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



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PENDRAGON / P24

CEO Bill Berman talks costs, crisis management and conquering the used car market

RESPONSIBLE RETAILING / P30

How dealers have prepared for the new normal

CHOOSE YOUR SUPPLIER / P35

Newest technologies and best advice from suppliers to automotive retailers



BACK TO BUSINESS

UK MOTOR RETAIL IS LET LOOSE FROM LOCKDOWN / P8-13

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EDITOR'S LETTER

Very difficult news this month that Lookers is set to make 1,500 redundancies, which is close to 20% of its entire workforce. All dealers are having to consider costs and job cuts due to the shock coronavirus has created in the UK economy and all industries, and I hope that those affected will soon find alternative employment, whether in the automotive sector or elsewhere.

Coronavirus' impact aside, I do find it a bit frustrating that the motor retail industry is driven in cycles of boom and bust. When times (and margins) are great carmakers flood the market with new cars and demand that dealers expand or upgrade showrooms and increase sales staff and technicians to cope. Then, inevitably, the peak passes and manufacturers reduce supply, so extra headcount and corporate identity (CI) investment becomes a burden. The property investment is largely fixed. The headcount is flexible.

The trade bodies have cited Brexit instability, regulatory instability and now coronavirus instability as having damaged the car markets. But until motor retail actually changes its patterns, isn't instability going to be the constant feature?

Four years ago, Lookers' prior senior management team told me the UK new car market looked good for hitting three million annual sales by 2020. Now, in 2020, reaching two million will be an amazing result.



MEET THE TEAM



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LOCKDOWN WAS BAD NEWS, BUT NOT ON EVERY FRONT

Dealerships took advantage of enforced closure to re-examine their ways of working

Car retailers are being urged to dispose of their outlying franchised locations as part of their efforts to restructure for the “new normal” following the COVID-19 lockdown period.

Consumer apprehension about re-entering showrooms and embrace of online retail has combined with manufacturers’ existing down-sizing plans to move network consolidation up the strategic agenda.

Far-reaching restructures may mean mass redundancies and dealership closures at some AM100 retail operations. Yet some sector bosses described the enforced pause and re-start of the car retail sector as “my best time in business” and “a breath of fresh air” that could spark a positive transformation for the sector – with property forming just part of the puzzle.

ICDP managing director, Steve Young, told AM: “It has been advice given to our clients for some time

now, but the current situation has only added credence to it – retail groups need to get out of their outlying locations if possible.”

With many AM100 operators relying on the value of their property assets as valuable security following losses incurred during the near three-month lockdown of showrooms across the UK, a move away from dealership property – and resulting devaluation of legacy sites – could prove devastating.

Young said: “The property time-

bomb has been ticking for some time. The whole retail property market is looking weak and in automotive retail, with its inefficient use of space, that’s particularly the case.

“If prices start to slide due to a lack of demand it could cause banks to worry about their security and start to renegotiate their terms. In that scenario you don’t need to be a dealer group in trouble to suddenly hit difficulties.”

Insurance giant Aviva said in a May earnings update that it expects commercial property prices to decline by 15% in 2020 as a result of the impact of the COVID-19 pandemic.



“IT HAS BEEN ADVICE GIVEN TO OUR CLIENTS FOR SOME TIME NOW, BUT THE CURRENT SITUATION HAS ONLY ADDED CREDENCE TO IT - RETAIL GROUPS NEED TO GET OUT OF THEIR OUTLYING LOCATIONS IF POSSIBLE

STEVE YOUNG, MANAGING DIRECTOR ICDP

‘WASTE OF SPACE’

Nathan Tomlinson, owner and principal dealer of single site Mitsubishi retailer Devonshire Motors, is one dealer group boss who has already considered the inefficiency of the car dealership environment for post-lockdown trading.





DEVOLVED DELAYS

Scottish Motor Trade Association (SMTA) chairman, Sandy Burgess, told *AM* that the disparity between COVID-19 policy across the UK would cause Scottish car retailers disproportionate losses.

Speaking in the week when English showrooms reopened and Cabinet Secretary for Economy, Fair Work and Culture, Fiona Hyslop MSP, finally confirm that click and collect sales were allowed north of the border, Burgess said: "We have been left in a political situation and that shouldn't be the case."

"This is a health crisis first and foremost, then an economic crisis. The last thing COVID needs to be turned into is a political crisis."

While the automotive retail sector recommenced trading in Northern Ireland on June 8, dealers in Wales were also left behind by the COVID-19 lockdown.

Eighteen dealerships wrote a joint letter to First Minister Mark Drakeford expressing fears that many customers will cross borders to buy a new car.

"We truly believe you have underestimated the professionalism and commitment in the retail motor trade," the letter said. "The retail sector as a whole is facing its biggest challenge in living memory, these recent actions have further increased the considerable pressure we already face and put Welsh jobs at risk."

In a letter to the NFDA, Fiona Hyslop MSP said Scottish retailers will be allowed to open up to 800sq-m of their sales area, permitting some larger retail outlets such as car showrooms to reopen in phase two of its reopening plans, on June 18.

Retail units larger than 800sq-m will be permitted to open in phase three, she said.

hours access and the ability to transact at a time that suits them.

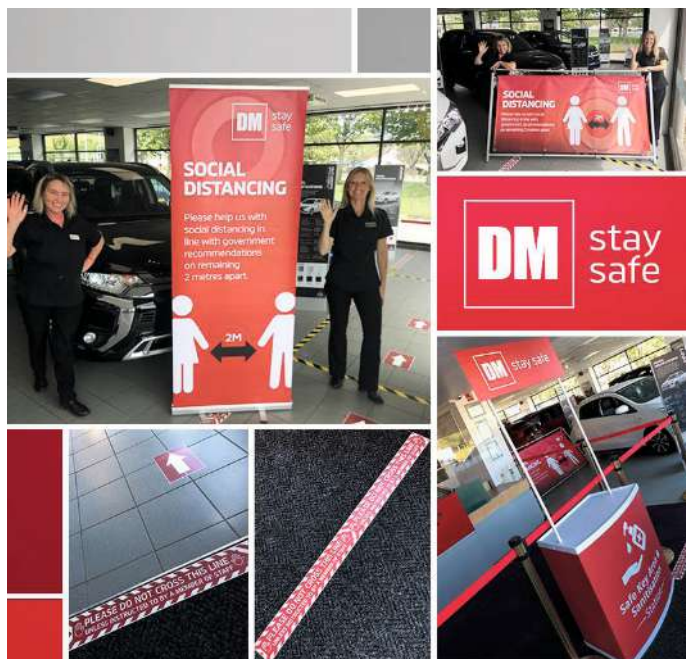
LOCKDOWN'S FORWARD PLANNING OPPORTUNITY

Peter Vardy, chief executive of Peter Vardy, said that his business had been driving towards new business ventures that made minimal use of property "for the past five years", including the launch of the SilverBullet online retail platform and the CarMoney online car finance company.

That is set to continue.

Vardy described the period of COVID-19 lockdown as "the best time in business I've ever had" for he and his leadership team to plan a path to 2030.

While the AM100 business topped up its employees' wages and stated that redundancies were "not part of the equation", it succeeded in breaking even in May, after completing 2,000 online vehicle sales in two months of lockdown. It still expects to deliver a profit for the year.



But he said that in many ways the result of COVID had been a "breath of fresh air" for the business, allowing him to re-assess and make changes that might not otherwise have happened. He said that one finding was: "The showroom now feels like such a waste of space."

Tomlinson said: "We have 354sq-m and our sales executives are doing the large part of the lead management and customer contact remotely at night, between 7pm and 11pm."

"That space would make sense if we had four or five brands, but manufacturers saying you need 200sq-m to display a nine-car model line-up just isn't going to make sense anymore."

Devonshire Motors has been fast to restructure its sales operation.

While 100% of its technicians have

returned from furlough, two-thirds of the group's sales team (two members of staff) now work three-days-a-week in the showroom and three from home.

Tomlinson explained: "COVID has allowed us to build the flexibility into the business that we always wanted."

"Now the sales execs can work from home three days a week on the understanding that they are available to respond to leads until 10pm."

"When they're in the dealership they're pretty much dealing with housekeeping and, while at home, their time is largely their's, but they must have their mobile with them and drop everything to answer a query or even make a deal when the opportunity arises."

Tomlinson said customers had already praised the instant out-of-

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“There was already a plan for the business running until 2030, but having two months to step back and really formulate that was a fantastic opportunity,” he said.

“The result is that we now have 14 projects to work on, including one entirely new business centred around access to mobility via mobile phone, which will launch next year.”

Despite its apparent aversion to property in its new business plans, Peter Vardy made the move to a new 20,000sq-m headquarters during lockdown, representing an £800,000 investment.

And Vardy said that the facility has been designed to appeal to his business’s new tech start-up feel, with “go-karts out front” a nightclub-style restaurant and a youthful vibe.

The changing feel of the business has come alongside revised working practices in showrooms as a result of COVID-19.

“Top of the range” cameras at the entrance to each dealership site take the temperature of staff and visitors and ensure no one with a raised temperature is allowed access.



Technicians have had their shift patterns changed to longer three days on, four days off patterns to allow social distancing in workshops, while all employees who can have been assigned to A and B teams, working one week in their workplace and one week at home.

AGILE AND ADAPTABLE

Like Peter Vardy, Leeds-based Luscombe Motors intends to retain its staff following its return from lockdown, with no plans for redundancies, but there has been a re-modelling of the business.

Managing director, Robin Luscombe, will make his property

THERE WAS ALREADY A PLAN FOR THE BUSINESS RUNNING UNTIL 2030, BUT HAVING TWO MONTHS TO STEP BACK AND REALLY FORMULATE THAT WAS A FANTASTIC OPPORTUNITY

PETER VARDY, CHIEF EXECUTIVE OF PETER VARDY GROUP

work harder with the June 1 opening of an MG Motors franchise in his existing Mitsubishi showroom, while all members of staff were being trained in video conferencing and WhatsApp.

Luscombe, who has adopted Vardy’s SilverBullet omnichannel retail solution – which Vardy expects to accelerate from 50 to 1,000 dealership rooftops in 2020 following the offer of a free three-month lockdown trial – is ready to trade differently.

Like Tomlinson, he plans to place customer communication at the heart of the business.

“People have become used to

WhatsApp and Zoom to keep in touch with their families during lockdown and we’ve adapted the way we work as a result”, said Luscombe.

“I want staff at ease with the new way of doing things and capable of assessing a part-exchange over video.”

Luscombe said that aftersales business had been “mega” and parts sales “strong” since he reopened his workshop on May 4, implementing a range of measures such as using infrared thermometers to check temperatures, extra protective covers inside cars, disinfecting interiors and keys, and installing ‘sneeze’ screens.

During May, he said the business had been able to sell around 40% of its normal volume of vehicles with just two members of sales staff, as opposed to the usual nine.

He told AM he expected a profit from May and enough trade to make-up his April losses during June and July.

The business has been operating its workshop at 95% efficiency with just one technician and two “non-productives” for much of the lockdown period and has also saved money on business rates, he said.

Now Luscombe is poised to install a new ramp to ensure that his full complement of technicians is able to recommence work in-line with social distancing measures.

He said: “That’s a priority and something we have in hand. At the moment the demand is there in aftersales, but I just can’t physically fit all my technicians back in to the workshop.”

At Devonshire Motors, which is traditionally strong on aftersales, Tomlinson also expects to return a profit for the first six months of the year and said that new car sales were up year-on-year 10 days after his showroom opened its doors.

He said: “I think many of the smaller dealerships will fare far better than people think. We’re





smaller and can adapt more quickly than the larger groups can."

CASH SHORTAGE COULD SPELL CRISIS

While Lookers' operational issues started well before the COVID-19 lockdown period, its restructure plans – aiming to deliver £50m in annual savings through the closure of 15 dealerships and 1,500 redundancies – will raise questions about its resilience in the current climate.

BDO audit partner, Steve Le Bas, told AM that car retailers need to be emerging from lockdown in strong shape following the availability of Government loans, cheap finance from banks, VAT deferrals and breaks to business rates leases and mortgage payments.

Vardy told AM that his business had "maxed-out" its credit lines and reduced all costs at the earliest opportunity.

Tomlinson, meanwhile, said that he took advantage of a £250,000 interest-free loan.

Le Bas said: "Those who acted fast and took advantage of furlough and

various breaks as soon as possible will emerge all the stronger from the crisis.

"Groups should be emerging from lockdown with plenty of cash in the bank. If that isn't the case, the coming months are going to be a struggle.

"The job now is to make that cash last and try and use it, and the furlough scheme, to manage the business to a point where demand has returned."

For those less keen to embrace the challenges ahead, Young said that the AM100 could be a plentiful hunting ground for acquisitive groups like Vertu Motors.

He believes that "mega mergers", like that explored by the leadership of Pendragon and Lookers, may be unlikely, however.

"If there is a move for those businesses, it's likely to come from overseas," he said.

"They provide a ready-made entry to numerous market areas without disrupting the market, so they could still represent an appealing prospect for an overseas investor."

TOM SHARPE



SCRAPPAGE SCHEME

Government has been urged to "act quickly" and "be bold" with its new car scrappage scheme plans following reports that car buyers are putting off purchases as they await incentives.

The *Daily Telegraph* newspaper reported that up to £6,000 could be offered towards the purchase of an electric vehicle (EV) as part of a scheme which could be announced by Prime Minister Boris Johnson as part of a wider COVID-19 recovery plan on July 6.

But research conducted by *What Car?* suggested delays in launching the scheme could be jeopardise a V-shaped recovery for the car retail sector as it prompted car buyers to delay new car purchases.

Rachael Prasher, the managing director of *What Car?* and Haymarket Automotive, called the apparent lack of Government action on a potential stimulus package a "major impediment to the industry's recovery".

ICDP managing director, Steve Young, said: "There is a chance that, right now, some car buyers are holding off a purchase as they feel that incentives are on their



way further down the line."

In a letter to HM Treasury, the Department for Transport (DfT) and the Department for Business, Energy & Industrial Strategy (BEIS), the BVRLA and FLA outlined a set of 10 principles upon which any scrappage scheme should be built.

"Act quickly" and "be bold" were their top two principles, with an inclusion of used EVs also part of their request.

The Government's first new car scrappage scheme, launched in

2009, cost taxpayers £400m.

It matched £1,000 grant funding with £1,000 of car manufacturer backing to give car buyers £2,000 off a new car if they scrapped a model aged 10 years or older.

A scrappage proposal discussed by the Society of Motor Manufacturers & Traders (SMMT) in the wake of COVID-19 suggests a £2,500 contribution from tax payers for up to 600,000 new vehicles, requiring a budget of £1.5 billion.

The SMMT believes this would

deliver a financial return of 3:1 for the UK economy.

ICDP proposed a wholly OEM-backed scrappage scheme to mitigate the impact of potential fines resulting from the EU's strict new CO₂ emissions regulation introduced in 2020/21 in its 'clean cars for a post-COVID recovery' report.

Young said: "We have to consider that the debts the Government creates in the wake of COVID-19 will be paid by our children and our grandchildren."

BACK TO BUSINESS

Showrooms in England and Northern Ireland reopen ahead of Scotland and Wales

After 10 weeks of closed showrooms England's motor retailers were keen to get back to business as close to normal as possible this month (June). From early May, many franchised dealer groups had begun installing stickers and banners encouraging social distancing and implementing robust vehicle sanitisation processes. They

had expected to get the green light to open mid-May, as garden centres gained permission, but soon left their frustration behind as June 1 came and trading recommenced. Showrooms in Northern Ireland were allowed to follow suit a week later, but, at the time of writing, dealers in Scotland and Wales remained frustrated as their devolved governments had not allowed them to reopen.

MARSHALL MOTOR HOLDINGS' GROUP AFTERSALES DIRECTOR NEIL TONKS PRAISED THE TEAM FOR TAKING 20,000 SERVICE AND MAINTENANCE BOOKINGS DURING THE FINAL WEEK OF LOCKDOWN. ALL ARE APPOINTMENT-ONLY. "OUR CUSTOMERS ARE IN VERY SAFE HANDS," SAID TONKS.



GRAEME GRIEVE (ABOVE), BMW UK'S CHIEF EXECUTIVE, MADE A MORALE-BOOSTING VISIT TO ITS FRANCHISEE VINES GROUP IN GUILDFORD TO SEE FOR HIMSELF HOW THE NETWORK IS COPING WITH THE NEW CONDITIONS. VINES' MANAGING DIRECTOR SEAN KELLY SAID IT WAS GREAT TO SEE HIM NOT VIA A SCREEN AT LAST. "I KNOW ALL THE NETWORK ARE SET AND READY TO DO BUSINESS AGAIN," KELLY ADDED.



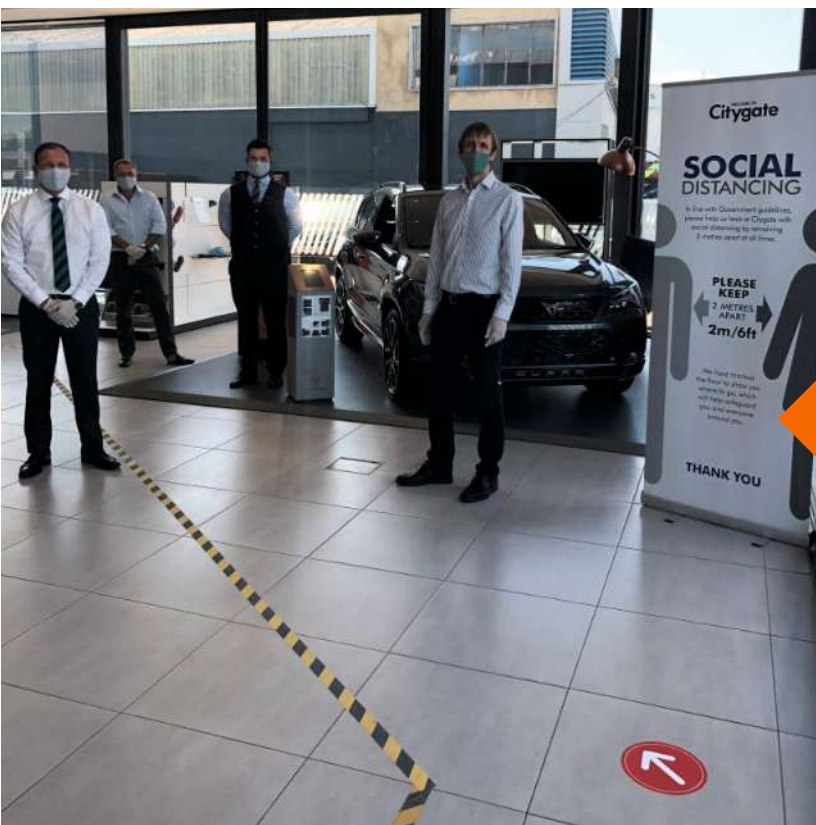
CHORLEY GROUP'S BURNLEY NISSAN DEALERSHIP WAS QUICK OUT OF THE BLOCKS ON REOPENING DAY, LOADING UP A FLEET ORDER OF E-NV200 ELECTRIC VANS. SALES AND MARKETING DIRECTOR ADAM TURNER SAID IT WAS "GREAT WORK FROM TEAM BURNLEY".





SHERWOODS MOTOR GROUP IN THE NORTH-EAST OF ENGLAND SHOWED CUSTOMERS ITS SHOWROOMS WERE OPEN AND WITH 'SHERWOODS SAFETY FIRST' PROCESSES IN PLACE. MANAGING DIRECTOR SIMON MACCONACHIE SAID HE'D QUICKLY HAD FEEDBACK FROM STAFF THAT THEY FEEL SAFE, "AND CUSTOMERS WILL TOO". AS WELL AS THE ON-SITE PROCESSES, THE GROUP NOW PROVIDES CLICK AND COLLECT, REMOTE TEST DRIVES AND SAFE LOCAL DELIVERY.

JCT600'S HEAD OF MARKETING CHARLOTTE MURRAY WAS QUICK TO VISIT THE GROUP'S VOLKSWAGEN, AUDI AND MERCEDES-BENZ DEALERSHIPS IN YORK. SHE SAID SHE WAS "CAUGHT OUT BY PRIDE AND EMOTION" WHEN SHE WAS PASSED BY A HOME DELIVERY VEHICLE LADEN WITH A NEW CAR ON ITS WAY TO A CUSTOMER. SHE WAS PROUD, TOO, OF SEEING "THE REALITY OF EVERYTHING THAT OUR AMAZING TEAM HAS ACHIEVED TO KEEP OUR CUSTOMERS AND COLLEAGUES SAFE AS WE REOPEN".



SEAT UK DIRECTOR RICHARD HARRISON (ON RIGHT OF PICTURE) VISITED CITYGATE SEAT AND CUPRA IN SLOUGH ONCE TRADING RESUMED, TO SEE FOR HIMSELF THE SAFETY MEASURES AND "HIGH LEVEL OF CARE AND PREPARATION BEING TAKEN" IN THE SEAT NETWORK. CITYGATE SEAT FRANCHISE DIRECTOR JAMES FEEHAN THANKED HIM FOR "GIVING THE TEAM A REAL LIFT AND SHOWING WE ARE ALL IN THIS TOGETHER".



BMW PARK LANE, THE BRAND'S LARGEST DEALER, HAS INVESTED IN EXPANDING ITS VALETING FACILITIES, WITHIN ITS UNDERGROUND CAR STORAGE FACILITY IN THE CENTRE OF LONDON. EXTRA CAPACITY, NEW LIGHTING AND SANITISATION PROCESSES ENSURE IT CAN SUPPORT ITS CLICK AND COLLECT SERVICE, SAID MANAGING DIRECTOR CHRIS LEARMONTH.

ADVERTISING FEATURE

Using finance to drive deals as lockdown eases

By James Tew, CEO, iVendi



Dealers are finally starting to reopen their businesses on a widespread basis. The world in which they are doing so is much changed and the models of trading they are adopting – with widespread use of a combination of online motor retail and click-and-collect – are quite different.

However, one thing is unchanged: finance drives deals.

That is why, when the crisis hit, we decided to support our direct dealer customer base by providing them with our new TRANSACT product free of charge.

TRANSACT is designed to develop online consumer interest in a specific vehicle through to a final transaction while managing the complexities of the sales process. Crucially, this can be done entirely online, in the showroom, or by blending the two.

Our research shows that 69% of used car sales don't happen at the advertised price because buying a vehicle is really a series of human micro-negotiations. TRANSACT is the first product of its kind to recognise this, enabling deals to be created online in the same way as face-to-face conversations – for example, providing flexibility over price and allowing the inclusion of value added products.

Where TRANSACT drives the deal through finance is that it also allows dealers to build and send a prospective digital proposal to consumers remotely with multiple finance products from multiple lenders, underlining the affordability of the vehicle, and including product information videos to guide the buyer through the process. From there, the consumer can self-serve the entire process of completing the finance element of the transaction.

We are already seeing signs that TRANSACT is helping some dealers to pioneer a new way of interacting with consumers that is highly effective. In the new normal, as the motor industry searches for new ways to meet the needs of car buyers, it could be a very valuable development.

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THIS MONTH'S NEWS HIGH

MAY

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PANDEMIC HITS PENDRAGON DEALERSHIPS PROFIT
COVID-19 disruption wiped out almost £10 million operating profit at Pendragon's franchised dealerships in Q1, a trading statement said. Underlying operating profit at its franchised motor division was £4.4m, a decline of £4.7m versus 2019.

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PROGRESS HALTED

Progress Suzuki managing director Terence Byrne (pictured) has said the UK's automotive retail sector "will flourish again" following the COVID-19 coronavirus crisis – just days after his business went into liquidation. Byrne said: "It is tremendously sad given how close we got to the June 1 reopening that we have had to close the business."



RICHMOND PLANS FOR FURTHER GROWTH

Richmond Motor Group revealed plans to grow its business with the opening of four dealerships in 18 months after completing the acquisition of Newmans Southampton. The group now has 14 franchise locations and one used car supermarket.



PRE-TAX PROFITS UP BY A THIRD

Big Motoring World revealed 43% turnover growth and a 34% increase in pre-tax profits in 2019. The independent retailer's revenues rose to £294m and PBT to £10.8m, as sales exceeded 20,000 units following the opening of a 1,000-vehicle dealership in Enfield and the creation of a £14m, 12-acre vehicle preparation centre in Peterborough.



JUN

2

REOPENING TRADING 'SIGNIFICANTLY UP'

Car retailers in England reported a bumper return to showroom trading following their June 1 re-opening. Vertu Motors chief executive, Robert Forrester, reported sales 23% up on a normal Monday as Swansway director, Peter Smyth (pictured), celebrated trade "significantly up on normal trading".





VERTU SEEKS NEW MANUFACTURER PARTNERS

Vertu Motors declared an intention to add new manufacturer partners as it grows through acquisition in a 2019 financial results statement which revealed a 2.8% (£82.3m) rise in revenues to £3.1bn and adjusted operating profit of £23.5m (2018: £23.7m).



BRAYLEYS COMPLETES ROMFORD DEAL

Brayleys completed the COVID-19 lockdown acquisition of Glyn Hopkin's Romford Honda dealership for an undisclosed sum. The deal comes 10 months after the Hertfordshire-based group, led by managing director Paul Brayley (pictured), doubled its Honda representation with the acquisition of four sites from Thames Honda.

LOOKERS TO MAKE 1,500 REDUNDANT

Lookers revealed plans to close a further 12 car dealerships and make up to 1,500 redundancies as part of a restructure plan targeting annual savings of £50m. Four days later it said that the delayed filing of its 2019 accounts – the result of its internal fraud investigations – would trigger an enforced suspension of shares trading from July 1.

MOTORLINE WILL CONSULT ON 10% PAY CUTS

Motorline Group is set to open consultation with its workforce over a 10% cut to employee pay in response to the challenges of the COVID-19 crisis. "Consultation will start shortly, but the firm is expected to push through the pay cuts without much delay," a source told AM.



GOVERNMENT MAY ANNOUNCE CAR SCRAPPAGE SCHEME

A Government-backed new car scrappage scheme could deliver incentives of £6,000 to switch into an electric vehicle (EV). The Daily Telegraph reported that Prime Minister, Boris Johnson, could set out plans for the scheme in a speech pencilled in for July 6.

NEW VENTURE PLANNED – IT'S NOT THE END FOR FINN

Pendragon founder and former chief executive, Trevor Finn, said he plans to "re-engineer parts of the industry that aren't functioning efficiently" in a blog which provided further insights into his planned return with a new online business venture.

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ADVERTISING FEATURE

Introducing the BNP Paribas family

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



The current crisis has given us a unique period to reflect on our businesses, what we do well and what we need to do to prepare for the future which is now likely to change forever.

There are always questions of how things will change. But one thing is for sure as people's financial positions become strained and uncertain they will be looking for value and service. Those businesses that communicate effectively, provide great value and deliver a seamless service will have a great future.

BNP Paribas is there to help and provide core services:

- Arval provides a constant flow of high quality stock to dealers. It offers more than 45,000 ex-lease vehicles each year via its online auction site, MotorTrade.
- To assist, we provide seamless stock funding where the cars go straight onto your plan and the cars are delivered.
- BNP Paribas Personal Finance has different retail options to promote the best payment plans to your customers including hire purchase, personal contract purchase, personal loans and personal contract hire.

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WHERE WILL THE AXE FALL?

Holding all the ACES is no longer enough to survive and prosper in terms of automotive R&D

We are already seeing production cutbacks as the pandemic brings car manufacturers' underlying problems to the surface. The good news for the UK is that Nissan Sunderland dodged the bullet that proved fatal to Nissan Barcelona, but there are plenty of other closures planned across the industry.

As well as the obvious production cutbacks, however, there will be big changes in research and development (R&D) expenditure that will have long-term impacts on the industry. It will not be a simple case of cancelling new models, because the manufacturers understand that this is a product-driven industry and cutting back on new product is even more expensive than investing in it.

As an example, one only has to look at Honda, which cut all R&D spending in the wake of the 2008 financial crisis. Honda's European sales have never recovered from the resultant hiatus in new

products, a fact which contributed to the eventual closure of Swindon.

Instead, car companies are prioritising what they spend money on. The fashionable acronym for automotive R&D in recent years has been ACES (Autonomous, Connected, Electrified, Shared), but that is starting to look out-of-date. Instead of four priorities of similar weight, a more accurate acronym today would be CEO – Connected, Electrified, Other. Car companies see connectivity as inevitable and electrification as unavoidable, but everything else is negotiable.

Connectivity is inevitable because cars need to stay relevant to the social media generation to whom electronic isolation is unthinkable.

In fact, the importance of infotainment has long been underestimated in the car industry. Back in the 1980s, the then marketing director of Jaguar talked about how hard it was to convince his engineers that the last degree of ride comfort

would be noticed by 1% of the buyers 1% of the time, but buyers would notice poor audio quality every time they got in the car.

As a young petrolhead, I was shocked that a friend chose her first company car on the basis that it had a CD player as standard – but she was more representative of the public than I was.

Today, people expect seamless smartphone connectivity as a right, as BMW recently discovered to its cost. BMW had tried to charge £85 per year for Apple CarPlay integration following a free first year. After incredulous customers asked if BMW really proposed to charge them for using their phones, BMW had to cancel the charge in December 2019. The fact that Apple CarPlay was an added-value service was irrelevant – people saw it as 'equally' integral to their car as Bluetooth.

Car companies fear that if buyers have to choose between connectivity and the car, the car will lose out. Connectivity also holds the key to a lot of the

SPONSOR'S COMMENT



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

We have seen significant changes in the market and now have a sense of

retailers being open for business, in particular in the used market.

At Black Horse, we have remained open throughout the pandemic and the opening of dealerships from June 1 is an important milestone. We are prepared to support the market reopening, operationally and in terms of our capital and liquidity.

The next three months are, arguably, the time of highest risk for customers and businesses. To date, the full economic impact of the crisis hasn't shown with support given through furlough arrangements and a range of financial forbearances. Towards the end of the summer we will see meaningful readings on the depth of damage to our economy.

We continue to provide payment holidays for our customers – more than 100,000 have taken this option at Black Horse, around a fifth of all holidays granted in motor finance.

There is much still to be done with different cohorts of customers finding themselves in various situations following the impacts of COVID-19.

While we open fully for new business, our ongoing support is needed for existing customers as forbearance ends, and we will be there for those that need may further support. Balancing all the demands is my biggest priority in the coming months.

During a time when the pace continues to increase, it's vital to take time to reflect and remind ourselves of our achievements as we move to restart. We are continuing to ensure the safety of our colleagues; we have moved to a remote business model at scale with many benefits from more agile ways of working.

We are also focused on the emotional wellbeing of colleagues; this pandemic is creating many new realities for people and employers must ensure they have – and keep – focusing on colleague wellbeing over the coming months.



JLR's autonomous shuttle might take you from the airport terminal to your car, but you will be driving home in something rather more familiar

This concern was on the rise before coronavirus appeared, as companies struggled with the issue of keeping the vehicles clean. No one would use a hotel room until it had been thoroughly cleaned after its last occupant, and the same issue was starting to arise with tests of shared mobility vehicles. All the literature and websites showed happy families getting into pristine vehicles, and the logistics of keeping them pristine after every five-minute journey was becoming a major headache.

As if health and cleanliness were not big enough issues, the concept of Shared Mobility is also under threat from the last of the four areas, autonomy.

This was meant to be the year when autonomous vehicles would hit the road in serious numbers – in 2017 one analyst talked of a "conservative estimate" of 10 million autonomous cars by now – about 10 million more than are actually in circulation.

In 2019, Audi announced that the first so-called Level 3 autonomous system – the Audi A8 Traffic Jam Pilot – would be available from 2021.

Level 3 is a long way from full autonomy, being the facility for the driver to stop paying attention on a motorway below 37mph. Last month, Audi announced it had indefinitely postponed even Level 3 autonomy, as there are too many regulatory and legal issues around giving permission for a driver's attention to wander.

With no immediate prospect of autonomous vehicles for anything but the simplest short-distance journey, the whole model of Shared Mobility comes into question. A shared vehicle with a driver is just a minibus.

The current crisis will not radically change the type of car we will be driving in five or 10 years' time, but it will consolidate trends that were already starting to happen. Many of us will be driving highly connected, electrified vehicles which can access our emails very quickly. However, they will still be our own individual cars, and we won't be able to read the emails while driving at 70 mph.

DAVID FRANCIS



safety systems intended to reduce accidents. For example, if a connected car hits an ice patch, it will automatically warn following cars.

Electrification is the most important issue of all. The EU target of 95g/km of CO₂ that starts coming into force this year means that car companies have to electrify as quickly as possible. Companies like Groupe PSA or even Audi simply can't ignore their European home region with its market of 15 million vehicles (in a good year). Even if they tried to look outside, it would not help. China, the world's biggest car market, is electrifying more quickly than Europe, which leaves only the USA as the bastion of internal combustion engines (at least with the White House's present incumbent). Peugeot is hardly going to keep its factories busy making petrol 208s for US consumers.

And what of the two areas in "Others". One of the stranger side effects of the current crisis is that almost every Californian start-up that raised money to develop shared mobility services has performed a screeching U-turn and removed the word "shared" from its messaging.

Yesterday's Shared Mobility vehicle is today's last mile delivery vehicle or personal mobility shuttle. Shared mobility has become metaphorically toxic, because people think it might be literally toxic.

NEW CAR REGISTRATIONS

Business 'good given the circumstances'

During May's coronavirus lockdown 12,900 new cars were sold to private buyers, according to data from the Society of Motor Manufacturers and Traders (SMMT).

It suggests there was a small level of success for franchised dealer groups after the Government clarified they could sell cars through 'click and collect' or home delivery, while their showrooms had to remain closed – until England's dealers reopened on June 1.

The UK's new car market in May closed 89% down year-on-year at 20,247 registrations, 163,477 fewer than in May 2019.

It was an improvement over the April result, which was 97% down versus April 2019.

Mike Hawes, SMMT chief executive, said: "After a second month of shutdown and the inevitable, yet devastating, impact on the market, the re-opening of dealerships is a pivotal moment for the entire industry and the thousands of people whose jobs depend on it.

"Customers keen to trade up into the latest, cutting-edge new cars are now able to return to showrooms and early reports suggest there is good business given the circumstances, although it is far too early to tell how demand will pan out.

"Restarting this market is a crucial first step in driving the recovery of Britain's critical car manufacturers and supply chain, and to supporting the wider economy."

1 FORD

Although back at the top of the month's market, Ford's best-selling Fiesta, Focus and Kuga were third, fifth and ninth for model sales, with 760, 502 and 303 registrations respectively.



2 TESLA

Lockdown hasn't held back Tesla's well-established remote sales in the UK, as the Model 3 topped the month's best sellers for the second consecutive period, with 852 registrations in May.



Marque	May					Year-to-date				
	2020	% market share	2019	% market share	% change	2020	% market share	2019	% market share	% change
1 Ford	2,111	10.43	19,892	10.83	-89.39	46,252	9.10	105,740	10.11	-56.26
Mercedes-Benz	2,002	9.89	14,431	7.85	-86.13	36,114	7.11	78,043	7.46	-53.73
Audi	1,501	7.41	12,591	6.85	-88.08	32,306	6.36	66,921	6.40	-51.73
BMW	1,472	7.27	12,415	6.76	-88.14	35,945	7.07	70,036	6.70	-48.68
Volkswagen	1,197	5.91	15,737	8.57	-92.39	46,502	9.15	90,417	8.65	-48.57
Volvo	1,167	5.76	4,554	2.48	-74.37	13,324	2.62	24,729	2.36	-46.12
Vauxhall	1,152	5.69	13,461	7.33	-91.44	28,472	5.60	79,024	7.56	-63.97
Peugeot	1,040	5.14	6,115	3.33	-82.99	16,282	3.20	37,031	3.54	-56.03
Kia	1,018	5.03	7,279	3.96	-86.01	23,469	4.62	44,705	4.27	-47.50
Land Rover	779	3.85	6,069	3.30	-87.16	20,933	4.12	35,597	3.40	-41.19
Toyota	626	3.09	7,238	3.94	-91.35	27,651	5.44	45,286	4.33	-38.94
Renault	597	2.95	3,728	2.03	-83.99	10,549	2.08	26,019	2.49	-59.46
Nissan	556	2.75	7,754	4.22	-92.83	24,225	4.77	43,496	4.16	-44.31
Jaguar	476	2.35	2,909	1.58	-83.64	8,839	1.74	16,810	1.61	-47.42
Seat	343	1.69	5,471	2.98	-93.73	16,177	3.18	30,988	2.96	-47.80
Citroën	342	1.69	4,643	2.53	-92.63	9,550	1.88	25,407	2.43	-62.41
Škoda	333	1.64	6,231	3.39	-94.66	17,840	3.51	33,903	3.24	-47.38
Mini	319	1.58	3,952	2.15	-91.93	13,355	2.63	24,588	2.35	-45.68
Fiat	276	1.36	2,497	1.36	-88.95	6,510	1.28	15,345	1.47	-57.58
Dacia	269	1.33	2,647	1.44	-89.84	5,340	1.05	15,633	1.49	-65.84
Hyundai	241	1.19	6,868	3.74	-96.49	14,058	2.77	38,113	3.64	-63.11
Porsche	235	1.16	1,599	0.87	-85.30	3,017	0.59	5,731	0.55	-47.36
Honda	195	0.96	2,828	1.54	-93.10	9,822	1.93	21,225	2.03	-53.72
MG	177	0.87	1,212	0.66	-85.40	5,687	1.12	5,208	0.50	9.20
Lexus	136	0.67	943	0.51	-85.58	4,612	0.91	6,233	0.60	-26.01
Mazda	105	0.52	2,621	1.43	-95.99	7,282	1.43	17,712	1.69	-58.89
Suzuki	100	0.49	3,171	1.73	-96.85	6,382	1.26	17,178	1.64	-62.85
Jeep	82	0.40	737	0.40	-88.87	1,095	0.22	2,655	0.25	-58.76
Mitsubishi	69	0.34	1,722	0.94	-95.99	3,937	0.77	8,301	0.79	-52.57
Abarth	56	0.28	185	0.10	-69.73	702	0.14	1,629	0.16	-56.91
DS	47	0.23	299	0.16	-84.28	765	0.15	1,480	0.14	-48.31
Alfa Romeo	45	0.22	270	0.15	-83.33	706	0.14	1,533	0.15	-53.95
Bentley	34	0.17	157	0.09	-78.34	429	0.08	718	0.07	-40.25
SsangYong	30	0.15	142	0.08	-78.87	510	0.10	967	0.09	-47.26
Maserati	10	0.05	80	0.04	-87.50	189	0.04	450	0.04	-58.00
smart	10	0.05	504	0.27	-98.02	280	0.06	2,620	0.25	-89.31
Lotus	9	0.04	25	0.01	-64.00	43	0.01	79	0.01	-45.57
Subaru	8	0.04	138	0.08	-94.20	262	0.05	1,119	0.11	-76.59
Alpine	3	0.01	14	0.01	-78.57	41	0.01	65	0.01	-36.92
Chevrolet	0	0.00	12	0.01	0.00	0	0.00	16	0.00	0.00
Infiniti	0	0.00	33	0.02	0.00	0	0.00	163	0.02	0.00
Polestar	0	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
Other British	40	0.20	230	0.13	-82.61	677	0.13	1,258	0.12	-46.18
2 Other Imports	1,039	5.13	320	0.17	224.69	7,994	1.57	1,653	0.16	383.61
Total	20,247		183,724		-88.98	508,125		1,045,824		-51.41

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FINANCE OFFERS

Kia offers 0% APR on its hybrid range

With showrooms now back open for business, manufacturers have come out swinging with some finance offers to help pick the market back up.

Kia, Renault, Dacia, Seat, Škoda and Suzuki in particular are making strong offers in June to help kick-start the new car market revival.

The South Korean manufacturer Kia is offering 0% across its entire hybrid range, as well as petrol and diesel variants of Sportage, XCeed, Ceed Sportswagon and Picanto.

It has also decreased APR levels across all models and grades on 36-month PCP offers and is offering up to £2,500 on selected models as part of its scrappage scheme.

Meanwhile Renault, Renault Pro+ LCVs and its value brand Dacia are all offering "Drive Now, Pay Later" programmes where customers pay nothing for the first three months of their contract on 36 month 0% APR PCP deals on models like the Clio, Captur and Kadjar.

Suzuki is also offering 0% across its range of PCP offers (excluding the Jimny) and it also has its Swift Sport, Vitara and S-Cross 48-volt self-charging hybrid models launching in showrooms at the start of June.

Suzuki is also offering further reassurances for customers due to COVID-19 with a seven-day return policy for all new retail car buyers between June 1 and September 30.

Eligible vehicles can be returned to the supplying dealer within seven days of first registration for a full refund should the customer choose to do so.

Suzuki said: "This scheme will help new car buyers who may be reluctant to visit showrooms or take test drives before purchasing."

Seat is offering to defer the first three monthly payments for new car customers, while Škoda will actually pay the first three months for finance customers, with payments worth between £650 and £1,500 dependent on model line.

Škoda's scheme covers its entire range of vehicles and offers deposit contributions of up to £4,250 on the Kodiaq SUV, starting with a £2,250 contribution for Karoq SUV purchases.

While these new offers are positive for the market as it recovers from the effects of the pandemic, Tashfin Osmani, senior business analyst at Automotive Services International (ASI), said there will be some direct and indirect consequences from the payment holidays put in place by finance houses, as instructed by the Financial Conduct Authority (FCA) to protect consumers in financial difficulty, over the past three months.

Osmani told AM: "While the need for payment deferrals may entirely be justified by the customer's financial situation caused by the current lockdown, the customer should not be under any illusion that

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
Renault							
Zoe Iconic R110 ZE 50	PCP	£2,000	48	£307	£12,517	4.9%	30/09/2020
Clio Play SCe 75	PCP	£750	36	£199	£6,519	0.0%	30/09/2020
Captur Play TCe 100	PCP	£1,250	24	£239	£10,757	0.0%	30/09/2020
Kadjar S Edition TCe 140	PCP	£2,000	48	£289	£8,827	0.0%	30/09/2020
Mégane Iconic TCe 140	PCP	£2,933	48	£229	£7,085	4.9%	30/09/2020
Mégane Sport Tourer Iconic TCe 140	PCP	£3,315	48	£249	£7,384	4.9%	30/09/2020
Mégane RenaultSport Trophy	PCP	£6,705	48	£289	£15,366	4.9%	30/09/2020
Koleos Iconic Blue dCi 150 2WD Auto-Xtronic	PCP	£6,034	36	£289	£12,457	0.0%	30/09/2020
Grand Scenic Iconic TCe 140	PCP	£5,673	48	£279	£9,103	4.9%	30/09/2020
Kia							
XCeed 'First Edition' 1.4 T-GDi 138bhp 6-speed manual ISG	PCP	£10,355	24	£199	£13,294	0.0%	30/06/2020
Niro '4' 1.6 GDi 1.56kWh lithium-ion 139bhp 6-speed auto DCT	PCP	£9,404	24	£219	£15,525	0.0%	30/06/2020
Sportage 'GT-Line S' 1.6 CRDi 134bhp 48V 6-speed manual ISG	PCP	£11,464	24	£249	£14,490	0.0%	30/06/2020
Suzuki							
Vitara SZ4	PCP	£0	24	£516.95	£9,342	0.0%	30/06/2020
Swift 1.4 Boosterjet Hybrid Sport	PCP	£0	48	£249	£6,253	0.0%	30/06/2020
S-Cross 1.4 Boosterjet Hybrid SZ4	PCP	£4,245	48	£219	£5,992	0.0%	30/06/2020
Ignis Dualjet 1.2 SZ-T Hybrid 5DR	PCP	£1,810	48	£149	£5,787	0.0%	30/06/2020
Swift 1.2 Dualjet Hybrid SZT	PCP	£2,202	48	£169	£4,735	0.0%	30/06/2020
Jimny 1.5 SZ5 ALLGRIP 3DR Manual	PCP	£3,408	48	£199	£9,824	6.9%	30/06/2020
Škoda							
Kamiiq SE 1.0 TSI 110PS with Race Blue metallic paint	PCP	£2,500	36	£229	£8,109	4.40%	01/07/2020
Fabia Hatch SE 1.0 TSI 95PS, with Brilliant Silver metallic paint	PCP	£1,107.33	48	£209	£4,682.70	4.30%	01/07/2020
Karoq SE L 1.5 TSI 150PS DSG model, with Moon White metallic paint	PCP	£4,315.24	48	£305	£11,923.20	4.40%	01/07/2020
Scala SE 1.0 TSI 95PS model, with Moon White metallic paint	PCP	£1,362.45	48	£245	£5,989.50	4.30%	01/07/2020
Superb Hatch SE L 2.0 TDI 190PS model DSG, with Business Grey metallic	PCP	£3,382.55	48	£439	£10,004.40	4.10%	01/07/2020
Superb Hatch iV Sportline Plus 1.4 TSI 218PS DSG model, with Black Magic metallic paint	PCP	£5,699.38	48	£519	£13,496.40	4.10%	01/07/2020

it will take on additional cost in any revised car finance agreement.

"How much additional cost will depend on each individual customer's circumstances, but it also depends on the choices that the customer makes in conjunction with the finance company when discussing a revised agreement."

For example, some finance companies may decide to charge the customer interest for the three months of this payment deferral holiday.

Dependent on how much the customer has borrowed, this could be anything from around £50 to £100 extra a month.

Osmani said: "The customer does not have to pay it back right away, but it will have to be paid back eventually."

"If it gets deferred to the end of the revised agreement, which could be in a couple of years, that interest charge will keep going up."

Dealers should also be aware that another way for finance houses to claw back deferred payments is through the schedule of the normal monthly payments.

If customers want to keep to the original end date, they will likely have to pay more in future monthly payments to compensate for the three months' payment holiday.

Osmani added: "Given that the customer's financial position may still be precarious at the end of the payment holiday period, this will undoubtedly be a difficult option for some customers to take, but not doing so may actually incur further unintended costs."

TOM SEYMOUR



SEARCH FOR FINANCE OFFERS

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



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VIEWPOINT



HOW WILL RETAILERS FACE UP TO POST-COVID CHALLENGES?

STEVE LE BAS head of motor retail, BDO



FOCUS NEEDS TO SHIFT TOWARDS THE NEEDS OF THE CUSTOMER

JO CAUSON chief executive, The Institute of Customer Service

➔ As dealerships exit lockdown (initially in England followed by Northern Ireland) and a recession looms, many consumers may suffer increased personal debt, loss of employment, reduced disposable income and low trade-in values.

These suggest demand for new and used cars will not recover any time soon.

Dealerships now face challenges such as:

- What will retailing look like post-lockdown?
- How best to 'unfurlough' staff.
- Ageing used stock.
- Fixed costs they cannot mitigate.
- Cash burn.
- Manufacturer pressure.

Dealers may have aged used car stocks no longer worth the price bought in at. Expired PCP deals during lockdown may cause a short-term increase in demand for new PCP/lease deals, which may help catch up the expiries. But a lack of equity at the end of PCP agreements may inhibit renewals and create an issue for funders struggling with a lack of new business and returned units with a low residual value. PCP costs may increase significantly post COVID-19.

Although a reluctance to return to public transport may create

"MANY DEALERS, ALREADY STRUGGLING WITH DECLINING REGISTRATIONS, MAY NOT SURVIVE"

some first time buyers, many commuters will have adapted to a work at home mentality, utilising tech in a way that may change future commuting patterns. Greater technology use in recent weeks will undoubtedly enhance trust in online sales.

We know many brands are reducing the size of dealer networks as sales are completed online and buying methods become more simplistic (leasing/PCP).

This will further reduce a need to visit a dealer where model research, virtual test drives and price comparisons can be done online.

While interest rates remain low, this will help consumers to buy cars, but we may never see the level of footfall through dealerships of previous years. Dealers may deliver cars to customer homes for test drive much more often.

Many dealers, already struggling with declining registrations, may not survive the lockdown. IHS Markit predicted a year-on-year 10 million light vehicle sales decline (12.2%) worldwide to 78.8m units in 2020 due to COVID-19 and national counter-measures (AM Online).

We can expect some level of reduction and/or further consolidation. Sales of dealerships will become challenging as the usual buyers tackle their own reductions and preserve cash to maintain existing operations. It may, however, benefit forward-looking groups seeking optimum consolidation in key territories.

*This is an abridged version of Steve Le Bas' article for AM-online. <https://www.am-online.com/opinion/2020/05/28/the-long-term-outlook-for-motor-retail-insight-from-bdo>

➔ COVID-19 continues to send ripples through the UK economy. One only needs to look at the headlines to see the enormous blow it has served to consumer spending. Our own figures indicate this could be set to continue, as shoppers become more mindful of where and how they will spend their money in future.

It is clear economic uncertainty, health concerns and the impacts of store closures have dented consumer confidence – and businesses must act now to rebuild it. This will require a shift in focus, putting the customer at the very heart of business plans.

Organisations must take the time to gain absolute clarity over who they are serving, and how they are serving them – and use the conclusions as a central pillar around which to rebuild.

Much has been said of how to resume operations safely, and it is vital organisations get this right in order to regain confidence.

Nervous consumers will need clear indications that businesses are acting responsibly to ensure their health and safety, as well as that of employees, is protected.

Poorly planned re-openings could damage long-term loyalty and time and care must be given to ensure short-term profit opportunities do not lead to corner cutting.

But, there are also more complex issues at play. This crisis has transformed the way businesses across every sector are able to operate, and has accelerated the vital role of customer-facing employees in our economy and society.

The days of instant gratification are over, and customers are increasingly looking to brands for

"POORLY PLANNED RE-OPENINGS COULD DAMAGE LONG-TERM LOYALTY"

more than simple transactions.

A degree of trust, understanding and loyalty will be required to encourage consumers to part ways with carefully guarded money, or choose to visit outlets operating under strict restrictions.

Therefore, it's more vital than ever before that businesses prioritise providing excellence in all elements of their service agenda.

For those providing essential services, such as utilities and public sector organisations, the past few months have clearly shown the importance of delivering efficient and effective service.

Getting the basics right first time, providing digital options while also retaining human contact for complex issues and offering a personal approach to deal effectively with niche or vulnerable groups have been markers of success for businesses throughout the crisis. Customers will expect, and demand, that these practices are maintained as we move on.

But, looking beyond essential services, businesses will also need to focus on building a compelling customer experience, to provide consumers with a reason to engage.

They must work on what we think of as 'branded services'. This requires not only getting the essential services elements right, but looking further to develop an emotional connection.



COVID-19 – CURSE OR BLESSING?

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



I am writing this as our industry starts to make its first steps in getting restarted following the COVID-19 lockdown.

There are still many unknowns, but it has to be recognised that the industry has just gone through the biggest peacetime disturbance in the past hundred years.

The scale of the disruption has been global and this presents challenges in both finance and logistics, but also in the protection of the health of everyone involved.

Manufacturers have introduced new standards of working in the factories and our own sector is exploring ways in which it can operate safely, giving confidence to both customers and employees.

The one thing of which I am certain is that, if our organisations can come through the financial challenges, then we have the wit and wisdom to come up with a way of doing business safely and effectively.

Initial indications show there is both a need and an opportunity to change the way we do business.

Selling cars online or through a click and collect process is already in place. Contactless drop-offs and collection for servicing has been pioneered in France since last year. In reality, most of the basic functions that a car retailer does can be conducted remotely or with limited contact. There could be certain challenges such as how to conduct test drives but, eventually, these will be resolved.

To me the biggest threat comes in

a different form. Historically, successful car retailing has been based on building relationships with customers both in the sales process and aftersales. The concept of being customer-centric has been a mantra for many years.

The fear is that COVID-19 will drive us to be 'process centric' and, in so doing, change the relationship we have with customers.

Once this happens, the gates are open for the likes of Amazon with their process-driven efficiency to step in and start to eat into the market. Whatever changes are introduced, they should not detract from our ability to build a relationship with customers, which adds value in their eyes and means they want to do business with us.

It has been interesting to see how other organisations have maintained relationships online.

Churches which are not known for radical change have discovered the potential of being online.

Perhaps one of the most interesting impacts of this new attitude was when 65 of them joined to launch 'The Blessing UK'. Together, they sang a blessing on YouTube for all the UK to provide hope and encouragement for listeners.

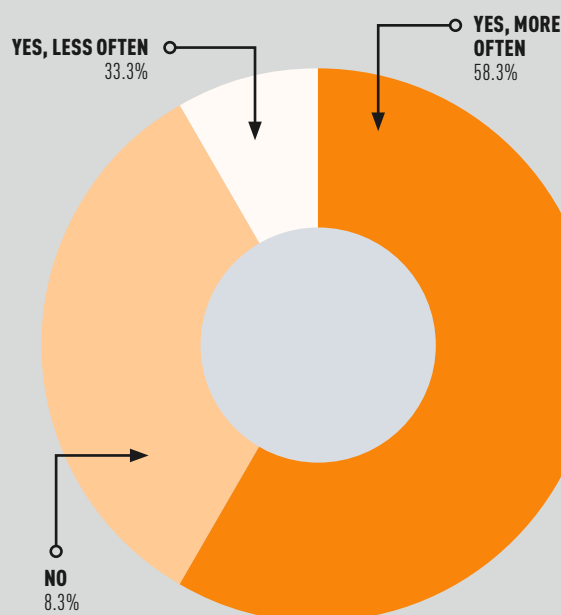
This went viral and had 2.6 million global views during 10 days in May.

If we can embrace the changes in a similar way and use them to maintain and build relationships then maybe we can turn COVID-19 from being a curse into, quite literally, a blessing.

**“WHATEVER CHANGES ARE INTRODUCED,
THEY SHOULD NOT DETRACT FROM OUR
ABILITY TO BUILD RELATIONSHIPS”**

AMPOLL

HAVE YOU CHANGED HOW YOU'RE COMMUNICATING WITH CUSTOMERS SINCE LOCKDOWN STARTED?



Most motor retailers have adapted their communication strategies since they were forced to close their showrooms by the UK Government's order on March 23. The majority have ramped up their contact, with many using social media and CRM systems to inform consumers about the changes they've made to their processes.

"We went pretty quiet for the first few weeks, but since we've seen the end to lockdown coming we've launched email and social messages to reassure customers," said one.

Another said: "Initially, we had to inform the customers with March cars ordered that their handovers were on hold and their car would be securely stored until we could reopen. Then it was a case of letting prospects know the cars they'd enquired about were still available and trying to get them to reserve cars with a deposit so we had a bit of cash coming in."

One, who'd voted showing they were communicating less often, said: "We cut back on most marketing immediately, except for AutoTrader listings as they were free. I put most of the sales and marketing teams on furlough, so our GMs took calls and made contact with the leads that came in from web."

**NEXT MONTH: HAS THE UK MOTOR RETAIL INDUSTRY
HANDLED THE CORONAVIRUS LOCKDOWN WELL?**

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DEVELOP BAD
HABITS AND IN BAD
TIMES YOU DEVELOP
GOOD HABITS’. WE’RE
DEVELOPING SOME
REALLY GOOD HABITS
RIGHT NOW**

**BILL BERMAN, PENDRAGON
CHIEF EXECUTIVE**

FACE TO FACE: PENDRAGON

BRINGING ON BACK THE GOOD TIMES

US motor retail veteran Bill Berman took the helm at Pendragon just as COVID-19 struck. As if the group's turmoil of 2019 had not been enough. **Tim Rose** reports

In 2019, Pendragon recorded a £117 million loss after tax and the business was left without a chief executive following the retirement of founder Trevor Finn and an aborted hiring of Mark Herbert as his replacement.

In stepped Bill Berman, a veteran US motor retail leader who had headed Auto-Nation, America's largest dealer group.

Berman's appointment to Pendragon's board in April 2019 was as a non-executive director. This turned into an interim executive chairman post by October as the dealer group tried to re-stabilise following Herbert's premature exit. And by February this year Berman had agreed to become chief executive with a plan to restore both the profits and the leadership.

Then the coronavirus pandemic hit.

The top 10 AM100 motor retailer had made significant progress since Q4 2019, Berman told *AM* through a video call during lockdown.

But, as showrooms closed, the only vehicle sales still being achieved were online, home deliveries "daily in the 10s but not in the hundreds".

It emerged through Pendragon's subsequent update to the stock market that COVID-19 disruption had wiped out almost £10m operating profit at its franchised dealerships before the end of March.

Underlying operating profit at Pendragon's franchised motor division, which includes the brands Stratstone and Evans Halshaw, was £4.4m, a decline of £4.7m versus Q1 2019.

Its Car Store division of used car supermarkets, which was radically rationalised in 2019, reduced operating losses from £7m in Q1 2019 to £1m in Q1 2020 and improved gross margin from 7.4% to 8.0%.

Overall, the slowdown in Q1 trading due to the effects of the coronavirus pandemic impacted Pendragon's entire underlying profit before tax by about £10m, it said, and it has recorded a Q1 loss before tax of

£2.3m for the quarter. That was still a £0.5m improvement on Q1 2019, though.

Berman's immediate concerns as the UK Government began tackling the pandemic in February were keeping staff safe and ensuring the business was secure for the future.

He said: "When this thing first started, I knew to take it seriously. The team responded very quickly, to put things into place, whether initial social distancing, moving desks around, hand sanitisers and communicating with customers."

It had quickly become apparent that Pendragon lacked an emergency preparedness plan. By the first week of March Berman's team had that together, and Pendragon was able to shut down more than 200 businesses, from dealerships to leasing operations and software teams, "in a matter of hours" as the lockdown announcements came. That meant locking showrooms, moving stock to secure storage, establishing teams working at home, setting up websites and channels to keep workers communicating, and installing processes for people reporting in if they weren't feeling well.

"If it wasn't for a lot of the pre-work the team had done it would never have been able to happen," said Berman.

The board quickly began conversations with manufacturer partners and its banks, put about three-quarters of its dealership staff onto furlough, and froze all non-essential spend to preserve cashflow. The directors and other senior managers took voluntary pay cuts, and Berman ordered 20% of his pay to be donated directly to support NHS workers.

Berman said the UK Government's support measures for business have been "in most cases leading the world" and Pendragon's banks and manufacturer partners have also been very supportive, such as amending covenants, extending stocking plans and guaranteeing bonus levels during lockdown.

"It has put us in a good cash position, and we're in a position where we can ride this out for a considerable period of time."

He said there is more than enough liquidity to cope with the foreseeable downturn in trading. And there is a pipeline of sold orders and service bookings for several weeks ahead.

"There's an adage: 'In good times you develop bad habits and in bad times you develop good habits'. We're developing some really good habits right now."

Since April, Pendragon had taken more than 3,600 customer orders online or by phone during lockdown. Plus it had delivered almost 1,200 vehicles to buyers' homes through its 'We Come To You' service.


Those sales were driven by its Car Store used car supermarkets initially, then the Evans Halshaw and Stratstone franchised dealerships followed suit.

Accounting teams and heads of business had not been furloughed and the latter were keeping customers informed, booking out orders and arranging emergency work.

And Pendragon reopened, in phases, more than 120 workshops to maintain key workers' vehicles. As bookings rose, more staff were steadily brought back from furlough.

"I would like to take this opportunity to recognise the way in which our associates have responded to the challenges posed by the COVID-19 pandemic and to thank them for working to keep key workers on the move over the past two months," said Berman.

Now that showrooms have reopened under social distancing rules, trading is still disrupted, but motor retail is getting back to business.

Berman believes sales will be affected by the economic shock and rise in unemployment, but said the UK Government's advice to travellers to avoid public transport is also in dealers' favour – there will be consumers now seeking to buy a 

vehicle, or spending on their existing vehicle's maintenance because they'll be using it more. "If anything, this could be a positive for our industry," he said.

He's confident there's an aftersales opportunity too – consumers' vehicles which had barely turned a wheel for weeks under lockdown are now being put back into use, and some may require failed batteries, tyre and fluid seepage issues to be addressed.

"These aren't big ticket items, but these are ways to engage with your customer, get them back and get their car back into good order," he said.

The capability to sell vehicles remotely was already being developed by Pinewood, Pendragon's dealer software business. Berman said lockdown has proven the group can find a customer the car they desire, complete all the paperwork on it

I DON'T THINK ANYBODY BUYS A VEHICLE WITHOUT RESEARCHING IT IN SOME WAY OR ANOTHER. I THINK EVERY PHONE CALL THAT COMES INTO A DEALERSHIP HAS BEEN DRIVEN BY THE INTERNET

BILL BERMAN, PENDRAGON

and get it to their doorstep without them stepping anywhere near the dealership nor meeting a staff member.

"I think over time that's going to be something that will be a competitive advantage. And we will also put that into our new vehicle process. New vehicles are a little harder to do because of OEM requirements, different registrations, PCPs and different programmes that mean it's a little more difficult to do online, but we're getting

75% of the transaction done today online and, hopefully, in the months to come we'll get 100% of it to be electronic."

He said digital retailing has been expedited because of the pandemic. Yet his view is that because buying cars is a tactile experience for many consumers, and pictures cannot really develop the emotional attachment that helps a buyer choose the particular car they want over the simple transport they need, digital still has some way to go.

He envisaged carmakers investing more in VR technology in the future to bring the digital experience more to life.

"It's amazing that the automotive retail sector has not been impacted more by digitalisation of business. But when the likes of Amazon and Ebay have not got into car sales you can understand the challenges it presents. Just the complexity of some of the programmes the OEMs put out makes it difficult. That said, I see a much greater percentage of vehicle transactions being done online.

"I don't think anybody buys a vehicle without researching it in some way or another. I think every phone call that comes into a dealership has been driven by the internet. More and more of it will be that way and more of the transaction will go down that route. I think used vehicles will have a larger share of pure online sales and we'll be at the forefront of that. I think a combination of the two is what serves the customer best. Being able to do both will be key."

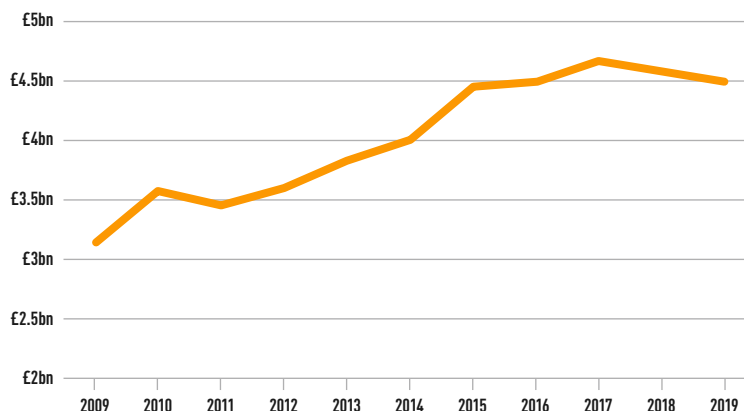
Observing mainstream retail, he said the companies that can provide both are the ones that are doing well in this environment, such as Walmart in the USA.

Since 2018, Pendragon, the UK's third largest motor retailer, has been reducing its premium franchises due partly to car brand's high capital investment demands.

Berman said there's "been a disconnect" between what customers want and what carmakers require from dealers, and the time for huge investments in showrooms has passed. "Some of the requirements seem to have been excessive. There's no real return. Having a new, shiny building doesn't mean more people will come in," he added.

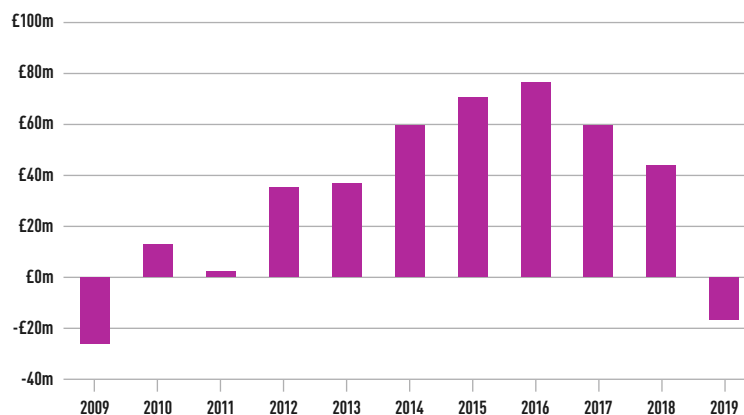
He believes the things that are key

✎ PENDRAGON TURNOVER



Once the most acquisitive AM100 groups, Pendragon's growth will no longer come at the cost of profitability

✎ PENDRAGON PROFIT BEFORE TAX



Pendragon hopes to leave the painful past couple of years behind it and return to the black



The Evans Halshaw Ford dealership in Lincoln



Berman's task is to ensure his staff have clear communication and direction



Masks, gloves and hand sanitiser – it's a different sort of welcome now at dealerships

THE CHALLENGE FOR BERMAN

A crucial part of Berman's leadership will be reinforcing the culture at Pendragon.

In recent years disgruntled employees – or ex-employees – complained to *AM* about a lack of communication, direction and management pressures.

"It's been a tumultuous couple of years," said Berman. His hope is that the pandemic has provided "a re-start" for Pendragon's reputation.

He said the culture at Pinewood and PVM is very positive and it is improving in the motor retail divisions. Communication is better, and staff are being asked what they think.

It will take time, he said, but the management will set both the pace and the example. Pendragon recruited Simon Allatt as head of communications, bringing his experience to bear from managing staff engagement at Boots and Deutsche Bank. Kim Costello joined from US retail giant AutoNation as chief marketing officer.

"Bringing those people in makes a huge difference just in the way we communicate," he said. Staff now appreciate the decisions made and understand what is happening.

Chief operating officer Martin Casha is now the sole Pendragon veteran on the plc board, where fresh talent like Berman dominates.

Chief financial officer Mark Willis joined the same month as Berman from Ten Entertainment Group and previously Home Retail Group, then the owner of high street retailers Argos and Habitat. Non-executive directors Mike Wright, ex-Jaguar Land Rover; Brian Small, ex-JD Sports Fashion; Nikki Flanders, ex-Opus Energy; and Dietmar Exler, ex-Mercedes-Benz, all joined the board since spring 2018. A non-executive chairman is currently being sought.

Berman said there's been "a marked difference" even since he became executive chairman in September 2019.

He said it was clear that Finn had been a dynamic, visionary leader of the business, but the disruption of 2019, when the group was leaderless, had hurt. There was much ambiguity and inconsistency, he said, but since last autumn there's been great progress.

Asked if he aims to get Pendragon back to the top of the AM100, Berman stated he doesn't feel the need to have the largest revenue. His aims are to run the best business he can, with great return on sales, the happiest staff, the highest customer retention, and a company that people want to do business with.

"If we happen to be the biggest, great. If it doesn't give me a competitive advantage then who cares? And I'm not sure in the UK it does necessarily unless everyone's under one brand."

are the brand being represented, a good online reputation, being convenient, having choice and creating value. Dealerships need to be clean, welcoming and represent the brand, but not excessive.

"Going forward I would invest more into technology, to give consumers the ability to buy the way they choose to," Berman added. Taking one learning from lockdown, Berman sees no reason why consumers shouldn't have live video calls with dealership staff like many have done with colleagues and family, with the salesperson sharing their screen or documents remotely. That requires some investment from dealers, but it will give the customer a good online experience.

AM asked Berman about Pendragon's awful 2019, following Finn's retirement after 30 years as chief executive. Mark Herbert survived just three months before falling out with the board. 2018's pre-tax profit of £47.8m swung to a £16.4m loss, six Jaguar Land Rover sites were sold or closed, and it closed 22 of the 34 Car Store sites, which Finn had rapidly opened since 2016.

Berman wouldn't say much about that time, other than at board and operations levels "I don't think all parties were aligned at all times" and he'd known "there were tense conversations with some OEMs". He's pragmatic that putting money into new car franchises has to provide the right return on capital, and if that doesn't, then solutions must be worked out.

"I'm not going to be confrontational with OEMs. They're our partners – they need us; we need them. So, you have to find that sweet spot that's best for all. But you have to have the ability to survive, thrive and compete in this changing environment."

Berman hasn't noticed major change in OEMs' attitudes towards their franchised networks in the pandemic, but added that they've not yet challenged the freeze on non-essential capital expenditure and he



hopes dealer standards and corporate identity (CI) demands can be revised in the 'new normal' of trading, to reduce the cost base of franchises.

He said while the UK's average return on sales remains well below 1.5%, investing £5m to £10m into a showroom can never be justified.

"If I've got £5m, I can invest it in something that can affect all my 150 retail locations, or I can put it into one facility, one store. Put £5m into the 150 stores and I can change to cloud-based phone systems and make websites transactional and the return on that would be several hundred times over what it would be in one facility. That's the way we're going to start looking at it."

Berman, who spent 22 years at Auto-Nation in the USA, assured AM he's at Pendragon to drive long-term growth and vision. The pandemic may have delayed progress, but it has not altered the vision, he said.

Pendragon will continue to shed or merge any of its franchised dealerships that aren't viable, to "right-size" that business. Plus it will invest in standalone used car sites, which trade as Car Store.

That seems surprising, given so many were closed last year. Berman said there were faults with Car Store's rapid expansion, such as trying to fill unsuitable former franchised showrooms that bore high rents and lacked forecourt capacity for 200-300 cars. The division also bought

too much stock in late 2018, was unable to manage it, and then auctioned off cars at a loss. "We were sending so many cars to auction we actually drove the prices down," said Berman.

Berman is convinced that standalone used car supermarkets, capable of online and physical sales, are essential to the modern group; they "need to be a cornerstone of any business out there".

Its fleet services division, Pendragon Vehicle Management (PVM), will get investment, too. Berman is excited by the prospects of this business, which helps small and medium businesses to lease and maintain cars for their business and staff. It has low risk, low capital investment, high sales rates, good margins and reoccurring revenue streams, so it's a "great cash generating engine," he said. "If I invest £1m in that I'll get a hell of a return."

It is currently the 14th largest contract hire business in the UK, managing almost 20,000 vehicles.

Equally Pinewood, as a cloud-based software-as-a-service (SAAS) business, has a great opportunity to grow, he said, whether that is horizontally into other continents such as North America and Asia or vertically by developing new tools to offer existing customers.

He conceded that "ideas are easy, execution is hard" but the work he's seen by Pendragon's teams in recent months gives him confidence progress will come "at a very quick pace", he said.



FACTFILE

TURNOVER £4.5 billion
LOSS BEFORE TAX £16.4 million
AM100 RANK 3
NUMBER OF STAFF 7,500
FRANCHISES Aston Martin, BMW, Citroën, Daf, DS, Ferrari, Ford, Hyundai, Jaguar Land Rover, Kia, Mercedes-Benz, Mini, Nissan, Peugeot, Porsche, Renault/Dacia, Seat, smart, Vauxhall
NUMBER OF DEALERSHIPS 177

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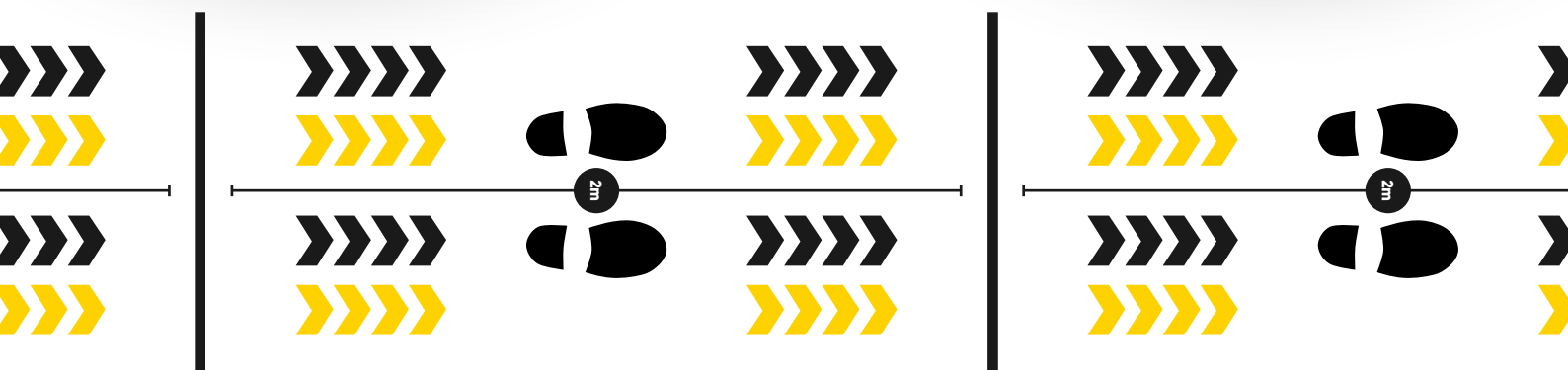
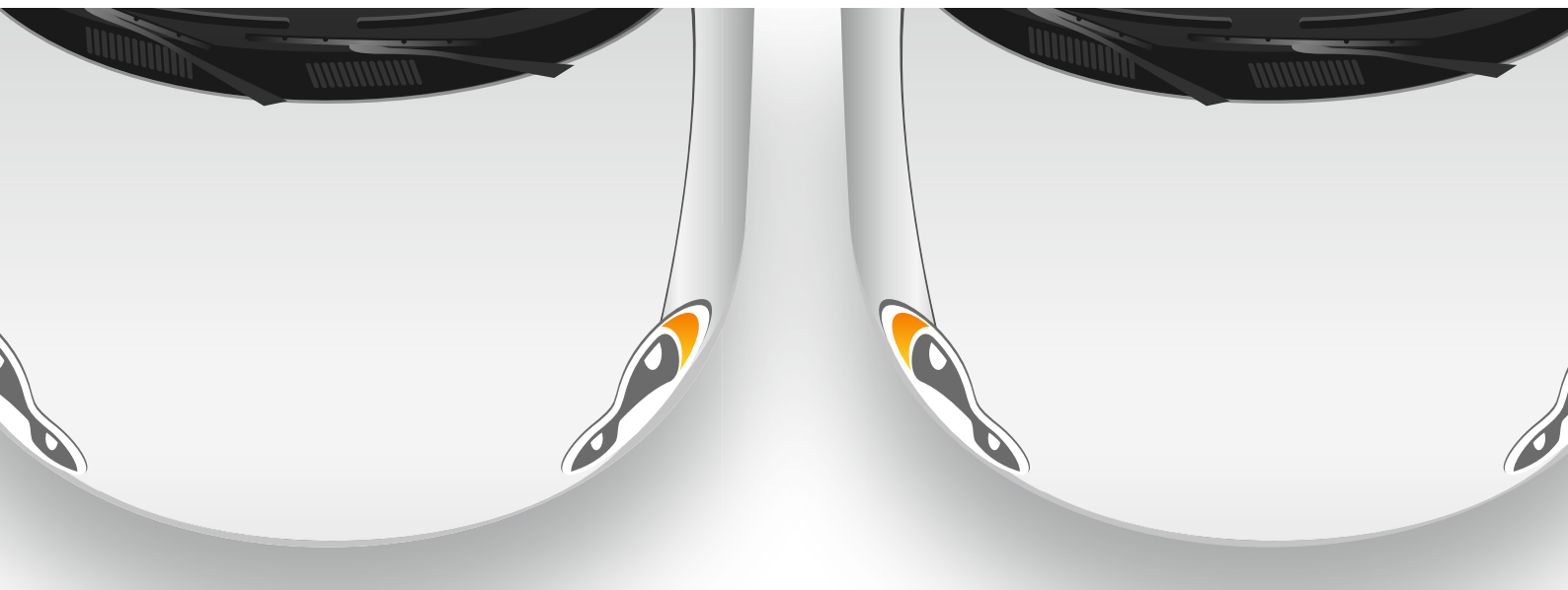
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Keeping car sales safe

Dealerships in England were allowed to reopen on June 1 as the Government eased its lockdown, but 'business as usual' may be a long way off, reports [Debbie Kirlew](#)

As the country eased lockdown measures, dealer groups were busy exploring how automotive retail working life will change.

Servicing and MOT providers had been able to continue operating, but showrooms shut up shop in late March as soon as the Government introduced lockdown. Throughout the closure period, dealers had been able to engage in online sales, but returning to the workplace itself, created a host of issues dealers

needed to overcome.

Graeme Potts, Eden Motor Group chief executive, had been planning the return to work almost from the beginning of lockdown to include contactless and screened methods of customer interaction, personal protection guidance and equipment and revised working and customer handling processes.

He said: "We anticipate it will be some while until all colleagues are back working in their 'normal' office or departmental workspace. We intend to continue with home working

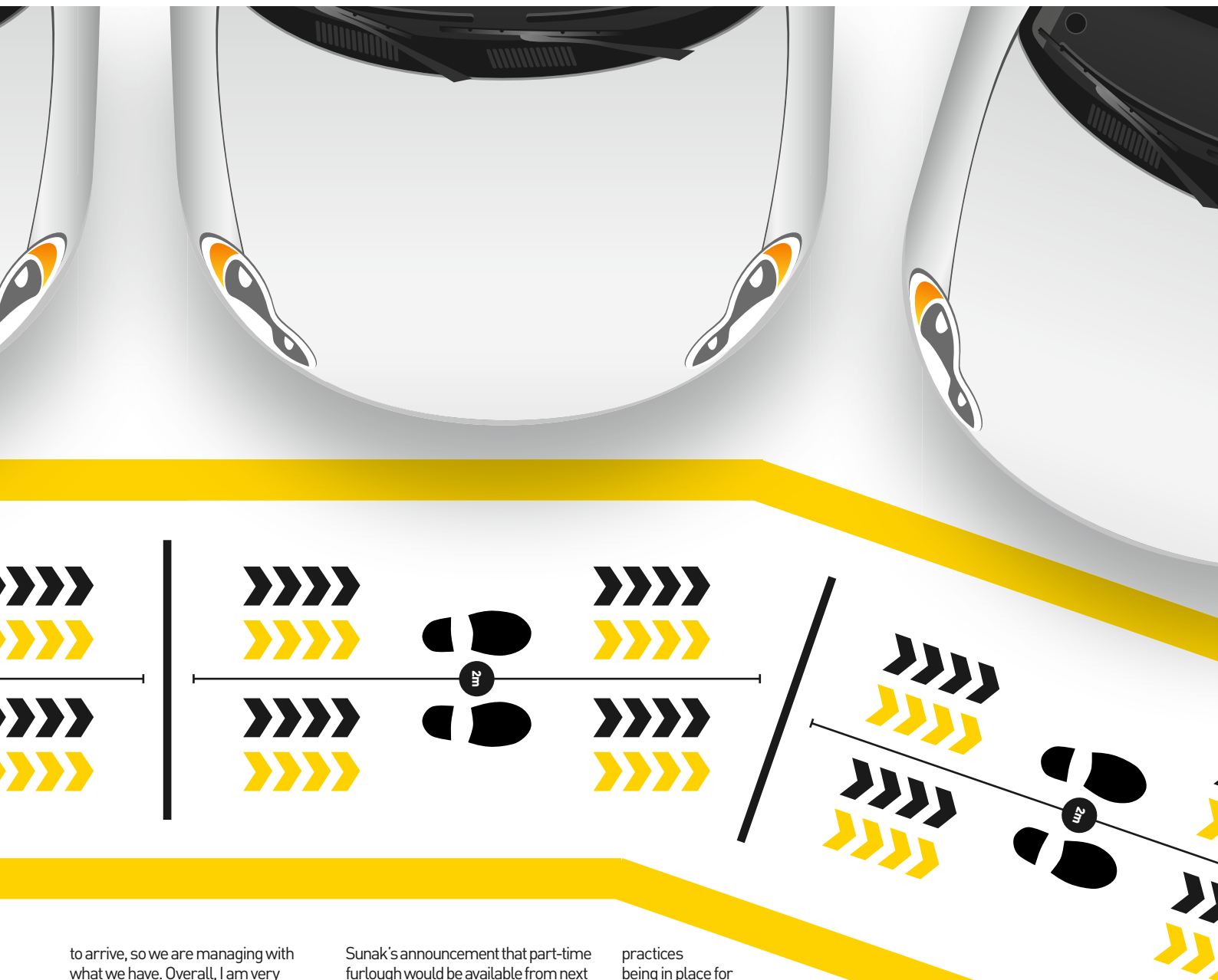
for as many colleagues as possible and practicable to give maximum space for social distancing for those who need to be in our retail centres. We anticipate unfurloughing colleagues in waves as the confidence to transact on the part of customers returns."

Leeds-based Luscombe's reopened its aftersales facility on Monday, May 4, implementing a range of measures such as using infrared thermometers to check temperatures of staff, extra protective covers inside cars,

disinfecting interiors and keys, and installing 'sneeze' screens.

Initially, collection and delivery was not offered and customers were not allowed access to the waiting area or showroom.

Managing director Robin Luscombe said: "It's going well, customers are happily accepting that we are doing what we can in difficult circumstances. The difficulty will be scaling up and maintaining staff and customer distancing. But, so far, so good. We are still waiting for some personal protective equipment (PPE)



to arrive, so we are managing with what we have. Overall, I am very happy with the first stage.

"Initially, by only providing a limited number of available hours, we are keeping everything very low key and controlled, one-way systems, additional cleaning, fewer staff, less customers, appointment only, no parts deliveries. Once we build confidence and iron out issues, we plan to slowly increase workforce and workload. Marketing, prospecting, accounts can work from home, at least part-time, as they come back from furlough."

Luscombe had called for more flexibility with what had been the all-or-nothing furlough scheme, as a part-time scheme would enable more people to be involved and build back up to a full reopening. With full working or full furlough a potential barrier to restoring a complete workforce, Luscombe welcomed Chancellor Rishi

Sunak's announcement that part-time furlough would be available from next month (August).

TrustFord had been working on a range of comprehensive measures for reopening such as showrooms marked out for social distancing while safe vehicle handovers, part-exchange processes, test drives, remote selling and 'not touch' payments could already be facilitated.

NO HOT DESKING ALLOWED

PPE has been procured and will be provided at every site, cough screens were placed at all sales, service desks and in office areas, technicians will work at every second ramp, hand sanitisers will be available for customers and colleagues, desks were being rearranged to create safe working areas and hot desking is not permitted.

Meanwhile, IT teams will work on enhancing office and remote working needs in anticipation of new working

practices being in place for a long period and the business has been reviewing extended hours and shift patterns to support customer needs and accommodate required safety measures.

Sharon Ashcroft, TrustFord HR director, said: "Our number one priority is to make sure we are providing all the reassurance, training and guidelines to facilitate a safe return for everyone. No site reopened until we were 100% comfortable that the set-up is as safe as possible."

Throughout lockdown, contact had been maintained through its employee app, providing latest payment and policy information, wellbeing advice, links to training while on furlough and even competitions, quizzes and 'happy birthday' messages. The app relays news on work in the community

such as the give-away of free disposable seat covers to community nurses and carers and the chat function allows questions to be posed and answered.

Ashcroft added: "Staying connected has been critical to staying connected as a business and the app will continue to be actively used as we move towards bringing more colleagues back into the workplace."

While the two-metre distancing rule can be applied in showrooms and workshops, it is impossible in a test drive situation. Following lobbying from the National Franchised Dealer Association, the Driver and Vehicle Licensing Agency (DVLA) has confirmed test drives on



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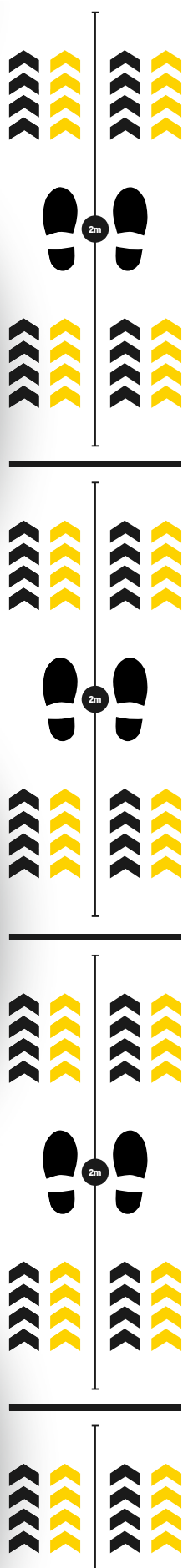
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BY NO MEANS ARE WE RETURNING TO NORMALITY AND OUR STAFF AND CUSTOMERS FACE SOME DRAMATIC CHANGES IN WORKING AND BUYING PATTERNS

DAVID COLLIS, JEMCA CAR GROUP

trade-plated vehicles may be carried out unaccompanied provided dealers have the correct insurance in place.

However, it's not just the practicalities that employers are grappling with, but the wellbeing of both staff and customers who will be reluctant to enter environments which could pose a contamination risk.

While pointing out that this is an unknown, Potts said: "I believe there may be some frustrations for colleagues who enjoy the historic pace of work which may well be slower post-lockdown. Nevertheless, overall, I think there will be team orientated and very cooperative working where self and community interest is supreme."

Ashcroft said: "Our plans include a measured programme to ensure colleagues will not be overwhelmed and to make sure customers are being looked after to our normal high standards of customer care."

PUT YOUR PEOPLE FIRST

Sewells, which delivers business and leadership programmes to the sector, urges dealers to put their own people first: "Conversations that dealers need to start with are 'how's the family?' 'how are you?' 'how are you coping?'. Getting back into the swing of it will be difficult and 'it' will be different than the 'it' beforehand."

Meanwhile, dealer leaders will have to help employees adopt a new mindset to be 'ready' to deal with the unknown.

The Sewells spokesperson said: "You cannot write a contingency for everything that's going to happen because people are going to be coming from all sorts of directions and will want to be dealt with in so many different ways. We have got to have agility and nimbleness. It will be very much more on an individual basis rather than the sheep-dipping we have had in the past."

"It will be a great opportunity to build significant relationships with both employees and customers on a personal basis. Businesses that take the time to understand the customer and what they have been through and adjust services to suit an individual's situation will ensure they have a customer for life, not just for now."

Finally, it may be a case of stating the obvious, but pay rises are unlikely this year although, with a reduction in sales and, therefore, commission payments, some dealer groups may introduce a higher basic.

Until coronavirus, BDO was expecting to see an uplift in pay this year following its 2019 annual Motor Salary Survey which revealed a decline in automotive retail pay for the first time in five years.

Head of motor retail Steve Le Bas said: "In January and February, we thought it was going to be a great year for the sector but that's now been pushed back by 12-18 months."

Jemca Car Group has been putting measures in place that include two-metre distancing throughout its facilities, installing several sanitising stations, face masks for staff, touchless thermometers, specialist sanitisation of all demonstrators and customer vehicles, unaccompanied test drives, 'no go' areas, and regular cleaning throughout the day.

Returning to full operations will take place in phases, the first took place on Monday, May 18, when a skeleton aftersales staff returned to its 11 centres with MOTs and servicing on a strict appointment basis.

However, the group has continued to support key workers including helping around 100 with the loan of cars or carrying out minor repairs. The group's contact centre had been notifying customers of reopening and some sales staff also returned to facilitate delivery of vehicles ordered since March, on a strict external pre-arranged pick up.

From June 1 all frontline furloughed staff were due to return and the group will implement two shifts enabling its dealerships to revert to normal opening hours, although an appointment system will still prevail. Meanwhile, non-customer-facing employees will continue to work from home.

Jemca's president David Collis said: "By no means are we returning to normality and our staff and customers face some dramatic changes in working and buying patterns. It is essential we apply these strict conditions to keep to our main objective of 'safety first'."

“You saved me and gave me a reason to keep going.”

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The latest deals, the newest technologies and the best advice from key sectors that supply services to automotive retailers



AUCTIONS & REMARKETING

AUCTION HOUSES HAVE BEEN KEEPING BUSY WHILE DEALERSHIPS HAVE BEEN IN LOCKDOWN

PAGES 36-37

WARRANTY

MANY OF THE SECTOR'S LEADING WARRANTY SUPPLIERS HAVE USED COVID-19 DOWNTIME TO ENHANCE THEIR OFFERINGS

PAGES 40-41

ONLINE REPUTATION

BUILDING – AND KEEPING – A GOOD REPUTATION ISN'T EASY. THESE COMPANIES ARE HERE TO HELP

PAGES 44-45

AUCTION HOUSES HAVE BEEN KEEPING BUSY



Before the lockdown, many of the UK's largest remarketing companies were enjoying successes in signing deals. Now, as the sector gears up to return to normal, they are well placed to support the recovery

Used car supply and the remarketing sector services will be vital in aiding retailers as sales restart across the country this summer.

All the major auction houses in the UK have had a busy 12 months and the lockdown hasn't meant their businesses have remained idle.

G3 REMARKETING

Leeds-based single site G3 had a record year in 2019 to mark a decade of trading. It achieved an 18% increase in hammer value with more than £105 million in sales and 25% more vehicles going through the business from 140 physical sale events.

Buyer attendances in the hall also increased by 18% year-on-year.

A spokesman for G3 told AM: "More buyers are moving to G3, including many large franchised groups and car supermarkets.

"We regularly see four out of the top five AM ID50 in our auction hall, but, most importantly to us, they stand alongside hundreds of independent traders who we treat with the exact same buying experience."

Marshall Leasing, Motability Operations, Available Car Supermarket, Avis, Sema Lease and United Rental have all signed deals with G3 in the past 12 months.

G3 also added 1st Stop Finance, Oodle Car Finance and Blue Motor Finance as partners to remarket vehicles.

The spokesman said: "A combination of results and services offered has allowed us to challenge the 'big is better' convention to secure leading vendors and offer even more vehicles to buyers."

G3's drop-off location network and e-recovery platform has also helped to support new contract wins. There are now more than 35 drop-off locations for vendors to move their stock into before moving them to the next G3 auction. In excess of 70,000 vehicles have been managed through this system so far.

Early in 2019, G3 launched GoAppraise – a free self-appraisal smartphone app with a walkthrough for end-users to update their finance provider on the condition of the vehicle with video and imagery.

The past 12 months has also seen the introduction of video and audio walkarounds to go with inspection reports, alongside 360-degree external drag and zoom images, with up to 92 individual pictures of each car.

G3's staff numbers grew by 25% in 2019 including a new buyers services team to offer pre-sales vehicle support and live chat facilities for an auction centre to support buyers while online.

New developments coming for G3 include a fully automated inspection station in Leeds where vehicles will be assessed for damage "in seconds to an accuracy of within one millimetre".

The G3 spokesman said: "This will allow both speed and precision improvements for all vehicles entering the G3 site and benefit buyers with detailed inspection reports and imagery to paint a true picture of the condition of the vehicle.

"G3 aims to be one of the first in the UK to introduce the artificial intelligence-led technology."

A new buyer app and bidding platform will launch in Q4 this year in time, it is hoped, for when the car-buying market will likely be back to functioning normally.

BCA

UK market leader BCA has signed new or renewed multi-year deals over the past 12 months with Group 1 Automotive, Jemca Car Group, Glyn Hopkin, JCT600, HR Owen, Snows Group, Motorline and Eden Motor Group, as well as more than 10 other retailers for a combined volume of 142,900 units.

BCA also launched major updates to its Buyer App in October 2019 to help buyers keep track of and bid on any vehicle being sold live across its 23 physical sites and digital auctions.

The app has in excess of 10,000 unique users and more than 50% of BCA's active buyers have used it to find, track and bid on vehicles since it launched.

BCA has updated the app with a new digital sale day catalogue and has also worked to improve imagery and the search functionality.

BCA introduced daily valuation intelligence in Q4 2019 to predict the final hammer price on vehicles sold at its auctions.

It uses automated machine learning algorithms to calculate valuations, based on 200 data points across five million real transactions.

Stuart Pearson, BCA UK Remarketing chief operating officer, said: "The service is now provided daily to BCA customers using the BCA Dealer Pro system and underpins a range of pricing services BCA provides for the used vehicle sector.

"BCA Valuations also supplies future auction values, allowing dealers to make decisions on retail customers' part-exchange vehicles that might not come back into their network for several weeks."

Further developments at BCA include upgrades to its Dealer Pro used car appraisal app including



Partner Finance into the app to enable dealers to finance a part-exchange.

BCA has an ongoing programme of integration with Dealerweb, EnquiryMAX, Pinewood, Fast Track and CDK to remove the need for rekeying and improve data accuracy.

BCA Partner Finance funds the whole auction purchase exclusively at BCA, including fees and VAT where applicable with both cars and LCVs eligible for funding using the scheme.

Pearson said: "Partner Finance now provides next day payments compared with the usual BACS method, which can take up to three days.

"It is supporting more than 1,100 franchised and independent dealers of all sizes with up to 120 days' funding on vehicles bought at BCA auction centres or part exchange. It was the first finance product to launch that is specifically designed for the UK remarketing sector."

MANHEIM

Manheim, part of Cox Automotive, has also been launching new products both at its 16 auction centres and in dealerships across the UK in November 2019.



**BCA PARTNER
FINANCE
NOW
PROVIDES
NEXT DAY
PAYMENTS**



**STUART PEARSON,
BCA UK
REMARKETING**

Its new suite of valuation and appraisal products uses wholesale and retail data to calculate vehicle values up to six months in advance.

The products include eVA Valuations, eVA Appraisals, eVA Underwrite and eVA Insight. They're designed to offer tailored solutions across the entire part-exchange process, from online consumer valuation through to insight-led disposal decisions.

The end of last year also saw Manheim re-sign one of its largest ever sole-supplier end-to-end remarketing deals with Groupe PSA and its Free-2Move leasing division worth 30,000 vehicles over three years.

Cox Automotive is predicting that around 80% of core trade vehicles will be transacted online by 2023, which is why it launched Dealer Auction in January this year.

The business is a joint venture with AutoTrader designed to streamline the digital B2B vehicle sale marketplace.

It includes more than 11,000 listings each month and it has over 4,500 trade buyers using the platform.

Users can set alerts to be notified when stock that meets their forecourt requirements is added to the site.

Other recent developments include Cox Automotive's acquisition of wholelife vehicles services company C Walton (CWL) for an undisclosed sum in March.

The deal includes C Walton's locations in Bruntingthorpe (Leicestershire), Wyton (Cambridgeshire) and Long Bennington (Lincolnshire), as well as its proving ground and events facilities.

Up to 200,000 vehicles a year are processed by CWL at its Bruntingthorpe site and it also provides secure storage for in excess of 25,000 vehicles.

Martin Forbes, Cox Automotive UK chief executive, was promoted to president of Cox Automotive International in May 2020.

As part of his new international position and in addition to the UK, Forbes will now take on financial and operational leadership responsibility for markets including Europe as well as Canada, Australia, New Zealand and Brazil, while also looking at growth strategies in future markets such as China and India.

TOM SEYMOUR

CHOOSE YOUR SUPPLIER SPOTLIGHT

BCA – powering the used car sector

BCA understands that a successful retail operation is flexible and able to respond quickly to shifting consumer demand.

BCA is energising the wholesale supply chain to match that flexibility and help dealers sell more vehicles. A focus on speeding up the time-to-retail and supporting dealers through the end-to-end process makes BCA the leader in its field.

The BCA business model is unique in its breadth of services across the supply chain. This provides a compelling customer service offering and creates efficiencies through synergies across all the divisions.

BCA has also announced numerous business wins and renewals across the dealer landscape in the past 18 months including Ancaster Group, Jemca Car Group, Glyn Hopkin, Windrush VW, JCB Group, Moneybarn, Ken Brown Motors Group, Saxton 4x4, Steven Eagell, Cambridge Garage, JCT600, Motorline, H.R. Owen, Halliwell Jones, West Riding Hyundai, Sandown Mercedes, Snobs Group, Group 1 Automotive, V12 Sports and Classics and Eden Motor Group.

The business has invested heavily in improving products and services so they better serve dealers.

BCA Buyer app

The BCA Buyer app is a highly successful addition to BCA's suite of remarketing tools, creating a digital journey to support buyers whether attending sales physically or joining remotely.

The app generates insight that helps BCA meet the needs of its buyer customers, creating additional buying power by ensuring that buyers never miss the vehicles they are interested in and helping buyers to bid on any vehicle being sold, whatever their location.

BCA has seen exceptional uptake by customers for the BCA Buyer app which is driving demand across the entire sales programme. In excess of 10,000 unique users and more than



50% of active buyers have used the BCA Buyer app since it launched to find, track and bid on vehicles. It forms an important part of BCA's journey to giving customers a truly personalised digital experience that supports their business needs.

BCA regularly updates the app including the introduction of a new digital Sale Day catalogue, improved imagery and the most recent inclusion of MyBCA feature for buyers to review their previous purchases. The BCA Buyer app is the go-to mobile solution making sale day easy and more productive for customers.

BCA Valuations

BCA introduced daily valuation intelligence in October 2019 to ensure buyers and sellers are fully in tune with actual market conditions.

BCA Valuations predicts the final hammer price on vehicles sold

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

The service is now provided daily to BCA customers using the BCA Dealer Pro system and underpins a range of pricing services BCA provides for the used vehicle sector. Uniquely, BCA Valuations also provides future auction values, allowing dealers to make informed decisions on retail customers' part-exchange vehicles today that might not come back into their network for several weeks.

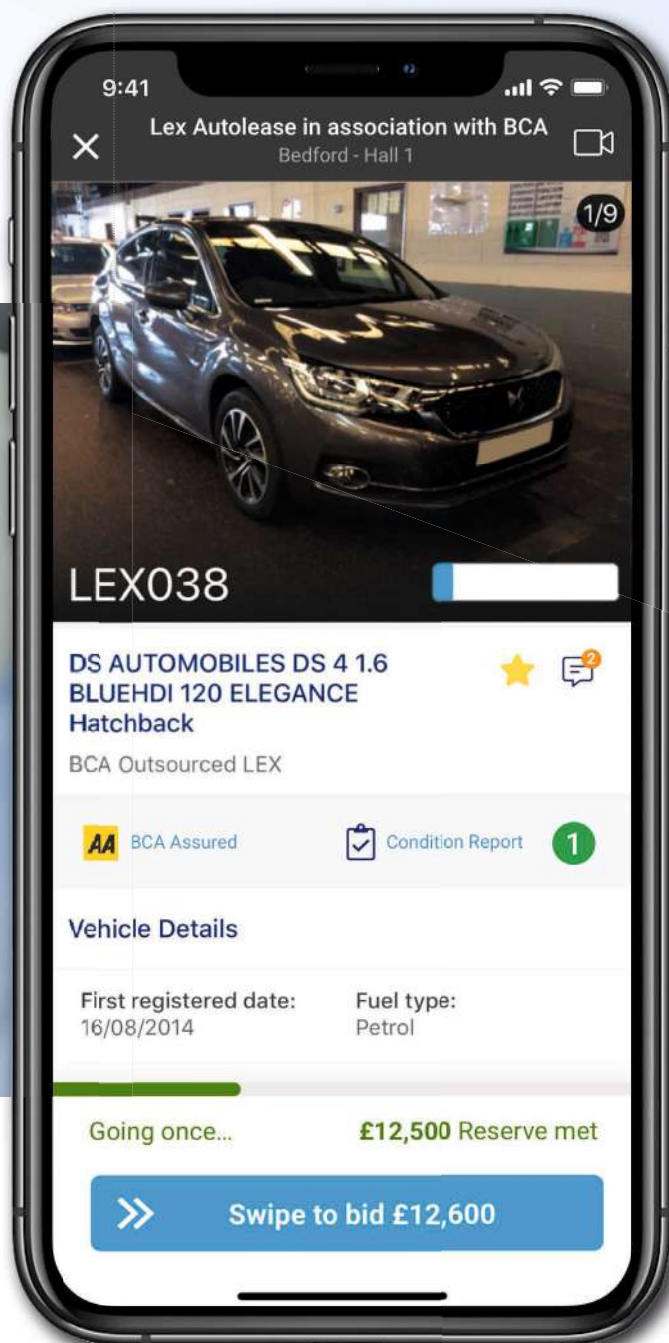
BCA Dealer Pro

BCA Dealer Pro is an easy-to-use vehicle appraisal app that allows for the part-exchange process to be managed quickly and easily. Using a simple guided process to appraise, image and then accurately value



BCA HAS INVESTED HEAVILY IN IMPROVING PRODUCTS AND SERVICES SO THEY BETTER SERVE DEALERS

Advertising feature



part-exchange vehicles, Dealer Pro captures all the information needed that allows deals to be done with confidence and is powered by BCA Valuations.

Dealer Pro is used by leading franchised and independent dealers across the UK and is integral to many manufacturers' used car and online retailing programmes.

Working in close partnership with its customers, BCA introduced a series of innovative enhancements to the platform through 2019 that have added to the platform's efficiency and ease of use.

BCA integrated Partner Finance into the app to enable dealers to finance a part-exchange at the touch of a button on the forecourt.

To make the system as easy to use as possible BCA has an ongoing

programme of integration with leading technology providers including Dealerweb, EnquiryMAX, Pinewood, Fast Track and CDK to remove the need for rekeying and improve data accuracy.

Dealers benefit from real-time visibility of the status of all part-exchanges, including their condition, value and location. Valuable management information can help to understand sales trends and manage risk. The Dealer Pro system shows how many vehicles have been offered in part exchange and

those that still have the opportunity to close, which helps to focus attention on the deals that can be done.

Upgrades and growth for BCA Partner Finance

Partner Finance has seen lending grow significantly over the past year, as dealers increasingly seek flexible funding to help drive operational efficiencies and maximise profits.

BCA Partner Finance gives customers greater flexibility in the stocking decisions they make and frees up capital to enable them to invest in growth. The service funds the whole auction purchase exclusively at BCA, including fees and VAT where applicable, with both cars and LCVs eligible for funding using the scheme.

New investment in technology has enhanced the service at auction centres around the UK and Partner Finance is designed around the needs of the dealer. The dedicated, branded BCA Partner Finance sales programme has expanded to help dealers maximise stock turn on vehicles that fall outside of their stocking profile.

Partner Finance has enhanced its integration with Dealer Pro, allowing users to appraise part-exchange vehicles and determine whether they want to retain and fund vehicles for retail stock or remarket them at the push of a button.

Dealers have also benefited from accelerated payments. Partner Finance now provides next day payments compared with the usual BACS method, which can take up to three days.

BCA Partner Finance supports more than 1,100 franchised and independent dealers of all sizes with up to 120 days' funding on vehicles purchased at BCA auction centres or part exchange.

It was the first finance product to launch that is specifically designed for the UK remarketing sector.

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





WARRANTIES TO PLAY PART IN RESTORING CONFIDENCE

Post-COVID-19, there will be significant changes in car retailing and warranty products are evolving to face the new challenges

Over the past 12-18 months the sector's leading warranty providers have developed new products, won new contracts, embraced further digitisation and are now tackling how to operate and support dealers in a post-coronavirus lockdown environment.

ALLIANZ PARTNERS UK

The focus for Allianz Partners UK for the past 12 months has been the redevelopment of its digital customer proposition including the marketing of extended warranties.

Jamie Marchant, digital marketing manager (UK & IE) said: "This has not only seen the expansion of the marketing team, but also an investment in the modernisation of digital platforms to further amplify the capabilities of the business in creating and delivering industry-leading e-commerce revenue streams.

"A key priority of this transition is ensuring mobile accessibility, whether that's sales, renewals or making an extended warranty claim. The ability to digitally communicate with customers via android and smartphone has never been more crucial and outweighs any other communication channel today."

The second phase of its strategy involves maximising data to drive the customer journey including proactive, personalised and timely communication based on a customer's preferences, lifestyle and vehicle history to enhance the individual's brand experience.

Marchant added: "Simple interactions at various touchpoints can go a long way in cementing customer loyalty, such as recognising birthdays, offering coffee vouchers as rewards and giving timely weather alerts and advice.

"Ensuring that our systems are agile will mean we can react in real time to market changes, making sure all communication is always relevant."

Allianz Partners UK works closely with its manufacturer clients to design an extended warranty sales and communications platform that reflects the values and tone of their brand, ensuring the warranty product also builds a personal customer relationship that strengthens brand loyalty and retention.

AUTOPROTECT

The impact of the pandemic will see many businesses evaluating their warranty proposition including looking at the quality of cover and payout approach, remote working and online claims management processes, and the financial stability of the insurer, according to AutoProtect Group's northern zone director Adam Head.

He said: "COVID-19 is a game-changer for OEMs, car retailers and car buyers. The economic, confidence and lifestyle changes will be significant. Against such an unprecedented market backdrop, our sustained warranty growth and product development over recent years must now be viewed in context with the market that dealers are re-joining and it is significantly changed."

In 2019, AutoProtect Group re-developed its warranty/MBI portfolio to enhance the breadth and transparency of cover and to take friction out of the customer claims experience with a dedicated iClaim app which has also helped accelerate claims with payouts typically within 24 hours.

Head said: "In a marketplace that has now had to embrace distance and online sales, faster than might otherwise be the case, AutoProtect's digital capabilities provide valuable support and reassurance to dealers and their customers that claims will be managed promptly."

Regulation and the fair treatment of customers is

“COVID-19 IS A GAME-CHANGER FOR OEMs, RETAILERS AND CAR BUYERS”



ADAM HEAD,
AUTOPROTECT

a continued focus with reputation forming a key part of providing the reassurance customers seek making its "industry-leading TrustPilot rating" even more important.

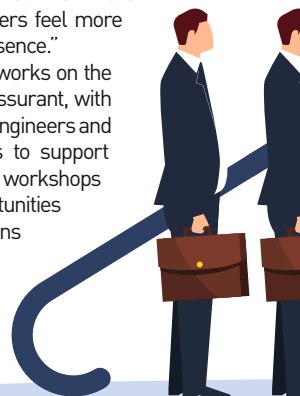
He added: "Motor retailing is set for massive change. Social distancing sales, the rapid move to an omnichannel business model, the emergence of AFV vehicles, regulation and the very significant economic, cultural and social changes created by COVID-19. The need for a reinvention of many established practices has been crystalised dramatically. I'm proud that AutoProtect Group continues to be on the front foot in the agile way we develop our business model. The humble warranty has a growing role to play in gaining sales, customer satisfaction, lifetime value and retention."

RAC

Assurant, a Fortune 500 company, partners the RAC in the aftersales sector with an agreement in place until 2024. The RAC Dealer Network grew by 358 dealers last year, bringing the total to around 1,500 and 1,570 is expected by the end of this year. Dealers are a mix of independents, car supermarkets and franchises, including Trade Centre Wales, Carbase, Eddie Wright Car Supermarket and McCarthy Cars.

Sean Kent, RAC director of sales at Assurant, said: "The RAC name has real value. Customers know the RAC would only allow its brand to be applied to a credible and trustworthy retailer – and research carried out for us at the end of 2019 by Harris Interactive showed that more than two-out-of-three buyers feel more confident thanks to its presence."

An expanded team now works on the RAC Dealer Network at Assurant, with more account managers, engineers and operations staff. Initiatives to support dealers include online workshops which examine new opportunities during current conditions caused by coronavirus, exploring topics like the e-showroom, social media, revenue generation and the future,



each attended by more than 100 people.

The RAC recently introduced its alternative dispute resolution service which handles any issues raised by customers regarding their interactions with dealers.

A new van approved dealer standard was introduced last year for the launch of the Vanbase light commercial (LCV) supermarket in Bristol. A preparation criteria was written specifically for vans under 3.5 tonnes as part of an overall proposition that also included a minimum three-month RAC warranty, 12 months' breakdown cover, a vehicle data check and enrolment to RAC Accident Care.

The standard has now been rolled out to other approved van dealers within the RAC Dealer Network with sales increasing by almost half in 2019 (49.5%) to 27,698 and, over the same period, the number of specialist van retailers joining the network jumped by 87.5% – from 40 to 75.

Announcements on other specialised preparation standards for different vehicle types will be made soon including an electric vehicle product.

WMS

WMS has been supplying extended warranty cover and other motoring products to more than 4,500 dealerships across the UK for 20 years. The past 18 months have proved extremely busy and the workforce has expanded with eight additional sales staff and seven more claims engineers.

WMS has remained fully operational throughout the coronavirus crisis with employees working from home. However, the outbreak led to some personal thinking on the part of managing director and founding partner John Collinswood who made the decision to retire.

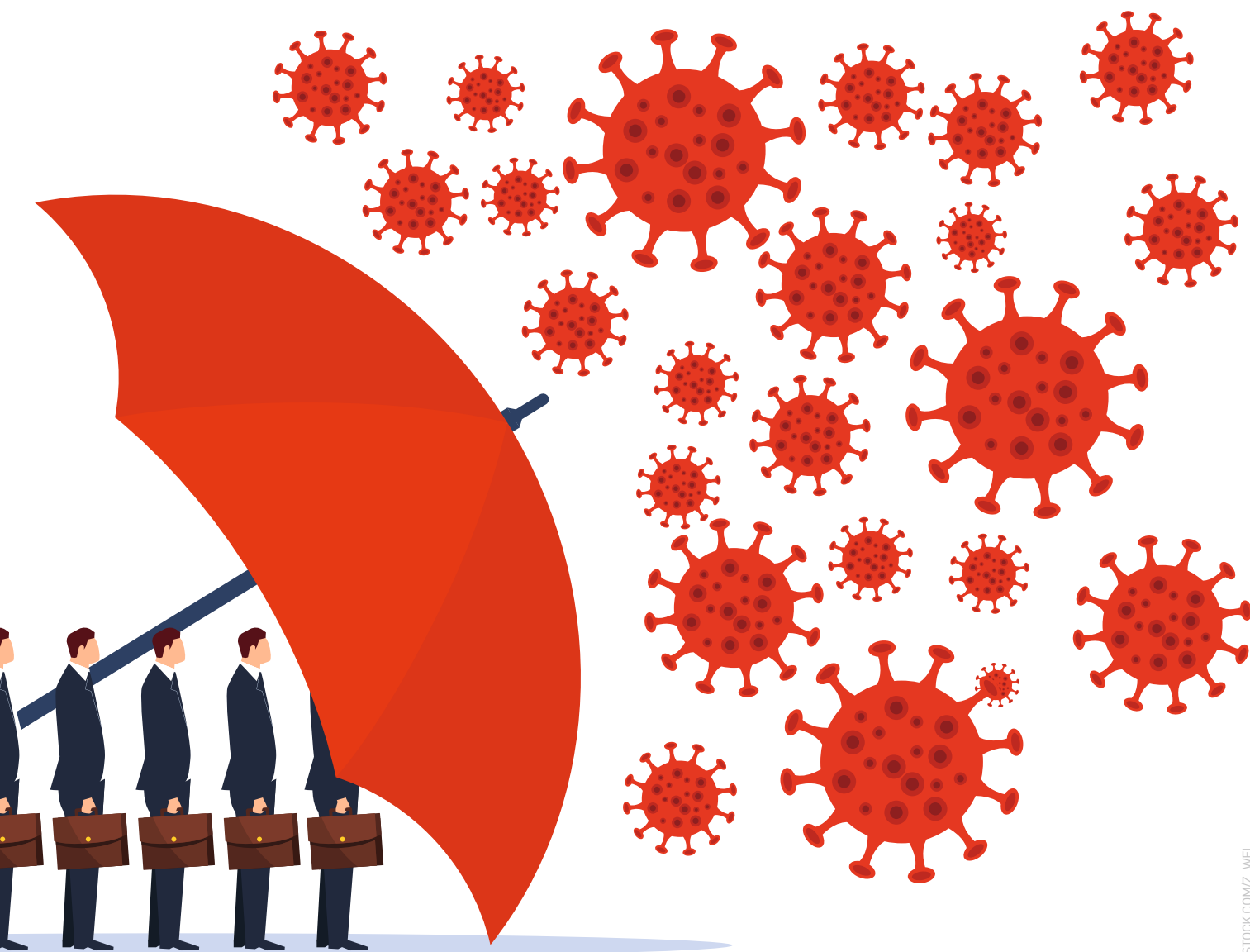
This follows the acquisition of WMS by Opteven in January. Opteven is the largest mechanical breakdown insurer (MBI) in France and the second largest in Europe, serving eight markets (France, UK, Italy, Spain, Germany, Sweden, Poland and Czechia [Czech Republic]). Opteven also manages the approved used warranty programme on behalf of Volkswagen Financial Services UK.

Collinswood said: "It was my intention, and that of

Opteven's, to stay with the business long-term. Over recent weeks, however, due to the coronavirus shutdown, I have been able to take time to reflect on my future. I have, therefore, taken the very hard decision to finally 'retire' so I can fully focus on my wife and family, and on my religious and charitable pursuits."

In March, The AA appointed WMS as its new warranty provider for the next five years with the group responsible for the administration and claims handling of all add-on products under and affiliated to the AA Warranty brand including the dealer promise and approved dealer networks. A suite of new and improved warranties has been developed as both insured and uninsured products to fit with the FCA status of AA car dealers. Its partnership with award-winning 15-dealership strong Drive Vauxhall was also announced in March. In September 2019, WMS launched a new online showroom portal, with the simplicity of the system one of the key highlights expressed by users.

DEBBIE KIRLEW



COVID-19 puts aftersales products in the spotlight

While the COVID-19 lockdown brought a temporary end to car sales at dealerships across the UK, the situation served to highlight the importance of aftersales products geared towards customer retention.

Head of Car Care Plan Products, Mike Cowling, revealed that the drive to maintain the operation of its retention activity was at the top of the warranty, service plan and cosmetic insurance specialist's priority list as dealer staff across the UK were furloughed on the Government's Coronavirus Job Retention Scheme (CJRS).

"What do we do when we and our dealer partners lose their primary source of warranty income overnight?" asked Cowling. "We ramp up our activity on the renewal process to ensure business continues."

Car Care Plan has been running retention and distance selling schemes for its clients for more than 10 years, creating additional revenue streams and increasing customer retention, two factors that have taken on extra importance for clients during the current COVID-19 climate.

Car Care Plan acted swiftly to move the 30-strong team responsible for the retention and distance selling activity to a 'home working' structure to guarantee clients the continued service for the 45-year-old business. Doing so has allowed Car Care Plan to continue to provide clients with the vital revenue streams the activity creates, during what is an extremely challenging time for the automotive industry with dealership doors being closed.

The business has found that warranty renewal and distance selling activity handled in-house has seen an increased level of penetration during the pandemic.

Car Care Plan's retention and distance selling initiatives are available to all dealer clients and



have proved to be one of the sector's few services capable of providing a source of future revenue generation during the COVID-19 crisis.

Cowling said the business had been working with retailers to drive retention prior to the crisis, also linking MOT cover and Service Plans into their strategy linked in with renewal offers.

The business offers what Cowling describes as a "very customer-friendly service plan product", which can be white-labelled or sold via its AutoTrust brand.

Car Care Plan is one of the UK's leading warranty underwriters, registering an average of 1.8 million products a year across 60 countries.

Since 2012, Car Care Plan has been owned by the US-based AmTrust and, as such, has an A "Excellent" credit rating to go with its long-standing relationships with 21 major manufacturers and more

“

**WITH THE
VOLATILITY
OF OUR
SECTOR,
I KNOW
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APPRECIATE
THE FACT
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A-RATED
INSURER
BEHIND US**

**MIKE
COWLING**

than 2,000 UK dealerships.

"With the volatility of our sector, I know businesses appreciate the fact that we have an A-rated insurer behind us and that we underwrite all our business in-house," said Cowling.

"From a client's point-of-view, the underwriter should be every bit as important as the administrator."

Care Car Plan's structure means it is also able to offer marketing, customer services, compliance and IT departments under one roof which, Cowling suggested, makes it quicker to react to its car retailer clients' individual needs or enquiries, while maintaining "cohesive and transparent" relationships.

The business believes that its ability to work flexibly with its car retail partners – investing time to understand specific needs and requirements and tailor its approach to systems, processes and product requirements – is central to its appeal

Advertising feature

KEY CONTACT



Head of Car Care Plan Products, Mike Cowling

as a favoured provider of its full range of products.

The longevity of many of its dealer relationships bears testament to the approach, and is something that Cowling feels goes hand-in-hand with its loyal team of employees.

The business's call centre of claim handlers is manned wholly by former mechanics who maintain their technician's training as if they were still active in a workshop, ensuring their effectiveness at responding to issues.

Some of those workers have spent more than 30 years with the business, with Cowling himself currently being in his 16th year with Car Care Plan.

But technology is also a core part of its solution, with an automated claim system working alongside this experienced team to ensure 24/7 access to warranty claims, with 75% authorised online via a self-generated electronic invoice.

The most recent dealer satisfaction surveys conducted by Car Care Plan in relation to its claims process scored it 8.6-out-of-10, and the business is also rated four-out-of-five on TrustPilot.

While Car Care Plan is confident in the knowledge of its staff, it also offers a constant programme of classroom and e-learning sessions to ensure that its retailer partners maximise their sales opportunity.

Classroom training sets a foundation of product knowledge and point-of-sale technique for car sales executives.

Meanwhile, Car Care Plan's 30-strong Business Development Support team assumes a supporting role to dealer clients.

Financial Conduct Authority (FCA) regulation has impacted Car Care Plan's business, with retailers' growing awareness of the potential in its non-regulated products, such as

warranty, breakdown and roadside assistance and service plans.

"Having access to all these services means our clients can see where they sit into the sales process and maximise the point-of-sale potential," said Cowling.

"Being able to make customers aware that cosmetic insurance could protect their trade-in value at point-of-sale is a useful selling technique."

Cowling said that Car Care Plan also led the way in the FCA's TR19/2: General insurance distribution chain policies introduced in 2019, stating: "100% of our clients subscribe to the commission capping on insurance products".

He added: "While many retailers' focus had been very much on insurance, they are now re-visiting the importance of warranty, particularly with used car customers."

Car Care Plan is used to seeing retailers deliver a 12-month plan with their used cars, but a shift has seen far more two- and three-year plans delivered at point-of-sale, a trend which could gather pace due to the current economic uncertainty.

"We've seen a lot more warranty renewals since the FCA's thematic review last year," said Cowling, its FCA-regulated call centre team generating renewal take-up of up to 15% during prospecting calls.

Despite the ongoing COVID-19 crisis, Cowling said electric vehicles (EVs) remain the biggest area of uncertainty from a warranty point-of-view.

He said Car Care Plan had been working closely with OEMs to review data on how batteries, and the reliability they offer, was evolving as their products increasingly include cover for the technology.

"That will evolve into our dealer warranty market when those batteries go beyond the battery warranty period," he said.

"We're very much hands-on in our approach to EVs.

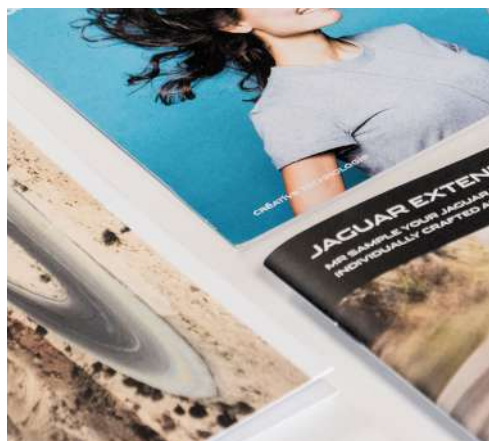
"Whatever our issues are in the sector right now, that is the one we are going to have to face in the next five years."

www.carcareplan.com



Car Care Plan

An AmTrust Financial Company





MORE SAVVY CAR BUYERS GOING ONLINE TO CHECK OUT YOUR CREDENTIALS

As Benjamin Franklin said: "It takes many good deeds to build a good reputation, and only one bad one to lose it." *AM* looks at companies whose aim is to help dealers to secure a good name – and keep it

Reputation will prove an important factor for car manufacturers and dealerships as they bid to bounce back following the COVID-19 outbreak.

The weeks of dealership closures lead to an increasing number of consumers going online to plan their next purchase. In addition to the usual search questions, more potential buyers are seeking the reassurance that the carmakers and dealers will treat them in the right way.

One of the best ways for manufacturers and dealers to address these concerns is by encouraging customer reviews (hopefully positive) on their own and third-party websites.

Automotive review and satisfaction specialist JudgeService has been at the forefront of this drive towards boosting online reputation over the past 12 months. During that period, it has secured several significant contracts, including Johnsons Cars.

Three other top 20 UK automotive groups are going live with JudgeService's platform after their plans were delayed by the lockdown, and the firm is about to launch its service to Steele Auto Group, the largest dealer in Atlantic Canada.

JudgeService's founder and managing director, Neil Addley, said that over the past year the company has focused on extending the range of services provided to existing clients. To counter the COVID-19 crisis, he said the company had reduced its fees from April through to June.

"It was well received and has meant we were able to retain all our customers," said Addley. "As they come back and start selling again, online reviews will be a powerful tool they can use alongside their showroom offering to build consumer confidence."

JudgeService has just carried out its State of the Nation survey looking at consumer attitudes to the crisis, including questions ranging from servicing to changing cars. It has also launched ProAct online, a survey which examines lost online sales,

featuring questions about the use of video calls and usage of video to show products on websites.

In addition, the company has several products in the pipeline this summer, including one that predicts when consumers are likely to change vehicles based on previous buying habits. Another is Resolution, a customer service tool, which enables dealers to resolve issues and complaints more effectively.

JudgeService also made its part-exchange valuation and car product surveys available free of charge to dealers during the crisis. Backing this up, it has been busy developing its software to improve the speed at which its surveys can be turned around.

"We have done this so we're able to react more quickly to market opportunities for our clients," said Addley. "Thanks to our expert insight into the motor trade and the granularity of our surveys and data, we can help them to understand how they are performing and what areas they need to capitalise on when it comes to marketing to prospects."

The company has also increased the number of researchers in its research centre and added to its sales team. Additionally, it has strengthened its partnerships with sales platforms AutoTrader, Motors.co.uk and Used Cars NI, as well as technology providers GForces, Bluesky Interactive and Autoweb Design.

Trustpilot has also been busy in the online reputation space. Its latest big win is Keary's in Ireland, which has signed up to use its reviews to get closer to its customers.

New online-only platforms such as carwow, Cazoo, heycar and Cinch have also started to use Trustpilot to actively invite customers to review them and to establish their brand. Additionally, the company has been working with these platforms to enable the syndication of its reviews where they are aggregating information from dealers across the UK.

Neil Bayton, partner director at Trustpilot, said

IT'S VITAL FOR MAKERS AND DEALERS TO LISTEN AND ENGAGE WITH THEIR CUSTOMERS THROUGH REVIEWS
NEIL BAYTON, TRUSTPILOT



that since COVID-19 there has been an increase in consumers reading reviews. In fact, more than one quarter of people said they were checking reviews before the pandemic hit, according to a Trustpilot survey.

"With trust for companies declining in the pandemic and with cars being such a high ticket item to buy, it's vital for car makers and dealers to listen and engage with their customers through reviews," said Bayton.

"Consumers are increasingly coming to Trustpilot to validate the decision they are making through what others are saying.

"Customers now expect to read reviews on a platform they know and trust."

In addition, Trustpilot has introduced Location Reviews, allowing companies to add multiple locations to their Trustpilot profile, each within their own location-specific reviews. That enables



them to collect, manage and respond to customer feedback for each location.

It has also seen a rise in businesses using its Review Insights tool to better understand the feedback they receive. The tool uses artificial intelligence (AI) and machine-learning to analyse feedback and provide actionable insight reports.

Added to that, Trustpilot has introduced half star

ratings and moved to a five-point TrustScore, to provide a simpler and more accurate reflection of how companies are performing, in line with industry standards.

It has also announced a host of new transparency features, enabling the consumer to see whether reviews were invited by the company concerned or organic, the timeline of reviews and whether that firm responds to posts.

Another company that has been forging ahead with new developments has been Reputation.com. Over the past year, it has won and extended multiple contracts with OEMs and large dealer groups.

In April, the company rolled out its Business Continuity Bundle, a toolkit designed to help brands manage their Google presence and leverage social media for urgent outreach and response during this and future crises.

Available for free for 90 days to new and existing customers, it enables users to better understand customer needs during a crisis.

In May 2019, Reputation.com launched its Reputation Essentials Toolkit, aimed at helping dealers to drive traffic and increase business by improving their digital presence and online engagement, and monitoring and managing their reputation. It also announced the addition of Google services to its suite of enterprise reputation management services.

John Nantau, general manager of global automotive at Reputation.com, said: "The Reputation.com platform's tight integration with Google services, along with the addition of Premier Google Partner status to the company's other accreditations, makes it an even stronger choice for enterprises looking to optimise their online reputation. It also will help enterprises be found, chosen and endorsed by their customers on Google."

In addition, Reputation.com has announced it has been granted two more patents to add to 25 already covering its online reputation management technology. "Reputation Report with Scoring" and "Reputation Report with Recommendation" will enable the company to help businesses manage and address their reputations, and analyse consumer feedback to improve operations and processes.

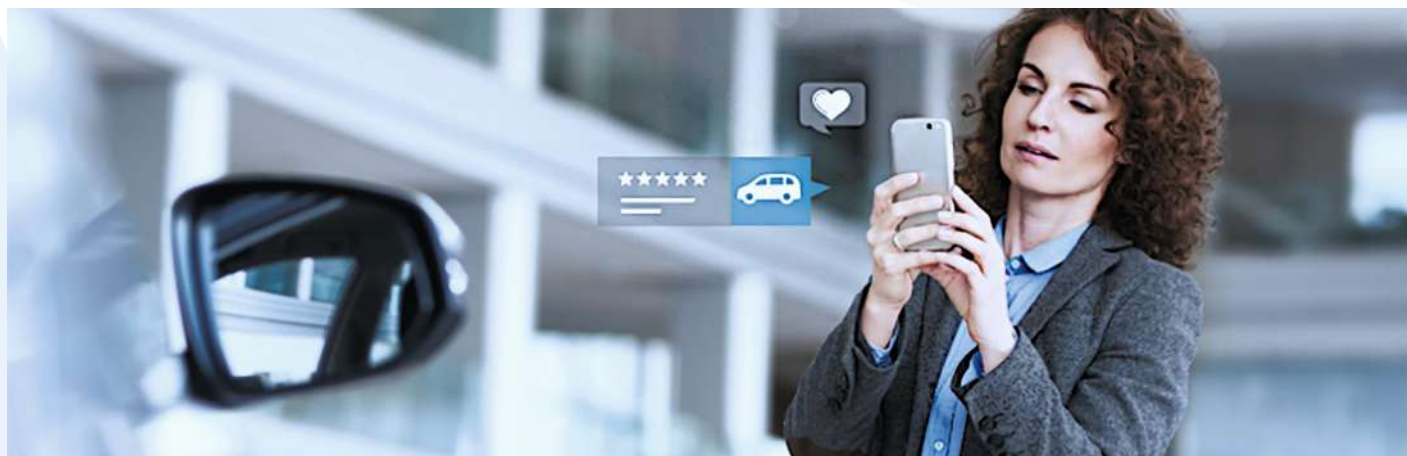
The company has also been busy on the recruitment front, adding to its executive committee with the appointment of former Dialpad executive Rebecca Biestman as chief marketing officer in March and Amir Jafari, from ServiceNow, as chief financial officer in April. In February, Nantau joined from Salesforce.com.

In December, Reputation.com announced a new partnership with Alorica, a global leader in customer experience solutions. The new unified CX platform — the first of its kind, it claims — will add Alorica's support to many of Reputation.com's back office and front office functions, as well as providing actionable insights and better understanding of consumer sentiment.

ALEX WRIGHT

ISTOCK.COM/VECTORPLUS8

CHOOSE YOUR SUPPLIER SPOTLIGHT



Keeping your good name is vital to business success

The UK's motor retail industry is crammed with competition, and a dealership's reputation can be a defining factor of whether that business is chosen for a purchase.

But the business of understanding consumer sentiment has moved on from the single, multi-question, post-purchase survey that the motor industry traditionally loved and hated in equal measure.

Consumers are publishing their views and experiences for each other, as well as for businesses to take note of. Word-of-mouth still carries a lot of weight and, although it's mostly moved online in terms of online reviews and social media posts, for a high-ticket item like a car, your reputation matters immensely.

People will do their research and what they read or are told about a brand exerts a massive amount of influence.

Reputation.com helps dealer and manufacturer customers manage these digital interactions by providing a software solution that supports them at every touchpoint. And the data it harvests can ensure clients can efficiently address patterns of problems and drive improvements in the medium- and long-term.

"There are so many different ways

for consumers to communicate with a business, so many different environments that need to be monitored by that organisation. It's probably humanly impossible," said Anthony Gaskell, EMEA managing director at Reputation.com.

Analytics is key to success for those larger brands and dealers. It's not just a case of how many followers they have on social media, or how many reviews they've received as a group last month. Using the right software, there's a wealth of information which they can put to good use.

Reputation.com's systems and experts help to take unstructured data and turns that into insight the dealership or group can act upon.

Gaskell added: "Managing that whole environment, and understanding whether you're heading in a positive direction or things are going wrong and you need to make changes, is actually extremely difficult to do, when you think about all the different environments where a consumer

Reputation.com's SaaS platform is used by household brand names across 77 unique industries. It operates globally from eight offices with more than 400 experts in the service.

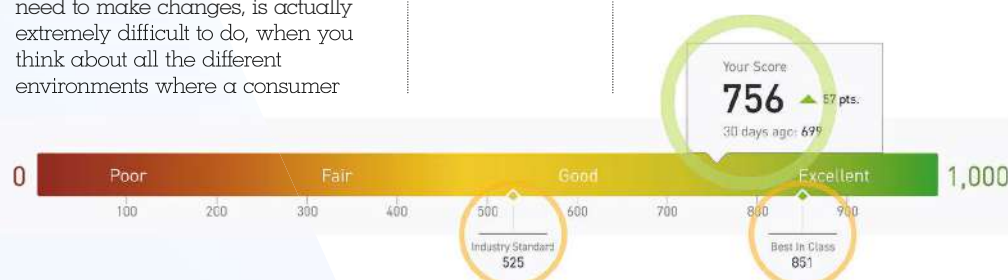
may choose to engage with a business.

"That's where our Reputation Score comes in, as a real-time calculation of your online reputation and performance across all those consumer touchpoints."

He said the best-performing brands have an end-to-end programme. They know when to interact with consumers, but also when to respond and close the loop. They have a process to take on board the feedback.

Multiple sources of feedback, both online and internal, feed into Reputation.com's software and build the Reputation Score in real-time.

That Reputation Score provides the business with a benchmark, based on online visibility, engagement, consumer sentiment and responses to negative feedback, so they can track whether what they're doing has a positive impact. It gives them a plan,



reputation.com • contact-uk@reputation.com • 0800 066 4781

by indicating the areas of low performance. Reputation.com's data science team will identify trends, and its customer success managers will work with the client to develop a plan that tackles those trends.

And thirdly, Gaskell said, clients will see that there is a direct correlation between the Reputation Score and the business's revenue and car sales. A dealer's return on investment analysis calculates the online traffic and revenue that better visibility and reputation will drive, plus the efficiencies gained from the services and the analysis provided.

Gaskell outlined that 52% of all automotive searches done on Google are no-click, and in the past two years the use of the term 'near me' in Google searches for dealers has grown more than 200%. And 79% of consumers take a relevant action on their smartphone at this point, such as making a call to the dealership or clicking onto directions to get there, giving clear indications that they are in the market to buy.

Such statistics clearly indicate the importance dealers should place on presenting the right impression through the Google My Business tool if they want to secure more sales.

Gaskell said they can help to influence their reputation by ensuring a steady volume of reviews, improving the trend in customer sentiment, and by responding to the feedback.

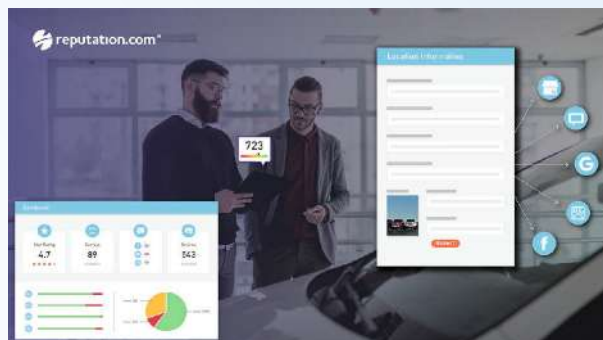
"If you're not managing this space, you're likely not appearing in the top three served by Google. And if you are appearing, but with a star rating below four stars, alongside another two that have four-plus ratings, you're probably not going to be the one the consumer acts upon."

A campaign of 'pulse surveys' allows the dealer to ask the customer their views on specific parts of their process, and give them the option to post these views as a Google review.

Gaskell said it is important to ensure as much feedback as possible goes online to give the business the best chance of converting new prospects searching. He adds that responding to feedback is just common sense and the right way to conduct business.

"It's becoming the norm and extremely important. Businesses cannot get everything right 100% of the time. Most consumers understand that. But they expect when they're doing their research online to see that a business cares and has responded giving a simple thank you for the review or addressing concerns."

At times, the resource to deal with responding to reviews online can be a strain for small and large businesses alike. Reputation.com's software can help here, providing templates, but it also offers a



BUSINESSES CANNOT GET EVERYTHING RIGHT 100% OF THE TIME. MOST CONSUMERS UNDERSTAND THAT. BUT THEY EXPECT WHEN THEY'RE DOING THEIR RESEARCH ONLINE TO SEE THAT A BUSINESS CARES AND HAS RESPONDED.
ANTHONY GASKELL

managed services team able to take on the responsibility of responding in an appropriate tone of voice and escalating issues up the management chain, in line with the client's service level agreement.

Reputation.com describes the overall combination of online reputation management and customer experience management as 'the feedback economy' and Gaskell warned that any business today unable to monitor all these datasets and understand how their brand is being regarded is really not in an optimal position.

Brands no longer control what consumers are able to read, the content out there from customers is everywhere and it will impact on a business's success.

"Your reputation is built from every interaction a person has with your brand – from search to sale, first use to renewal, customer service call to service review. If you're not proactively soliciting, consolidating, promoting and acting on feedback at every stage of the journey, consumers will take their business elsewhere.

"That's why we're dedicated to building the only integrated platform that helps companies foster lasting loyalty," he said.



MINI ELECTRIC

When Mini launched the current F56 generation Hatch in 2014 an electric version wasn't on the cards. In fact, following the Mini E trial in 2008, the brand was pretty sure that converting a petrol car to electric was not feasible.

Such is the demand for electrified models today, and the need for manufacturers to reduce emissions, the Mini Electric has become a production reality.

The development was helped, in part, by the rapid progression in electric vehicle (EV) tech. Nestled within the Mini Electric's largely unchanged shell are a variety of components from the BMW i3.

Mini engineers have cleverly designed the car so it can be built on the production line at Oxford, alongside petrol and diesel models.

The 32.6kWh battery pack is integrated into the car's floor, taking up the space previously occupied by the fuel tank and

exhaust.

The T-shaped power unit gives the Mini a noticeable extra bulk, but, crucially, has no impact on practicality.

While not particularly capacious, the car's boot can still take the same 211 litres of cargo as a regular ICE (internal combustion engine) model.

The brand has worked hard to minimise the differences between the electric version and its siblings. The car looks and feels much the same as any other Mini.

In keeping with the brand's focus on personalisation, there are some key features that can be selected to set electric models apart such as Energetic Yellow door mirror caps and grill plus special Electric Corona Spoke two-tone alloy wheels.

Equally, customers can choose to make their Mini Electric look as discreet as a regular Mini.

Other than colours and wheels, there is a choice of three trim levels with no individual options.



THE CAR'S
ELECTRIC MOTOR
DEVELOPS A
HEALTHY 184PS,
GIVING IT A
PERFORMANCE
ADVANTAGE
OVER RIVAL
ELECTRIC CITY
CARS

All models are equipped with LED headlights, sat-nav and air conditioning. Entry-level versions (known as Level 1) have a starting price of £24,900 (allowing for grant).

The Level 2 (£26,900) is the likely best-seller. It comes with heated seats, parking sensors and keyless entry.

Range-topping Level 3 gets pretty much all the available features from other Minis, including a panoramic sunroof, Harmon Kardon stereo, larger sat-nav screen and adaptive LED headlights. It's priced at £30,900.

The car's electric motor develops a healthy 184PS, giving it a performance advantage over rival electric city cars. Acceleration from 0-62mph takes a sprightly 7.3 seconds and mid-range performance is impressive, thanks to the 270Nm of torque.

The Mini Electric's official range is quoted as 144 miles (WLTP) with a promise of up to 4.1 miles per kWh. During the launch event we found the car to be less efficient than claimed. After a 50-mile drive on mixed roads the car was showing a remaining range of just 40 miles. The best figure we achieved from the car was 3.3 miles per kWh.

Admittedly, it was cold and we were using the heater and heated seats, but it's worth pointing out that the 144-miles feels a touch optimistic in less-than-ideal conditions.

Luckily, the car can recharge from 0-80% in about half an hour, when using a rapid charger.

Like all Minis, the electric versions suffer from a firm ride that can become unsettling on poor road surfaces.

In order to accommodate the battery under the car, Mini engineers had to raise the car's suspension by a few centimetres. But, in adding around 145kg to the car's floor, the centre of gravity is lower than that

KEY RIVALS



Peugeot e-208

- ✓ LOOKS
- ✗ INFOTAINMENT



Vauxhall Corsa-e

- ✓ PRACTICALITY
- ✗ STYLE



Renault Zoe

- ✓ RANGE
- ✗ DRIVING POSITION





of a petrol Cooper S. The car also achieves a 50:50 weight distribution over its axles.

The resultant drive is enjoyable. It has sharp steering and instant throttle response. Equally, on motorways and A-roads refinement is high. There is little wind and road noise, making the Mini Electric a relaxed commuter.

Powertrain noise is also minimal. There is none of the annoying whine that some other electric cars emit.

Each time the car is started it sets off in the stronger of two regeneration modes. This is our biggest gripe. Switching to a less aggressive mode – trust me you'll want to – is done via a toggle switch on the dash, but, irritatingly, there is no way to switch it off completely.

Every time you lift off the accelerator, the car bucks forward as it tries to recapture energy. While the softer setting does it in less stomach churning way, I would have liked a freewheel mode that allows the car to coast.

While rival cars can cover more distance, they do it in a less stylish, less enjoyable and less prestigious manner than the Mini Electric.

MATT DE PREZ



£24,900
- £30,900



ELECTRIC
MOTOR



0-60:
7.3 SECONDS
TOP SPEED:
93MPH



RANGE:
144 MILES



0G/KM CO₂



Q&A



COLETTE HEALY,
HEAD OF
PRODUCT
MARKETING,
MINI UK

How important is the Mini Electric to the brand and its dealers?

It's hugely important to us – we celebrated the 60th birthday for Mini last year, and it gave us the perfect way to look back to our humble beginnings in 1959. Mini was conceived as a solution to the environmental issues of the time, which, in the late 1950s, was a fuel crisis. So, it's really apt that 2020 has seen the launch of our first fully-electric car. This is a huge milestone for us and a very proud moment in our history, and we're delighted that the Mini Electric delivers the same character and values the original car did 60 years ago. For our retailers it's even more important, giving them an opportunity to speak to customers who are focused on their journey to buy an EV and also offers previous and current customers wider choice.

Are Mini dealers prepared for the switch to selling electric cars – how have you trained them?

We've taken our retailers on an extensive journey on the way to launching this car. With the Mini Electric, we needed to make sure we gained a true understanding of what advice consumers will need when they're considering living with electric, in addition to the specifics they would want to know about the car itself. The training journey has taken our retailers through hands-on EV training sessions at the Milton Keynes Experience Centre. It also included a trip to Lisbon for an incredible two days' experiencing the Mini Electric first-hand in the city and on a dynamic 'Parc Cours' handling course (where we saw lots of grins!). Then we held our dedicated 'Volts and Vibes' Electric training event for all retailer staff at our Academy in February. This was alongside ongoing webinars and web-based training.

Are you expecting the majority of sales to go to existing Mini customers or new conquests?

It's going to be a real mix of customers who chose the Mini Electric. We're fully expecting a large number of current Mini owners to switch to the Electric version, especially as we've priced it cheaper than a comparative petrol Mini Hatch to really demonstrate to customers how much faith we have in this car. We've had the Mini Countryman Plug-in Hybrid for the past few years which has been incredibly popular, so customers have had both a hybrid and combustion engine to choose from already and now we're completing the offering with the Mini Electric which will, no doubt, bring new customers to the brand.

Other than powertrain, what are the key differences between the Mini Electric and its petrol equivalent?

Firstly, its speed – thanks to the accelerator it can be even more responsive, lowering the 0-37mph to just 3.9 seconds. Secondly, we've increased the standard specification so customers really get the most for their money. The Mini Electric comes as standard with our new Digital Dashboard, which displays all the important charging information the driver needs, as well as satellite navigation, Apple CarPlay, Real Time Traffic Information (RTTI) and Mini driving modes, allowing the driver to switch between Green +, Green, Mid & Sport modes dependent on their driving style.

How are you supporting first-time EV drivers in making the switch?

First and foremost, we want consumers to fully understand EV ownership before they take it home. We have a partnership with BP Chargemaster, so customers will be able to add a home-charging wallbox to their order which BP will then install, ensuring they're ready to go from the point of delivery. The Polar Plus network has more than 7,000 charging points across the UK and the Mini Electric comes with both an AC home-charging and AC public-charging cable as standard, removing nervousness of charging on the go.

≈ REVIEW RATINGS

AUTO EXPRESS



PARKERS



TOP GEAR



VOLVO XC60 T8 R-DESIGN PRO

REPORT
PROGRESS



COMBINED EFFORT WILL UNDERPIN VOLVO REBOOT

Volvo dealers have emerged from the COVID-19 lockdown with quite a task on their hands. In early May, many were preparing their showrooms with markings to ensure staff and customers remain socially distanced, removing some of the furniture from customer areas and back offices, while continuing to process some new car orders still coming through online and standardising new processes for sanitising cars.

All servicing, maintenance and deliveries are being carried out using stringent social distancing and hygiene measures. This includes the application of covers to steering wheels, gearlevers and seats, and keys being handed over in sealed bags. First-time deliveries will include a brief video handover, with a detailed digital guide sent afterwards.

"The Volvo reboot has been a combined effort by the brand and its retail partners," Volvo Cars UK managing director Kristian Elvefors told *AM*. "We've had really good dialogue with our retailers and that put us in pole position to re-start trading."

This year will still mark an important point in Volvo Car UK's history. It is now retailing its first battery electric vehicle (BEV), the XC40 Recharge SUV, and it has become the first traditional car brand to have electrified powertrains (BEV or PHEV) in every model line.

The aim was that 2020 would also be the year when new car registrations would hit a target of 60,000 units. It ended 2019 with a 2.4% market share; its

56,000 sales, 12% growth against a market in decline, suggested that 2020 target was well within reach.

But with the SMMT now predicting a 27% fall in total new car sales this year, that's no longer the case.

The Volvo Online platform has enabled its franchised dealers to continue to sell new cars to customers at home. An update this spring has added cars from the Volvo Selekt approved used car scheme, a live chat function and a contactless, home delivery option, with a valet app allowing buyers to track the status of their vehicle delivery.

Elvefors said he expected 100% of Volvo sales to be conducted through the platform by 2025, whether handled in a dealership, at home or in a workplace.

"The reality is that the platform, with its e-signature process and other advantages, can really speed-up the sales process and I think that benefits the sales transaction, wherever the customer chooses to make that happen," he said. "Having one platform to deliver all process makes sense in terms of speed and simplicity." **TIM ROSE**



£65,870
INC OPTIONS



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



0-62MPH 5.2SECS
TOP SPEED 140MPH



104.6 (WLTP)



60G/KM (WLTP)

CURRENT
MILEAGE

0 2 1 6 4

START
MILEAGE

0 0 5 6 4



SALES MAINTAINED THROUGH MULTIPLE
CHANNELS FOR CAUTIOUS CONSUMERS



POST-LOCKDOWN THE BRAND
MUST PLAY CATCH-UP

» GUESS THE CAR COMPETITION

THIS MONTH'S VERDICT



No one correctly
identified the
Škoda Roomster
in last issue's
competition.

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 July 3.



HELPING MANAGERS TO HIRE THE RIGHT PERSON

When hiring, only ask questions relevant to a candidate's competency

Dealerships have, in the past, often fallen into the trap of always hiring the same type of candidate because it's the easy option.

But, with greater pressure on companies to build and maintain a diverse workforce, dealer groups now need to do more than ever to help their managers recruit the best person for the job, without any bias or discrimination.

So how can they help managers to reach the widest possible talent pool while avoiding these pitfalls?

Chorley Group's sales manager, Adam Turner, said his company has focused on hiring people from other industries with exceptional customer service skills and then train them up. To help with this, he said that Chorley Group has broadened its recruitment channels, using social media to reach potential candidates.

"If you can appeal to them and get them to buy into the fact that the motor industry offers a wide range of career opportunities, you can find some highly skilled and motivated people," said Turner. "It also

benefits the industry in that we can bring in fresh blood to help improve and innovate the sector."

A big problem in the automotive industry, however, as with many other sectors, is unconscious bias. This is where employers take a narrow view that they have to hire a replacement who reflects their own image. They don't have to train them. Whereas they could be thinking outside of the box and looking for someone who has transferable skills and can offer something different, said Steve Nash, chief executive of the Institute of the Motor Industry.

Some dealer groups, he added, have tried to avoid this by proactively going out and looking for people with the ability to do the job well rather than just focusing on experience.

"From that, they will select a group of candidates who they will then put in front of the manager to make a choice," said Nash. "That way they get people who they wouldn't normally have considered and the process is devoid of bias, unconscious or otherwise."

Another way of avoiding discrimination is for HR to remove an applicant's name, gender or any other details that may adversely influence the manager's hiring decision. It's also beneficial to have more than one person involved in the recruitment process, allowing you to have a broader base of opinions.

Motor Trade Select managing director Guy Liddall said that rather than getting preoccupied with bias, dealer groups need to focus on finding the best person for the role. That way the individual is chosen fairly on merit, he said.

"If you don't set up your selection process properly from the start, you are almost bound to choose the wrong

person," said Liddall. "By putting in place the right tests and assessments, you will ultimately find the best candidate."

Managers also need to be aware of questions they can no longer ask in interview by law concerning a candidate's age, gender, race, faith, marital status, whether they have children, or any other detail that isn't directly related to their ability to fulfil the role. It's up to the individual if they wish to divulge any of that information.

Instead, managers should ask competency-based questions, believes Darren Bradford, director at Drayton Motors. They should also hire people based on the outcome of their answers, he said.

"Before starting the recruitment process, be clear on what qualifications, skills, experience and other qualities you are looking for," said Bradford. "After interviewing, discuss as a management team the various candidates and the reasons why their answers make them suitable, or not."

Big strides are definitely being made in the motor industry in terms of trying to weed out discrimination and unconscious bias. However, there's still room for improvement, which is where dealer groups can step up to support their managers in the hiring process. Until that is done, however, some of these key issues will continue to remain.

Jim Saker, director of Loughborough University's centre for automotive management, added: "As an industry, we are making progress on the diversity front. But there's a long way to go to break the cycle of recruiting the same stereotypical people, and finding ways to enable managers to do this."

ALEX WRIGHT



IF YOU DON'T SET UP YOUR SELECTION PROCESS PROPERLY FROM THE START, YOU ARE ALMOST BOUND TO CHOOSE THE WRONG PERSON



GUY LIDDALL, MOTOR TRADE SELECT

RESOURCES

VIDEO OUTLINING THE RISKS OF UNCONSCIOUS BIAS

The Royal Society has published an online video and downloadable briefing by Professor Uta Frith explaining the concept. Enter 'Royal Society unconscious bias' in your online search engine

INDEPENDENT GUIDANCE FROM ACAS

The employment arbitration service ACAS provides useful guidance to make managers aware of bias and offers training on candidate selection. Enter 'ACAS unconscious bias' in your online search engine

BOOK: EVERYDAY BIAS

Diversity consultant Howard J Ross's examination of how to identify and navigate unconscious judgements in daily life is available in print and e-book form.

ADVERTISING FEATURE

'New normal' is opening up new opportunities for switched-on dealers

By Karen Hilton, Chief Commercial Officer, heycar



Our industry is in a state of flux and no one quite knows what it will look like when the dust settles. One thing is clear – those dealers who are adapting to customer needs and introducing new processes are right to be making these part of their future ways of working.

Dealer groups have used the lockdown to evaluate their entire business practices and challenge conventional ways of working. Many contacted us at heycar very early on to ask for advice on setting up an inbound lead-handling centre and they will see the fruits of their labour in the months to come.

During lockdown there was still in-market activity out there and we've helped to connect those buyers with dealers. Our 'Register Interest for Later' function on listings allows customers to show a sign of intent, even though there might not have been anyone in the dealership to take their call. It's part of our plan to raise the bar on communication between potential buyers and dealers.

Buyers know things will work differently from now on. Our job at heycar is to help explain that process to them, help keep the communication open between dealers and buyers and be open about what a safe sales environment now looks like.

The door to consumers being able to do more remotely is now open, whether it's being shown around a car, having their questions answered or completing the whole process without setting foot in a dealership. It has forced the industry into the future, where the dealership becomes an experience centre.

All the research is done at home online, then once a buyer knows what they want, they visit the dealer.

The increased customer interest in the market we've seen during lockdown is just waiting to be unleashed and converted.

It's a massive opportunity for everyone in the industry to take advantage of. But those dealers who have been proactive over the past few months will benefit most.

www.heycar.co.uk

hey car

TALENT ON THE MOVE



**JON ROBERTS,
MANAGING DIRECTOR
OF WEST WAY**

Jon Roberts has been appointed managing director of West Way, Nissan's retail group of 15 dealerships nationwide.

He succeeds Tony Lewis, who left Nissan at the end of May after 12 years with the company.

Roberts was previously the UK country director for Nissan's premium brand, Infiniti, it was axed from the UK earlier this year.

He joined West Way in 2002 as group fleet manager – overseeing the rapid expansion of UK fleet and LCV sales.

He has held a number of roles with the business in the past 18 years, including head of fleet operations and regional director.

Since 2016 he'd been managing director of Infiniti Retail Group.

"Nissan has been part of my life for nearly 20 years and I am delighted to be reunited with my colleagues at West Way," Roberts said.

He said there will be challenges to overcome during the coronavirus pandemic, but he sees "exciting opportunities to

innovate and develop our e-commerce offering" in sales and aftersales.

"I look forward to leading West Way and collaborating with NMGB colleagues to help our industry reshape car retailing and secure a bright future."

Roberts takes up his new role with the business following the launch of the all-new Juke.

He will oversee the introduction of the next-generation Qashqai and the brand's new electric crossover.

Andrew Humberstone, managing director of Nissan Motor (GB), added: "We welcome Jon to the Nissan team and I look forward to working together to meet the challenges that we all face, and to capitalise on the opportunities we can see ahead."



**FERN WAKE,
COO AT CAZOO**

Cazoo has welcomed former Lovefilm group operations director Fern Wake as its new chief operations officer.

She joins from Farndrop where she oversaw a team of 180 across purchasing, distribution and fulfilment.

In her new role, Wake will be responsible for the operations and logistics teams including Cazoo's reconditioning facilities in Corby and its distribution hubs across the UK, as well as its team of more than 100 delivery specialists and fleet of single car transporters.



**TOBIAS MOERS,
CEO OF ASTON MARTIN
LAGONDA**

Mercedes-AMG boss Tobias Moers will replace Dr Andy Palmer as chief executive officer of Aston Martin Lagonda.

He will be based at the company's headquarters in Gaydon, Warwickshire, and will join on August 1.

Palmer, who has held the role of president and group chief executive of the British sportscar brand for almost six years, stepped down at the end of May.

The company plans to axe 500 jobs as part of a restructure of its operations designed to save £10 million each year.



**ANDREW LAWSON,
SALES DIRECTOR AT
MERCEDES-BENZ
VANS UK**

Andrew Lawson has re-joined Mercedes-Benz Vans UK as sales director, following a four-year assignment to the German brand's USA operation.

He will assume responsibility for bringing new customers to the brand through the retail, fleet and direct channels, as well as the retention of existing business.

Current sales director Simon Neill will move to customer services director, succeeding David Joyce, who moved over to the Mercedes-Benz Trucks UK business in February.

EIGHT QUESTIONS TO A...

USED CARS & REMARKETING DIRECTOR

Sally Dennis at Mercedes-Benz Cars UK is proud of near equal gender split in leadership team



What are the main responsibilities of your role?

My role forms part of the UK management board of Mercedes-Benz Cars UK, providing leadership and strategic direction to the Used Car and Remarketing activities. My team supports our retail partners to maximise the used car opportunity. In 2019, we achieved more than 100,000 retail sales, which was the first time we exceeded that figure. In addition, I have a seat on the heycar UK advisory board as Daimler Mobility is a shareholder.

What are the most significant challenges in your field?

Our most significant challenge is inventory management and everything that is part of this – coupled with an increased shift towards digitisation. In line with the changes in consumer purchasing behaviour across the retail sector, accelerated by the COVID-19 pandemic, we are seeing a change in consumers' desires, behaviours and motivations; ultimately changing what they expect and how they want to engage with us. All of our decisions focus on the customer journey, which means they and our retail partners continue to be at the heart of what we do. During these unprecedented times, it's particularly important to be agile and adaptable as we move from traditional processes into the digital world.

How might these challenges be overcome?

Within the team we are constantly reviewing all of our remarketing strategies. This is where good logistics, vehicle refurbishment and auction supplier relationships are key. With increased digitisation, the customer is more informed than ever and the used car journey must fulfil their needs. Our newly-launched Mercedes-Benz online showroom supports customers in finding their next new or used car from the comfort of their homes. They can view our retailer stock online, calculate a finance offer, value their part exchange, reserve a car online and now they even have the option of home delivery. Our online showroom's success would not be possible without the support our retailer network.

What attracted you to this area of expertise?

I started my automotive career nearly 30 years ago in a retailer before broadening my career and experiencing various OEM brands and channels. Prior to my current role I was the director of customer operations for Mercedes-Benz Financial Services.

I am particularly proud to be part of Mercedes-Benz Cars UK as the gender split at leadership level is pretty much 50-50. The automotive industry is a very exciting path to take, regardless of whether – or what – you studied. There are so many opportunities that allow people to excel in: retail, legal, finance, admin, engineering or sales and marketing. The automotive industry is vital to the UK economy and, especially in these unique times, we're presented with leadership challenges like never before.

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

I have always believed that each member of a team is unique and has talent to offer; no individual is stronger than the collective. It's so important that every member of the team has a voice and that they're heard. I'm lucky to work with a great team who have relished the new opportunities and proven their ability to adapt as needed. I enjoy leading teams through change and development, while creating a positive culture for the team to thrive. I strive for simplicity and clarity by reducing complexity; I'm a believer that this approach brings authenticity and is the key to achieving fantastic results. **MATT DE PREZ**

QUICK-FIRE QUESTIONS

What drives you?

I love seeing people enjoying life and I love being happy, being creative and coming up with ideas that challenge the status quo.

What's your favourite app?

I have two – the seven-minute workout thanks to gyms being shut due to lockdown and I am obsessed with the Mercedes me app.

How do you relax?

In the past, I'd be waiting for my next holiday. I adore travelling and exploring new places. Until that resumes, my husband and I have taken to the garden. It started with a few pots and now, all of a sudden, we're growing vegetables.



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THIS MONTH'S QUESTION TO THE AM TEAM:

How are your holiday plans shaping up in respect of COVID-19?

EDITORIAL

Editor Tim Rose 01733 468266

tim.rose@bauermedia.co.uk, IDAM_editor@TMR

► Cottage in Herefordshire cancelled. Going to Urgate instead.

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

► I've basically paid £800 not to take my much anticipated holiday to the Algarve. Guttled.

PRODUCTION

Head of publishing Luke Neal

► Possibly the south of France in September

Production editor David Buckley

► Where I plan to go has quarantine in place, never mind what might happen when I get back

Senior designer Chris Stringer

► As soon as the campsites re-open we will be taking the caravan down to the Norfolk coast

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