Car dealers gear up for future progress in a different new world…

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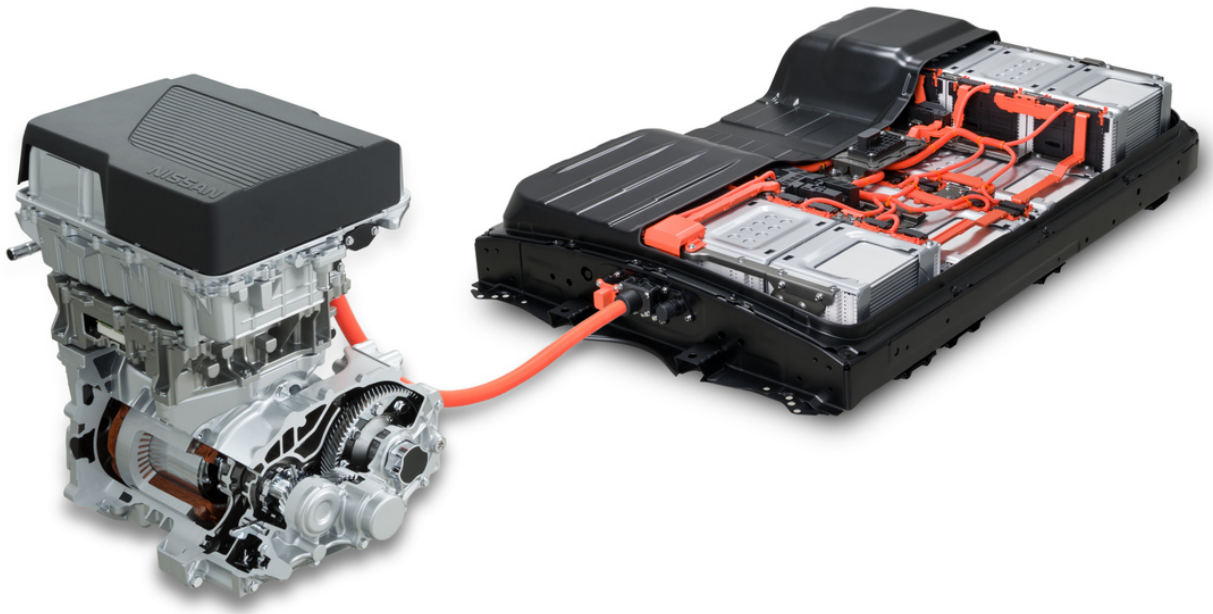

Nissan LEAF ev powertrain.

Electric Vehicle shocks for dealers…

…By Robin Roberts (and Miles Better News Agency).

The move towards electric cars is going to be a shock for many car dealers, according to a

new survey.

While they are generally satisfied with the manufacturers' plans to introduce battery electric vehicles and hybrids, they are far less happy about their dealership costs and how they are going to make money out of them in the longer term.

Already coping with new restrictions surrounding working with coronavirus-19 and dealing with customers, the dealerships are embracing many more on-line solutions to contact, selling, buying and servicing vehicles.

Dealers who embrace active contact like telephoning and emailing or texting customers has paid off in the first two months of lockdown with sales and service work coming through businesses. Those who simply closed doors and pulled down the shutters have seen business collapse and it's going to be a struggle to restart.

When and how customers return is going to be a challenge and dealing with them even tougher. The Independent Garages Association is introducing a safely certified scheme for members to display at entrances and on websites in June.

Helpfully, the National Franchised Dealers Association and Society of Motor Manufacturers and Traders have worked to ensure all showrooms are safe spaces for employees and customers.

The best-practice guidance covers the entire customer experience, from booking appointments to showroom interactions, test drives, click & collect, part exchanges and aftersales, and includes advice on staff training, signage, sanitation and protective personal equipment.

Developed together with dealers and manufacturers, it is designed to complement government guidance for the overall UK retail sector, to help dealers of all shapes and sizes implement legal requirements as part of individual risk assessments in line with their unique business and customer needs.

The news follows the publication of government guidance to help businesses across all sectors get back to work safely. While workshops and vehicle deliveries have been allowed to continue throughout the lockdown period, the closure of sales premises has had a devastating effect on the entire industry, with the new car market falling -97.3% in April.

This forced factories across the UK, also impacted by lockdowns in global markets, to halt production. So the industry is now calling for car showrooms to be re-opened as a matter of urgency to help drive customer demand.

Last week the SMMT called on the Government to let the 5,000 UK new car showrooms open as a matter of urgency to help them and the economy by restoring spending and confidence, and said it was costing them about £61M a day.

Positive guidance

Sue Robinson, NFDA Director, said, “People need cars to get back to work. Often, getting work done requires the use of a vehicle.

It is positive that the automotive industry is working together to resume business as soon as possible in line with the government’s guidelines. The guidance will allow automotive retailers to provide the best possible service in sales and aftersales while protecting staff and guests. Automotive retailers are resilient and will be working hard to overcome any challenges to safely welcome customers back to the showrooms.”

Mike Hawes, SMMT Chief Executive, added, “A healthy new car market is a barometer of a strong economy and, with mobility so crucial to our everyday lives, now is the time to allow showrooms to re-open their doors.

This guidance signals that Automotive is ready to get back to work to support the government as it sets the wheels of the UK’s recovery in motion, drive manufacturing and help get consumers and businesses safely back on the move in the latest, cleanest, high-tech vehicles.”

Analysts looking at prices of used models on line have reported a rise in them, possibly due to the desire to ditch public transport and use more cars for commuting, with electric models beginning to fetch premiums and making money over what they were six months ago.

National EV Dealer Attitude Survey

Now, the latest edition of the NFDA EV Dealer Attitude Survey revealed key insights into retailers' views about electric vehicles.

The survey was first launched in May 2018 to monitor retailers' satisfaction levels with manufacturers' approach to the EV sector.

NFDA carries out the survey twice a year and asks retailers their opinions on aspects playing a vital role in the EV business environment. These include current and future product offering, supply availability, bonus and rebates, profit return, return on investment, finance, and incentives.

This survey saw the highest number of featured manufacturers (17).

Highest and lowest scores

The question 'how satisfied are you with your manufacturer's proposed plug-in and electric vehicles product range and the segments they will cover for the next two years?' received the highest average response score, 7.30 out of 10.

Dealers were least satisfied with 'return on investment in equipment and training for EVs and PHEVs' (5.38), 'bonus and rebates' (5.57), 'total sales margin on used EVs and PHEVs' (5.59) and 'supply' (5.62).

Supply

Average dealers' satisfaction levels with the availability of EVs and PHEVs supply saw a

number of notable movements compared to six months ago. While ratings rose for Peugeot and Nissan, the majority of manufactures previously featured in the survey experienced declines. Volvo and Renault saw the largest decreases in score. Toyota topped this question with 8.56 out of 10.

Toyota Prius PHEV.

Average score

The overall average score across all questions of the survey was 6.02 out of 10. Toyota had the highest average, 8.60 out of 10. Kia and Nissan followed with 8.44 and 7.68 points respectively. Five manufacturers had average scores below 5.0: Seat, Skoda, Vauxhall, Renault and Ford.

Kia eNiro.

Nissan LEAF.

Sue Robinson added, “It is encouraging to see that a large proportion of retailers are optimistic about their manufacturers’ proposed EV product range. This will help retailers meet the growing consumer demand in the short and medium term.

“Although it still represents a relatively small proportion of the UK car parc, the EV segment is growing rapidly. It is important that retailers and manufacturers work closely together to address concerns that may undermine the development of the sector, particularly, around return on investment, bonuses and supply constraints.

NFDA will continue to cooperate with franchised dealers and industry stakeholders to drive forward the development of the electric vehicle market”.

It is clear from the survey that electric vehicles will become a good proposition to sell new or even keep within a franchise and sell second hand, although their less intense servicing requirements will reduce workshop income and dealerships will have to look elsewhere to make up the loss. Finance, insurance and extras or options will become even bigger earners as time passes and more EVs are put on the roads.