and chairman David Newman, to Marshall Motor Holdings for £106.9 million. But with the experience he gained at Ridgeway, he decided he was not going to quietly fade away from the industry.

What drove him to start Waylands just over a year later?

"It's an itch," he said. "I didn't need to, that was the joy. But when we sold Ridgeway I was only 47, with a lot of great contacts, and still a lot of energy and passion for the industry. I took some time off, had a long, hard think. I received some offers to work with some of the big players. I started as a non-executive director with John Clark Motor Group, which is a business with similarities to Ridgeway and I felt I could help there, but a couple of days a month wasn't enough to keep me busy and it turned out I didn't have a lot of hobbies on top of what we were doing."

"It was an itch to create another business that is run around my principles."

Conversations led him to Volvo Car UK, a brand that Ridgeway had not held and one

which was looking for some new dealer partners. In November 2017, he bought Volvo Reading from Jardine Motors and began creating its new home in line with the Volvo Retail Experience (VRE) corporate identity. In mid-2018, Waylands added Fawcetts Garage in Newbury, the oldest Volvo dealer in the country, and the group then finished the year buying Oxford and Swindon sites from Johnsons Cars.

The plan was always to grow fairly quickly through acquisition, to near the £100m turnover mark within three years. O'Hanlon said some people comment that he's a hugely experienced executive running a little business. He reminds them that Ridgeway was a £13m turnover, two-site Volkswagen and Audi dealer when he was hired by David Newman in 1997 as financial controller.

"When I turned up with my laptop I doubled the computing capacity of the business," joked O'Hanlon.

It was only over the course of two decades that Ridgeway expanded into the £750m turnover, multi-brand regional group that attracted Marshall's takeover bid, and O'Hanlon became finance director and then chief executive along the way.

Growing a business, using his skills and knowledge to add value, and recruiting great people are all among the things that he loves to do, he said.

"We're not trying to do anything entirely new, but we are just trying to do it a bit quicker this time."

Waylands is a family business – O'Hanlon's wife, Karen, is company secretary and is a vital sounding board for ideas, he said. He said he is not hung up on remaining the sole shareholder forever and at the right time in the future he may be able to benefit the people who have contributed most to making the business a success – similar to what Newman did at Ridgeway, where O'Hanlon became a minority shareholder.

The group is well on track to achieve its medium-term goals. It has budgeted for £92m turnover for 2019, and was at £45m by the half-year point.

Despite a slowdown in the market, O'Hanlon believes Waylands should be "within touching distance" of his £100m aim slightly ahead of the three year timescale he set. The group is also building its balance sheet, showing its suppliers that it will be around for the long term, and his plan for a 1% return on sales is paying off, too, he said.


All this is happening while still turning the four businesses into one cohesive group, creating a new culture in the business, and undertaking major showroom redevelopment or relocations.

The £6m Reading VRE site opened in March this year after nine months of work. Oxford's VRE showroom, a £1m, three-month conversion of a former Marshall/Ridgeway Jaguar dealership, was completed at the end of August. At Swindon, the general manager has to plan for a major nine-month VRE refurbishment in 2020 while the dealership continues trading from the same site. Newbury will follow, and gain a storage compound.

With VRE comes VPS – Volvo Personal Service. Customers are encouraged to deal directly with the technicians fixing their car. They can watch through a huge glass wall, and dealers can have teams of two or three technicians servicing one car, in less than half the standard time, so the customer can wait 30-40 minutes and then be on their way.

Optimising this efficiency has meant investment for Waylands – in tool storage, 'cassette' ramps that give technicians more working space, SMART repair bays, tyre and wheel facilities. But it is investment that will pay off in the future, said O'Hanlon. Waylands will provide a full-service Volvo retail experience.

O'Hanlon said Waylands is at peak-building point now, so there is still considerable investment to be made, financially and in terms of management time.

O'Hanlon is an excited advocate of the VRE changes. He's confident of the results – footfall at Volvo Reading has gone up 

C 300% in the past six months. "Having a statement that says 'we're here, we're serious, we're premium' does attract people to come in. When they do, it's a lovely combination of a premium showroom that is, at the same time, very welcoming. Get into those comfy seats and have some coffee and you feel like you're in a home rather than in a big shop, you get some joy from it. That's where you're seeing a step change for the Volvo brand."

The desire is for customers on site to enjoy some 'fika' – a Swedish custom of taking a break with friends or colleagues while enjoying some coffee and cake.

He said Volvo is not seen as a brash brand, and described it as not being embarrassed about showing its traditions to customers.

"We are a safe brand first and foremost, and a comfortable brand. Those are the things the cars are built around, and now they're becoming more stylish, a bit sexy. There's a bit of sizzle."

On Volvo as a partner, he said its support has been invaluable in helping to find properties, giving introductions to its systems, and sparking conversations with other franchisees.

"They are very open, and very straightforward. I appreciate that approach, and if I have a problem I can phone a director and get a straightforward answer. Not everyone appreciates that level of frankness, but I do, I appreciate telling and being told things in a straightforward way."

He said Volvo has great opportunities for Waylands with its current range and product pipeline, including electrification. But he knows the brand has limits on the level of dealership ownership it wants with any one partner.

"In the short to medium term, we are a company with the Volvo brand at the beating heart of it," he said.

His years running Ridgeway across Oxfordshire, Berkshire and Hampshire ensures O'Hanlon knows his local markets well. But Waylands' retail sites will compete for customers with other premium-brand dealerships, some owned by the major AM100 groups Inchcape, Jardine Motors Group, Sytner and Marshall – including former Ridgeway sites.

O'Hanlon believes such competition is healthy, and his territories have sufficient buyers to target, thanks to high employment, high wealth, and lots of new housing, which will bring even more customers closer. Amid the local blue-collar demographic, there are many who aspire to owning premium brands, so there should be good opportunities there for new and used car sales.



“ [VOLVO] ARE VERY OPEN, AND VERY STRAIGHTFORWARD. I APPRECIATE THAT APPROACH, AND IF I HAVE A PROBLEM I CAN PHONE A DIRECTOR

**JOHN O'HANLON,
WAYLANDS AUTOMOTIVE**

"There's enough pockets of wealth in these areas. There's lots of demand, and I think we stand a chance with our level of service to stand out from some of the competition," he said.

"These are good areas to work within, and it's a customer base that understands what good service and generally fair service looks like."

O'Hanlon said competition is not necessarily about size. Businesses are run in different ways, due to their owners' demands rather than what is thought to be good or bad, he said. At any particular point, some will prioritise turnover, some profitability, some simply want consistent growth. For O'Hanlon, the driving force is in the ability to make long-term decisions, to spend time building Waylands' culture and reputation.

On those, O'Hanlon's personal principles of honesty, integrity, and care are overriding, he said. Performance and loyalty are also highly valued: "Things that can be difficult and sometimes expensive are areas I want to be part of my business."

He said he has enough experience plus strong teams around him to assess opportunities carefully, and he understands he leads by example and drives consistency.

"I can't be everywhere every day, so my people have to think 'what would John do?'. That comes down to how do I perform when I come into the business? Am I spending time talking to customers?"

"Caring is not a weak word. We care how we perform, care about each other. We spend so much time at work, but it's not a prison. I want people who want to smile, who want to do a great job."

Waylands has relied heavily on digital marketing to get noticed. Ridgeway was a digital early adopter, and O'Hanlon's priority at Waylands was to recruit a marketing manager, April Wyatt, who has "turbo-charged" its profile online and in social media. Now it is also using events and product placements for brand exposure, such as exhibiting in major shopping centres, and advertising on radio.

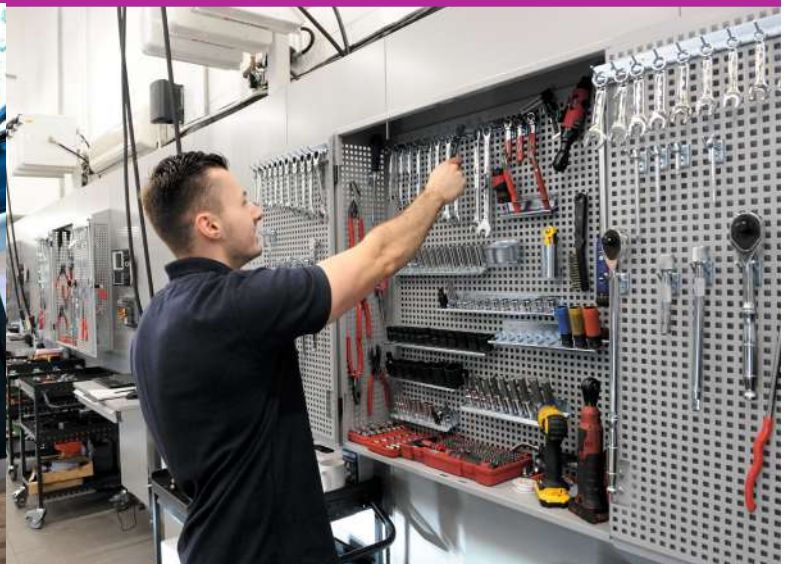
He is building its employer brand, too. How staff are inducted, how their performance is managed and how they communicate with each other must reflect that culture O'Hanlon desires. Even though it's a relatively small business, Waylands produces a glossy company magazine that features news on company activities and interviews with staff across all roles, to personalise the business. Staff take copies home to show their families – O'Hanlon wants them to feel proud of where they work.

A critical part of brand-building is making customers feel good about where they buy from, and keen to tell others. O'Hanlon wants Waylands to step away from the traditional sales qualification process towards one of 'discovery'. He believes salespeople should forget about asking how many miles a prospective buyer does and whether they have pets or children, because they have likely already qualified their own needs. Instead, staff should discover three things – how they can help the customer, how much research the customer has done, and what the customer wants to achieve today.

He said if all a customer wants to do is check their golf clubs will fit in the boot because they're 99% there on their decision, the dealership must make that the priority, not try to drag them through a sales process. Then that allows for a softer due diligence process afterwards to check the customer is making the right decision.

"Customers don't come in to go through a questionnaire. That's not a retail experience, that's me needing to tick a box. My fear is always that we go to the lowest common denominator because someone did something wrong in the past. We've got to go through that, but it should become easier and it doesn't have to happen straight away. And we can do it on their terms."

All Waylands sales staff are equipped with a laptop that folds over into a tablet, so they can sit at a desk or alongside a

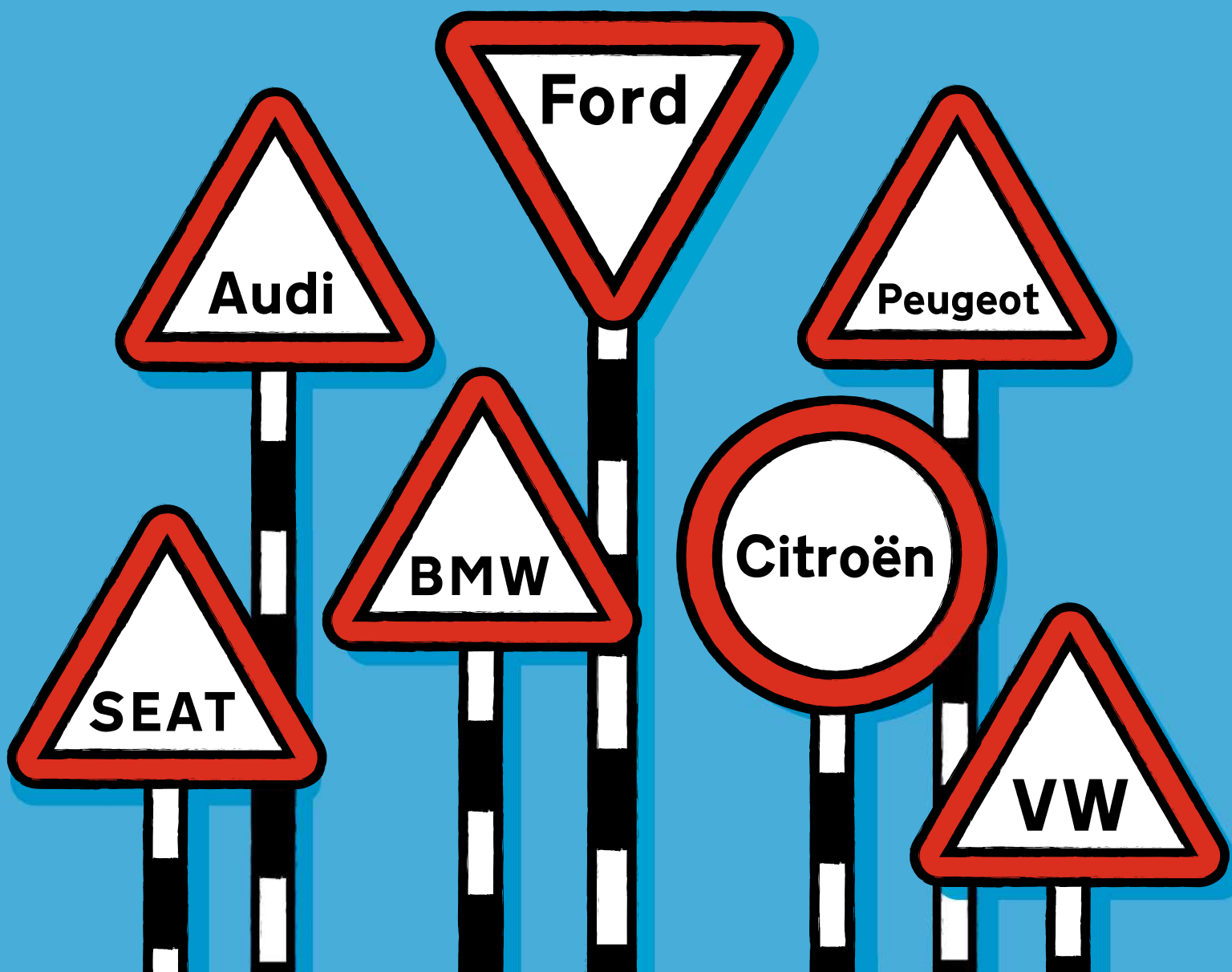


O'Hanlon is an enthusiastic advocate of the Volvo Retail Experience (VRE) corporate identity

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O'Hanlon insists on an all-Volvo used car strategy

customer on a sofa if they choose and "break that barrier", make them at ease, build a rapport and build the brand's reputation as easy to do business with.

Waylands needs to get things right, and its boss believes communication is key to that. O'Hanlon and his fellow directors will seek out someone for doing a great job and thank them. But they will also invite a sales manager for a chat on the forecourt if they see used cars are not prepared and priced appropriately or being imaged well online.

O'Hanlon believes stock is there to sell, not to age. Waylands has a 60-day stocking policy, and for every 30 days over that the dealership gets charged a provision, which will be returned to the business if the car sells. If a car somehow gets to 150 days, the site gets a fine.

"The checkers need to be checked. Sometimes we are just professional naggers. But that's retail. It matters." O'Hanlon said it's down to him and his fellow directors to go around the sites and visibly live the culture. "They see that I care, if I'm picking up litter or weeds, they know they should be doing it too. That's what I expect from everybody."

O'Hanlon is not interested in filling the

“THEY SEE THAT I CARE, IF I’M PICKING UP LITTER OR WEEDS, THEY KNOW THEY SHOULD BE DOING IT TOO. THAT’S WHAT I EXPECT FROM EVERYBODY

JOHN O'HANLON, WAYLANDS AUTOMOTIVE

forecourts with all-makes used cars.

"We've got enough space for Volvos and we've got enough demand. We're specialists for Volvo and that's what we should be selling and building our brand. That sometimes can frustrate, but it works for us. We want to be the first choice for Volvo – if you think Volvo in any of our areas you think Waylands."

Every Monday, Waylands holds performance reviews of each site, discussing KPIs such as new and used enquiries, stock, sales, customer experience management. Each general manager will

also create a forecast, including sales and deliveries, add-on sales, workshop hours, recovery rates. O'Hanlon said it's "a strong, hard discussion" because he neither wants anyone playing safe nor promising impossible numbers.

"With such a new team, it has taken a little time because they have a different level of experience on the financials. But it is something that's really important to me. It's a chance to show me what you've got and discuss it.

"It is a regime, and it's something I don't apologise for. Some of the guys tell me how busy they are on a Monday and I say 'great, you'll have the rest of the week to get on with the rest of your stuff'. It's about having that strong core to the business, and then spend the rest of the time adding the sizzle.

"Are we a serious business? Yes. But are we a serious business with a smile? Yes we are."

FACTFILE

TURNOVER £36.2m (2018)
PRE-TAX PROFIT £380,000 (2018)
NO. OF SITES 4
NO. OF STAFF 130



MINUTES WITH...

Chris Stott, founder and managing director, SalesMaster



Are there still dealers who don't see the merit of data?

I think dealers are definitely aware of the value in their data, it is just a very manual process to correlate relevant and accurate information at the right point.

When you look at new and used vehicles, demonstrators and courtesy cars, before you even entertain special offers and other incentives, there are so many data sources required to make decisions.

Having all the data at your fingertips is a game-changer. We see great engagement right across the business when on-boarding new customers. One of our dealer groups has already logged more than five million searches in SalesMaster to help them locate vehicles for customers.

How do you win new business?

The UK motor industry is definitely becoming more inventory-led, with increasing stock levels, and there's a genuine appreciation for real-time and accurate stock information in a controlled platform, which can be shared across a dealer network – something, obviously, that cannot be achieved with spreadsheets.

We are able to present SalesMaster as a proven solution to maximise efficiency and boost sales. As a result, we are now seeing a significant increase in in-bound inquiries, and larger groups (such as Lookers and Inchcape) have adopted our system group-wide.

Does signing a major client, such as Inchcape, have an immediate impact on the number of inquiries about your products and services?

Definitely. Also, we are now providing divisional solutions to 80% of the AM100,

HAVING ALL THE DATA AT YOUR FINGERTIPS IS A GAME-CHANGER

CHRIS STOTT, SALESMASTER

which is in itself an endorsement of the system. By default, the more exposure you have to the bigger groups means greater awareness among sales teams. There's also a credibility factor. If you make a big group signing, that breeds its own message for the next discussion we have with another retailer.

What is the typical approach by a new customer? Would they, for instance, initially sign up to StockBook, then take FleetBase at a later stage?

As new vehicle stock is often shared between fleet and retail, we do see an overlap between those two products. If we on-board FleetBase within a dealership, this usually creates an introduction to the retail division, where we can demonstrate the benefits of StockBook – and vice versa.

How many dealers and manufacturers now use SalesMaster products?

From a dealer group perspective, more than 500 sites use our platform in the UK. We also have a direct relationship with Volkswagen Group, which implemented SalesMaster for multiple stock initiatives across its brands.

Your site suggests that most customers will compromise on their spec, rather

than wait for a factory order. Do you think sales staff always make it clear that such a trade-off exists?

It's really hard for sales teams to get to real-time stock information about which new vehicles are available for immediate delivery, so it is easy to revert to the default position of simply placing a factory order.

SalesMaster's 'smart search' allows sales staff to easily filter for any vehicle attribute, including multiple factory options, colour, factory status and dealership location. Staff can save the information, and the search will then run automatically every day, so they can get back in touch with the customer when the vehicle does become available.

What does the rest of 2019 and beyond hold for SalesMaster?

Later this year, we will introduce StockBookPro, providing an array of additional functions; including two-way DMS integration, enhanced data capabilities, advanced video and image integration, and a more powerful reporting capability.

Naturally, we want to continue the scaling of our core offering, and reach out to more dealer groups and OEMs, but we will also be introducing new marketing and sales channels, to support our customer interactions with both media partners and leasing companies.

We are also celebrating our 10th birthday this year. We'll be holding a series of social events with customers and staff, and also have several marketing and social media campaigns planned. **IAN HALSTEAD**

FACT FILE

COMPANY:
SALESMASTER

HEADQUARTERS:
MILTON KEYNES

STAFF:
20

TURNOVER:
£1.5M (2018)

DEALER CLIENTS:
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BY 500+ DEALER
SITES ACROSS
THE UK

Northridge
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TOP DEALERS MOVE TO PREMIUM

PREMIUM MANUFACTURERS AND
THE BIGGEST AM100 GROUPS ARE
INCREASINGLY SEEKING EACH OTHER OUT

PAGES 36-40

THE R&D OF REFRANCHISING

LOOKING FOR A NEW PARTNER? CHECK
OUT PRODUCT PIPELINES, MARKET
AREAS AND CI DEMANDS FIRST

PAGES 43-44

MANUFACTURERS vs RETAILERS

CARMAKERS AND DEALERS HAVE
DIFFERENT REFRANCHISING DEMANDS,
BUT TRUST IS THE TOP PRIORITY

PAGES 47-48

Biggest dealer groups acquiring more premium franchises

Premium car manufacturers and the largest UK motor retailers are increasingly seeking each other out



Nearly two thirds of premium franchises have increased their representation with the 10 largest dealer groups in the UK over the past four years, according to data from AM.

Statistics pulled from the AM100 database over the past four years show a trend towards premium franchises among the larger dealer groups, as they have the pockets deep enough to fund premium brands' often multi-million pound corporate identity investments. In return, the dealer groups have the opportunity to unlock those brands' prestige and profit potential.

The AM100 data, which is based on submitted entries from dealer groups across the UK, shows that Mercedes-Benz has the highest representation within the top 10 dealer groups, at 61.4%, an increase of 15.1 percentage points since 2015.

Audi, in second place with 61.2% of its representation now with the top 10, has increased its representation with large dealer groups even more over the period, by 17ppts.

Land Rover, BMW and Mini have all seen increases with big retailers, too. However, those brands looking to break into the mainstream premium segment have actually gone backwards with the top 10 – currently Sytner Group, Lookers, Pendragon, Arnold Clark Automobiles, Vertu Motors, Inchcape Retail, Marshall Motor Holdings, Jardine Motors Group, Group 1 Automotive and TrustFord.

Volvo, a brand that has introduced new SUV and crossover products in recent years and is leaning much more heavily into the premium market, has actually reduced its representation among the 10 biggest dealer groups by 1.9ppts, leaving 84.1% of its network outside the largest dealer groups in the UK.

But the general trend shows that premium brands are looking to increase their representation among groups with deeper pockets.


Piers Trenear-Thomas, TT Automotive managing director and consultant on the AM100 data, said: "If you haven't got the financial clout to back up a

brand's corporate identity (CI) ambitions, you can expect to see change."

It's one of the reasons why brands such as Mercedes-Benz, Audi and Land Rover are all at 56% or higher in their representation among the top 10 of the AM100. These large dealer groups have the balance sheet to fund multi-million-pound property and dealership upgrade investments.

One of the biggest changes in AM's data is Aston Martin reducing its franchisees in the top 10 AM100 by 25ppts over the past four years. The brand itself is under financial pressure and it posted a £79 million half-year loss in August this year.

Trenear-Thomas said: "Aston Martin is focusing on smaller, specialist dealers and it's clear that the franchise doesn't think the big boys do a good job."

Lexus has also significantly reduced its representation among the top 10 since 2015 – it is now down to 15.2%, compared with 

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Carworld are on the road to success

How Carworld is powering up its next phase of growth with RAC Warranty and Assurant.

Going from strength to strength

As one of the 100 fastest growing businesses in Cambridgeshire and with a history dating back almost two decades, Carworld has become one of the motor industry's most respected car supermarkets.

The future is bright

To power up its next phase of growth, Carworld is working with RAC Warranty and also Assurant, the Fortune 500 company that partners with the RAC in the warranty sector. Both are brands that fit Carworld's business ethos and provide high levels of expertise and stability.

Mahmood Fazal, Founder and Director of Carworld, said *"Our intent is to offer customers a different buying experience and we have grown over the years to operate a supermarket and a superstore, both in Peterborough, stocking over 1,500 units in total. This has happened organically through trying to be the best car retailer that we can. We have a mantra for the customer mindset - 'find it, try it, love it, buy it' - and we see ourselves very much in the business of satisfying that need."*

Supporting expansion

Earlier this year, Carworld underwent a comprehensive refresh of its branding and, over the next 3 to 5 years, has ambitious expansion plans both for its existing sites and to increase the number of outlets it operates across the UK.

"We believe that there is considerable potential for growth and, as part of pursuing that opportunity, we want to make sure that we have the right partners in place. RAC and Assurant are now a central part of that strategy."

"Fundamental advantages include not just the quality of the warranties themselves but the high degree of customer recognition and trust that the RAC brand delivers alongside the corporate expertise and capabilities of Assurant" Mahmood explained.

A true partnership

In implementing RAC Warranty at Carworld, Mahmood worked very closely with Tom Binley, Business Development Director at Assurant, who said:

"Carworld is an excellent fit for us. We partner with around a quarter of the Top 50 Independent Dealers and what we always seek is a commitment to customer service that is commensurate with the RAC brand."

"A key element of Carworld's desire to work with us is based on our ability to help them grow, a responsibility we take seriously. We carry out exercises helping to maximise the benefits of the RAC brand and to meet the needs of those customers who wish to upgrade to a longer warranty or more comprehensive cover."

"An essential part of our support are extensive marketing resources which included a review of the Carworld website as well as strengthening their forecourt presence. It is a genuine partnership approach."

You can join the RAC Dealer Network

RAC Warranty products are sold exclusively through the RAC Dealer Network, which now numbers 1,400 used car retailers across the UK including independents, franchises and car supermarkets. The RAC Warranty is provided by Assurant*, a Fortune 500 company.

We have a core ethos of providing excellent products, high quality training, dedicated account management and focused marketing support.

Our warranty proposition is focused on delivering customer value. We provide a choice of 4 levels; Silver, Gold, Platinum and Platinum Plus to suit every customer and additional benefits such as no customer excess to pay.

Do you want to find out more about joining the RAC Dealer Network?

By joining the RAC Dealer Network, you'll have access to both high quality products and expertise from Assurant and the RAC.

For further details call 0330 100 3807, e-mail dealernetwork@rac.co.uk or visit rac.co.uk/joinournetwork

*Warranty is provided by The Warranty Group Services (Isle of Man) Limited and administered by TWG Services Limited which are both Assurant companies.



◀ 26.7% four years ago. The top 10 dealer groups in the UK also divested of brands such as Toyota (down 4ppts), Fiat (down 3ppts) and Mazda (down 0.5ppts).

Of Toyota's dealer network, 87% is now outside the top 10, Fiat has 88.4% outside, and Mazda has 93.2% outside the largest dealer groups, as the franchise seems to be focusing on local specialists.

The wider picture is not quite so dramatic, with average churn of 2.1% across all the brands AM analysed over the four-year period.

Trenewar-Thomas said: "There hasn't been a huge revolution over the past four years, but there has been a slight AM100 shift towards more premium brands, while the reductions with brands such as Fiat, Citroën, Peugeot and Renault are clear to see."

Outside premium brands, Škoda has become popular with the top 10, increasing its representation in recent years by 16.3 ppts, to 22.2%.

Trenewar-Thomas said that while Škoda used to be regarded as an entry point to the Volkswagen Group brand, dealers and drivers have known for some time that "it's a VW with more kit for less money" and this has attracted larger groups to invest. Interestingly, while VW still has a higher representation than Škoda with the top 10, it has fallen 3.3ppts to 26.1%.

Trenewar-Thomas said: "Many groups have divested of Fiat, but the specialists have stuck

with it and that's a picture that's reflected across the data. If you're a specialist with a franchise and you understand it, you're going to stick with it."

Steve Young, the managing director of the ICDP, said the churn of franchises is not limited to a specific sector, with premium, volume and value brands continuing to change hands.

The investment needs of the premium brands are higher, and this leads to more investors having to decide whether the returns will justify that investment – and, in some cases, deciding they do not.

Young said: "These investment requirements have also led to some investors who did not run the numbers properly or were just too optimistic on future growth, discovering that they have a loss-making asset, and trying to find another investor who will take it off their hands."

"In the value-oriented brands, the issues are generally less about property investment, but reflect the varying fortunes of the different brands."

Young used the example of Vauxhall, which he described as a "capital-intensive franchise with weak pricing" before the PSA takeover.

However, now the Vauxhall network is in the process of being reduced by up to a third by 2020, Young said there is renewed interest in the franchise, along with new product in the pipeline.

AM's data showed that the top 10 dealer groups have increased their representation with Vauxhall by 12% over the past four years.

Likewise, volume leader Ford has increased its representation with the largest dealer groups by 6.4ppts, to 36.3% in total.

Hyundai, Kia and Nissan have been the most popular Korean and Japanese brands with the top 10 over the past four years, with increases in representation for

all of them (up 2.6ppts, 2ppts and 1.4ppts respectively).

Young said a number of factors drive churn in the industry.

On the franchise side, he said there is now less of a worry dealerships will go bust compared with 10 years ago, because dealers are generally in a stronger position overall. He said this is also combined with a lot more data about the performance of the individual dealerships in their network, with associated league tables.

These dealers will be evaluating whether it makes sense to switch to a different franchise, or even a dedicated used car site to offer a better return than sticking with the brand they currently represent.

Young said: "They [carmakers] are always looking at the underperforming dealers and considering whether a new investor or new location might help fix the problem."

He said some manufacturers are indirectly driving churn by asking for new investment that they know some investors either cannot or will not make. This may then prompt a dealer group to look at leaving the franchise, and the manufacturer partnering with a new investor with more funds or a more optimistic view on investment returns to take over.

Young said: "Retailers all generally have a view that within their portfolio of brands and dealerships, they want to have 'a seat at the table' for each brand they represent – say six to 10 dealerships for a large group."

"Where this is not the case, they will be looking either to add more points for that franchise, or change the franchise on the affected sites or sell the dealerships to another investor."

Young said it is also more efficient for manufacturers to have scale with some groups as they can approach a few people and get commitments on large volumes quickly.

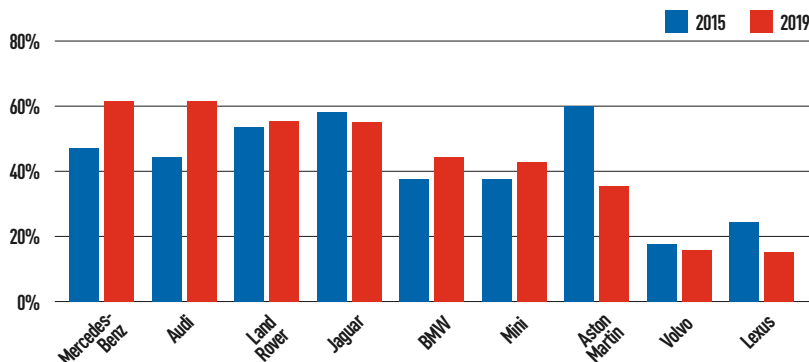
He said: "The greater proportion you represent of a manufacturer's volume, the more you'll be expected to help when

IF YOU HAVEN'T GOT THE FINANCIAL CLOUT TO BACK UP A BRAND'S CORPORATE IDENTITY AMBITIONS, YOU CAN EXPECT TO SEE CHANGE

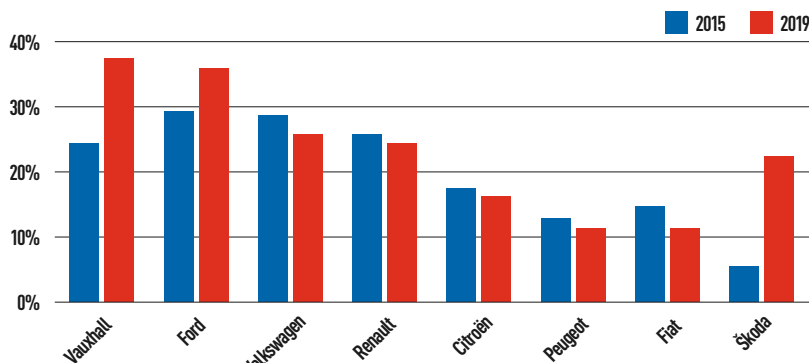
PIERS TRENEWAR-THOMAS



PERCENTAGE OF PREMIUM BRANDS' FRANCHISE REPRESENTATION IN TOP 10 DEALER GROUPS



PERCENTAGE OF MAINSTREAM BRANDS' FRANCHISE REPRESENTATION IN TOP 10 DEALER GROUPS



they need more volume, but because you're important, the franchise has limited opportunity in the short term to apply any sanctions if you play hard ball.

"However, that is the root of soured relationships, which we have seen in a number of cases – in the end you need balance in the relationship."

TOP 10 AM100 IN FOCUS

Sytner, the largest group in the AM100 by turnover, has added 14 dealerships over the past four years and disposed of eight, according to AM100 data. The biggest increase has been with Volkswagen and its group brands, while it exited from Japanese franchises including Lexus, Honda and Suzuki.

Sytner increased its representation with six VW sites and also increased with Smart, Škoda, Seat and Jaguar. It's biggest partner is BMW, followed by Audi, Mercedes-Benz and Mini.

Lookers has also focused on premium since 2015, with additions from Audi (up five to 13 sites), BMW (three), Mini (three) and Mercedes-Benz (up eight to 14 locations). By contrast, it has exited from Fiat and

Alfa Romeo and reduced its representation of Peugeot, Citroën and Honda.

Lookers confirmed in its recent half-year results that it has also closed Seat and Mazda sites in Middlesbrough and Kia in Sunderland, which it added as part of last year's acquisition of Jennings Motor Group.

Nigel McMinn, Lookers' chief operating officer, said the group's franchise representation strategy is driven by the right brand and the right location.

McMinn and chief executive Andy Bruce took inspiration from the US model of focusing on large market areas and looking to maximise profit with the largest throughput possible.

This has meant disposing of what McMinn describes as second- or third-tier market-share brands and locations that were draining management time, and concentrating effort on large market areas.

The emphasis is not solely on increasing representation with premium brands, but McMinn said: "If you're putting a lot of volume through a site in a major location and it's a premium brand, you're looking at double the potential profit per unit in comparison to some other brands."

"This helps to explain the steer towards more premium brands for the group."

Pendragon has reduced in size by 32 sites over the past four years and added eight. It has lost six Aston Martin sites, taking it down to three.

It has also divested itself of four Land Rover sites and six Jaguar. Pendragon also reduced its number of Citroën, Dacia, Ford, Honda, Nissan, Peugeot and Renault franchises. The group's biggest addition was three Smart dealerships, to accompany its eight Mercedes-Benz dealerships.

According to AM's data, Arnold Clark has added 41 locations over the past four years and disposed of eight. The business has grown gradually with partners such as Citroën, Honda, Kia and Mitsubishi. The focus on mainstream and volume brands is clear.

While it does have premium brand representation with BMW and Mini (four each) and Mercedes, it has not grown with the brands over the past four years.

Arnold Clark did reduce its Jeep representation by three sites, Fiat by two, and Renault/Dacia and Ford by one each.

Vertu is another group that has exited the Fiat and Alfa franchise and rebalanced its franchise representation by adding premium brands – five Mercedes-Benz sites and one Audi. It has also added Honda and Škoda locations.

Inchcape has been pretty steady over the period, adding three sites and disposing of four, including Audi, Jaguar and Toyota. The data from AM hasn't tracked the latest movements from Inchcape in recent months, in which it disposed of five VW car and van franchises to Group 1 and two Audi sites to Motorline. This is in addition to the Audi Canterbury site it sold to Motorline in June last year.

These were loss-making locations and Inchcape is now focusing on "cost optimisation" across the business in addition to "retail market portfolio optimisation". This could make Inchcape shed more loss-making locations as it looks to concentrate on higher-volume market areas.

Marshall's activity has also boosted its prestige balance, with four Mercedes sites, and it must surely have a seat at the table with VW Group, with an increase of six Audi sites, 10 Škoda and four VW.

The group exited Citroën and Toyota.

Jardine added nine sites and shed 12 over the past four years. The biggest additions have come from three Audi and three Land Rover, but the premium focus in the top 10 continues via expansions with BMW and Mini. Its biggest reduction has been with Toyota, losing seven sites over the period.

Group 1 has been on the acquisition trail and that's reflected in its data, with no sites disposed of over the period. The biggest growth partner has been Mercedes-Benz, which is in the process of rolling out its new MAR2020 corporate identity. **TOM SEYMOUR**

The rise of the online shopper...

... and how Car Care Plan can help dealers to maximise footfall in the digital age

Online car sales have increased in popularity, but have they reached their peak? Dealerships still have much to offer prospective customers, whether first-time or experienced buyers. Indeed, studies conducted in 2019 by the likes of CitNow demonstrate the ongoing importance of the physical showroom, meaning the dealership space is still at the forefront of customer's minds.¹

With that said, online sales still represent a significant portion of total car sales in the UK. So why are people so keen to buy online? Partly, it's the ease with which customers can have numerous makes, models and price ranges at their fingertips. Almost 75% of younger car buyers use their smartphone to research online², which may seem like bad news for the dealer, but this actually presents an excellent opportunity.

With a vast wealth of information online about what car a buyer should spend their hard-earned cash on, what may begin as a simple research task can become a daunting prospect. Customers are turning back to the dealership for expertise and advice. But the fact remains, the customer's instinct is to begin the car-buying process online. This makes it imperative that dealers have a strong online presence.

Good reviews and active social media accounts will go a long way towards encouraging a customer offline and into a specific dealership. Car Care Plan has extensive experience working with dealers to create tailored products sold through a seamless sales process. Choosing Car Care Plan will mean the best for dealerships wishing to cater for the distant buyer.

Dealerships have many benefits over shopping online. A significant downfall of online sales is that background checks can be difficult to obtain, and online sellers may have less accountability about a vehicle's



history. In many cases, the smaller range of quality cars offered by the dealer is preferable to the vast range of questionable vehicles found online. Buyers are still keen to view a potential sale in person before taking the plunge, and test drives continue to be a strong selling point for dealerships.

Finally, distant buyers will be missing out on aftersales and add-on purchases by shopping online. The increasing popularity of warranties, MOT, cosmetic warranty, service plans and more demonstrates that buyers value aftersales care they can find in dealerships. Aftersales can be the icing on the cake regarding shopping in dealerships instead of online, so it's important for dealers to have the best products to sell to customers.

The range of aftersales products that Car Care Plan offers is paramount in helping drive customers back into the dealership. Product benefits are two-fold – customers get the protection and peace of mind they deserve, and dealers retain profit and footfall in the process. Customer relations



will improve as they return to their trusted dealer for service and repairs, building retention in a way online shopping simply cannot.

Though younger car-buyers are thought to be entirely digital-minded, the security, expertise and customer service that dealerships offer often trump the comfort of sofa shopping. Car Care Plan can help dealers maximise footfall with their award-winning vehicle warranty and asset protection products.

^{1&2} CitNow <https://www.citnow.com/blog/dealers-prepared-facilitate-online-car-sales/>

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MEET BRITAIN'S BEST PERFORMING CAR MANUFACTURER



SsangYong is looking to add more dealers to its UK network – and with a range of excellent cars and a reputation for being an easy franchise to work with, it's an option well worth considering. "We want to make it easy for dealers to acquire and operate the franchise", says David Rose, UK dealer recruitment and development manager, "and have removed the barriers to ensure representing our brand is highly appealing and easily assessable".

"We have changed the traditional way people view a new vehicle franchise, and SsangYong will be known for the quality of its products, its industry beating warranties, and the ease of operating a dealership. Our approach means there is no investment in signage, special tools, vehicle diagnostic equipment and very minimal set-up costs when joining the SsangYong family. Not only that, but SsangYong gives you industry leading margin retention on new vehicles, so all in all, it is a highly compelling option."

The quality and reliability of SsangYong's SUVs and 4x4s, such as the all-new Korando and Rexton, is second to none – not forgetting Musso, the multi-award-winning pick-up. Nick Laird, managing director of SsangYong Motor UK, adds that "the brand is committed to long term investment in new product including a full electric version of Korando in the near future. We offer a very clear product portfolio of SUV and pick-up models - sectors of the market in growth, and we are committed to ongoing investment to build great relationships with our dealers and customers".

While it might still be a small brand, SsangYong has been named 'Best performing car manufacturer' by HonestJohn.co.uk and top for owner satisfaction, beating names such as Porsche, Lexus and Jaguar, and having our 7-year/150,000 mile warranty extended across the entire range gives SsangYong the best warranty in the motor industry by some margin. It offers dealers a five-model range of cars so there's something for almost every customer: B & C segment SUVs, a large 4x4 and a crew cab pick-up, which means that whatever your dealer profile, there's a product you can offer.

Whether you already represent another manufacturer, are looking to build on a successful used car operation, or are branching out to a new location, SsangYong wants to hear from you. David Rose is "keen to talk to both experienced new vehicle franchisees, and operators who are considering their first franchise. Indeed, SsangYong is an ideal "first step" into new vehicle franchising, as it's very easy to operate and enjoy incremental income from sales and service from day one".

For more information contact Dave Rose on 07964 806938, email: david.rose@smotor.co.uk or alternatively, submit your details in the enquiry form at ssangyonggb.co.uk/pages/become-a-dealer



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SsangYong is Britain's best performing car manufacturer according to the Honest John Satisfaction Index 2018.



The R&D of refranchising

Looking for a new partner? Check out product pipelines, market areas and CI demands first

Retailers considering a move to a new franchise need to do their homework. *AM* asked for expert advice to identify the areas motor retailers should research to help determine the value of a franchise move.

PRODUCT

A constant supply of new generation vehicles and refreshes is intrinsically linked to sales volumes and dealers need to have sight and faith in future products.

Graeme Potts, the chief executive of Eden Motor Group, has expanded with several franchises – including Hyundai, Mazda, Peugeot, Fiat, Suzuki and MG – after starting out as a Vauxhall joint-venture in 2008. It now has 20 dealerships.

Potts said he constantly tracks the market share developments of brands in the UK and always has a shortlist that may fit.

He said any retail-centric dealer group looking at a new franchise will ask: Is it consumer-focused? Does it have recent model launches in key segments and does the franchise see value in partnering with dealer groups as a long-term strategy?

Eden recently added MG to one of the two

showrooms at its large Swindon Vauxhall location and a second MG franchise in Newton Abbot, which is currently one of its three standalone used car centres.

It added Suzuki to its Stratford-upon-Avon site. It has also expanded from one to four Hyundai sites within two years.

Potts has a particular eye on brands that are gestating or that may be in transition from niche to mainstream.

Eden first partnered with Hyundai in 2012 after watching what happened following the brand's exposure to thousands of new customers during the scrappage scheme incentive in 2009.

Potts said new franchise developments usually start with an informal conversation with regional franchise managers.

David Kendrick, UHY Hacker Young's head of corporate finance and chairman of UHY's national automotive group, said brand desirability had previously been the top factor for consideration on refranchising, but return on investment now tops the agenda.

He said: "It's why you see brands like Kia or Suzuki doing very well. They have a commercially minded leadership team, they offer a broad range and return good profits."

Potts said prospective franchises are generally quite open about their plans

IF THE MARKET OPPORTUNITY ISN'T THERE VERSUS THE OVERHEAD, YOU WON'T BE ABLE TO MAKE IT VIABLE



**DAVID KENDRICK,
UHY HACKER YOUNG**

regarding product line-up. This includes visibility for the next five years of product at the very least. He said the frequency of product launches is an important factor in how long it will be before a new franchise will make a return.

Kendrick said: "You only have to look at Fiat. The 500 was successful, but you can't make a franchise out of one model."

"The things we are seeing partners looking for on the product side are having that visibility on electric and battery technology and a strong SUV and crossover line-up."

GEOGRAPHIC AREA

UHY Hacker Young does a lot of work with dealers on investigating the



potential of a market area. Manufacturers will give prospective dealers information from their own research into the market share expectations of a particular area.

Kendrick said: "It's something we advise all dealer groups to look at very closely before putting a budget together, because if the market opportunity isn't there versus the overhead, you won't be able to make it viable."

Peter Cottle, the head of automotive at consultancy and services business GrowCap, said dealers have to look at how the brand fits with the geographic location and whether there is enough to sustain the business compared with the previous franchise.

Cottle said dealers will also find out how close competing dealers are and what their reputations are like locally.

He said a location will generally work if the dealer has already had success with a volume franchise and is looking to replace with another volume brand.

"However, the dynamics can be very different when you're moving customer demographics from value to volume, or volume to premium," said Cottle.

"The demands on the business are going to be very different."

This includes the demands on investment required, approach to corporate identity standards, size of dealerships, volume targets and stocking requirements. There's also the change in customer expectations.

Potts said he ensures the group knows a lot about its current geographic locations.

He tracks national statistics for UK hotspots, using indicators such as residential development to show potential market opportunity.

WE'VE SEEN MANY DEALERS BURNT OVER THE YEARS BY THE CI EXPECTATIONS OF THEIR OEM PARTNERS



KARL DAVIS,
COACHWORKS CONSULTING

DYNAMICS CAN BE VERY DIFFERENT WHEN YOU'RE MOVING FROM VALUE TO VOLUME, OR VOLUME TO PREMIUM



PETER COTTLE, GROWCAP

INVESTMENT REQUIREMENTS

As one dealer recently told AM: "As soon as you start making any money, manufacturers will find a way to spend it."

Karl Davis, the managing director of Coachworks Consulting, said: "We've seen many dealers burnt over the years by the CI expectations of their OEM partners."

"Before rushing in to take over a vacant site, it's worth factoring in the costs of any structural changes required to remove any associations with the previous franchise."

For brands looking to establish market

share in the UK, such as MG or Suzuki, Potts said there is a more collaborative approach.

Whether a dealer group has the funds available to fuel the brand's ambitions will play a major factor in winning the franchise.

Potts said: "If it's a smaller brand, but the corporate identity (CI) is cost-prohibitive, it's going to impact the speed with which you're going to be able to make a return."

For manufacturers with open points, their regional teams will be speaking with dealer groups all the time and trying to get time with the chief executives. However, there may be other brands that are unlikely to have open points, such as Ford, where dealer groups will have to pitch to them.

Kendrick said: "For any dealer group that has an open mind about expanding in the future and adding new franchises, they should make contact with the brands and put a presentation together, even if they're not ready as this stage."

"If you can demonstrate how you do business and what your performance is like, when there comes an opportunity, you're more likely to get that franchise if there's prior contact and a relationship."

Kendrick said: "There's mutual courting going on all the time. Depending on how far along you are with those exploratory talks, a dealer group boss may get invited out to see far future product plans at the factory."

"Those are good trips to get on to because not only do you get an idea of future product, but you can speak to all the current franchisees there too about the experiences they have had."

DUE DILIGENCE

Davis recommends always working with an independent third party to carry out due diligence on a franchise opportunity.

He said he often sees retailers sign contracts too readily and described it as "getting into a marriage after a one-night stand".

"They subsequently discover they did not fully understand the expectations of the franchise and might be required to make high levels of investment in facilities which may not suit their aspirations," he said.

"Due diligence carried out by a motor trade specialist should ensure that a dealer's balance sheet has been checked sufficiently to know whether the business has enough wind in its sails to achieve the OEM's expectations."

Potts said while he does consult lawyers and accountants, the decision will ultimately always rest with the dealer group's senior management team. **TOM SEYMOUR**

NFDA DEALER ATTITUDE SURVEY

The National Franchised Dealer Association (NFDA) publishes its Dealer Attitude Survey (DAS) twice a year in summer and winter to provide a litmus test on franchise sentiment.

It rates franchises on everything from profitability, to the quality of its finance offers and its approach to marketing.

Kendrick said the DAS acts as a reference point for retailers.

He said: "There are no surprises that those franchises that are making a profit usually sit at the top of the listings."

He said there is detail to be studied around how collaborative the management teams are and the approach to investment requirements, too. But he said: "If the brand is making money, the attitude is usually pretty positive."

Potts said the DAS can help prompt particular areas to investigate when in initial meetings and discussions with a manufacturer.

He said: "Manufacturers are usually quite keen to tell you what they are doing to improve their DAS ranking too."

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email david.rose@smotor.co.uk



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Model shown is Korando Ultimate with optional metallic paint. Fuel consumption figures in mpg: Urban 36.7-47.8, Extra Urban 49.5-54.3, Combined 44.1-51.4. CO2 emissions in g/km 170-144. *according to the Honest John Satisfaction Index 2018. Warranty covers 7 years or 150,000 miles.

Two sides to the story

Carmakers and car dealers have different priorities when shopping for new partners, but, finances and targets aside, a lot of it comes down to building a relationship

THE MANUFACTURERS' STORY

Car brands are understandably cautious when choosing a new franchisee partner – make the wrong move and the brand could suffer reputational damage in a geographical territory for years. But if a manufacturer finds the right retailer for its product, a previous open point can become fertile new ground.

Once the manufacturer has identified an open point, the first port of call is often an existing franchisee, said Brian Hawkins, general manager for dealer development at Suzuki.

"We might approach a potential dealer partner and say, 'How do you feel about trying to find us some premises in this area to represent the Suzuki franchise?'," he said.

If a manufacturer starts from scratch, though, there is a lot of background work to do. David Rose, SsangYong's network development manager, said: "We tend to go for people who have current franchises, maybe have one operation, one dealership. Or they may be an independent used car dealer who is looking for their first franchise."

"I initiate a meeting with a prospect, followed by a potential second meeting, where you go into quite a lot more depth about the brand and about that business

itself. And then every month we have a franchise review meeting. We decide which of those prospects will fit our brand.

"I tend to look at Companies House for the history of a prospect. The new car stock needs to be funded by a funding house, so there are certain criteria that a prospect has to meet, such as the history of that company, how long has it been trading? Can it grow? What does its balance sheet look like?"

Once the right partner has been selected, and all the financial due diligence is completed, it's time to start building a relationship that will underpin and sustain both sides for years. This is very much handled on a personal basis, said Hawkins.

"I have two field guys who are very experienced in franchising, and have lots of personal contacts and relationships with existing dealers and partners," he said.

"But it's mostly to do with them building a relationship with the partner to start with, and they'll visit them as often as they can, handhold them through the process. They are generally their point of contact for any queries they have."

It's also a case of instilling the franchisee with

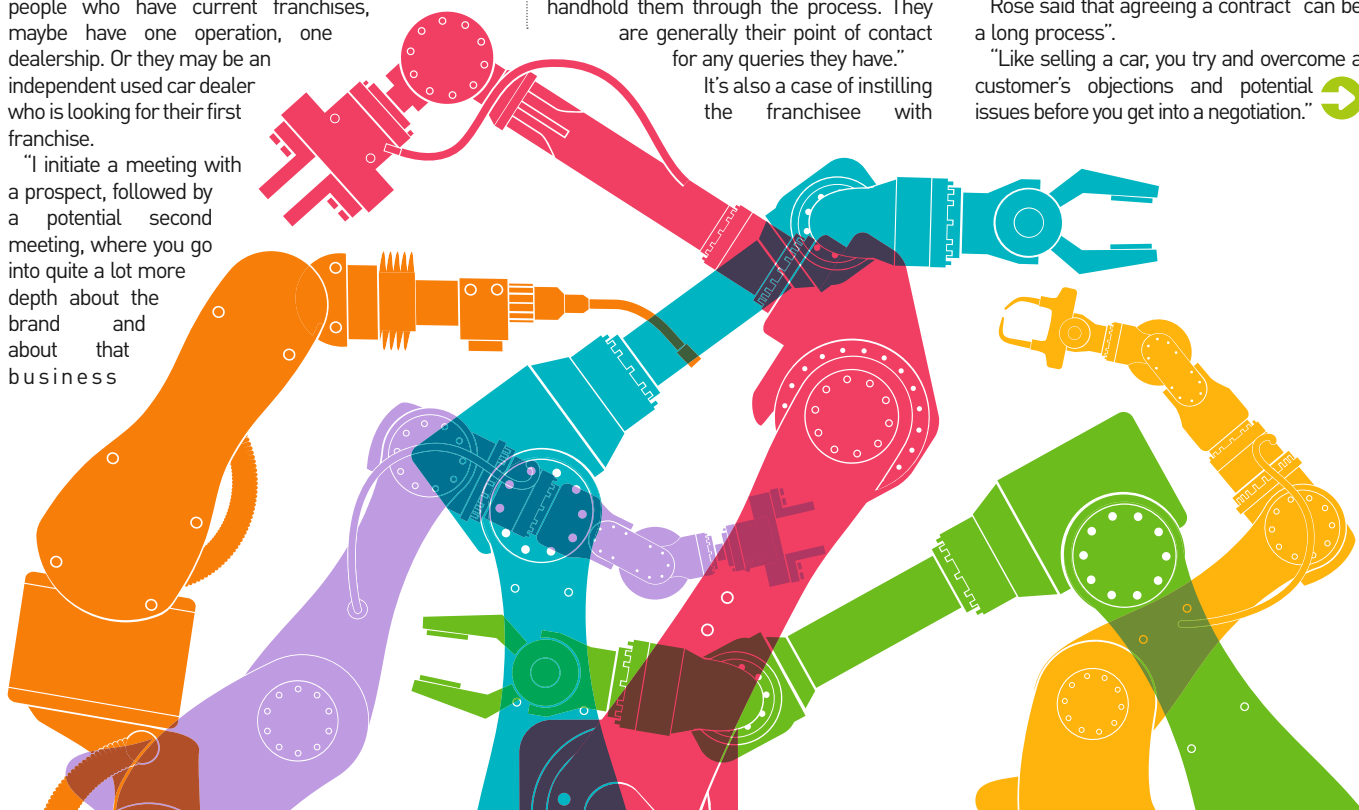
confidence in the brand, said Rose: "SsangYong is a niche brand and you spend time explaining what the brand is about to prospects. It's about building confidence that the brand's got a future and they can actually go forward and make some money out of it."

"We tend to give a prospect some of our models for a while so they can live with them. That works quite well, when they can live with a couple of cars for a week and there's no pressure. They can really get to understand the vehicles."

Once the groundwork has been done, it's time to sign the deal. Hawkins said: "It's not as though we're a financially driven contract-clincher, so we don't part with bucketloads of money to make sure you sign on the dotted line. It's a question of whether the partner has a desire and a passion for the Suzuki franchise. If the partner demonstrates that passion for business and for customers, then we're comfortable with that."

Rose said that agreeing a contract "can be a long process".

"Like selling a car, you try and overcome a customer's objections and potential issues before you get into a negotiation."



← THE RETAILERS' STORY

Opening a new franchise in precarious economic circumstances requires trust in the partner brand, as well as confidence in your ability to run a successful dealership.

There seems to be no shortage of franchisees in this position, however. So what are franchisees looking for when starting a new relationship?

Philip Wade, the franchise and development director for Stoneacre Motor Group, said: "What we're looking to do is trying to retain as many customers within the Stoneacre brand as we can. The objective is to get as many franchises as we can, so we can retain as many customers as possible within the Stoneacre family."

"The one big thing, more than anything, which is really important, is the relationship you have with the manufacturer. If you have no relationship and you've got no trust and no respect, you have absolutely no chances of taking on a franchise."

Existing relationships can be an important pre-condition for identifying new partners.

"A lot of it is personal relationships, because perhaps you know the chief executive of a brand because you've worked with them before," said Steve Brighton, managing director of Hepworth Motor Group.

"SsangYong's a good example – the reason we got involved with the brand and have been tracking them, is they were growing. But I also knew the late Paul Williams for quite a number of years, through Daihatsu, when we had that within the group."

"Other times, it's

just finding the right brand at the right time. Timing is everything. If you haven't got a showroom or you haven't got the funds to be able to push on, it's always a bit difficult."

Choosing the right brand is another key consideration, said Tom Sims, owner of single-site Wilnecote Motors in Tamworth.

"Selecting a franchise that suits you is important. When we took on Citroën, it was partly because PSA owns Vauxhall. I thought it was a good partner to go in with because I've been doing Vauxhalls for many years and we were essentially staying with the same manufacturer."

Once that initial contact has been made, and the two parties start talking, the franchisee having a sound business footing is vital. Wade said: "What they're very keen on establishing is what's your DNA? How

do you operate? What are your values? How do your staff operate? How's your CSI score? Are you profitable? Can you turn businesses around?"

From the franchisee's perspective, they're looking at what a manufacturer can offer. Brighton said: "It's who would offer the best deal. You look at what support you've got, what the composites are and then I would talk to a few people about it."

"You also need to know that they're developing good product, because more and more, it's product that drives everything. It drives your customer, your showroom traffic, but it also drives your margin. If you provide a car that people want to buy, you're going to sell cars and make some margin."

"But it is about personal relationships and quite often, because it's quite incestuous, the smaller brands will know you and will come and talk to you, because you match their criteria."

Before signing the deal, franchisees also assess what the brand is offering. "That's the special tools, period of support, reduced targets, financial support if you're developing a showroom," said Brighton. "You have to do a viability study, because if they don't give you enough support, you're going to struggle."

Modest targets while the site gets established are critical. "You're always looking for a small target, because you're always looking to earn a volume bonus," said Sims.

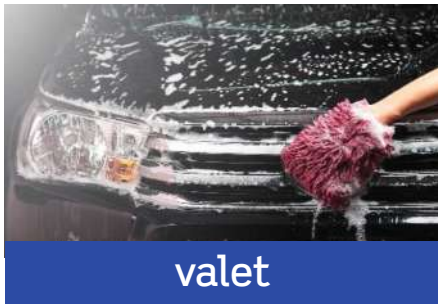
CRAIG THOMAS

**“IF YOU HAVE NO
RELATIONSHIP WITH
THE MANUFACTURER
AND YOU'VE GOT NO TRUST
AND NO RESPECT, YOU'VE
GOT NO CHANCES OF TAKING
ON A FRANCHISE ”**

**PHILIP WADE,
STONEACRE MOTOR GROUP**

For further information about the SsangYong franchise, contact David Rose on 07964 806 938, email: david.rose@smotor.co.uk or via ssangyonggb.co.uk/pages/become-a-dealer

SSURPRISINGLY
SSANGYONG



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In association with



A brand of
BASF – We create chemistry

An untapped revenue stream ready to explore

A largely untapped aftersales revenue stream could put many thousands of pounds on the bottom line, according to automotive paint supplier Glasurit.

In the early days, smart repair services were viewed as something of a 'cottage industry'. For years the work was performed on part-exchange vehicles being refurbished for the forecourt by one-man bands. That said, many of these small operations have since grown into significant businesses.

However, manufacturers are now encouraging their networks to offer the service in-house particularly to retail customers, thereby providing an additional revenue stream.

Glasurit's Pro-Smart Retail System enables dealers to offer retail customers smart repair services as well as meeting vehicle preparation requirements for sales colleagues.

Glasurit is the automotive refinishing brand of the world's largest chemical company, BASF of Germany. BASF history stretches back 130 years and the parent company has an annual global turnover of £65bn, automotive accounts for 10% – £6.5bn.

“THE WORK IS UNDERTAKEN ON RETAILER'S SITE, BUT THEY ARE PAYING FOR IT AS OPPOSED TO GAINING REVENUE

DAVID BIBB
BASF AUTOMOTIVE REFINISH

Glasurit is the UK's premium automotive refinish brand and is one of the largest suppliers of OEM coatings globally with more vehicle manufacturer approvals than any other paint brand in the UK.

UK smart repair revenue is worth an incredible £300m a year, according to industry figures, and Glasurit estimates just 10% of franchised retailers operate their own in-house service. This means there's an almighty chunk of revenue slipping through the network's fingers.

"In most instances the work is undertaken on the retailer's site, but they are paying for it as opposed to gaining revenue from it," said David Bibb, key account manager (VW, Porsche, Mercedes-Benz) at BASF Automotive Refinish.

If a retailer is undertaking 20 services a day on average, Glasurit uses industry estimates that around 40% have sustained some kind of paint damage to warrant a smart repair.

Working on industry figures, the expectation is a dealer could convert 15% into smart repairs a day. With an average smart repair costing £200, this equates to £1,200 a day, £6,000 a week or £300,000 per year on turnover.

With an initial investment from as little as £20,000 for equipment, installation and technician training, offering smart repairs has the potential to deliver an impressive return on investment, upwards of 70% GP.

Responding to change

Several considerations have galvanised manufacturers to encourage retailers to take smart repairs in-house.

For example, the onset of electrification means vehicles will have fewer



BASF, Earl Road, Cheadle Hulme, Cheadle, SK8 6PT. 0161 488 5395



serviceable parts that can go wrong, which will impact future aftersales revenue from service, maintenance and repairs (SMR).

Another consideration is the current dominance of PCP funding. Customers do not own their vehicles outright until the final payment is made and if they maintain their vehicle to the highest standard that increases the chances of maximising its value at the end of the finance agreement. They are more likely to gain if the car is worked on by manufacturer-trained technicians and the smart repair is covered by the brand's guarantee.

It also means manufacturers and their networks are less likely to have to rectify poor paintwork when vehicles are returned to the dealership at the end of the finance agreement.

"Vehicle manufacturers at head office are now looking to offer a smart repair solution to their retailers," explained Bibb. "The retailers' ability to remain profitable with the oncoming of electrification means they are having to look at additional revenue streams."

"The big opportunity is in retail because most cars are not owned by the customer (if PCP funded), so the retailer has to absorb that damage cost when the car comes back in for resale or they can earn revenue from it by offering smart repair while the car is still in contract."

Future-proofing business

Volkswagen approached Glasurit in 2016 to help the brand deliver its smart repair,

called Clever Repair, across its Volkswagen brands – Audi, Škoda, Seat, commercial vehicles – and through its network of 700-plus retailers.

Volkswagen currently has more than 80 dealers actively delivering Clever Repair on site, while Volvo officially launched Glasurit as its smart repair partner this year.

Bibb said: "The quality of paint provided in the network should be the same as when the car comes off the production line in the factory. The manufacturers were worried seeing cars return to their networks with poor paint repairs and they wanted to offer a 36-month paint or perforation warranty."

"Taking smart repair in-house rather than outsourcing is providing an additional revenue stream at a time when aftersales business coming under pressure. This makes absolute business sense."

As well as helping to future-proof business for OEMs and their networks, it also provided Glasurit with a wider opportunity.

"We could see cars were already being produced with plastic components rather than (dentable) steel ones and we think by 2030 sales of EVs and hybrids will be 30-40%," Bibb explained. "We could see our normal paint sales root within the networks reducing, especially with the increase in collision-avoidance systems."

Training

Crucially, delivering smart repair services does not require a fully-trained spray painter. Glasurit provides two- to five-day

training courses dependent on the level of an individual's competency and experience. But, it has even trained the dealership's valeters to undertake smart repairs.

Glasurit's UK training centre is based at ITAS in Milton Keynes.

This year, Glasurit has delivered 10 two-day smart repair courses for five dealer groups representing Volkswagen's brands. It expects to undertake another 10 by the end of this year with the momentum continuing next year. In 2018, the company provided five courses for the OEM's network and two in 2017.

Bibb expects to see the number of franchised dealers offering smart repair services to begin to gather pace and predicts 50% of them will have taken smart repairs in-house in the next five years.

Try before you buy

Glasurit also offers 'dealer awareness days' at ITAS to dealer groups or brands whereby its network representatives are able to gain an insight into offering smart repair services including equipment investment and training requirements.

When it offered an 'open day' to Volvo's network, Glasurit had 50 retailer staff attend reflecting the level of interest in developing smart repair services. Employees included aftersales managers and financial directors keen to understand the impact operating smart repair services could deliver.

■ **Next time: Glasurit case study – Caffyns VW Clever Repair**

MG ZS EV: THE FIRST FAMILY- (AND WALL)



More than 1,000 ZS EVs were ordered in its first two weeks on the market

MG is looking to revolutionise the car market by launching what it says is the first “truly affordable, family-friendly electric car”.

A bold claim, but one that seems to be paying off as, within two weeks of opening orders in mid-July, the first 1,000 ZS EVs had already been snapped up by buyers.

Pricing starts at £28,495, but this is reduced to £24,995 with the Government grant. MG had offered a further £3,500 discount on the first 1,000 ZS EVs sold – since extended for the next 1,000 – taking the price to £21,495.

By comparison, a Nissan Leaf – which MG says is the car’s closest rival – costs £26,635 with the grant.

The new model is based on the ZS that launched last year, although MG says the platform was designed for electrification

from day one. It means there is no loss of practicality or boot space as a result of the 44.5kWh battery pack being installed in the car’s floor.

The ZS EV looks identical to a regular ZS, so buyers looking to keep their environmental credentials under the radar may be attracted to the small SUV.

It’s a sharp-looking car and could easily be mistaken for a Mazda CX-5 from certain angles.

MG has integrated the charging point into the front grille, which it says adds convenience for those charging at home. In our experience, we would prefer the charging point at the rear to enable reverse parking.

The battery provides a range of 163 miles (WLTP), which is competitive for a vehicle in this price bracket. It’s nowhere near that of the 64kWh Kia e-Niro or Hyundai Kona, but the ZS is much cheaper and, more



**WE SEE THE
ELECTRIC CAR
AS THE FUTURE
AND WE WANT
TO BE AT THE
FOREFRONT OF
EV DEVELOPMENT**

**DANIEL GREGORIOUS,
MG MOTOR UK**

importantly, available in the UK without lengthy lead times.

MG says it has balanced the needs of customers between the weight and cost of a more expensive battery and the range the car can achieve.

MG’s owner, SAIC Motor, has opened a new battery factory in China, which is capable of producing 300,000 units a year.

MG Motor UK wouldn’t give any specific figures, but stated that it has “no supply issues” with the new electric model.

The electric motor can generate 143PS and 353Nm of torque, providing a decent surge of power with seamless delivery.

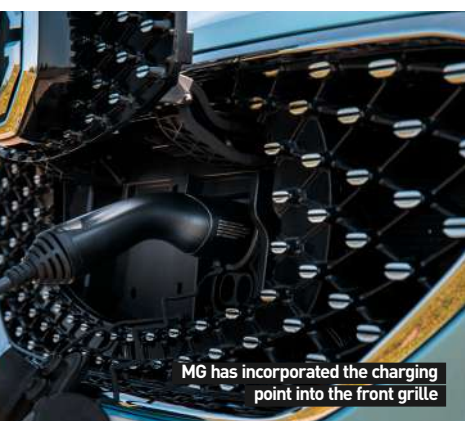
Our test route was confined to London, so we will need to get behind the wheel for longer before we can give a definitive review of the ZS EV’s on-road manners.

Given its close ties to the regular ZS, and weight penalty, the car feels slightly firmer

ET-) FRIENDLY ELECTRIC CAR?



The MG ZS EV's battery provides a range of 163 miles



MG has incorporated the charging point into the front grille

than its conventionally fuelled brother and provides less crisp handling.

The ZS EV is compatible with 50kW rapid chargers and can add 80% capacity in 40 minutes. The battery is also water-cooled, which should maintain performance in varied climates and allow for frequent rapid charges.

Specification levels are high in terms of the amount of equipment included, with base Excite and Exclusive (£2,000 extra) available. However, neither offer the highest levels of quality, but at this price point that is to be expected.

While residual values are still being decided, MG is targeting a PCP price point of £279 per month over four years with a £1,750 deposit. It says the car could save buyers more than £6,000 over a standard contract when compared with an equivalent petrol or diesel SUV. **MATT DE PREZ**



FROM £24,995
(INC. GRANT)



ELECTRIC
MOTOR



0-62MPH
8.5 SECONDS;
TOP SPEED
87MPH



SINGLE-SPEED



163 MILES
(WLTP)



0G/KM CO₂

Q&A



DANIEL GREGORIUS,
HEAD OF
SALES AND
MARKETING,
MG MOTOR UK

How have you geared up the dealer network to handle the brand's first EV?

We have already implemented our hybrid and electric vehicle standards across the network. These include requirements for electric vehicle charging at dealership sites.

Every MG dealership has to feature a minimum of two on-site charge points – a 7kW wall-mounted charge point in the workshop and a 22kW charge point close to the showroom entrance.

Dealer technical training is particularly important for electric cars. Every dealer in the network will have their technicians taken to our training centre at Longbridge to be trained on how to handle – safely and effectively – the new vehicles to make sure every customer's car is looked after.

How important has the ZS been to MG?

MG Motor is the UK's fastest growing car manufacturer, we are up 47% in terms of volume in a market that is down almost 5%. We are very pleased with the sales performance. ZS petrol is up almost 1,600 units versus last year. It's our best-selling car.

Do you have concerns over battery supply affecting how many ZS EV sales?

MG has its own 'gigafactory' that is producing the batteries for its electric cars. It can build 300,000 batteries every year. We have the scale and the supply to do that. We will have no supply issues with the ZS EV.

What is MG's EV strategy?

EV is important in the UK. We have the toughest emissions standard in the EU. In London, the ULEZ zone excludes a large number of cars on UK roads. To reach the Government's 2050 emissions target there is likely to be more stringent taxes, to push people into lower-emission vehicles.

We see the electric car as the future and we want to be at the forefront of EV development. We will launch another EV next year as well as a plug-in hybrid and, in 2021, an electric sports car.

What key message should dealers communicate about the new car?

The key highlight of the ZS EV is that it is the first truly affordable family-friendly electric car. It is made for five with a full-size boot. No compromise is made for the people inside, or for their luggage.

It's backed by our seven-year warranty and in terms of the message we want to give to people: unplug that car, go out and play, go and enjoy yourself. This car is capable of anything.

≈ REVIEW RATINGS

AUTO EXPRESS



AUTOCAR



PARKERS



≈ KEY RIVALS



Hyundai Kona

✓ EXCELLENT
RANGE, GOOD
EQUIPMENT LEVELS

✗ CHEAP FEELING
INTERIOR, LIMITED
AVAILABILITY



Kia e-Niro

✓ LOOKS AND PRICE

✗ LIMITED AVAILABILITY



Nissan Leaf

✓ PRACTICALITY
AND PRICING

✗ LOWER REAL-WORLD
RANGE, BAD
DRIVING POSITION

MAZDA6 TOURER 2.2D SE-L LUX NAV+

REPORT
PROGRESS



FLYING THE FLAG FOR ESTATES

I'd like to make the case for large estate cars. Unlike trendy, chunky, high-riding crossovers, they tend to look sleek and refined. And the boot level is lower, so it's easier to get the dogs to jump in the back or to slide in flatpack furniture from a trolley. Surely they're more aerodynamic, too? The latest generation Mazda6 has a drag coefficient of 0.26, compared with 0.34 for the latest VW Tiguan, so it cuts through the air more efficiently for less fuel.

Three decades ago, it was stylish, new load-luggers such as the Peugeot 405 Estate and Audi 80 Estate that many families desired on their driveways. Much of the market has moved on since then and, in dealers' favour, some brands have been able to charge a premium for crossovers and SUVs. But I have begun waving the flag for estate cars again, and have taken delivery of a Mazda6 Tourer to run for six months.

Ours is in the Mazda6's lower-mid specification, as SE-L Lux Nav+, which gives Mazda dealers a well-loaded car to offer at a list price from £25,995 for petrol models. SMMT data shows the Mazda6 is popular among private buyers, which is understandable given there are finance deposit contributions of £5,250 available from some retailers. This is a superb car now made accessible for the cost of a base-spec Citroën C5 Aircross.

Standard premium-level kit includes a heated steering wheel and seats, reversing camera, front and rear sensors, leather trim and an 8in touchscreen Mazda Connect infotainment system. A head-up display shows vital information such as speed and navigation instructions. Of course it has an MP3 player and Android Auto/Apple Carplay for streaming, but it also sticks with a CD-player, a growing rarity.

Over coming months, I'll assess how prepared Mazda dealers are to make the most of this cruiser. **TIM ROSE**



PRICED FROM:
£29,195



2.2-DIESEL, 150PS



0-62MPH
10.2SECS, TOP
SPEED 130MPH



6SP MANUAL



46.3 MPG



CO2 EMISSIONS –
119G/KM (WLTP)

MITSUBISHI OUTLANDER

REPORT
PROGRESS



A PAINFUL FAREWELL TO THE PHEV

I t's time for my final report on the Outlander PHEV. I have lived with it for just over six months and I fear it's going to be a painful split.

I have found the claimed 28-mile full electric range more than adequate for most regular journeys and plugging in to my 7kW Podpoint charger at home or the 20kW chargers at work has become second nature. I've calculated that it has typically cost me about £9 per week for commuting to and from the office, compared to about £16-£18 for fuel when I've driven diesel family cars in the past. For me, that saving more than makes up for the 40mpg I get on sporadic long journeys that require the petrol engine.

My few minor inconveniences include the switches for the heated seats and instrument panel display being quite obscured. And sometimes Android Auto doesn't connect first time, until I restart my Samsung phone (possibly my phone's fault). But these are far outweighed by the positives of the Outlander PHEV.

Buyers will love its clever features, such as the ability to pre-programme the cabin heating/cooling, to activate while the car is plugged in. I set our PHEV to begin cooling the cabin 20 minutes before I typically leave the office, so by the time I got into the car I avoid the oven-effect of being parked in the sun all afternoon. It's such a simple pleasure. **TIM ROSE**



ELECTRIC
RANGE – 28
MILES (WLTP)



FINANCE – 0%
APR 25-MONTH
PCP, £473
A MONTH



CO2 EMISSIONS –
46G/KM (WLTP)



AFV SEGMENT
SHARE: 11.9%
(H1 2019)

✓ GREAT CREATURE
COMFORTS

✗ HAVING TO FUMBLE
FOR BUTTONS

CURRENT
MILEAGE 0 5 6 1 2

START
MILEAGE 0 0 3 7 2

GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Robert Fletcher,
general manager of
Vertu Honda
Mansfield, correctly
identified the Hyundai
Pony in our last issue.

≡ RIVALS

Vauxhall Insignia Sports Tourer

- ✓ GOOD VALUE, CHOICE OF ENGINES, BIGGER BOOT
- ✗ UNINSPIRING ENGINES LET IT DOWN

Hyundai i40 Estate

- ✓ WELL EQUIPPED, FIVE-YEAR WARRANTY
- ✗ NOT SO ENGAGING TO DRIVE

CURRENT
MILEAGE 0 0 9 7 4

START
MILEAGE 0 0 6 0 6

NISSAN QASHQAI TEKNA

REPORT
PROGRESS



NEWER RIVALS SNAPPING AT QASHQAI'S ONCE-FUNKY HEELS

Revisiting my August review of the Nissan Qashqai and the 2015 quote I retrieved from my first review of the Qashqai (acknowledging its reinvention as a producer of funky cars), I asked an industry consultant and manufacturer commentator for his view.

This is what he had to say: "The Qashqai has been a phenomenon for Nissan, but the strain of supporting the whole brand is starting to show. "The first-generation model was such a success that it was inevitable that the second-generation Qashqai would be an intelligent, but careful, updating of the formula. Now that the mark two model is six years old (and the basic silhouette is 13 years old), newer models are snapping at its heels.

He compared Nissan and VW's performance in the segment.

In 2015, the Qashqai sold 61,000 in the UK, while VW Group sold 32,000 crossovers (the VW Tiguan and Škoda Yeti). In 2018, the Qashqai was at 51,000, but VW Group was up to 72,000 thanks to "an onslaught of new models" (Tiguan, T-Roc, Karoq, Ateca).

"Nissan's problem is that, with the Qashqai, people are buying a model rather than a brand," the consultant said.

"With a 3 Series, or even a Golf, sales remain very steady as the model ages, because people are buying into that brand – the generation of the specific car is less important.

"With the Qashqai, the model has to survive on its own merits, so it suffers more as it gets older." **JEREMY BENNETT**



A 66.9MPG FUEL ECONOMY FIGURE IS SATISFYING



RESPONSE OF CLUTCH AND ACCELERATOR

**CURRENT
MILEAGE**

9 4 1 6

**START
MILEAGE**

1 5 0 0



**PRICED FROM:
£28,925 (OPTIONAL
EXTRAS: GLASS
ROOF PACK £450)**



1.5 DCI 115 DIESEL



**0-62MPH IN
10.9 SECS, 126MPH
TOP SPEED**



6SP MANUAL



**74.3 MPG
COMBINED**

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



ADVERTISING FEATURE

Winning big with online reputation management

By Anthony Gaskell, managing director, EMEA, Reputation.com



We all know about the significance that online feedback plays in ongoing success, but often it can be hard to relate this back to your dealership and appreciate how it truly affects your locations.

Reputation.com, as the world's

leading authority on online reputation management (ORM), works with some of the largest manufacturers and dealership groups in the world – the following is how a 'Big Three' automaker in the US benefited from taking control of its online reputation.

Some 91% of shoppers in the market for a new vehicle use online reviews to assess a dealership, so when your brand is spread across more than 1,800 dealerships nationally, this is only magnified. Within six months of working with Reputation.com, review volume for this manufacturer's dealerships jumped 325%, negative review sentiment dropped by 30%, and the average 'star rating' grew from 3.5 to 4.5 across its entire network.

Our work with the carmaker has enabled us to do some number crunching, and we found that a 150-point improvement in an auto brand's Reputation Score (a real-time numerical value for your entire online reputation, which uses Reputation.com's patented technology) generates a 6% increase in vehicle sales. In this case, that totalled more than \$31 million.

Reputation.com can say today that we are the premier partner of choice for UK dealerships and manufacturers looking to improve how they look online and to truly listen to the 'voice of the customer'. Our platform is the trusted ORM solution for brands including Arnold Clarke, Inchcape, Lookers, Robins & Day and more, so we know this industry unlike anyone else. If you would like to know more, be sure to get in touch with the team via the details below, quoting 'AM'.

■ **Contact Reputation.com by email at contact-uk@reputation.com, by phone at 0800 066 4781 or by post at Liverpool Innovation Park, Edge Lane, Liverpool, L7 9NJ**

 **reputation.com®**

The dealer's guide to digital marketing

David Levett, Autoweb Design's head of digital marketing, outlines his top tips

Q What would be your number one piece of insight into how dealerships can make the most of their digital marketing spend?

A First and foremost, having a well conceived strategy, something that is realistic in terms of objectives, timely and well thought-through. Consistent reporting across the channels is important, as we are seeing disjointed digital marketing activities in some cases, which ultimately leads to budget being wasted. It is important to make sure everything is managed.

Q What is your view on the evolving introduction of e-commerce?

A I think it's an exciting time for automotive – it's an exciting time in digital, full stop. In terms of a marketing silo, the automotive industry has been behind the curve, certainly behind retail, in adapting to an e-commerce arena. It's exciting, because emerging technology brings new players into the market, so – particularly for dealerships, which deal with aftermarket items – it could be a bit of a game-changer.

Also, the audience is undergoing a behavioural change generally, so steering away from, or shortening, that buying cycle to a few clicks will be great. That's something that will take time and people will need to adapt to it, but these are exciting times.

Q How important is search engine marketing for car dealerships? What do you think dealerships should be doing in that space?

A Search engine marketing is vital; you can spend thousands on a website, but ultimately you need people coming to your online shop/your online presence. A well optimised site is worth its weight in gold – it will transition people through your site appropriately, it will bring people back, it will grow with your business.

In terms of what dealerships should be doing – embrace the technology and embrace new ideas. As technology moves on, the need for search engine optimisation (SEO) and conversion rate

optimisation (CRO) becomes more and more important. Dealers need to work out and understand how channels work together, and appreciate that an audience in automotive is not a one-stop, one-channel approach. It's about understanding your audience and how they interact with your site, and fundamentally giving the audience what they want, rather than forcing something on them.

Q What would you say to dealerships that have never done search engine marketing? Where should they start?

A Be realistic about what you want to achieve. Ultimately, most things are possible, but there are time constraints, budgetary constraints, and technological constraints that we have to take into consideration. First and foremost, understand what you are trying to achieve, speak to a good agency about it if you're not sure yourself, get a strategy together and go from there.

Q How does a dealership website affect digital marketing activities?

A In the current digital age, having a technology that sits on a modern platform, SEO-optimised, mobile-first, they are all givens. The importance of the website is how it interacts with your strategy. If you are using a multi-silo approach, your content has to be good, your website has to be well conceived, it has to give a dynamic audience what it needs straight away, and that can be a bit tricky. In terms of the website itself, that's where CRO would come into it, to tailor the site accordingly. There is no such thing as the perfect website, so we need to be able to work with the data we have to evolve the website through time.

Another point to make is the website has to work for all the different marketing channels – pages that work very well for search engine marketing are not necessarily the same pages that would be effective for social media advertising.

Q What are you looking forward to in 2020?

A Probably technological advances – there have been so many things that have come out and have been spoken about recently. So, everything from machine learning, to augmented reality (AR) and virtual reality (VR). Facebook, for example, is doing a lot of work in the AR arena and spending a lot of money on technology. If these channels come together in the next year or two, it will be interesting to see that introduced to the marketplace so that it becomes a little bit slicker. Ultimately, everyone wants a tailored experience, and if that whole technological revolution can come together and produce something like tailored content, tailored layouts for individuals according to what they've searched for in the past, it would be a game-changer within automotive.

There are websites outside automotive that use similar technology around personalisation, and we are big on getting this introduced more within automotive retail, to make the content on the website more useful to the user and, ultimately, generate more enquiries and sales.

COMPANY PROFILE

Key products: Website and marketing solutions exclusively to the automotive industry
Founded: 2004
Based: Selby, North Yorkshire
Visit: www.autowebdesign.co.uk
Email: enquiries@autoweb.co.uk
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David Levett is the head of digital marketing at Autoweb Design and his team looks after digital marketing activities at the agency, including SEO, PPC, web analytics and CRO





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Support for life

IS 'HIGH BASIC, LOW BONUS' THE SOLUTION TO FINANCIAL FEARS?

Fully salaried wages may help mitigate employees' 'financial shock' worries

A combination of financial insecurity, a millennial workforce and a shift towards low-pressure car sales delivered by a showroom workforce of product 'geniuses' may accelerate a move towards basic salaries.

According to the results of a survey conducted by the Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA) three quarters (73%) of British workers are now concerned about the cost of living outstripping their take-home pay.

While offering traditional salespeople the chance to earn bumper commission when market conditions allow prevails, car retailers becoming more flexible, to accommodate those more traditional sales staff alongside more 'soft sell-style' employees, could become the key to a happy workforce.

Rachel Clift, health & wellbeing director at Ben, who last month encouraged businesses to "look after their own" and support employee's mental health needs as she shared details of Ben's 2018/19 Impact Report, warned that all dealership employees can be vulnerable to financial difficulties in the current economic climate.

"Money worries, such as debt, are the second biggest reason why people contact Ben for support," said Clift.

"Last year, money worries accounted for 37% of requests for support from our

73%
of British workers are now concerned about the cost of living outstripping their take-home pay

59%
of all workers would struggle to pay an unexpected bill of £500

37%
of requests for support from the Ben helpline last year were about money worries

helpline, after mental health at 52%.

"Our 2018 annual industry survey results highlighted that over a quarter of automotive industry people said they had struggled with debt in the last 12 months."

The Populus survey that formed the foundations of the RSA's recent research – polling 2,048 UK adults – found employees were also concerned about their future finances. Almost half (45%) said they don't expect to have enough money in private pensions and other savings to maintain a decent standard of living in retirement.

The RSA found that 59% of all workers would struggle to pay an unexpected bill of £500.

Fabian Wallace-Stephens, a senior researcher at the RSA, said: "More people are in a job than ever, but below the surface of record employment figures, increasingly we are seeing the link between hard work and fair pay collapse.

"Many of those 'just managing' are a financial shock away from failing to pay rent or pay a childcare bill, while even people on higher incomes fear the grinding effect of inflation, flattening pay and falling living standards."

Clift said debt had particularly affected those working in the sales (and after-market) sectors of motor retail and suggested that the move away from the target-linked pay of traditional sales roles had fed the trend.

She said: "We're currently living in uncertain times, with austerity and the constant pressure of cost-saving taking its toll. For those on fluctuating incomes, there are further concerns about financial stability.

"Having a stable income helps people to budget for bills and other outgoings, plan for the future and enables them to secure their housing, such as getting a mortgage or entering into a rental agreement."

However, it has been suggested that emerging payment models could hamper car retail workers' ability to earn the bigger wages they have become accustomed to.

Speaking to AM for this year's Choose Your Supplier supplement, Ed Steele, the managing director of Steele Dixon Recruitment, said he empathised with traditional sales staff who had suffered the impact of the introduction of low-commission employees into the sector.

He said that, while broadening the net to include non-automotive retail staff from the likes of McDonald's and Currys PC World had reduced the pressure on retailer recruitment and wage bills, it had meant that "many traditional sales executives who had become used to earning £60,000 a year were being driven out of jobs". **TOM SHARPE**

■ See AM poll on page 23 – Is OTE the main attraction of working in motor retail?

FOR THOSE ON FLUCTUATING INCOMES, THERE ARE FURTHER CONCERNS ABOUT FINANCIAL STABILITY



RACHEL CLIFT, BEN



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ADVERTISING FEATURE

Skills or attitudes – which traits matter more?

What are you basing your hiring decisions on, asks Simon Bowkett of Symco Training



What are the character traits that make a top salesperson? Everyone's list is going to be different, but it's probably going to include most, if not all, of the following:

- **Persistent** – do they give up at the first hurdle? If you are interviewing somebody, do they keep following you up? They are probably going to do the same thing with your customers if they do.
- **Amiable** – do they build rapport easily and quickly? Is it an effort to speak to them, or does the conversation just flow?
- **Knowledgeable** – not just about the car (we have the internet for that), but about the sales process.
- **Focused** – top salespeople are focused on what they want to achieve.
- **Enthusiastic** – we all know that enthusiasm rubs off on customers and leads to higher sales.

You could add many more things to this list – driven, empathetic, team player, determined, passionate about what they do, consistent, and so on.

Attitude or skill?

But whatever you put on your list, the next step is to determine which of these traits are skills and which are attitudes. You will find that most of them are actually attitudes, which is what my new sales training video on the AM website this month (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) is all about.

Because it's not the skills that make a top salesperson – it's the attitude. Sales training programmes can give us the skills, but ultimately it's the attitude that's more important.

So it is attitude you need to look for when you are hiring. It's what you need to nurture and develop, to allow your salespeople to grow.

Ask yourself this question

Ask yourself what you are doing to help your salespeople grow in their attitudes. And the next time you speak to a salesperson you employ, and you're not sure if they've got what it takes, think about some of these traits.

Equally, the next time you are interviewing someone, look for these traits in your candidates.

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TALENT ON THE MOVE



**MATTHEW WESTON, HEAD OF
BUSINESS SALES, PEUGEOT**

Peugeot has appointed Matthew Weston as head of business sales, with a brief to work

closely with the brand's dealer partners.

He brings 25 years of experience working within the automotive sales sector, including almost 15 years with PSA Group. Weston rose from the role of sales executive to his most recent post as LCV project manager for Peugeot and Citroën.

He is credited with playing a key role in establishing the position of Peugeot and Citroën's LCV ranges. Weston was responsible for pricing, specification changes and strategy, which will be vital for his new role as it involves close engagement with Peugeot's dealers.

He takes over the role from Louise Neilson, who has moved to a different role within PSA Group.



**MARK BURROWS,
DIRECTOR OF AFTERSALES,
SSANGYONG**

Mark Burrows has joined SsangYong Motors UK as director of aftersales, replacing Doug Lincoln, who left in May to join Nissan as product management manager.

Burrows started his career with Mitsubishi Motors, he also held roles at Kia, Triumph Motorcycles and Harley-Davidson before joining Tesla as regional service manager.

Most recently, he worked as product manager for Jaguar Land Rover Classic, where he was responsible for parts, accessories and lifestyle portfolio products.



**ANDREW JAGO,
GENERAL MANAGER FLEET
& BUSINESS, JLR**

Jaguar Land Rover has named Andrew Jago as general manager, fleet and business.

He has recently returned from Germany where he was sales director of the Europe importer region. Since joining the company in 2012, Jago has also held management positions in global product marketing and North America operations.

His automotive career began at a Ford retailer in Wiltshire, followed by 15 years in sales and marketing roles at Toyota.



**MARC SAMUEL, DIRECTOR
OF B2B, PENDRAGON
VEHICLE MANAGEMENT**

Pendragon Vehicle Management has named former Honda UK fleet sales operations manager Marc Samuel as its new director of B2B.

Samuel will be responsible for the direct sales activities of new business, product development and existing customers at the corporate division of the AM100's third-placed retail group.

He has more than 20 years' experience in fleet and financing, including as an account director at Mannheim and Volkswagen UK's fleet sales director.



**BEN FISH, HEAD OF SALES
OPERATIONS, SEAT UK**

Seat UK has appointed Volkswagen Group stalwart Ben Fish as its new head of sales operations as part of a management restructure at the Spanish brand.

Fish, who has spent his entire career with the Volkswagen Group having joined as an undergraduate placement student, joins Seat having been head of product and planning and replaces Steve Catlin, who leaves to fill the head of sales role at Audi UK.



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EIGHT QUESTIONS TO A...

MOTABILITY EXPERT

Julie Sidgwick, of Lookers Ford Middlesbrough, on why building trust is vital for happy customers



What are the main responsibilities of your role?

SIDGWICK: My key responsibility is ensuring that, where eligible, customers access the freedom and independence that a car can bring, all with the assistance of the Motability scheme. I share my knowledge of the scheme, its eligibility criteria and the possible adaptations that can be made to make driving easier.

My focus is on making sure the vehicle will be suitable for the customer's needs and that they are confident in its use. I also commit time to getting out in the community to raise awareness in the scheme, as there are so many individuals who still do not know they are eligible for this support.

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

SIDGWICK: A dealership could struggle when there is insufficient resource given to the Motability scheme, including sufficient parking for disabled customers and having a Motability specialist on site. Not all disabilities are visible, and each disability carries its own challenges to the individual, the support required and the possible mobility solution that is deliverable. Through my experience, I have developed strong working relationships with local adaptations suppliers, which helps us deliver vital information, support and technical assistance to each customer. Without these relationships, it would be difficult to support customers where the required solution is more than just supplying a car.

How might these challenges be overcome?

SIDGWICK: Knowledge and understanding helps overcome many of the challenges a dealership would face. As the main point of contact, there is no ambiguity over who is the best person to assist a customer. As a dedicated resource, I can commit time to helping those already on the scheme and spreading awareness without the distractions of dealing with private retail customers. As for parking, although car park attendant isn't in my job description, I am relentless at ensuring my customers can get parked. Luckily, we have four priority spaces in front of our showroom, so I don't have to intervene too often.

What attracted you to this area of expertise?

SIDGWICK: I started in the motor trade in 2007 and after

working on private retail sales for 18 months, wanted to achieve a greater understanding of the scheme, as I had heard about it, but didn't know much about it myself. As soon as I embarked on my training, I fell in love with the scheme and the independence, freedom and support that it delivers to those who depend on it. Simply put, it's not "selling", it is an advisory role and one which is deeply rewarding. The feedback I get from customers shows me that I make a difference and that is the most important thing for me.

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

SIDGWICK: The most important thing I have learned is to never make promises unless you can deliver on them. Building and maintaining trust enhances your reputation and ensuring my customer is happy is why I turn up to work every day. Over the time spent in my role, I have been lucky enough to meet some amazing and inspiring individuals who I could count as friends as well as customers. Knowledge, patience and understanding is so integral in delivering the right level of care and service. Having a cup of tea with my customers who are in the dealership for vehicle servicing or an MOT is just as important as helping those who are new to the scheme into their first car. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

Making a difference. Positive feedback is so motivational to keep doing it over again.

What's your favourite app?

WhatsApp, I love keeping in touch with my friends and family.

How do you relax?

Crafting days out and spending time with family and friends.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

If money were no object, which world wonder or monument would you go see?

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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 by Bauer Consumer Media Ltd, registered

address Media House, Peterborough Business Park, Lynch Wood, Peterborough,

PE2 6EA. Registered no.: 01176085.

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