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PROGRESS WITH PRUDENCE

RAINWORTH BOSSES WON'T RUSH INTO ACQUISITIONS / P18

An urgent call to the automotive industry.

Dear colleague

Our industry is facing challenges on a scale we have never seen. Covid-19 and the risk of a very hard Brexit are all weighing heavily across the sector, and these issues are deeply affecting our colleagues.

For over 115 years, thanks to your generous donations and those from our industry, Ben has been there to support everyone in automotive. But we are now facing our own crisis.

Our fundraising events have been cancelled. Our income is down. And we are facing a **£1m shortfall.**

Twice as many people are turning to Ben for support compared to this time last year, many with mental health issues.

We may be forced to make decisions about the people we support and those we do not.

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1. Be an advocate for Ben, ensuring our message of support is promoted widely within your business so that everyone knows they're never alone
2. Encourage colleagues to support us through Payroll Giving, Ben's Lucky Lotto and our fundraising products and events
3. Dig even deeper as a business to help us address that £1m shortfall

This is an urgent call for help. Please show your support now by telling us on Twitter and on LinkedIn that you will do these three things, or email pledge@ben.org.uk. Then we can continue to ensure that no-one in automotive has to face life's toughest challenges alone.

Thank you,

Zara Ross
Chief Executive Officer

Steve Nash
Chair of Trustees

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EDITOR'S LETTER

I've been impressed in this latest lockdown. Not by the way the UK generally seems to be close to where we were in April, but by the way many motor retailers have been able to quickly adopt online trading and click-and-collect. Although sales volumes will be down of course, more staff have remained working and business leaders have learned from the spring experience and been ready to try new solutions. Adapting and evolving have been the keywords of 2020.

This is an industry built to serve consumers, and one that has been challenged to churn them into newer, lower emission cars more rapidly than many expected. And, as a sector where margins are skinny and overheads considerable, sitting still is not an option.

You've hopefully noticed by now that *AM* hasn't sat still, either. Our Automotive Management Live show has gone virtual, and will now be on January 20 and 21 to steer clear of the end of lockdown. We've just held a successful AM100 webinar in partnership with BDO (see the enclosed supplement for all the AM100 insights), and in 2021 we'll be bringing you more virtual events and webinars plus the *AM and Armchair News Show* podcast in partnership with Armchair Marketing.

The COVID lockdowns may have accelerated digital change in motor retail, but they've also proven we can all adapt.

MEET THE TEAM

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Editor-in-chief

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Head of digital/ associate editor

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CONTENTS

DEALERS FEAR IMPACT OF LOCKDOWN 2 CLOSURES

Government getting away with 'dodgy measures' to justify second wave of showroom closures, says one dealership chief executive

Dealers shared fears that the 'Lockdown 2' closure of car showrooms in England will deliver a second crushing blow to UK car sales when they gave responses to an *AM* survey aiming to gauge the sector's mood.

While some sector analysts suggested retailers were "bullish" about their prospects of maintaining business levels under the more stringent measures, almost half (49.6%) told us that they expected to deliver no more than 25% of their usual sales volumes in the period currently scheduled to end on December 2.

Almost a third (32.3%) suggested they might be able to sell 26% to 50% of their usual new and used car volume, meanwhile, as just 13.4% said sales would be 51% to 75%.

Just 4.2% expected to deliver between three-quarters and 100% of sales.

AM heard from representatives of more than 120 car retail businesses in response to its survey – conducted online between November 5 and November 10 – and the feedback laid bare the blow to morale dealt by Lockdown 2.

As retailers in Wales emerged from their 17-day 'firebreak' many said the measures in England would prove the difference between profit and loss in 2020.

Prior to Prime Minister Boris Johnson's October 31 announcement of Lockdown 2, 75.6% of respondents said they had expected their car retail business to deliver a profit for the year, having made a strong recovery during Q3.

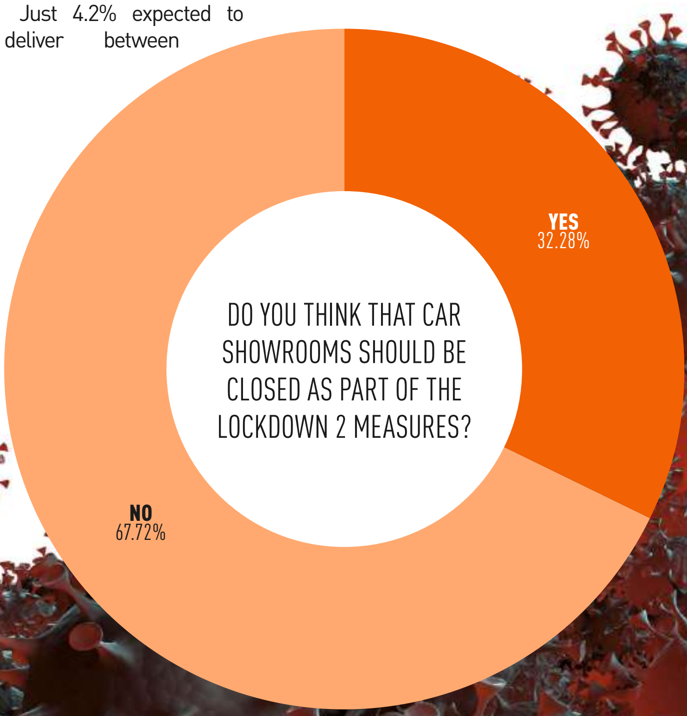
However, when asked whether Lockdown 2 would prevent their business from delivering a profit in 2020, more than half (54.3%) respondents replied 'yes'.

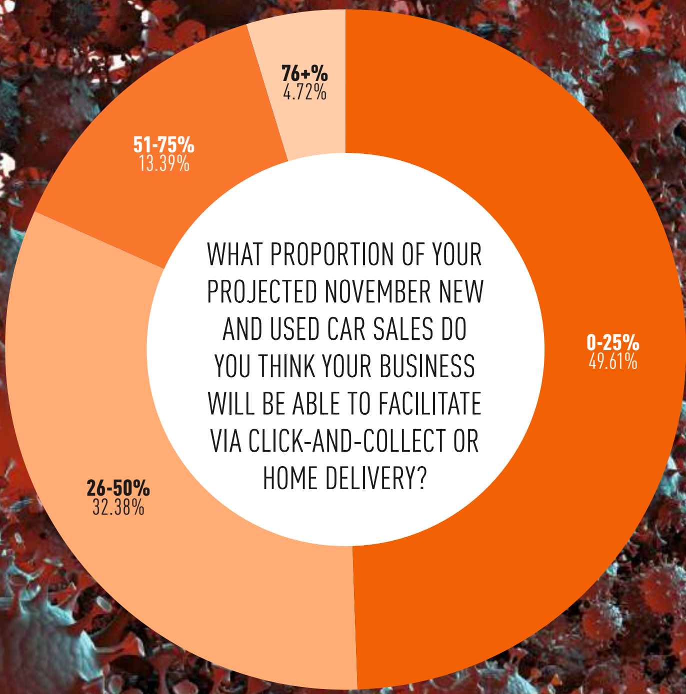
Vertu Motors chief executive, Robert Forrester, was vocal about the positive steps taken by his AM100 group to adapt and drive sales online during the first COVID-19 lockdown between March 23 and June.

But, speaking to *AM* as survey responses were being gathered, he was unable to hide his frustration at further showroom closures.

"We expect sales to diminish, mainly as a result of the fact that we cannot deliver test drives. Aftersales will remain at 100%, though, and remains strong," he said.

Forrester delivered a damning indictment of Government's apparent misuse of COVID-19 death toll projections for mid-December as Johnson announced the second lockdown, which were later revised from





around 1,500 a day to around 1,000.

He said that the ongoing lockdown in England implied that Government could "get away with using 'dodgy measures' to justify a lockdown that could well be with us until after Christmas".

CASE FOR CAR SHOWROOMS

Car showrooms should not have been closed as part of Lockdown 2 restrictions on "non-essential retail", according to 67.7% of *AM* survey respondents, but some did cite a need to avoid casualties and regain control of the pandemic, with 32.3% suggesting Government's decision was the right one.

Almost two-thirds (69.3%) said they did not feel the more stringent COVID-19 measures would end, as scheduled, on December 2.

The Welsh Assembly did stick to its plan of bringing an end to its 'firebreak' on November 9.

The National Franchised Dealers Association (NFDA) wrote directly to Prime Minister Johnson to contest the enforced closure of showrooms.

In the letter, chief executive Sue Robinson urged Government to show "the same good judgment" as the German Government, which had decided to keep vehicle dealerships open during its nation's lockdown.

"There is no evidence that keeping them open would increase transmission of the virus," said Robinson. "Shutting down vehicle showrooms will not only damage the livelihoods of the 590,000 people employed in vehicle retail; it will reduce car sales to the point where the car factories will have to stop production, impacting the 168,000 employed in vehicle manufacturing."

Robinson added: "You may not yet have been briefed about how vehicle showrooms have been operating since they reopened.

"They were the first industry sector to reopen on June 1, operating to COVID-secure guidelines formulated by the industry and BEIS (Department for Business, Energy & Industrial Strategy) officials.

"Our dealerships have not caused COVID-19 to spread over the past five months – and nor are they causing it to spread today."

Echoing Robinson's sentiments, one respondent to the *AM* survey said: "This lockdown has been poorly thought out and managed by the Government.

"(Car) retailers have demonstrated since June that they can operate safely, and I would argue we are a safer retail space than a garden centre or a food shop.

"The VAT generated from car sales alone must be an incentive for the Government to keep us open."

CAR RETAIL SECTOR SUPPORT

Worryingly, franchised car retail respondents to *AM*'s COVID-19 Lockdown in England Survey gave a mixed appraisal of the support being offered to their business by their manufacturer partners.

During the first lockdown, in May this year, another *AM* survey revealed that 42.2% of franchised car retailers didn't feel that manufacturers were doing enough to support their businesses.

The consistency of response seems to have been no better this time around, with just 11.2% describing their OEMs' support as 'Excellent', while 37.1% said it was 'Good' and 31% 'Average'.

A 'Poor' description was attributed by more than a fifth (20.7%), however.

Asked whether their OEM had reduced their sales targets in light of the latest lockdown, the vast majority, 63.6%, said they had not.

On the flip side, 29.7% had seen targets reduced once again, while 6.8% said targets had remained "lower than normal" following the first lockdown.

One respondent to the AM survey said: "Manufacturers are full of people working from home dreaming up scenarios of how customers will be impacted.

"They are not in the real world and need to consider what it's actually like on the ground and the stress they are putting our teams under.

"Their general attitude is poor and it's getting worse as the divide between manufacturer and dealer grows wider day-by-day."

A Vauxhall franchisee who responded to the survey described their manufacturer partner as being "hopelessly out of touch with sales targets considering we are pretty much closed", adding that the network was "completely demotivated".

While the Vauxhall-owning Groupe PSA would not comment on specific actions taken to support its brands' franchised retailers, Alison Jones, who is responsible for Peugeot, Citroën and DS Automobiles in her role as managing director

"OUR DEALERSHIPS HAVE NOT CAUSED COVID-19 TO SPREAD OVER THE PAST FIVE MONTHS – AND NOR ARE THEY CAUSING IT TO SPREAD TODAY
SUE ROBINSON, NFDA

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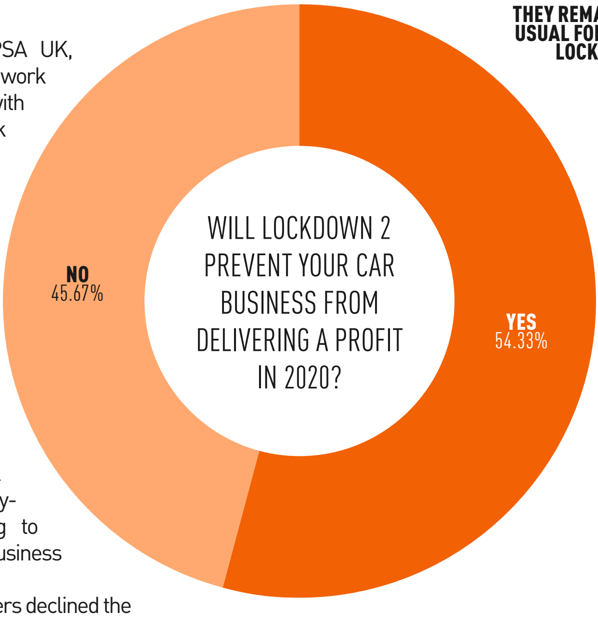
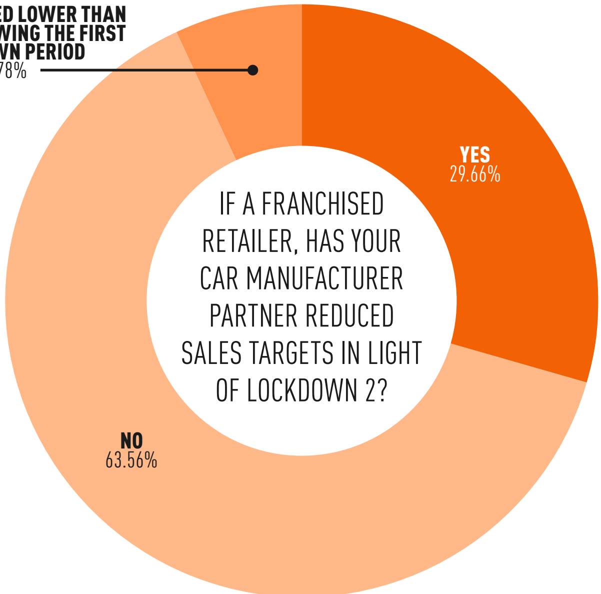




for Groupe PSA UK, said: "We work extremely closely with our retailer network partners, no more so than during this year's business environment.

"We focus on our customers throughout the four nations of the United Kingdom, supporting our retailer partners in their individual needs on a case-by-case basis relating to their respective business restrictions."

Many manufacturers declined the opportunity to share their support measures for franchisees when contacted by *AM,* but Dale Wyatt, director of automobile at Suzuki GB – one of the first to respond to the lockdown in March with a package of support to dealers – was open again.

Wyatt said the brand had reinstated its measures from earlier in the year, which included: a 60-day extension to new cars coming to the end of their consignment period; 28-day extended terms on parts orders; 30-day extended period on direct sales; aftersales levy deferred until Q3; Q1 bonus payment pulled forward; 100% and 125% band removed, and all units paid at 150% of target achievement; 175% volume payment paid if earned.

In addition, Suzuki GB is handing a bonus of up to £10,000 to retailers who have taken steps to adapt to trading during the pandemic.

Wyatt said: "We wanted to reward those who had introduced things like live chat, click-to-buy or reserve a car in response to COVID, while giving a bit of an incentive to others to adapt to ensure we're ready to perform in those areas on an ongoing basis.

"These are things that can cost money and we want to help where we can."

Wyatt said Suzuki GB had mapped three potential COVID-19 scenarios to determine its path forward.

The "most likely" projection forecasted that retailers will achieve around a third of their usual volume in November and December, then 75% in January before returning to full capacity by February or March.

Volvo Car UK also took swift action to support its franchisees.

A spokesman told *AM* that the Swedish brand had "again acted swiftly to guarantee new and used car bonuses through lockdown", adding: "New car stock levels are positive, but we have taken measures to closely monitor ageing stock and, indeed, any stock due to go fully paid.

"All our workshops remain open with retailers offering sales remotely.

"We also have a good deliverable order bank, and our retailers are working hard to continue to safely deliver cars to our customers' homes or facilitate safe collection from their premises."

Volvo said that it would be staying in close contact with its retailer network and were "hugely grateful for their ongoing support".

While Chancellor of the Exchequer Rishi Sunak announced an extension of the Coronavirus Job Retention Scheme (CJRS) to the end of March in a House of Commons speech on November 5, car retailers indicated they were dissatisfied with Government support for the sector.

Of the responses, 38.9% described its support for car retail as 'Poor', while 31.8% said it was 'Average', 21.4% 'Good' and just 7.9% 'Excellent'.

RETURN TO FURLOUGH

Many retailers have moved quickly to return staff to furlough following the Chancellor's announcement, however.

The vast majority, 90.6%, said they would be returning staff to furlough, which once again sees employees receive 80% of their usual salary for hours not worked, up to £2,500 a month, during Lockdown 2.

Forrester told *AM* that his group had embarked on a "furlough exercise" but had wound its sales teams back to levels last seen on May 15, rather than the height of H1 lockdown.

Simon Beckett, the joint managing director at Rainworth Motor Group, the subject of this month's car retailer face-to-face feature (see page 18), has also rolled out a limited furloughing exercise.

He said: "We are much more optimistic we can retain sales this time around and, obviously, continue to deliver aftersales, so our approach reflects that.

"Last time there were 82 (of 85) staff on furlough. This time it will be around four or five part-time staff and a dozen full-time."

In the week prior to *AM* going to press, Auto Trader, Car Gurus and eBay Motors Group axed their December classified advertising fees in response to Lockdown 2.

This will have been welcomed by retailers, 82.7% of whom told *AM* that they expected such measures to be taken to help retailers retain profitability. TOM SHARPE

ADVERTISING FEATURE

BCA focuses on customer needs to manage Lockdown 2.0 restrictions

By Stuart Pearson, COO BCA UK Remarketing

All sales at BCA remain online only and, as we move into the second lockdown, we are keeping abreast of the fast-changing and evolving Government guidance in order to protect our people, customers and suppliers.

Having the experience of successfully managing the significant challenges placed on the industry during the first lockdown stands us in good stead. BCA will continue to utilise the wider resources of the group to provide our customers with choice, scale and efficiencies to support their businesses during the weeks ahead.

Our extensive programme of real-time online auctions and multi-channel buying options will continue as we aim to meet the demand for stock from our buyer base. Our sales programme will adapt to meet the changing needs of our buyers in the current market, utilising the connectivity and efficiency across the BCA Group to provide more of the right vehicles to the marketplace at the right time.

Our online Click-and-Collect service is currently handling more than 10,000 requests weekly and BCA's significant transport resource is fully available to support our customers bringing vehicles into, and away from, our centres.

Our Decision Intelligence team is closely monitoring the evolving picture in the wholesale sector, and is providing customers with real-time data to inform remarketing decisions.

BCA will continue to work behind the scenes to ensure our professional buyer customers and the broad range of professional fleet, lease, finance and dealer vendors representing every part of the motor industry can trade safely, efficiently and profitably through this second lockdown period and beyond.

THIS MONTH'S NEWS HIGH

OCT

27

'REALIGNMENT' NEEDED IN USED CAR PRICING

Cap HPI head of valuations Derren Martin (left), said some "realignment" of used car prices was underway after values dropped for the first time since before March's COVID lockdown – declining 2.1% in October. Days later Auto Trader would renew a call to dealers to "hold firm" with their used vehicle pricing to prevent a slump as lockdown measures returned in England.

28

CITROËN PLANS FOR INCREASED COLLABORATION

Citroën UK announced a new three-year plan which will include more collaboration, some online-only model derivatives and cuts to list prices from December 1. Managing director Eurig Druce (right) told *AM* the move includes a focus on improving franchisee profitability, which is likely to end 2020 at the same 0.1% level as 2019.

29

POLESTAR SPACE OPENS

Endeavour Automotive opened the UK's first Polestar Space at London's Westfield Shopping Centre. Jonathan Goodman, Polestar chief operating officer, said: "The Polestar Space is our way of changing the face of automotive retail. With no salespeople and no vehicles on the forecourt, there is no hard sell, no requirement to shift stock and an entirely customer-focused journey."

USED CAR SALES BEHIND ARNOLD CLARK PROFIT INCREASE

Arnold Clark Automobiles reported a 5.3% uplift in turnover (to £4.5bn) and a 3.1% increase in pre-tax profits (to £117m) in its 2019 financial results. Chief executive Eddie Hawthorne (right) said the rise was driven primarily by higher used car sales volume, which rose 7.3% to 256,376 units.

30

FCA WILL 'VIGOROUSLY DEFEND' DIESEL LAWSUIT

FCA Group could face a £5bn lawsuit in the UK for the alleged use of emissions defeat devices in some of its diesel vehicles. Law firm PGMBM claims the owners of up to half a million vehicles in England and Wales could be due compensation. An FCA spokesperson said the claim was "totally without merit", adding that the brand would vigorously defend itself.

LIGHTS

IN DETAIL
To view the full story go to am-online.co.uk/news

NOV

3

COUNCIL REJECTS HENDY PLAN FOR 'MOTOR VILLAGE'
Hendy Group is considering an appeal after councillors rejected plans for a £25m 'Motor Village' multi-brand car retail site near Tunbridge Wells. Hendy had vowed to create 50 new jobs and retain 130 others through the development of a location adjacent to a Tesco supermarket, in Cornford Road, Pembury.

4

FORD CLOSURE

Perrys closed its Ford dealership in Retford as part of the car manufacturer's plan to shut almost half of its UK franchised car retail locations. Councillors expressed their disappointment as the loss of the town's last new car retail outlet. Vertu Motors' closed its Retford Honda franchise last spring.

6

BCA FACILITY IN CORBY SOLD FOR £68M

BCA's 121-acre car storage and preparation facility in Corby has been sold to an "undisclosed UK pension fund" for £68m. LXi REIT will dispose of the site, which is fully let to BCA Group Europe. Meanwhile, BCA has announced plans to develop a new 65-acre remarketing 'mega centre' in Bristol.

9

ICO TAKES NO FURTHER ACTION ON SANDICLIFFE HACKING
A data breach at Sandicliffe Motor Group could affect "thousands" of staff and customers, according to a legal firm. The Information Commissioner's Office (ICO) decided to take no further action after an employee opened a link in an unsolicited email, opening the door to hackers, back in February. But CEL Solicitors is warning staff and customers to remain vigilant.

STUCK IN A COVID RUT – WAGES 'STAGNATING', SAYS SURVEY
BDO
The BDO Motor Salary Survey revealed that half of the UK's car retail sector employees had been left facing a pay cut or freeze as wages "stagnate" amid changes accelerated by COVID-19. The average remuneration package (excluding management positions) declined from £40,000 in 2019 to £39,000 in 2020.

MONTHLY SALES FIGURES

TESLA COMES OUT OF HIDING TO BE THE BEST PERFORMER

It's the fastest growing brand in the UK thanks, mainly, to the Tesla 3 battery electric vehicle

ISTOCK.COM/ADRIANHANCU

We start this month's market review by dealing with the fast-developing elephant in the Society of Motor Manufacturers and Traders' (SMMT) room: Tesla. Tesla does not officially report registration statistics, although all its cars are, naturally, part of the overall registration tally.

Instead, Tesla hides coyly (not a word generally associated with Elon Musk) behind the category "Other Imports". Once Ferrari and Lamborghini (not identified separately by the SMMT) are removed from the total, you are left with a category with a growth rate of 116.7% year-to-date (YTD), accounting for 1.16% of the UK market. Not every single registration in this category is automatically a Tesla, as a tiny niche manufacturer could also be hiding in there.

However, it is pretty safe to assume that, if not all the cars are Teslas, probably 99% of them are, and it is not worth getting all Donald Trump about whether 99% certainty about a count is sufficient.

That makes Tesla easily the fastest growing car brand this year in the UK and now a major player.

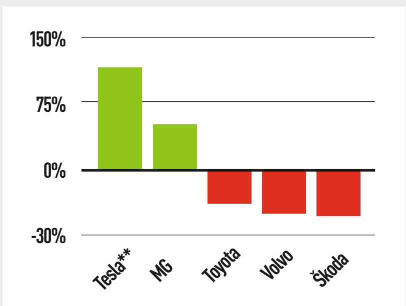
The vast majority of sales are the Tesla 3 – Tesla insiders suggest the Model 3 accounts for approximately 90% of UK Tesla sales YTD. That makes the Tesla 3 the UK's best-selling battery electric vehicle (BEV), and the UK's second best-selling compact executive model behind the BMW 3 Series.

Of course, the big question is whether that market share is just the start of Tesla's march to domination (as the price of Tesla shares implies), or just a grace period until the big boys develop electric models and Tesla loses its battery USP. Elon Musk believes that "it is financially insane to buy anything other than a Tesla", but then he predicted that he would supply one million robotaxis by 2020.

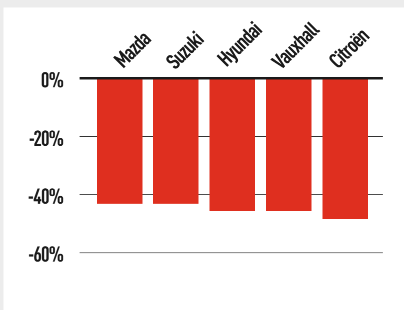
Among the more conventionally-managed manufacturers, Ford is largely maintaining its lead over VW thanks to the very strong performance of the Puma small crossover.

In its first year, the Puma has become the clear leader in its sector, outselling the second-placed Vauxhall Crossland by 36.1%. That is in stark contrast to Nissan, whose new second-generation Juke is only in third place – a big come-down from the days when the first-generation Juke dominated the small crossover market. Another Ford that is taking a bigger share of its (very small) segment is the Mustang which is up by 4.0% this year and has registered more than 1,000 units. That is not a big number in the overall scheme of things but, by the

BEST PERFORMING MAJOR BRANDS* YTD OCT



WORST PERFORMING MAJOR BRANDS* YTD OCT



* Brands with at least 1.0% market share in 2020 ** SMMT category "Other Imports" minus Ferrari and Lamborghini

> IT IS FINANCIALLY INSANE TO BUY ANYTHING OTHER THAN A TESLA
> ELON MUSK, CEO AND PRODUCT ARCHITECT, TESLA INC

standards of non-premium coupes, it is remarkable: five times more than the Toyota Supra and 10 times more than the Nissan 370Z.

However, the far more significant news for Ford is that the new Golf has just overtaken the Focus, and could now consolidate its position as the leading small family hatchback.

Behind Ford and VW, Audi is closing on Mercedes-Benz and BMW. It outsold its two competitors last month and is now on 6.6% YTD, compared with 6.9% for its rivals. Audi won't catch them this year, but it will certainly try in 2021.

In sixth place is Toyota, although it is fewer than 700 units ahead of Vauxhall. To put that into perspective, Vauxhall was 49,000 ahead of Toyota at this stage last year. The main reason is that the Astra appears to be on premature run-out. Historically, it was a top three small family hatchback, but it is now No15, behind the Hyundai Ioniq and Nissan Leaf.

Kia is in eighth place, having slightly outperformed the market with a fall of "only" 26.8%. One of the reasons for Kia's success is that it has successfully surfed the crossover wave: 62.8% of sales are from crossovers like the Niro, or SUVs like the Sorento. Kia is slightly ahead of Nissan, which pretty well invented the modern crossover with the first Qashqai, but has since been displaced. The ageing second-generation Qashqai is down 40.3% and, as discussed, the second-generation Juke is failing to cut through. As 72.3% of Nissan sales come from these two cars, sales of other models do not really affect overall Nissan share.

Rounding out the top 10, Land Rover has also done slightly better than the overall market (-25.4%), thanks to two new models: the Evoque and the Defender. The full Defender range is not yet available (the three-door Defender 90 is only being launched now), but YTD sales are already closing in on the Discovery and Velar.

There is less good news at sister-brand Jaguar. Apart from the excellent I-Pace, which is up by 37.2% YTD, all models are down by more than the overall market. The XE and XF saloons are down by more than 60% YTD, and Jaguar has just announced that the XE will be withdrawn from the vitally-important US market, as sales have been negligible.

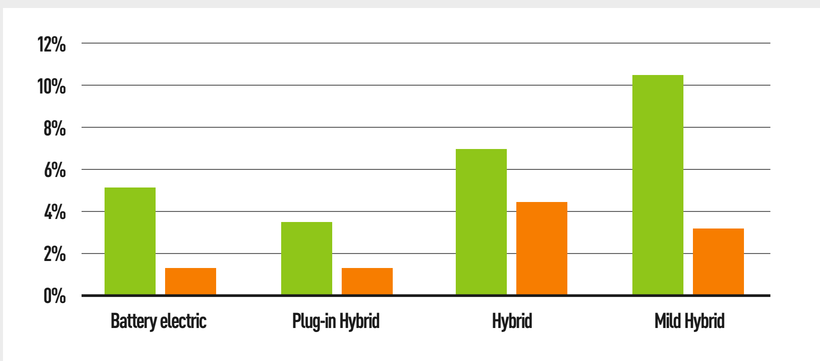
And what of the rest of the year, as England returns to lockdown? The precedent of Wales's slightly earlier second lockdown is not encouraging. Last month, registrations in Wales went down by 25.6%, while those in England fell by 3.2%. The SMMT has reduced its forecast for UK registrations to 1.56 million for 2020, the lowest figure since recession-hit 1982.

In the aftermath of the 2008 financial crash, the then boss of Fiat, Sergio Marchionne, bemoaned the fact that Italian registrations had dropped to the levels of the 1970s. "We have lost 40 years of growth," he said.

Bosses in other markets were grateful that the situation in their home markets were not as bad. Well, today, the UK has just lost 38 years of growth – and the situation in the UK arguably looks worse for 2021 than it did for Italy then.

The SMMT is also warning that, in the case of a no deal Brexit, the price of conventional cars will rise by an average of £1,900 and the price of BEVs will go up by an average of £2,800 – almost the same figure as the current £3,000 incentive for such cars. DAVID FRANCIS

ELECTRIFIED VEHICLES MARKET SHARE



SPONSOR'S COMMENT

By Richard Jones, managing director, Black Horse

As I reflect on my 2020 columns, unpredictability in a COVID world has been a major theme. While I write this, we see motor retail impacted again by lockdown restrictions, but this time we are far more operationally resilient.

This industry learns quickly and has rapidly developed hygienic car delivery services, on-site or at home, to meet customer needs. At Black Horse, we have been quick to complement this, introducing our complete remote document signing and pay out system "Sign It Anywhere", so customers can buy with confidence and safety.

There is little doubt that use of digital services has increased massively over the past few months, as people who have never bought anything on-line before have now done so and have become regular users.

The industry has also rapidly recognised the benefits that strong digital journeys bring to enhancing customer understanding of the car buying process.

Timing couldn't be better as we move into 2021 and new FCA regulations come into force. These important rules all have transparency at their heart and continue the regulator's focus on customer understanding and great outcomes.

2020 has been a turbulent year where events have driven short-term solutions as we try to predict the unpredictable.

As I write, hopes of a viable vaccine are beginning to buoy share prices as market sentiment says tomorrow will be better.

Time will, of course, tell, but we at Black Horse are looking forward to the new year and working for the long term benefit of our dealers and their customers.

NEW CAR REGISTRATIONS

‘Firebreak’ lockdown has significant impact

The SMMT blamed half of October’s 1.6% reduction in new car registrations on showroom closures resulting from Wales’s COVID-19 ‘firebreak’, from October 23 and November 9. The month’s 140,945 total was the lowest since 2011.

After the UK Government announced the month-long ‘Lockdown 2’ in England, the SMMT moved to reduce its 2020 new car registrations forecast by a further 100,000 units.

Its downgraded projection of 1.56m would be the sector’s “weakest” performance since 1982.

The bulk of October’s decline resulted from a 3.3% reduction in business registrations, while private registrations rose by 0.4%.

Sales of pure electric vehicles (EVs) rose by 195.2% and plug-in hybrids grew by 148.7%, as diesel saw a decline of 38.4% and petrol was down 21.3%.

1 FORD

Already reeling from technical issues which have prevented sales of the Kuga, Ford lost out more than any other manufacturer in volume terms during October with registrations down 22.7% (3,799 units).

2 MG

With new EV product on the way, MG continued to defy the challenging trading climate to deliver 126.6% rise in registrations to 1,892 units. YTD it’s now 58.3% up at 16,128.

	October					Year-to-date				
Marque	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
1 Ford	12,946	9.19	16,745	11.69	-22.69	130,729	9.44	204,869	10.22	-36.19
Volkswagen	11,939	8.47	13,733	9.59	-13.06	122,607	8.86	170,773	8.52	-28.20
Audi	11,453	8.13	7,577	5.29	51.15	91,888	6.64	120,831	6.02	-23.95
Mercedes-Benz	10,888	7.72	11,319	7.90	-3.81	95,581	6.90	151,803	7.57	-37.04
BMW	10,827	7.68	12,088	8.44	-10.43	95,438	6.89	143,994	7.18	-33.72
Vauxhall	8,293	5.88	6,007	4.19	38.06	80,329	5.80	143,236	7.14	-43.92
Toyota	7,944	5.64	7,341	5.12	8.21	81,011	5.85	94,222	4.70	-14.02
Kia	6,090	4.32	6,160	4.30	-1.14	63,245	4.57	86,345	4.31	-26.75
Škoda	5,693	4.04	5,033	3.51	13.11	49,421	3.57	63,603	3.17	-22.30
Volvo	5,665	4.02	3,721	2.60	52.24	37,849	2.73	48,069	2.40	-21.26
Peugeot	5,311	3.77	5,092	3.55	4.30	47,186	3.41	69,628	3.47	-32.23
Nissan	5,305	3.76	6,217	4.34	-14.67	59,210	4.28	81,224	4.05	-27.10
Land Rover	4,755	3.37	5,752	4.02	-17.33	49,595	3.58	66,465	3.31	-25.38
Mini	4,210	2.99	3,367	2.35	25.04	38,036	2.75	54,110	2.70	-29.71
Hyundai	4,051	2.87	5,538	3.87	-26.85	41,898	3.03	74,207	3.70	-43.54
Seat	3,544	2.51	4,644	3.24	-23.69	38,542	2.78	59,639	2.97	-35.37
Renault	3,093	2.19	2,942	2.05	5.13	38,219	2.76	50,928	2.54	-24.95
Citroën	2,330	1.65	2,513	1.75	-7.28	24,437	1.76	45,031	2.25	-45.73
Honda	2,107	1.49	2,229	1.56	-5.47	24,565	1.77	38,405	1.91	-36.04
2 MG	1,892	1.34	835	0.58	126.59	16,128	1.16	10,187	0.51	58.32
Jaguar	1,801	1.28	2,416	1.69	-25.46	20,163	1.46	31,780	1.58	-36.55
Fiat	1,616	1.15	1,582	1.10	2.15	17,361	1.25	26,452	1.32	-34.37
Mazda	1,548	1.10	1,992	1.39	-22.29	20,344	1.47	35,316	1.76	-42.39
Dacia	1,252	0.89	1,287	0.90	-2.72	17,686	1.28	26,631	1.33	-33.59
Suzuki	1,246	0.88	1,219	0.85	2.21	17,755	1.28	30,950	1.54	-42.63
Porsche	1,235	0.88	1,618	1.13	-23.67	9,888	0.71	11,618	0.58	-14.89
Lexus	956	0.68	1,098	0.77	-12.93	12,297	0.89	13,924	0.69	-11.68
Mitsubishi	532	0.38	776	0.54	-31.44	7,989	0.58	14,297	0.71	-44.12
Other Imports	511	0.36	587	0.41	-12.95	18,578	1.34	9,357	0.47	98.55
Jeep	458	0.32	411	0.29	11.44	3,806	0.27	5,289	0.26	-28.04
Abarth	227	0.16	240	0.17	-5.42	2,078	0.15	3,128	0.16	-33.57
Polestar	207	0.15	0	0.00	0.00	459	0.03	0	0.00	0.00
DS	195	0.14	269	0.19	-27.51	1,963	0.14	3,111	0.16	-36.90
Other British	172	0.12	228	0.16	-24.56	1,615	0.12	2,602	0.13	-37.93
smart	159	0.11	75	0.05	112.00	1,189	0.09	3,943	0.20	-69.85
Alfa Romeo	142	0.10	210	0.15	-32.38	1,675	0.12	3,015	0.15	-44.44
Bentley	114	0.08	120	0.08	-5.00	1,124	0.08	1,335	0.07	-15.81
Subaru	99	0.07	88	0.06	12.50	771	0.06	2,132	0.11	-63.84
SsangYong	87	0.06	92	0.06	-5.43	1,375	0.10	1,738	0.09	-20.89
Maserati	46	0.03	72	0.05	-36.11	482	0.03	832	0.04	-42.07
Alpine	6	0.00	12	0.01	-50.00	89	0.01	149	0.01	-40.27
Chevrolet	0	0.00	0	0.00	0.00	0	0.00	62	0.00	0.00
Infinity	0	0.00	6	0.00	0.00	0	0.00	292	0.01	0
Total	140,945		143,251		-1.61	1,384,601		2,005,522		-30.96

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FINANCE OFFERS

New lockdown ups pressure on finance houses

While finance houses are continuing to offer payment deferrals due to the second coronavirus lockdown, manufacturer support is back to pre-COVID-19 levels.

According to the latest Q4 statistics from Automotive Services International (ASI), the pricing and offers data analysis company, car manufacturer support has steadied back to Q1 levels with average deposit contributions at nearly £3,000.

The average monthly price also dropped by 5.3% quarter-on-quarter from £371 to £351 in Q4.

However, finance houses will be feeling the pressure of the second wave as they will now be required to offer further deferrals for customers under financial pressure from now and potentially into the middle of 2021.

The Financial Conduct Authority (FCA) guidance says that all lenders should offer customers at least a new full three-month payment deferral if they are experiencing temporary difficulties meeting finance or leasing payments, and that finance companies should not take steps to repossess vehicles or end contracts during this time.

At the end of the initial three-month payment deferral period, for those requesting help for the first time, if the customer indicates that they still remain in temporary payment difficulties and cannot resume full payments, lenders should offer a full or partial payment deferral to reduce payments for a further period of three months to a level the customer indicates they can afford.

Tashfin Osmani, senior analyst at ASI, told *AM:* "The FCA can be applauded for speedily announcing new guidance on payment deferrals to help millions of customers. However, this announcement has put finance firms under pressure with the potential for six-month deferrals.

"Given the severe shock of a second lockdown on the economy and the real possibility of increasing unemployment, lenders are worried that some people will try to continue deferring payments and accruing debt to their extreme detriment."

From the lenders' point of view, Osmani said the UK Government extension of the furlough scheme until March 2021, raises the prospect that many more customers may have no option but to ask further payment deferrals further down the line, putting put more pressure on the finance firms.

AVERAGES Q4 2020

Average deposit: £5,970
Average monthly payment: £351
Average balloon payment: £3,628
Average deposit contribution: £2,911
Average term: 44
Number of 0% offers: 50
156 offers priced at the average monthly level or below

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
TOP 10 MODELS BY LOWEST MONTHLY PAYMENTS							
Hyundai i20 Play 1.2 84ps	PCP	£4,500	25	£121	£7,284.00	4.60%	31/10/2020
Toyota Aygo x-trend 1.0 VVT-i	PCP	£3,197	48	£129	£4,095.00	0%	15/12/2020
VW Up! 1.0 5dr 65ps	PCP	£3,394	48	£145	£3,766.00	5.40%	31/12/2020
Kia Picanto 2 1.0 Petrol Man 4st	PCP	£1,864	37	£149	£5,092.00	4.90%	31/12/2020
Suzuki Swift SZ-T Hybrid	PCP	£2,000	49	£149	£4,647.00	0%	31/12/2020
Hyundai Kona Play 1.0 120ps Petrol 2WD	PCP	£5,800	25	£157	£8,945.00	4.6%	31/10/2020
Citroën C1 Flair 5dr	PCP	£565	48	£159	£4,208.00	3.90%	31/12/2020
Citroën C3 Feel PureTech 83	PCP	£2,378	48	£169	£4,845.00	3.90%	31/12/2020
Dacia Sandero Stepway Comfort TCe 90	PCP	£169	49	£169	£4,808.00	6.90%	15/12/2020
Mazda2 1.5 75ps SE-L	PCP	£2,524	49	£169	£5,382.00	2.90%	31/12/2020
TOP 10 0% OFFERS AT LOWEST MONTHLY PAYMENT							
Toyota Aygo x-trend 1.0 VVT-i	PCP	£3,197	48	£129	£4,095.00	0%	15/12/2020
Suzuki Swift SZ-T Hybrid	PCP	£2,000	49	£149	£4,647.00	0%	31/12/2020
Ford Fiesta Trend 1.0 EcoBoost MHEV 125ps 5dr	PCP	£5,333	37	£175	£6,127.00	0%	31/12/2020
Škoda Fabia Hatch SE 1.0 TSI 95ps	PCP	£2,862	48	£176	£4,551.00	0%	31/12/2020
Kia Picanto 2 1.0 Petrol Man 4st	PCP	£2,540	25	£179	£5,409.00	0%	31/12/2020
Suzuki Ignis SZ5 Hybrid	PCP	£2,510	49	£179	£6,647.00	0%	31/12/2020
VW Golf Match Edition 1.5 TSI	PCP	£6,780	48	£185	34%	0%	31/12/2020
Toyota Yaris Design Hybrid Petrol 1.5 VVT-i	PCP	£5,169	24	£189	£8,933.00	0%	15/12/2020
Kia XCeed First Edition PHEV 1.6 GDi	PCP	£15,365	25	£199	£15,124.00	0%	31/12/2020
Mazda2 1.5 75ps SE-L	PCP	£2,639	37	£199	£6,417.00	0%	31/12/2020
TOP 10 MODELS BY LOWEST DEPOSIT							
Škoda Fabia Hatch SE 1.0 TSI 95ps	PCP	£0	48	£240	£4,683.00	4.30%	31/12/2020
Dacia Sandero Stepway Comfort TCe 90	PCP	£169	49	£169	£4,808.00	6.90%	15/12/2020
Peugeot 108 Active 1.0L 72 5dr	PCP	£177	48	£176	£4,140.00	5.90%	31/12/2020
Fiat 500 Lounge Mild Hybrid 1.0	PCP	£205	48	£205	£5,099.00	4.90%	31/12/2020
Nissan Micra Acenta IG-T 100	PCP	£207	37	£207	£5,651.00	4.99%	17/12/2020
Dacia Duster Comfort TCe 100 4x2	PCP	£218	49	£218	£6,330.00	6.90%	15/12/2020
Fiat 500C Rockstar MHEV 1.0	PCP	£299	48	£299	£5,313.00	4.90%	31/12/2020
Citroën C1 Flair 5dr	PCP	£565	48	£159	£4,208.00	3.90%	31/12/2020
Peugeot 308 Allure 1.2L PureTech 130	PCP	£914	48	£309	£6,624.00	2.10%	31/12/2020
Peugeot 208 Allure 1.2L PureTech 100	PCP	£1,209	48	£269	£7,203.00	5%	31/12/2020
TOP 10 BY HIGHEST DEPOSIT CONTRIBUTION							
BWW Series 7 30d M Sport	PCP	£4,829	48	£699	£19,737.00	2,9%	31/12/2020
Audi A8 50 TDI quattro Tiptronic	PCP	£10,848	48	£739	£17,080.00	3,9%	31/12/2020
BMW Series 4 Convertible M Competition	PCP	£4,829	48	£689	£23,724.00	2,9%	31/12/2020
BMW Series 4 Coupé M Competition	PCP	£4,699	48	£649	£22,806.00	2,9%	31/12/2020
BMW Series 8 Gran Coupé 40i	PCP	£4,709	48	£689	£26,101.00	2,9%	31/12/2020
Volvo S90 T8 R-Design	PCP	£6,831	49	£529	£19,646.00	3,9%	31/12/2020
Audi A7 Sportback S line 40 TDI S Tronic	PCP	£7,804	48	£489	£17,961.00	4,9%	31/12/2020
VW Touareg SE 3.0 TDI 231ps 4MOTION	PCP	£7,351	48	£450	£14,867.00	5,4%	31/12/2020
Volvo V60 T6 R-Design	PCP	£3,286	49	£469	£15,526.00	2,9%	31/12/2020
Land Rover Discovery 3.0 SD6 Landmark Auto	PCP	£11,066	49	£499	£23,225.00	3,9%	31/12/2020

PREMIUM BRANDS OFFERING BIG DISCOUNTS

It goes without saying that the more expensive the model, the more scope there is for discounting and it's clear that some premium manufacturers are offering big cuts to move metal in Q4.

BMW and Audi are offering big deposit support running in the tens of thousands on some of its more niche premium models, while Volvo and Land Rover are also offering discounts of more than £7,000 on the V60 and Discovery.

Even when looking at the more affordable end of the spectrum, there are still strong discounts available with £3,000 off a Citroën C1, £2,500 off a C3 and £1,750 off a Hyundai Kona.

According to ASI's data, the Hyundai i20 takes the prize as the most affordable model in Q4 by lowest monthly payment at £121 and the Toyota Aygo is close behind with a 0% deal at £129 a month.

The Škoda Fabia was the only model in ASI's data that is available with no deposit in Q4, while the majority of the lowest deposit models can all be accessed for less than £300. TOM SEYMOUR

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

HAVE YOUR SAY
Do you agree with these opinions?
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VIEWPOINT

COVID RESPONSE: IT'S EASY TO OVER-CLAIM AND UNDER-DELIVER

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School, Institute of the Motor Industry (IMI) president and an AM Awards judge

Let me start this article with the caveat that its content does not in any way reflect any criticism of the current UK Government, any political party or specific politicians. COVID-19 presented, and continues to present, challenges that no previous political and economic strategists have had to face.

It is, however, interesting to compare the approach to COVID and that of everyday business strategy development.

In Loughborough programmes we emphasise the need for any business to have a grasp of its strategic capability. What are the strengths and weaknesses of the organisation with respect to the opportunities and threats that it is facing or will potentially face? On February 26, the *Nursing Times* reported Health Secretary Matt Hancock as saying: "The UK is ready for the coronavirus pandemic."

On August 18, the *Daily Telegraph* reported the same minister stating: "The UK wasn't adequately prepared for the coronavirus pandemic."

Over the years, I have seen many motor companies and dealer groups over-claim and under-deliver because of a failure to understand their own capability in relation to the market environment they are confronting.

Building on from a situational analysis is the introduction of realistic and clear objectives.

In our industry we seem to have embraced this activity with a zealous vigour with potential objectives, targets and KPIs for almost everything that can be measured. A cynic could argue that we spend more time trying to fix the figures as opposed to managing the business that produces them.

One of the stranger results of the COVID situation was that an objective emerged from the Government that we should 'protect the NHS'.

The problem with this was that most people thought the NHS was meant to protect the population, not the other way around. Due to the unrealistic analysis in the first phase of the strategy a range of ever-shifting objectives started to be articulated including 'suppressing the virus,' and 'getting the R below 1.'

The final element after undertaking a situational analysis and setting objectives is to come up with a strategy around which everyone coalesces.

A strategy is basically how you get from where you are to where you want to be. Both our sector and the Government have a common issue with this. When I talk to dealer staff and ask them what the strategy is for their organisation they can tell me what the objectives are, but not necessarily the actions to achieve them.

With COVID this has become a problem for the politicians with different strategies developed in England, Scotland, Wales and Northern Ireland. For strategy to work everyone needs to 'live it' whether it is in automotive retail or the country. To achieve this the strategy should be communicated with clarity. Maybe there is room for improvement for both us and the Government.

"MOST PEOPLE THOUGHT THE NHS WAS MEANT TO PROTECT THE POPULATION, NOT THE OTHER WAY AROUND"

Jon Atherton (left) and Simon Beckett put their houses up as collateral to run their own business

FACE TO FACE: RAINWORTH MOTOR GROUP

NOT TAKING ACQUISITIONS LIGHTLY

Joint MDs take a prudent approach to expansion having 'put everything on the line' to secure funding for their purchase of Rainworth back in 2001. Tom Sharpe reports

After weathering the uncertainty of the UK's full COVID-19 lockdown earlier in the year, the co-directors of Rainworth Motor Group have re-grouped and are now hopeful of adding to their all-Škoda portfolio.

But, while Jon Atherton and Simon Beckett are keen to embrace the challenge of a second franchise, prudence has so far stalled their progress.

In conversation from the Mansfield Škoda site they have operated since it was developed as a new-build back in 2007, Beckett suggested they were not about to jeopardise a formula that has proved successful for almost 20 years. The two had taken over at Rainworth in December, 2001.

"Our pockets aren't deep enough to go for something and just pass it off if it doesn't work. It will have to work," said Beckett.

"Some brands we have been talking to for a period while others have been and gone.

"Some we perhaps should have (signed with) and others we're glad we haven't, but when your money is hard-earned, and you've, effectively, come from nothing, you don't take acquisitions lightly."

The COVID-19 crisis has also served to halt the process of finding a new franchise.

"Recent events have meant that certain conversations haven't progressed to the stage where we can make a final decision," said Beckett.

After acknowledging that competition for the Volkswagen Group's Škoda franchises has grown alongside its status over the past two decades, Atherton said: "We'd love to buy another Škoda dealership, but there are big vultures around now and some of the bigger market players just think 'well, we'll buy and worry about the due diligence later'.

"It would be great to take on a Hyundai, Kia or MG site from someone 10 years older than us who is starting to think about selling up."

HARD-EARNED

Beckett and Atherton put "everything on the line" to realise their ambition of working for themselves back in 2001.

Beckett became hooked on the motor trade while working part-time alongside his studies at Loughborough University, while Atherton was "dragged" to Rotherham's Derek G Pike Peugeot franchise from a young age to run errands for his dad, who was a director.

Both pursued careers in the sector and reached the stage where they wanted to be their own boss while working at the JCS Fiat and Alfa Romeo, at Kegworth, on the outskirts of Derby, where Beckett was sales manager and Atherton service manager.

Word that Tony Henstock and Richard Marsh, the then owners of Rainworth Skoda, were planning to sell-up reached the pair and negotiations begun with a series of banks to secure funding.

The funding knock-backs came thick and fast for the pair, who were both in their mid-30s.

Beckett said: "A couple of banks just said 'You're crazy, nobody does a management buy-in, you don't know anything about the company'.

"When we went to speak to NatWest the guy there was nonplussed about our ages. He gave us a go and we had to put our houses up as collateral. We both put absolutely everything on the line. I sold my motorbike and Jon sold his wife's car. It felt like jumping in a swimming pool when you don't know how cold the water is."

> **"IT WOULD BE GREAT TO TAKE ON A HYUNDAI, KIA OR MG SITE FROM SOMEONE 10 YEARS OLDER THAN US WHO IS STARTING TO THINK ABOUT SELLING UP**
>
> JON ATHERTON, RAINWORTH

The risk paid off, with Rainworth Škoda taken from a quiet village garage to a franchise point which regularly exceeded targets.

Škoda regional manager Paul Booth's approach about a potential move into nearby Mansfield resulted in the acquisition of land where the site currently resides, on the town's Sherwood Oaks Business Park, and the development of a £1.2m facility.

It was with the help of Škoda UK that the acquisition of Bickerton's Sheffield franchise was entered into a short time later.

Negotiations with then managing director, John Crutchley, stalled due to 2008's financial crash, but the deal was done in 2010.

The two businesses have continued to operate successfully in the years that followed, and their efforts have been rewarded by Škoda UK, most recently with its Sheffield and Mansfield sites finishing first and second in the manufacturer's Retailer of the Year Awards.

Beckett said: "It's the first time anyone in the VW group has achieved that, finishing first and second.

"We've won retailer of the year three times now (2010, 2014 and 2019), plus that second place."

FLEET-FOOTED

After more than a decade of growth, Rainworth's turnover is once again on the rise again after faltering in 2016, reaching £41m in the year to December 31, 2019.

Last year's revenues were down on the £51.5m achieved in 2014, but the group pointed to Škoda UK's decision to shift to an agency model for its fleet vehicles for the reduction.

Rainworth reported a pre-tax profit of £470,000 in 2019, again representing a decline, this time of 30% from the £713,000 of 2014.

Beckett said: "The agency model in fleet has brought our turnover down by £10m over the past two years. That's been great for cashflow, it means we don't have the burden of stocking charges or taxing those 100 cars.

"Our return on sale isn't 2%, it's 1.2%, but I'd rather do 1.2% of £41m than 2% of £12m.

"This year is tough, though. We should make £500,000 out of these two sites, but I'd be chuffed if we did £300,000."

COVID-19 has impacted fleet change cycles and buying decisions significantly in a year that already promised to be disrupted by the EU's RDE emissions regulations and tax changes, and the business emerged from the May to June lockdown 40% down year-to-date in fleet.

Atherton said: "Last year we did 1,100 fleet cars. We took the decision not to do so many buy-backs and to do better deals. I think we'll do around 700 this year.

"We've three delivery trucks with our own drivers and we've just taken on the VW Group rental areas for Sheffield and Mansfield."

Rainworth has 50 vehicles available via Volkswagen Financial Services' rental operation, with utilisation of 80% to 85%.

Beckett said: "At 75% we would make a reasonable return and we're surpassing that.

"The right mix of vehicles is important. It's not a place the manufacturer can afford to consider as a dumping ground for their unwanted vehicles."

Beckett and Atherton said that its Mansfield site's viability has been helped by a strategic decision to move into fleet, the Nottinghamshire town simply not having the rooftops to deliver the growth they envisaged in retail alone.

In 2014, they bought a pre-delivery inspection (PDI) centre just 300 yards away, which now handles all fleet vehicles and used car preparation.

Beckett and Atherton with the company's Škoda Retailer of the Year awards

FACTFILE

JOINT MANAGING DIRECTORS: John Atherton and Simon Beckett
STAFF: 85
BRANDS: Škoda UK
LOCATIONS: Mansfield, Sheffield

Rainworth Motor Group's fully-stocked forecourt in Mansfield

"More recently, a piece of land came up for sale right next to it and we now have a two-acre PDI centre with car parking at the front," said Beckett. "It's a site with good road frontage. We don't have the need for all that space, so we rent a bit of the land out to other local car retailers."

RAINWORTH SELECT

One of Rainworth's more recent expansion plans had been rolled back on, however.

After expanding its Rainworth Select used car retail offering onto a rented location with a view to buying if the move took off, it ended its lease on the site.

"The world is going with online sales it just felt like we no longer needed that additional frontage for used cars," said Beckett.

"To suddenly save two wages, over £70,000, and rent was a huge advantage. We were having to sell 25 cars a month just to break even."

Rainworth Select now operates from the two franchised sites, a development which has introduced non-Škoda products to the forecourts.

"We'd not sold any non-Škoda used cars until we set up Rainworth Select," said Atherton. "Now we're selling 40 to 50 used cars a month at each site, which is about

one-to-one, new-to-used, and I think we're still finding our feet.

"The used stock is quite a broad spectrum, ranging from around £8,000 to £30,000 and up to seven years and 60,000 miles.

"Škoda does give good part-ex stock now. Twenty years ago, you'd have just got Škoda coming back in, but now we see all sorts, from Volkswagen to Audi and BMW."

COVID'S IMPACT

Speaking to *AM* ahead of the announcement that its Sheffield site would become part of a Tier 3 lockdown from October 24 and the return to a partial lockdown on November 5, the Rainworth business's leaders considered they had survived the H1 storm.

In H1's UK lockdown of April and May, Rainworth lost around £70,000-a-month, in spite of business rates relief, and Beckett estimated that its closures had cost around £150,000 in total.

As well as furloughing staff, the business took advantage of Government's Coronavirus Business Interruption Loans Scheme to access £250,000.

A total of 82 staff will also qualify for the job retention scheme's £1,000 bonus.

Like many businesses, Rainworth also cut its headcount to reduce costs in the wake of COVID, starting the second half with a workforce down from 94 to 85.

Prior to the November lockdown announcement, the business's drive to deliver a H2 recovery was met with a degree of renewed optimism.

"The past couple of months have been better than expected and I'm now looking at it and seeing whether it might be possible to push the guys and get back to budget," said Beckett.

Atherton said: "Retail's come back. New was slower getting back, but we focused on used because it was clear that it was getting cash back into the business.

"We will hit our targets this month (September) and that's quite a feat, really, because we have traditionally had higher targets than many of the network because of the success we've had in recent years."

A NEW ERA

Rainworth celebrated its 50th anniversary as a retail business in 2019, but has seen its route to market change dramatically in that time.

The group has recently signed up with SilverBullet to boost its own online sales and has also adapted its marketing.

While the group now spends in excess of £110,000-a-year on Auto Trader, it no longer places adverts in local newspapers, the Mansfield Chad and Sheffield Star and, instead, channels its budget into sponsorships and social media.

Rainworth has sponsorship deals with Rotherham United, Mansfield Town and Welbeck Cricket Club.

Beckett and Atherton have been more taken aback by consumers' change of buying intention than the route to market in 2020, though, as it prepares to make the shift to electric vehicles (EVs) having seen a rapid shift away from diesel.

"It's like we have fast-forwarded five years in the past eight months," said Atherton.

"From when we reopened, sales have been about 8% diesel. Two years ago that would have been 60%."

Škoda's first pure EV, the Enyaq SUV, arrives in 2021 and they are hoping for a plentiful supply.

The brand's all-electric Citigo suffered from limited availability this year and Atherton said the group could have doubled the "20-or-so" it sold.

Beckett added: "We're concerned that, again with Enyaq, we won't get enough."

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Continental's collaborative free partnership builds on global expertise

Tyres, your next profit opportunity
All dealers are trying to capitalise on every aftersales opportunity that presents itself and tyres provide one with the greatest untapped potential. Typically, for many franchise dealers tyre sales conversions are low for a multitude of reasons, so every improvement that can be made in tyre sales performance will immediately impact the bottom line of the dealer. Many dealers who are looking to improve their business and tyre profitability are turning to Continental's free Shared Resource programme to improve their tyre knowledge and unlock their tyre potential.

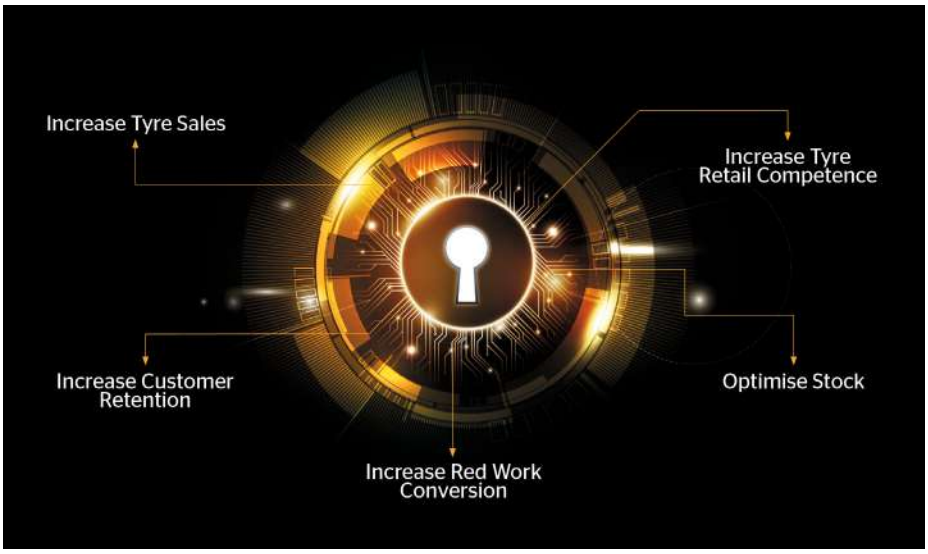
Every franchised dealer should get involved
Continental's Shared Resource programme is a consultative partnership specifically designed to help franchised dealers develop their tyre business.

Continental has global tyre retail expertise that has been gained over decades of working with franchised dealers of all sizes, marques and in different countries.

This expertise has been used to create the Shared Resource programme which takes the global knowledge and tailors it to the needs of individual dealer sites or groups so they can increase tyre sales, improve tyre sales conversion and increase customer retention rates. This is achieved through the dealer and Continental working collaboratively to increase the level of tyre knowledge within the dealership, understanding the local tyre potential and optimising stock to best deliver on the available opportunities.

How is it done?
Building sales in any business takes planning, goal setting and a dedication to deliver success from everyone involved. Shared Resource takes those attributes and harnesses the enthusiasm to create a practical plan that both the dealer and Continental follow. Using an initial data collection project and combining it with local knowledge gained from talking to the dealer's aftersales team, the tyre profit potential is calculated for each site.

The Shared Resource team will then identify and build the tyre knowledge and sales skills needed while providing a measurement and review system to make sure the dealer is on-track to meet their tyre profitability goals.



"We have found Shared Resource invaluable in many ways in supporting and developing our tyre proposition"

How successful is Shared Resource?
More than 1,000 franchise dealers are using the Shared Resource programme and having some great sales and profit success. Here is a selection of views from dealers who are part of the programme:
"The Continental Shared Resource programme is an integral part of our tyre programme within the group. I would highly recommend the programme for the knowledge and confidence it brings to our team, which they pass on to our customers when talking about tyres."
Phil Hedley, Vindis Group Quality Manager
"For a number of years Listers Group has participated in the Shared Resource programme. We have found Shared Resource invaluable in many ways in supporting and developing our tyre proposition."
Roy Stokes, Group Aftersales General Manager

Unlock your tyre potential
Any franchised car dealer can benefit from the free Continental Shared Resource programme.

Our team is only a phone call or email away, to help get you started on your profitable tyre journey.

For more information just visit www.continentalsharedresource.co.uk

JCT600 chooses MotorDocs for digital document revolution

Multi-site car retail giant JCT600 is fully embracing the benefits of digital document management after kickstarting a nationwide installation programme with MotorDocs – including rapid deployment of a document sharing and signing solution to deliver a fully contactless experience for its customers

After reviewing the market earlier this year, JCT600 announced MotorDocs as its preferred digital document partner thanks to MotorDocs' pioneering approach and a portfolio of award-winning products that offer much more than traditional document scanning and storage.

The initial rollout agreement involved iDealFile – the MotorDocs digital deal file solution – being implemented for all JCT600 sales teams by the end of September.

Then iServiceFile – the digital document solution for service departments – was to follow shortly after.

However, in light of COVID-19 social distancing and contact-free transacting requirements, JCT600 asked MotorDocs to see if there was a way to implement a digital document sharing and signing solution at pace.

Meeting the COVID-19 challenge

MotorDocs embraced the challenge and accelerated the development of iShareMax.

This standalone document signing and sharing solution works independently of iDealFile and iServiceFile – creating a secure online portal where dealers and their customers can exchange and authorise important documents.

After a successful trial with aftersales teams in three dealerships, the management teams agreed an estate-wide rollout.

As a result, all JCT600 service teams now have a simple and secure way to offer customers contactless document sharing with the flexibility to receive, sign and return paperwork either in a secure area of the showroom, in their vehicles or from their own homes.

Introducing digital deal files

At the same time as solving the document sharing and signing challenge, the MotorDocs team was managing the rollout of iDealFile into the first set of JCT600 dealerships.

Thanks to a combination of virtual and face-to-face briefings, 13 locations are already using digital deal files, meaning that, in line with the agreed project plan, the nationwide iDealFile rollout is on track to be complete by the end of 2020.

Initial feedback has been extremely positive with JCT600 sales teams reporting a variety of cost-, time-savings and customer experience benefits.

The subsequent rollout of iServiceFile in 2021 will bring similar benefits to JCT600's aftersales teams.

A successful partnership

Andy Bateman, Director of Customer Experience at JCT600, is delighted with the process, saying: "We chose MotorDocs because we could see the powerful competitive edge their products can give us. Their automotive knowledge and technical capability mean their solutions are perfectly tailored for the motor industry.

"In them, we have a partner that can help us use technology to stay a step ahead of our competition and react quickly to changing trading conditions – as has been evidenced by their ability to help us solve some of the unique challenges presented to us in the light of the COVID-19 pandemic.

"From day one, the MotorDocs team has been highly organised and efficient – getting to understand our processes and tailoring the setup of the system to fit our specific needs. We're already seeing the anticipated cost reductions in the sites which are live."

T: +44 (0) 1635 905985
E: andy.mee@motordocs.co.uk

MotorDocs

SPOTLIGHT:
MOTOR FINANCE

Put your money on transparency

With the Financial Conduct Authority's new rules around the corner, the importance of having robust financial checks in place cannot be overstated

READY FOR DISCLOSURE?
FCA IS KEEN FOR MOTOR RETAIL TO BE UPFRONT ABOUT FINANCE COMMISSION EARNED
PAGES 27-29

SAFE TO TRADE IN FINANCE
EARLY NEXT YEAR THE FCA BAN ON DISCRETIONARY COMMISSION WILL KICK IN. *AM* EXAMINES ITS IMPACT
PAGES 31-32

CONSUMER CREDIT CHALLENGE
AM EXPLORES THREE KEY IMPACTS FCA REGULATION WILL HAVE IN THE COMING YEAR
PAGE 35

Santander Consumer Finance

Send, Sign, Sold.

Allow customers to sign their agreement anytime, anywhere with eSign Plus

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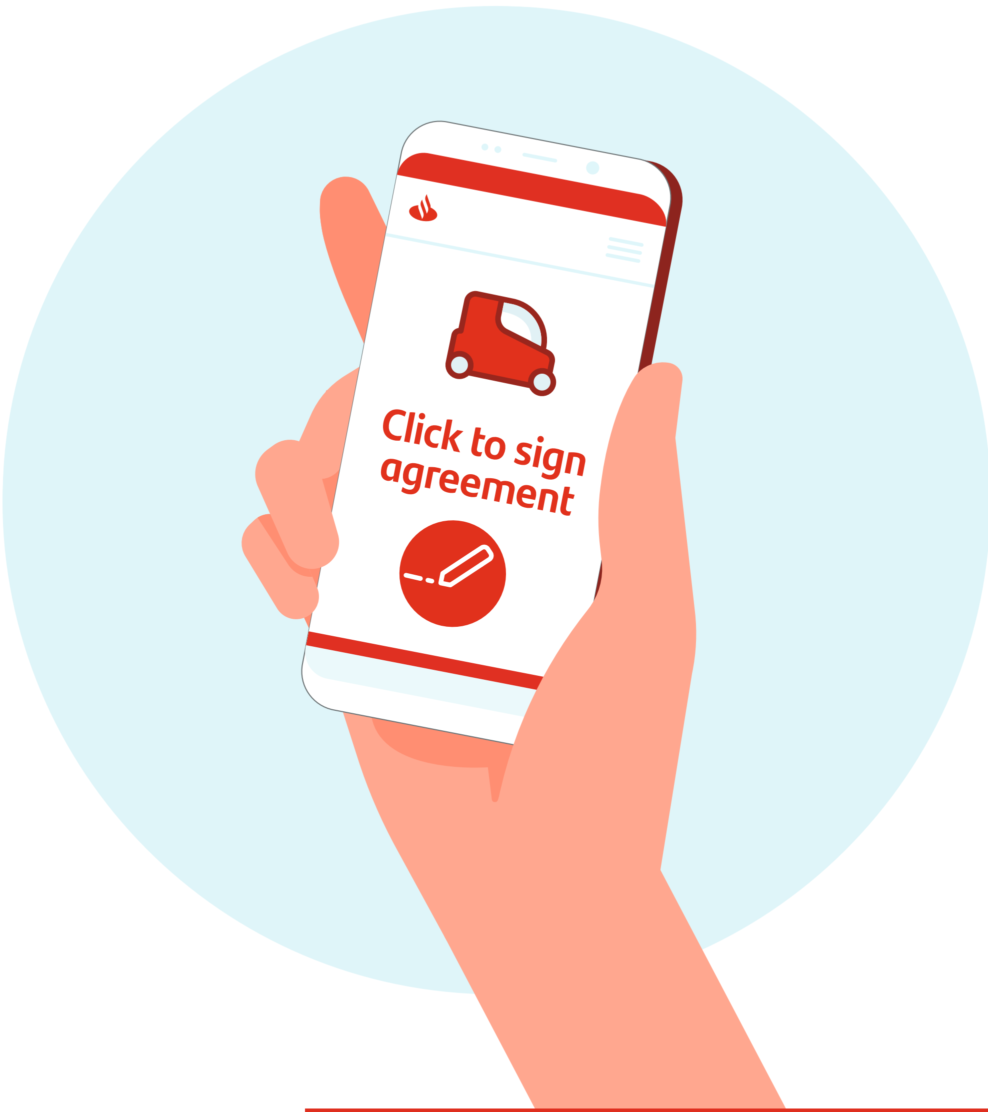

GENH 1220 SEP 20 H

Are you ready for transparent disclosure and accountability?

FCA is keen for motor retail to be upfront about earning finance commission

Motor retailers have just weeks to get their house in order before clearer rules referring to finance commission disclosure come into effect.

By January 28, any dealer involved in brokering motor finance must have given "prominence" to the fact that they earn income from finance referrals. Upon knowing this, it is possible a customer might choose to make alternative finance arrangements.

After the January date, retailers must include a disclosure statement in financial promotions or offers to customers.

One consultant told *AM:* "The Financial Conduct Authority (FCA) has assured the motor finance industry that this change to the rulebook is minor. Strictly speaking, this is true. However, that minor change is based on the assumption that all brokers were already being transparent about the existence of commission from their finance sales."

The amendment to the Consumer Credit sourcebook (CONC) is a bit of a long-winded one. It states that a motor retailer acting as a finance broker "should, in a financial promotion or in a communication with a customer, indicate to the customer in a prominent way the existence and nature of any financial arrangements with a lender that might impact upon the firm's impartiality in promoting or recommending a credit product, which might, if disclosed by the firm to the customer, affect the customer's transactional decision in relation to the credit product".

It also now highlights that, when preparing a finance application, a dealer must "prominently disclose to a customer in good time before a credit agreement or a consumer hire agreement is entered into" the existence and nature of any commission/fee/other remuneration they'll get from the lender or a third party "where the existence or amount of the payment could potentially have a material impact" on the customer's decision to sign the agreement. The same also applies if the FCA could question the impartiality of the dealer in recommending the agreement.

Increasing the likelihood that customers know about the existence of commission payments "can help consumers to make better informed decisions, consider alternative options, find a cheaper deal or negotiate on the finance or other price or ancillary elements of the deal or transaction", said the FCA.

The FCA's own proposal, formulated after it mystery-shopped the industry in

Advertising Feature

Commission rules are changing. What does it mean for you?

Treating customers fairly isn't just good for them, it helps your business build trust and grow repeat sales too. So we fully support the new FCA rules on discretionary commission models and commission disclosure.

The new rules come into play on **28th January 2021**, so there isn't long to get ready. But our Account Managers are here to assist you through this transition, explaining what's new and offering practical support to help you prepare.

What changes are Black Horse making?

First and foremost, we'll take you through any updates to your Rates and Terms that are required under the new FCA rules. We have always fully supported the FCA's aim of ensuring consumers receive the right outcome when taking out motor finance and Black Horse don't offer finance schemes which allow dealers to adjust APRs to increase commission. This means any new changes required will be straightforward for you and your customers.

We are also updating the wording in our documents to help customers understand the nature of the commission you receive from us. These updates further clarify the commission arrangements in place between your business and ours, giving customers the new information required to inform their decisions.

"Our relationship with Black Horse is first class. The customer is always at the heart of everything we do."

Jon Baird, Motorpoint Ltd

How can you prepare?

There are a few areas to focus on. Firstly, as a credit broker, the new rules mean you have to disclose the nature of any commission you receive and the impact it has on what your customers pay.

This disclosure needs to be prominent and given to your customers in plenty of time before they enter into a finance agreement.

You might also need to ring the changes across your sales process. From financial promotions in your showroom to finance content on your website, your sales literature needs to explain what arrangements you have in place with your lenders. And your team need to know how and when to disclose this information during face-to-face customer conversations.

Lastly, consider any other finance partners you may have and make sure you're getting the help you need to remain compliant. We will, of course, support you with our approach.

"By focusing on the customer, the new regulations will improve transparency and build further on the sector's reputation. That's good for customers and dealers."

Tim Smith, Head of Motor Finance, Black Horse

How will your customers benefit?

These new rules aim to help customers get the right information at the right time, so they can make better informed decisions. By building trust in our industry, we think that's good news for them and good news for your business too.

Ready for the new rules?

Our Account Managers are here to support you.

Visit
www.blackhorse.co.uk/dealer/better-way

A better way of doing business together

blackhorse

2018, stated: "We found that only a small number of brokers in our sample disclosed to the customer that a commission may be received for arranging finance. Where disclosures were made, they were often not prominent. We believe this is partly because our rules could be clearer."

Its exercise found one of 37 franchised dealers, four of 60 independent dealers, two of 14 car supermarkets and four of 11 online brokers disclosed to the mystery shopper that commission may be earned for arranging finance.

Andrew Barber, financial regulation expert at law firm Pinsent Masons, said the FCA had intended to make an immediate change to commission disclosure rules. However, following consultations, it deferred this to the same date as the ban on discretionary commission models linked to the interest rate.

Barber said although dealers are managing the impact of lockdowns and changes to systems and processes, they "should not sit on their hands". He added: "Firms need to start working up and implementing their plans quickly."

James Tew, chief executive at fintech firm iVendi, agreed there is no time to lose. "Increasing the prominence of the availability of commission will most likely require changes to the online finance journey presented by retailers using products such as ours," he said.

At MotoNovo, chief executive Mark Standish said: "The FCA's changes to dealer finance will be a dominant theme for motor retailers as we move towards the January deadline."

And its deputy chief executive Karl Werner added that the January changes, including the ban on discretionary commission, were an opportunity to show the public the industry is committed to business cultures centred on doing the right thing for customers.

"How we react to the test of embracing not just the letter, but the spirit, of the FCA's policy statement stands to have a big part in the future of dealer finance," Werner added.

TIM ROSE

> "HOW WE REACT TO THE TEST OF EMBRACING NOT JUST THE LETTER, BUT THE SPIRIT, OF THE FCA'S POLICY STATEMENT STANDS TO HAVE A BIG PART IN THE FUTURE OF DEALER FINANCE
>
> **KARL WERNER, MOTONOVO FINANCE**

NEW REGIME MAKES SENIOR MANAGERS PERSONALLY ACCOUNTABLE

The Financial Conduct Authority has given dealers a few extra weeks to get to grips with the Senior Manager and Certification Regime (SM&CR), which demands greater individual accountability for compliance in the sale of regulated finance and insurance.

SM&CR was due to come into law on December 9, but, following the turmoil of the coronavirus pandemic, the regulator has delayed this until March 31.

Dealers should still be tackling this now, however. "Having held SM&CR responsibility at a major dealer group, I'm very aware that creating not only the processes and control necessary for compliance but also the required cultural focus on delivering good customer outcomes, is unlikely to be a quick fix if it has not already started," said Tara Williams, managing director of i-Comply and a former head of compliance at AM100 dealer Group 1 Automotive UK.

SM&CR is to be applied at legal entity level, except for appointed representatives.

The FCA head of conduct specialists, in its supervision division, David Blunt, said the three main components of SM&CR are certification, regulatory references, and conduct rules.

- **CERTIFICATION** – any employee responsible for dealer finance and insurance, including sales heads and dealer principals, in a role which could cause harm to consumers, markets or the firm itself, should be assessed at least annually to see whether they are fit and proper for their role. Senior managers will have oversight of this regime and must be confident the arrangements to assess competency are robust.
- **REGULATORY REFERENCES** – ensuring firms get the information they need from previous employers of new hires so they can make the right decisions about those hires going into these important functions. This is to stop people with poor conduct histories simply moving from firm to firm.
- **CONDUCT RULES** – Blunt said these are about acting with integrity, due skill, care and diligence, and complying with standards of market conduct. It's about paying due regard to the interests of customers and treating them fairly, plus informing the regulator of things it should be made aware of, such as any individual's breach of the conduct rules and any disciplinary action against them.

Breaches of the SM&CR could lead to significant personal fines and custodial sentences are possible for serious breaches.

Spencer Halil, director of Alphera Financial Services, suggested dealers should enrol employees in the IMI's F&I accreditation scheme as a means of ensuring they stay competent.

He added: "Senior managers need to be fully informed as the FCA will expect them to be your front line. What are you doing to make sure senior managers will have kept their knowledge of compliance up-to-date?"


Beyond
finance
"I'm more like a consultant, taking time to understand the dealership so that we can add real value to their business."
Watch Aimee's video to see how:
blackhorse.co.uk/beyondfinance
Aimee Winder
Account Manager
North East Region
A better way of doing business
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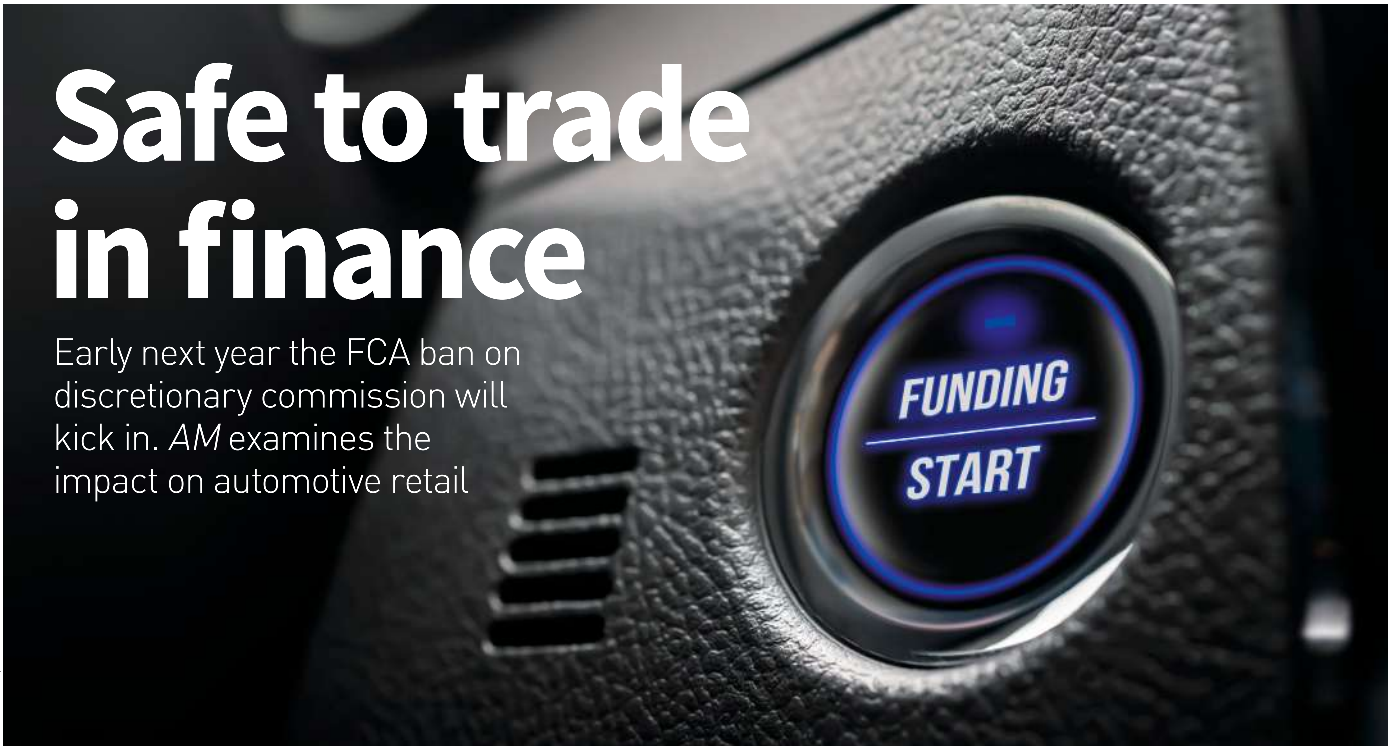
Safe to trade in finance

Early next year the FCA ban on discretionary commission will kick in. *AM* examines the impact on automotive retail



ISTOCK.COM/PHOTOMAN

As the Financial Conduct Authority (FCA) ban on all discretionary commission (DiC) models in motor finance approaches, what are the alternatives for automotive retailers?

The ban, from next January 28, follows consultation in October 2019 which was expected to result in a final decision in Q2, before COVID-19 held-up the FCA's decision-making process. Confirmation finally came through in July.

FCA interim chief executive Christopher Woolard said back then: "By banning this type of commission, where brokers are rewarded for charging consumers higher rates, we will increase competition and protect consumers.

"We estimate consumers could save £165 million due to the action we are taking."

Interestingly, the FCA has deliberately not specified which commission models the industry should use, leaving that up to lenders to decide instead.

However, it has suggested moving to risk-based pricing, provided the broker is not incentivised to set or adjust the rate charged.

It could also include banded flat-fee models. Commission could also vary dependent on other factors, such as by product or lender.

The FCA will look at finance providers that are introducing alternative commission models and this monitoring and enforcement work will start in September 2021.

This magnifying glass will include looking at what commission models firms are using as an alternative to DiC and the ranges of interest rates and commission earnings.

This includes mystery shops next year to make sure lenders aren't using a different model to reinstate higher levels of income from motor finance.

The FCA said: "This information should help us assess whether the potential for customer harm remains and, if so, how we address it."

One industry commentator who preferred not to be named said there are still many lenders that have not yet taken a position on how they are determining the nature of commission and communicating this to dealers.

The commentator told *AM:* "Many lenders are seeing who moves first as they don't want to stick their head above the parapet.

"They need to make a decision and communicate because there is only a few months left to implement changes in process for the customer journey in the showroom and digitally."

MotoNovo Finance chief executive Mark Standish is clear that lenders and dealers have a duty of care to honour the spirit and letter of the FCA policy statement to protect car buyers and the broader dealer finance industry.

Standish said: "The dealer finance model needs to be reinvented to meet the FCA's requirements in full.

"There is no place for body-swerves or gamification that might replicate any part of dealer discretion.

"Such a move would only serve to damage the reputation of dealer finance and encourage damaging claims management company activity."

Standish said the changes required are an opportunity to show the industry's commitment to business cultures centred on doing the right thing for customers.

This principle is also an integral part of the FCA's Senior Managers & Certification Regime (SMCR) responsibilities for dealership staff and lenders.

SMCR means those responsible for finance in the dealership will be held accountable for any mistakes in process.

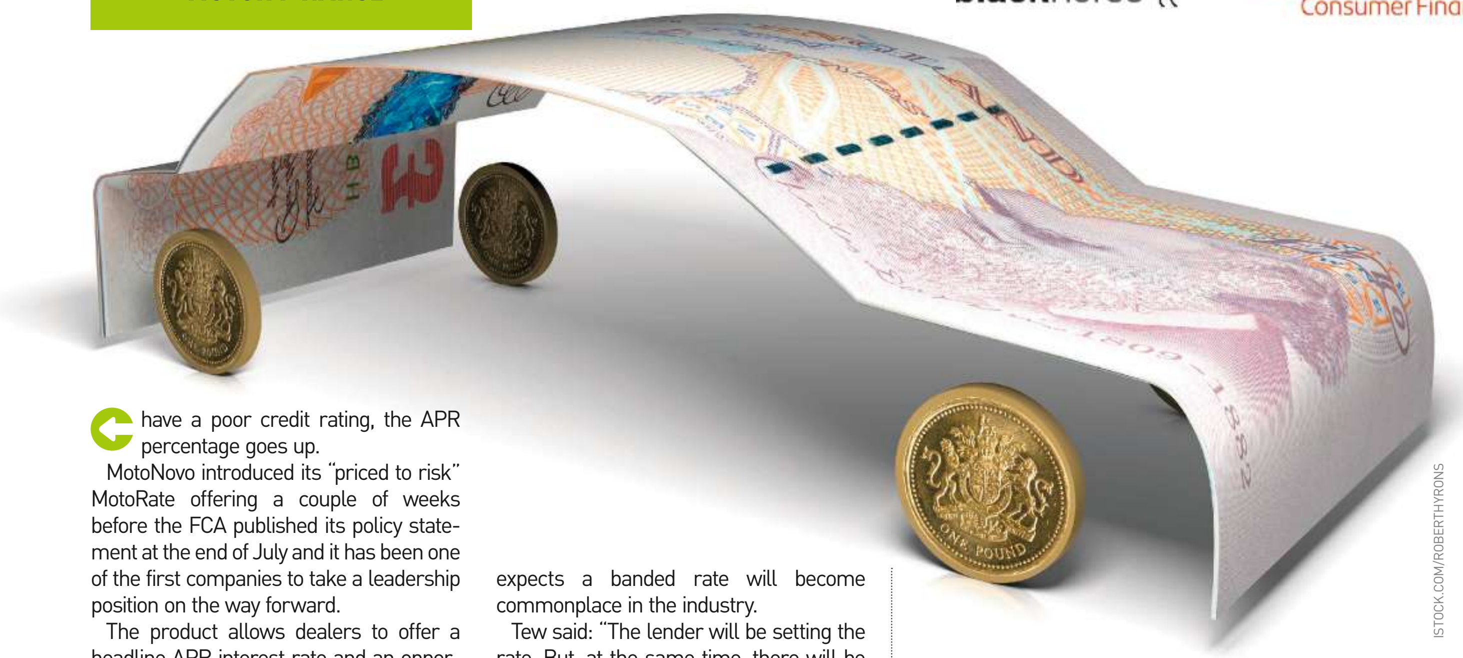
Standish said: "How we react to the test of embracing, not just the letter, but spirit of the FCA's policy statement stands to have a big part in the future of dealer finance."

> "THERE IS NO PLACE FOR BODY-SWERVES OR GAMIFICATION THAT MIGHT REPLICATE ANY PART OF DEALER DISCRETION
>
> MARK STANDISH, MOTONOVO FINANCE

RISK-BASED PRICING

Risk-based pricing is a method that lenders can use to determine interest rates for car finance based on the applicant's creditworthiness and risk.

If you have a good credit rating you get a better percentage APR. If you



ISTOCK.COM/ROBERTHYRONS

have a poor credit rating, the APR percentage goes up.

MotoNovo introduced its "priced to risk" MotoRate offering a couple of weeks before the FCA published its policy statement at the end of July and it has been one of the first companies to take a leadership position on the way forward.

The product allows dealers to offer a headline APR interest rate and an opportunity to inform customers that the final pricing is based upon their circumstances with no dealer discretion.

More than 2,000 retailers have now signed up with MotoRate and MotoNovo is reporting that some are seeing a 70% increase in used vehicle finance sales growth year-on-year for those that have switched to risk-based pricing.

Karl Werner, MotoNovo deputy chief executive, said that, while he recognises the used car market has performed well since initial lockdown measures were eased, he is confident the used car finance growth of more than 70% represents a "very significant" improvement in used car finance performance.

Standish made it clear that embracing the FCA's mandate for change has the potential to be positive.

He added: "We see the required FCA changes as a significant opportunity to increase customer trust, finance penetration and income for many dealers.

"The experience over the past three months is that not only has MotoRate taken the traditional friction out of dealer finance, but it has also encouraged dealers to talk openly and positively about another FCA priority – commission disclosure.

"De-mystifying finance and trust-building have to be positives for the future of dealer finance.

"I am open to debate on alternative models, but every alternative must put every customers' best interests at the forefront of the discussion."

FLAT-RATE PRICING

A banded flat-rate commission model could see a retailer earn a percentage flat rate in commission for cars up to £10,000, for example, and then a different percentage flat rate for those above £10,000.

James Tew, iVendi chief executive, expects a banded rate will become commonplace in the industry.

Tew said: "The lender will be setting the rate. But, at the same time, there will be negotiations between dealer and lender to make sure both parties are happy with that flat rate of commission being earned."

This would give dealers certainty on finance income vs volume and would almost mirror what may happen with new car sales where dealers are paid a set agency fee per vehicle handover.

It's likely there will be more alternative finance models too, but, at the moment, most lenders have kept tight-lipped on what these will be or how they will work.

Frank Brown, a managing consultant at financial services regulatory consultants Bovill, told *AM* that the FCA has not completely outlawed any variation in terms and there still remains a variety of factors that could change the cost of finance for customers and the reward for dealers, like the size of a loan.

However, Brown said that often in financial services, the simpler the model, the safer the proposition.

He said: "Every choice added increases the potential risk, and the controls that are needed to guard against it. Dealers should be very clear where their responsibility ends, and the lender's begins, for the regulated activities being undertaken.

"Too often, intermediaries and underwriters bump along with business-as-usual practices without any clear guidelines or even contractual certainty. Things can be fine, until the FCA comes knocking."

This is why it will be so important for finance firms to advise and set clear boundaries before dealers have to explain themselves to the FCA next year.

COMMISSION DISCLOSURE

As part of the changes made by the FCA, it has also amended its guidance related to commission disclosure. The FCA said that the guidance clarifies that firms should consider the impact commission could have on a customer's willingness to transact and that firms should consider whether and how much commission can vary dependent on the lender, product or other permissible factors and tailor their disclosures accordingly.

> **"TOO OFTEN, INTERMEDIARIES AND UNDERWRITERS BUMP ALONG WITH BUSINESS-AS-USUAL PRACTICES WITHOUT ANY CLEAR GUIDELINES OR EVEN CONTRACTUAL CERTAINTY. THINGS CAN BE FINE, UNTIL THE FCA COMES KNOCKING**
> **FRANK BROWN, BOVILL**

Tew said the onus is on lenders to instruct how dealers and their systems should handle the new lending models and commission disclosure.

He said that for the physical process in the showroom, as it stands, there won't be a huge amount of disruption with lenders likely to include a new clause, potentially in bold print which highlights commission disclosure.

Tew personally believes that the FCA regulations around commission disclosure are wooly due to it knowing the potential impact of mandating that every dealer tells each customer as part of the deal how much commission will be earned.

He said: "The insurance and mortgage industry have full commissions disclosure, where customers' attention is drawn to this aspect audibly during the finance offer.

"It would have been very easy to mandate that every dealer should offer commission details as part of the finance process, but the FCA hasn't (done this).

"Instead it's left to the dealer to determine whether the level of commission would impact a consumer's decision to take a loan. In practice, that's impossible to know without specifically asking every customer, but that is not what the FCA has mandated."

Tew described 2021 as "the last chance saloon" for retailers and lenders to prove that the way they are handling commission is fit for purpose.

Tew said: "If the FCA looks at next year and sees large scale misdemeanours, the only option left for the industry will be full commission disclosure." TOM SEYMOUR

Advertising Feature

A Partner for Tomorrow, Today

Santander Consumer Finance (SCF) is investing for the long-term, through an enhanced strategic focus on building a sustainable and prosperous future for its dealer partners.

Regulatory support for dealers

With the impending changes on discretionary commission models introduced by the Financial Conduct Authority (FCA), SCF has consulted its dealer partners to create new pricing models with good customer outcomes in mind.

Supporting customers and dealer partners

Over the last 15 years, the focus for SCF has been continual development and investment in its products and services, for both customers and its dealer partners.

While 2020 has been a turbulent year due to the pandemic, with dealerships being forced to close in March, SCF has remained dedicated to delivering its first-class support for dealers, OEMs and customers.

During these unprecedented times, SCF has supported its dealer partners by offering extensions on wholesale funding appropriations to ease cash flow. It has also provided a suite of digital tools at no cost to its dealer partners, to aid digital transactions.

In conjunction with dealer support, SCF were at the forefront of introducing a three-month payment deferral period to all customers affected by the pandemic, with no charges or interest applied.

Digital transformation

SCF has and continues to invest in its digital proposition, to ensure it can deliver solutions in line with evolving consumer purchasing behaviour.

Last year saw the launch of an online application platform, delivering end-to-end digital finance, available to all supporting dealers free of charge. The platform is at the heart of SCF's digital offering which includes a finance calculator and, an online application platform. This facility was enhanced this year, with the introduction of eSign Plus, enabling customers to sign their documentation electronically, a tool that has proved vital to dealers throughout the pandemic, allowing them to transact with their customers remotely.

2021 will see SCF further develop its digital capabilities and the support it offers to its dealer partners, with the launch of Your Red Car, a new online marketplace for dealers. SCF's vision is to increase online car sales for dealers with a reduced marketing overhead and a customer reward for each completed purchase.

Value added proposition

September has been a record-breaking month for SCF, with the highest volume of business written since inception. This success is due to the strong relationships and investments with its dealer and OEM partners. SCF are very proud and committed to these partnerships and will continue to provide market leading solutions to its partners and helping them prosper.

To find out more, please visit:
santanderconsumer.co.uk/dealer

Santander Consumer Finance
We make it possible

Because not all car buyers are the same

In recent years, Startline has brought the concept of near prime motor finance into fashion, approving many used car buyers who have been rejected by principal lenders while offering comparable terms.

Our Finishline product takes this a step further.

Designed for people who don't quite fit the conventions of our core hire purchase product, it satisfies a neglected need for mid-market motor finance that is below prime but a long way from the punishing rates and conditions of sub-prime.

Finishline means we can say yes to more used car buyers – and are already doing so for some of the largest, most forward looking dealers in the UK.

It embodies the whole Startline approach – more flexible motor finance, competitively priced, with excellent service standards. Why not get in touch to find out how our products could look just right for many of your customers?

enquiries@startlinemotorfinance.com
www.startlinemotorfinance.com

startline
MOTOR FINANCE

The consumer credit challenge in 2021

Coronavirus has driven an uplift in motor finance digital applications this year, but 2021 looks set to bring further effects for dealerships regulated by the Financial Conduct Authority (FCA). Here *AM* examines three key impacts.

FINANCIAL

Many in the industry expect the finance earnings per unit to reduce as a result of changes to dealers' reward models and the fact that more consumers are becoming aware of the existence of commission. The onus is shifting onto dealers to work on increasing finance penetration and 'take a little from a lot'.

One industry consultant told *AM:* "When there are some major dealer groups who've been earning up to £1,500 from the finance on a car sale, I think it will be impossible to argue that this wouldn't have a material effect on many consumer decisions to sign the finance agreement. And from the FCA's perspective on fair outcomes, I believe that, in future, the provision of finance needs to be facilitating the consumer's car purchase more than delivering substantial profits to the motor retailer."

But Tara Williams, managing director of i-Comply and chief risk and compliance officer at AutoProtect Group, believes there is a three-fold opportunity ahead in 2021 for those dealers who review their motor finance provisions at 'root and branch'. These comprise increasing used car finance penetration, which is typically modest across the industry; breaking the negative perceptions often noted around dealer finance; and actively leveraging finance as a promotional and profit opportunity.

"There is nothing wrong with finance as a profit centre, provided it is achieved while delivering the good customer finance outcomes sought by the regulator," she said. Williams believes a positive and proactive approach can enhance the customer experience.

"Transparency can really lift the veil off negative perceptions held by some people about dealer finance," she added.

TECHNOLOGY

The changes coming in January put pressure on dealers and lenders to ensure their technology is up to scratch in providing motor finance digitally. An immediate priority is to ensure the entire customer journey is recorded by dealers' digital platforms in a detailed and auditable format, said iVendi chief executive James Tew.

Such steps can negate the risk that a consumer might claim they've been mis-sold because the rate they signed up to was higher than the initial advertised rate.

Tew also warned that as rate-for-risk products become widely adopted in 2021 not all dealer platforms are ready to handle their complexities currently. And those dealers moving to the alternative of fixed APR products will need technology able to show the APR for each individual lender on a dealer's panel so that a declined customer can see their second choice.

"One of the few positive effects of the coronavirus crisis is that it has given dealers time to prepare by experimenting with new processes," said Tew.

MARKETING

The industry is expected to adjust its finance offer advertising in 2021 to continue to ensure compliance with the consumer credit rulebook. Adverts must include the FCA's requirement for the existence of finance commission to be made clearer to customers.

However, while dealers strive to adhere to the principles of the FCA, there are also lesser watchdogs to contend with simultaneously. This autumn the Advertising Standards Authority (ASA) ruled that a radio advert for a PCP offer breached the codes of practice because its terms and conditions were not at the end where consumers would commonly expect them to be.

Used car dealer Trade Centre UK marketed a Citroën C1 supermini and stated the finance terms early in the advert before mentioning which dealership the car was at.

The ASA then upheld a compliant which claimed that the positioning of the T&Cs information for the finance offer led to uncertainty about whether they applied to a previous advert.

In its response, Trade Centre Group said the guidance in the FCA handbook, the Consumer Credit Sourcebook (CONC) rule 3.2.3 G, stated that information included in a financial promotion should be prominent.

It said its interpretation of the FCA guidance meant a representative example should be clear, intelligible, unambiguous and timely and must be presented in such a way that the attention of the average consumer would be drawn to it. Delaying the details until right at the end of the advert would not be acting in accordance with treating customers fairly, it argued.

But the ASA felt the manner in which the T&Cs were presented lacked the necessary context as to what they referred to, which meant listeners were likely to find them unclear and ambiguous.

"We also considered that by the time the main content of the ad was heard (even though some of the figures were repeated), listeners were unlikely to have realised that the T&Cs related to the product that followed, or they were likely to have been forgotten."

TIM ROSE

Is a new consumer emerging from lockdown?

Why the current shift in consumer behaviour is shaping a New Normal

Being forced to stay at home, at a time of social distancing, has driven us to explore ways of doing things we never considered before. As consumers, we have managed to retain our quality of life during lockdown thanks to services that allow us to buy online.

We have discovered that we can buy pretty much everything online and have it delivered to our doorstep. Even a car.

Amazon has recently reported a 26% increase in revenue in the three months through March, due to shoppers being forced to stay at home.

COVID-19 has accelerated trends that were already under way, including the car-buying experience that moved from a traditional journey at the dealership, which included only a few digital steps limited to the discovery and awareness phases, to a more digital approach in line with the skyrocketing success of eCommerce.

This change in customer behaviour is pushing businesses to digitise their showroom, to provide their customers with a seamless omnichannel experience.

> "That (buying) behaviour will probably continue, so I think COVID-19 has probably had a really significant effect on digital take up"
>
> REBECCA CULLEN, CLOSE BROTHERS

We know this trend is shaping the automotive industry, but is it going to last after coronavirus?

"COVID has lasted long enough for customer behaviour to change and it's not going to switch back, with people engaging more through digital channels," said Rebecca Cullen, product manager eCommerce at Close Brothers, a long-time partner of Codeweavers. She said this in a recent conversation about how much digital solutions helped their retailers during this uncertain time.

"The more we can create flexibility in the customer journey and the dealer journey, and that relationship between them, the better it is for everybody. I totally expect digital tools will continue to be used outside COVID," she added.

At the height of lockdown, more and more people were moving away from public transport due to safety concerns, preferring private cars to get to work safely.

With a large number of showrooms being closed during the first phases of lockdown, customers who may have not necessarily bought their vehicles online were now adapting to completing some steps digitally.

Rebecca said: "There were people who still needed to buy cars during lockdown. And obviously, everybody wanted to be as safe as possible, and maintain distance as much as possible.

"You get that knock-on effect. People who weren't so comfortable originally with buying digitally have been put into circumstances where they've needed to get over the barriers, and they have.

"That behaviour will probably continue, so I think COVID-19 has probably had a really significant effect on digital take up."

How is the industry responding to the shifts in consumer behaviour?
When retailers were forced to shut their showrooms, sales managers had to deal with challenges they had never faced before. Their business model was shaken up and they had to find alternative solutions to sell vehicles and meet customer expectations.

The business model that has dominated the industry for more than three decades and fought hard to remain competitive has had to face and adapt to unexpected events, opening up to newer and yet well-known ways of selling cars.

At a time where COVID restrictions are impacting customer behaviours, retailers have to develop strategies that meet the requirements of a new type of customer, a post-lockdown consumer who has new questions, different needs and new preferences in buying a vehicle.

Customers will always need guidance and reassurance from their retailers, and this is not likely to change in the future. Rebecca agreed:

"Retailers are at the heart of the conversation with the customer, who still needs to have that proper conversation with the retailer who can help them understand the vehicle and present the right finance options to them."

Digitalisation of showrooms, omnichannel, contactless experience, these are only a few factors that all businesses have to reconsider today, with the "New Normal".

Unusual times require unprecedented and proactive solutions that help shape the New Normal.
As a company that works exclusively within the automotive industry, at Codeweavers we have also shared the same concerns and challenges.

During COVID, we spent a lot of time brainstorming with our clients – lenders, retailers, manufacturers, media agencies, and providers – on how we could tackle the situation quickly and effectively.

We already had the products and services to keep the commerce side of the industry running, no matter what.

So we were able to either provide them with the solutions needed to enhance their own digital presence and offer customers a full online journey, or by integrating our off-the-shelf brandable commerce platform directly into their websites.

We powered their vision with our API services, allowing powerful solutions never seen before.

Our range of solutions, which have demonstrated to be even more flexible than we thought, provided our clients with all the tools needed to digitise their journey and be there for their customers.

These solutions have been used in creative ways, enabling them to keep the relationship with their customers even stronger than pre-lockdown.

Rebecca Cullen, went on to tell us how these range of solutions had been received by retailers.

She said: "The Codeweavers Remote Quote and Apply solution has been really positively received by our dealers. It came to my attention, and it got approved, really quickly in the business.

"If you think about a situation where the dealer didn't have that tool, then if a customer is phoning about a vehicle and the dealer can put a quote together, how do they get it out to the customer? "The next step for us would have been that the customer then had to go in or had to do the proposal form over the phone, breaking up the sales journey.

"This tool added that digital component that allowed the earliest stage of the conversation to be continued, and then, a lead is captured whether the customer completes the form fully or not…. which allows the dealer to be able to follow up, rather than that lead just going cold when they've sent the quote out."

"The past is no longer prologue: what's been done before, won't work today."*
The fact is, there's been a major shift towards digital solutions that can help the industry's customers become comfortable with buying vehicles online.

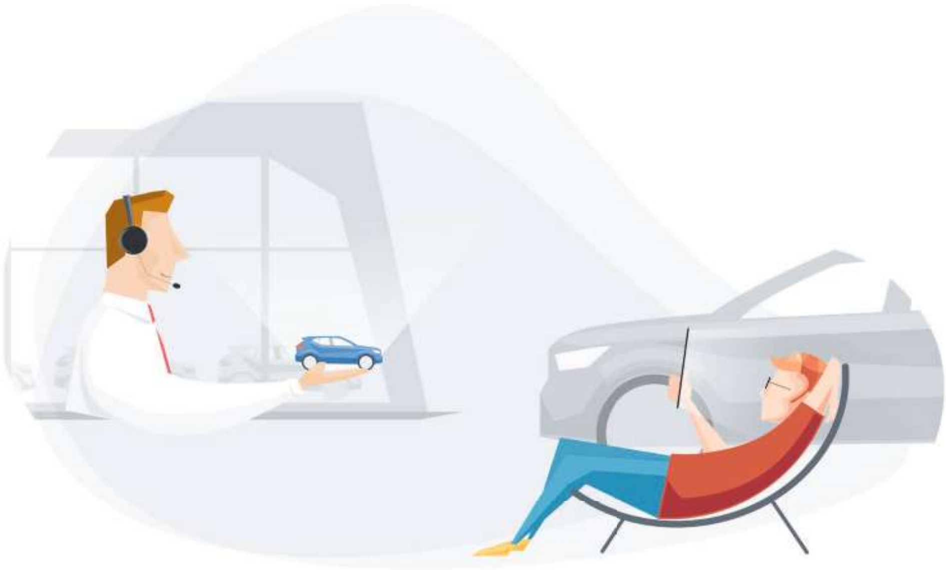
All the research shows that this is a trend that's not about to slow down anytime soon, but is set to become the "New Normal" once lockdown is a distant memory.

We cannot predict what the future will look like, but after the life-changing events that we have seen in the past nine months it's unlikely that we'll just forget, go back to where we were and carry on like nothing ever happened.

New concepts and ideas have been cemented into consumer minds allowing new, exciting developments and challenges that will shape the industry as a whole.

We are prepared. Are you?

*From "Decoding the new consumer mind" – Kit Yarrow 2014.

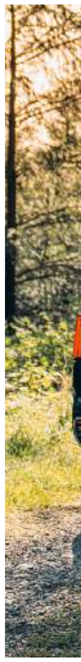


Codeweavers

Email **info@codeweavers.net** call us on: **0800 021 0888** or take a look at how we imagine the future at: **www.codeweavers.net/codeweavers-commerce-platform/**

KIA SORENTO

The new Sorento is a seven-seater though its footprint is more like that of a five-seater



Kia doesn't profess to be a premium brand, but its newer models are certainly pushing it towards the upper echelons of the mainstream market.

Following the launch of the Stinger fastback in 2017, the brand has introduced a number of new models that have sharper styling, more impressive technology and improved driveability.

Even cars like the Picanto and Ceed are vastly more 'upmarket' than ever before.

Nothing better showcases the evolution of Kia than the Sorento, however. It's one of the company's oldest model names still in use, dating back to 2002. The original car was budget-friendly with few technical highlights and an agricultural body-on-frame construction.

This latest model bears almost no resemblance to its forefather. While the third-generation Sorento stepped-up considerably, this fourth-generation car could be mistaken for something from a different brand altogether.

The styling is clearly inspired by the US-market's Telluride, with a large imposing front end and a sense of individuality in its design, rather than the more conventional 'uniformity' approach the brand has taken in the past.

It's a spacious seven-seater, despite its footprint being more akin to that of a five-seat SUV like the Ford Edge.

Passenger space is plentiful in the first two rows. The third-row seats are more suited to children, so this isn't a direct replacement for a 'proper' seven-seat people carrier, but useful for families, nonetheless.

If you fold the third-row away, the boot offers an impressive 813 litres of space. With all seats in play, there's still enough room for some shopping or a pram.

There's a noticeable improvement in the interior quality, with the full arsenal of Kia's latest technologies on offer. Higher-grade models feature a 10.25-inch touchscreen and digital instruments, along with the usual crop of benefits, such as heated seats, keyless entry and climate control.

> **"WHILE HANDLING IS NOT THE SORENTO'S STRONG POINT, IT IS A GOOD CRUISER**

Safety is a top priority and all models are equipped with adaptive cruise control, lane-keep assist, autonomous emergency brake and a new system that can prevent the driver from pulling out in front of another car at a junction.

Most impressive among the Sorento's new features is the blind-spot camera system. Using cameras mounted in the door mirrors, the car displays a real-time feed in the instrument cluster of the blind spot area whenever you activate the relevant direction indicator.

The engine line-up initially offers two choices: a petrol-hybrid and a diesel. The majority of sales are expected to be of the 1.6-litre turbo petrol, which uses a six-

Boot space is impressive when the third row of seats is folded


Higher-grade models offer a 10.25-inch touchscreen

speed auto, develops 229PS and promises 40.9mpg.

The diesel engine serves up 202PS and a slightly more efficient 42.2mpg. It may seem unnecessary, but for those that tow, it can haul a 2.5-tonne trailer, whereas the petrol is restricted to 1,650kg.

Next year a plug-in hybrid model will join the line-up, offering lower CO_2 emissions and a more attractive fleet proposition.

On the move, the petrol unit provides the best driveability with the diesel a tad noisy and slow to respond. While handling is not the car's strong point, it is a good cruiser.

All Sorento's improvements and features come at a cost, though.

The Sorento starts at £38,845, some £8,000 more than its predecessor, meaning dealers will now be talking to customers that may also be looking at cars from established premium brands like the Land Rover Discovery Sport and Volvo XC60.

MATT DE PREZ

£38,845 – £46,945

1.6 T-GDI HYBRID; 2.2 CRDI DIESEL

0-62MPH 8.7-9.1 SECS; TOP SPEED 119-127MPH

SIX-SPEED AUTOMATIC; EIGHT-SPEED DCT

38.2-42.2MPG

158-176G/KM

Q&A

SIMON HETHERINGTON, COMMERCIAL DIRECTOR

Do you expect a new customer type for new Sorento and is there a risk of alienating the existing customer base?
I think the car will attract a new audience. We've seen that with all of our new cars in recent years, they have all extended the reach of the brand. We aren't making a play to be a premium brand but this car, with its package of design, technology and hybrid powertrain, will appeal to people who are looking at other premium products. But there are generations of buyers of the previous models and we've retained a diesel in the line-up primarily for those customers who may not be ready to move to hybrid yet.

What is the expected powertrain split?
The vast majority of sales will be hybrid. From a brand point of view it very much completes the story. We see the future of Kia as being a leader in electrified vehicles. We've got mild-hybrid, hybrid, plug-in hybrid and full electric across much of our line-up. No other manufacturers can match that.

We expect diesel to account for a very small share of overall registrations - it's only available on one grade in the line-up. When the plug-in hybrid comes, the appeal will be largely with fleets, there is a smaller retail opportunity with that powertrain as most of the available incentives favour business customers.

Are there any customer options?
There are no options, we try to make it as simple as possible for customers – there is just the 2, 3 and 4 grades. Customers can buy accessories, such as roof bars, bike carriers and side steps directly from our retailers.

Do you anticipate many fleet sales from Sorento?
It's always been a significant part of the mix, mainly with user-chooser fleets. There's not a huge rental business there or Motability demand, it's generally user-chooser and I think that will expand with this car, especially with the taxation benefits of the PHEV model.

Has the pandemic affected the way you launched the car to dealers?
In normal circumstances we would be hosting training events for all of our dealers alongside the press launch, but that has all be moved online as part of a major investment in e-learning – rather than face-to-face – which makes getting dealers behind the wheel much harder.

KEY RIVALS


Škoda Kodiaq
✔ PRICING
✘ INTERIOR TECH


Land Rover Discovery Sport
✔ OFF-ROAD CAPABILITY
✘ EXPENSIVE OPTIONS


Ford Edge
✔ DRIVEABILITY
✘ NO SEVEN-SEAT OPTION

REVIEW RATINGS

AUTO EXPRESS	CAR	WHATCAR
★★★★☆	★★★☆☆	★★★★☆

AM dealers recommend their top-rated suppliers

The greatest form of marketing is word of mouth. A business may have excellent products, but, ultimately, recommendations are a measure of outstanding service.

The results of *AM*'s annual Dealer Recommended programme, which researches subscribing dealers about the companies they believe offer the best service, are in.

Here, we present the recipients.

FINANCE

By Tim Smith, head of Black Horse Motor Finance

Black Horse is one of the UK's leading vehicle finance providers. Our close relationship with more than 4,500 dealers nationwide means we can offer excellent customer service and personalised finance at locations across the UK.

We pride ourselves on our clear and transparent communication with our customers in order to make finance as straightforward as possible and help you provide finance solutions to your customers.

This year has seen big challenges for our industry. Customer needs and behaviours have had to evolve.

Digital is playing an ever greater role. And increasing regulation is partnered by heightened media attention. We've been working hard to support our dealers' sales, service and responses to ever-changing customer behaviours. We help to ensure our dealers and customers get the right outcome with our innovative systems and industry expertise, providing a better way of doing business together.

blackhorse

WARRANTY

By Ben Russell, CEO, Car Care Plan

Knowing that products or services are tried, tested and approved is a great indicator of their quality, so Car Care Plan is happy to announce our Dealer Recommended status for 2021.

This year has been a time of change and uncertainty; but Car Care Plan has continued to offer clients comprehensive support, using the quieter months as an opportunity to implement improved services and work on growth for the future.

Being Dealer Recommended reflects the reputation that Car Care Plan has built as a reliable, trustworthy provider of aftersales products.

It also demonstrates the exceptional service offered, with on-going training for dealerships provided alongside the e-commerce, marketing, compliance and account assistance.

Of course, these things don't mean a lot without an extensive and relevant product range behind them, so all of the products that Car Care Plan offers have been built with the customer in mind.

Car Care Plan
An AmTrust Financial Company

PAINT PROTECTION

By David Paterson, marketing director, Supagard

Supagard has been the UK's market leader in professionally applied automotive paint and interior protection products since our foundation.

Established in 1988, our reputation for quality is second to none. Many manufacturers, along with dozens of dealer groups and hundreds of retailers, think so, too.

We recognise the importance of supporting them to grow profitability and to meet the demands of new challenges in the constantly evolving marketplace.

While 2020 has been a challenging year for everyone, our new Sanitisation machine has been a great addition to our product portfolio and has contributed significantly to both customer safety plus dealership profitability.

The introduction of a Virtual Training module to support the sale of Supagard demonstrates our agility and commitment to deliver the support our dealers require.

That's why we never rest on our laurels, we remain committed to delivering the level of customer focus our dealers and customers deserve.

Supagard®

AUCTIONS AND REMARKETING

By Stuart Pearson, COO, BCA UK Remarketing

BCA is at the heart of the UK motor industry, with a complete range of vehicle buying and selling services, sophisticated digital remarketing platforms, logistics, storage and vehicle refurbishment.

BCA Partner Finance offers dealers of all sizes up to 120 days' funding on vehicles purchased at BCA auction centres.

The **Dealer Pro app** delivers an accurate, transparent and professional part-exchange process, building confidence with retail customers and improving profitability.

With the **BCA Buyer app** customers can research, locate and bid on the vehicles they need while on the move.

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

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

CLASSIFIED/CAR LISTINGS

By Wendy Harris, UK managing director, CarGurus & PistonHeads

We are thrilled to be recognised as a top supplier for classifieds, evidence that CarGurus is delivering extraordinary value to dealers in the UK.

Founded in 2006 by TripAdvisor co-founder Langley Steinert, CarGurus is now the largest online automotive marketplace in the US and the fastest growing automotive marketplace in the UK, where we launched in 2015. From the beginning, we've challenged the status quo, bringing new levels of trust and transparency to the car buying process to help consumers find great deals from highly-rated dealers.

Because CarGurus provides consumers with data-driven insights, including deal ratings, vehicle history and dealer reviews, the leads we send to dealers come from buyers that are highly informed. The benefit is a high return on investment marketing channel and competitively priced leads.

Both CarGurus, and our sister site PistonHeads, value our partnership with dealers in the UK, and we look forward to driving continued innovation that aligns with your business goals.

SERVICE PLANS

By John O'Donnell, managing director EMaC

EMaC works in close partnership with vehicle manufacturers and dealerships to strengthen their aftersales relationships with their customers, creating positive experiences that lead to increased loyalty and greater revenues.

We call this 'Ownercare'.

Our portfolio of clients includes 15 leading vehicle manufacturers and thousands of motor retailers, all of whom already benefit from EMaC's constantly evolving, technology-led product range to drive customer retention.

We use reliable, highly evolved platforms to integrate our systems with those of our clients. We offer customer service that is second-to-none and we take responsibility so our clients can focus on their strengths, knowing that their customers are in great hands. In 2019, we estimate that we created more than a quarter of a billion pounds worth of potential revenue to our dealer partners.

GAP INSURANCE

By Martin Hill, AutoProtect Group – director of strategic partnerships

It is a privilege to be recognised for the fourth successive year by the dealer community we serve as a Recommended Supplier for GAP & RTI.

When it comes to selecting a GAP business partner, AutoProtect Group is proud to say our service comes as 'Dealer Recommended.' It is an accolade reflecting our continuous improvement in the product, such as the development of Lease GAP and our industry-leading claims app processes.

AutoProtect aspires to be the leading value-added service supplier. We are proud to add value to the dealer proposition by serving their customers at an industry-leading 'excellent' level as rated by more than 6,000 customers on Trustpilot.

This 'excellent' rating is a collaborative success that reflects positively on AutoProtect Group and our dealers. It embraces, not only our approach to GAP, but our broader product range – and our group services through DealTrak F&I software, iComply compliance services and Shine! minor damage repair .

www.autoprotect.co.uk

AND THE WINNER IS... ASF

BEST NEW PRODUCT OR SERVICE

WHY WE WON...

ASF launched a new product which allows customers to pay for their repairs online, without having to involve the manual and time-consumer process of dealerships ringing to chase customers for approval and payment.

ASF's new product allows aftersales to become truly digital:

1. New customers to ASF can now search for a local dealership, apply for 0% finance and book a service. Since launch, it has resulted in thousands of dealership searches every month.

2. Existing customers can re-apply for finance in just two clicks. At their six- and 12-month anniversary, existing customers will receive reminders by SMS and email to re-apply at the same dealership for 0% finance. This means dealerships retain more profitable customers (the average returning vehicle is seven years old with a bill of £499).

3. Via integrations with video, dealer management system (DMS) and vehicle health check (VHC) platform customers can pay in full or apply for 0% finance the minute they receive their VHC report. This means customers can now approve and pay for their repairs remotely on their mobile in the comfort of their own home, reducing the workload of service advisors.

4. ASF is already integrated with a number of leading third parties and by the end of Q4 2020, hopes to be integrated with every major video, DMS and VHC platform in the UK. ASF can act as a digital service advisor.

Outside of aftersales, the e-commerce offering of ASF will further penetrate other areas of the automotive industry. Drivers will be able to transact for all services and products remotely such as online service booking, the purchase of parts and accessories, and (as electric vehicles become more popular) the funding of home charging points.

ASF is one of the fastest growing FinTech businesses in the UK. It provides interest-free finance for aftersales at dealerships. Drivers use ASF to spread the cost of car repairs over one-to-nine monthly payments completely interest-free. ASF is available in more than 2,300 UK dealerships and is endorsed by major brands, such as VW Group, Jaguar Land Rover, Ford, Vauxhall, FCA, Nissan and Groupe PSA.

- 2,300 DEALERSHIPS
- £60m LENT
- 90,000 TRANSACTIONS

Jack Allman (second left) and James Jackson (next to him) joint founders and directors of Auto Service Finance picked up the award from Jeremy Bennett, *AM* associate editor and head of digital, Bauer B2B

> **THIS SERVICE GIVES DEALERS A TOOL TO TACKLE ONE OF THE MOST COMMON PAIN POINTS FOR CUSTOMERS. AS A RESULT, IT BRINGS DEALERS MUCH-NEEDED EXTRA REVENUE**

Dealerships who provide ASF's flexible payment solutions benefit from converting more of the work that would have otherwise remained unsold.

ASF has been proven to reduce overall approval times, meaning work can be sold while the car is still on the ramp. This improves the productivity of aftersales teams, with less time wasted chasing customers and more efficient use of workshop time.

THE CHALLENGE

One-in-five UK drivers admits to driving unsafe cars because they can't afford the repair bills.

ASF solves this problem by allowing customers to spread the cost over interest-free monthly instalments.

For the aftersales industry to evolve successfully it must ensure that customer convenience, trust and transparency, peace of mind and value for money are at the forefront. ASF recently ran a survey of 17,000 customers and discovered that nearly 58% of them found getting their car repaired stressful, but more than 90% said their stress levels reduced when using ASF.

These same customers (64%) would prefer to pay for their car repairs and services remotely rather than in the dealership or over the phone. As 'collect and delivery' services become more prominent – including key drop-off kiosks – the industry will become more digital and allow aftersales to operate 24 hours a day, just like any other digital retail business. By offering ASF, dealerships will meet the digital demands of the 24-hour customer which will help to increase satisfaction and retention.

TALENT ON THE MOVE

LISA BRANKIN, MANAGING DIRECTOR, FORD OF BRITAIN

Some 30 years after joining Ford as a graduate trainee Lisa Brankin has been promoted to managing director.

She is the first female to lead Ford's entire UK operation and, in doing so, increases the female leadership of a UK national sales company to three, alongside Alison Jones, managing director of Groupe PSA UK and Sarah Simpson, Bentley Motors' regional director for the UK, Middle East, India and Africa.

Ford's prior managing director Andy Barratt opted for retirement less than a month after the carmaker suddenly announced he was taking a temporary leave of absence. He posted on LinkedIn that he was "retiring from Ford but not work" – and promptly joined the UAE's Al-Futtaim Motors as Lexus MD

Brankin became the Essex-based company's permanent head as of November 1. She has held various roles in sales, marketing and communications, and was director of dealer operations during the rollout of the FordStore and Transit Centre programmes, which consolidated the extensive Ford dealer network.

Since 2015, she had been marketing director, sales director and, most recently, director of passenger vehicles.

"Lisa has shown great leadership over many years in her senior roles in the Ford of Britain team and is the right person to take the business forward in our largest market in Europe," said Ford of Europe's vice-president Roelant de Waard.

Anthony Ireson, director of Ford's customer service division, becomes director of passenger vehicles and Sarah Brettle takes Ireson's old position.

TONY BRAMALL, NON-EXECUTIVE DIRECTOR, LOOKERS

Motor retail veteran Tony Bramall will leave the Lookers board at the end of this year.

Bramall, a non-executive director, became a significant investor in Lookers during 2006 and blocked a takeover bid by Pendragon, then the largest dealer group in the UK which had only weeks earlier acquired Reg Vardy.

At the time, as he regarded the £55.7m investment in a 24.4% stake of Lookers as "a very good investment for the family in a well-run group where there is substantial opportunity for growth", Bramall immediately stated: "Obviously I will not be accepting the existing Pendragon offer."

BARRY BEESTON AND ALAN ROTCHELL, WEST WAY BOARD MEMBERS

AM100 dealer group West Way (Aprite) has recruited Barry Beeston and Alan Rotchell to its board.

Beeston, former country director for Infiniti UK and corporate sales and LCV director at Nissan GB, joins the Nissan-owned dealer group as fleet director.

Most recently, Beeston was managing director of Circle Leasing, which he joined in 2018.

Rotchell has gained dealership management experience across OEM-owned retailers since the 1990s, including Ford Retail Group, Mercedes-Benz Retail Group and Infiniti Retail Group, where he became head of group operations in 2017 until the group ceased trading earlier this year.

CHRIS HARRIS, RETAIL AND MARKETING DIRECTOR, VERTU MOTORS

Vertu Motors has appointed Chris Harris as retail marketing director for its specialist and premium brand car dealerships.

Harris will have responsibility for building the marketing and brand capability of the AM100 group's premium and specialist brands including Jaguar Land Rover (JLR), Audi and Mercedes-Benz to drive growth in the division.

Harris recently worked with Zenith Vehicle Leasing, building its online direct-to-consumer brand, Zen Auto.

Previously, Harris was group marketing director at The AA, luxury car dealer group HR Owen and Nokia

MOVERS IN BRIEF

PROFESSOR JIM SAKER, PRESIDENT OF THE IMI

Professor Jim Saker has been appointed as the new president of the IMI, replacing Graham Smith who held the position for seven years. PSA's Linda Jackson and Sandy Burgess, from the Scottish Motor Traders' Association, were both elected vice presidents at the automotive professional body. Kevin Finn and Tony Tomsett were also confirmed as chairman and honorary treasurer, respectively.

KELLIE GROCOTT, DIRECTOR OF SALES, RAC DEALER NETWORK

Kellie Grocott has been appointed director of sales for RAC Dealer Network at Assurant following the promotion of Sean Kent to UK client director for automotive. Assurant partners with the RAC in the aftersales sector to provide a range of RAC-branded warranties and related products to more than 1,350 car, van, motorhome and motorcycle retailers.

MATT McGUIRE, CHIEF TECHNOLOGY OFFICER, HEYCAR

Heycar has appointed Matt McGuire as its new chief technology officer to oversee its roadmap of technical innovation and provide growth. He brings significant digital experience to the online car marketplace's senior leadership team, having worked in digital implementation, consultation and experiential campaigns for brands including Shell, Ford and JLR.

GUESS THE CAR COMPETITION

THIS MONTH'S WINNER

Benjamin Summerfield, data analyst at Pro-Align, correctly named the Alfa Romeo Spider in our previous issue.

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

EIGHT QUESTIONS TO A...

HEAD OF RETAIL

Dan Cross,
LEVC London

What are the main responsibilities of your role?
I am responsible for all aspects of the LEVC-owned retail operations, based in London. This encompasses our sales, service and parts businesses. Along with ensuring the smooth running of these areas, a major part of the role is building relationships with key stakeholders, from major fleets to TfL (Transport for London).

As a leading European green mobility company operating in a highly regulated market it is vital we are in the vanguard of technological and environmental regulatory changes to ensure we can provide the best possible products and services to our customers.

What are the most significant challenges ahead in your field of work?
Like the wider automotive sector, urban green commercial mobility is undergoing a period of rapid change. LEVC is at the forefront of this, but it also means that our customers are having to adopt different business models as technology and the regulatory framework changes.

Working with our customers as they adapt their business models to embrace change is probably the most challenging, but also the most rewarding, area I am involved in.

How might these challenges be overcome?
In the main these challenges are also opportunities, so constant communication and working closely with our customers is the key to ensure that the products and services we offer are meeting their changing needs.

Also, keeping abreast of the regulatory framework and the ongoing changes means we can tailor our offering to best fit the business needs of our customers.

What attracted you to this area of expertise?
LEVC is indubitably a leading European green mobility company. As regulation and mobility solutions change to reflect the increasing awareness of environmental responsibilities, green mobility was an area I was very keen to get into. As such, the opportunity to join a company such as LEVC, at the forefront of these changes, was simply too good to turn down.

What's the most important thing you've learned in your career, and how have you made use of it at your company?
Slightly clichéd, but probably the biggest thing I have learnt is to be open to change. Both in my current role and across the wider industry, the pace of change is faster than it has ever been. As such, the ability to embrace this and manage change to ensure positive outcomes is essential. This is never more so than in my current role. The customer base is different from previous roles, and their business models are changing, so pretty much every part of my role involves change and the ability to manage change.
MATT DE PREZ

> “BOTH IN MY CURRENT ROLE AND ACROSS THE WIDER INDUSTRY, THE PACE OF CHANGE IS FASTER THAN IT HAS EVER BEEN
>
> DAN CROSS, LEVC LONDON

QUICK-FIRE QUESTIONS

What drives you?
Being part of a successful team and seeing people develop and grow.

What's your favourite app?
TubeMap – probably not my favourite but certainly the most essential for my daily commute!

How do you relax?
Spending time with my family and going to the occasional game of rugby.

AM

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THIS MONTH'S QUESTION TO THE *AM* TEAM:
If you were lucky enough to win the lottery what would be the first thing you would treat yourself to?

EDITORIAL
Editor Tim Rose 01733 468266
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First big thing – three weeks all-inclusive in the Maldives. Actual very first thing – probably a curry and some Champagne
News/features editor Tom Sharpe 01733 468343
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A holiday – via private jet – somewhere COVID-free. The North Pole, perhaps...
PRODUCTION
Head of publishing Luke Neal
Probably a holiday (Covid-allowing), my son wants to go to Bora Bora
Production editor David Buckley
Tickets to the next Ashes Test in Sydney that spectators are allowed into
Senior designer Chris Stringer
The boring answer is 'pay off debts', but, after that, I'd buy lots of vinyl

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