



SERVICE PLANS



# SERVICE PLAN FIRMS LOOK FOR NEW TOOLS AND MARKETS

Service plan providers are growing both their dealer customer bases and workforces as they expand the range of products they offer into video, telematics and digital tools

**A**s well as having to expand their workforce to cater for new dealer and manufacturer contracts over the past 12-18 months, service plan providers have also been at the cutting edge of product development, marketing and customer service initiatives.

Iain Nickalls, director of eDynamix, said the company has increased its dealer base by more than 25% over the past 12-18 months, and that one or more of the company's systems are now used by more than 1,300 dealers nationwide.

Among the most significant contract wins, he said, were the national service plans for Hyundai Motor UK, MG UK & Australia, Toyota Netherlands and Harley-Davidson.

It secured the contract to supply service plans and/or interactive vehicle health checks (iVHC) for Richmond Motor Group, Worcester Car Sales, Furrows, Read Motor Group, Taylors Group, David Hayton and Hills Motor Group.

In terms of product development, Nickalls said the Connect app, which eDynamix launched in late 2016, has continued to be rolled out, enabling manufacturers and dealers to monitor service plan performance across the group, by dealership, sales channel and user.

It also allows them to review information from

**“THE PROBLEM IS HAVING THE CUSTOMER BUY INTO TELEMATICS, WHY IT IS A BENEFIT TO THEM... WITHOUT THEM FEELING LIKE ‘BIG BROTHER’ IS WATCHING IAIN NICKALLS, EDYNAMIX**

iVHCs, online bookings, customer follow-ups and surveys.

“We are fully aligned with CRM (customer relationship management) and online bookings, so that service reminders sent from CRM include a link to online bookings and it automatically populates the due services as part of the plan,” said Nickalls.

“We have made our service plan system available

through a series of API (application programming interface) calls, which means that the entire process of configuring and confirming a service plan can be embedded in a third-party system.”

He said eDynamix had integrated service plans into its new sales lead management system, Sales Desk, which encourages sales staff to sell service plans throughout the sales and aftersales process. And to help dealers comply with GDPR (the General Data Protection Regulation), Nickalls said eDynamix had launched a product called iConsent.

“We have also released Video1st Online to allow dealers to push sales videos to their own YouTube channels, which helps not only search engine optimisation (SEO), but also increases enquiries and, ultimately, sales,” said Nickalls. “In addition, we have released Stock Master, to manage dealers’ group stock to help increase stock turn, and this is fully integrated with Auto Trader’s iControl portal and Sales Desk.

“We have updated our eVHC system with our Active Digital Reception module, allowing service advisers to check in customers using the app, identifying any damage, further requirements and agreeing pick-up and contact times. Plus, we have introduced a new system allowing dealers to control and reduce their WIP (work in progress)/debtors from the DMS (dealership management

system), which has proved extremely popular.” Other advancements, he said, include the introduction of its online service plan quoting engine, which allows customers to confirm their service plan using paperless direct debits.

eDynamix recently became a BACS Bureau, enabling it to collect customer payments on behalf of dealers and manufacturers and pay it directly into their bank accounts, with their company name appearing on the customer statement, said Nickalls.

Nickalls said eDynamix had expanded its workforce from 59 to 81 employees over the past 18 months, mainly in its development and support team.

To support future growth, the company is also moving into a larger premises imminently, he said.

Among the new hires were a strategic account manager responsible for manufacturer and partner relations, two business development managers for London and the south, and the midlands and the east, said Nickalls.

Looking forward, he said eDynamix is doing a lot of work with telematics, which alerts dealers when a vehicle needs servicing and also enables them to sell a service plan at the point of sale.

“The problem is having the customer buy into telematics, why it is a benefit to them and why they should be subscribed without them feeling like ‘Big Brother’ is watching,” said Nickalls. “A customer app which uses this data is great, but you need to give the customer a reason to install the app and keep using it.”

Another key player, EMaC, reported another year of growth in service plan sales, generating more than £252 million in aftersales revenue in 2017 for the UK franchised dealer market.

John O’Donnell, its managing director, said the company’s key wins included Kia, for whom it is now sole administrative partner for nationally promoted consumer service plans, and Cambria Automobiles, as the sole provider for consumer service plans across its group dealerships.

It has also been appointed BMW’s administrative



**“[DRIVE NOW, PAY LATER] RECOGNISES THAT BIG-TICKET COSTS CAN COME AT INCONVENIENT TIMES JOHN O'DONNELL, EMAC**

partner for used vehicle consumer service plans.

One of EMaC’s biggest product launches, said O’Donnell, was AutoQuote in autumn 2017, making it easier for dealers to produce quotes and secure service plan sales.

It works by using data received from the dealership to generate quotes, which are sent to the retailer to be printed for the consumer.

The company’s new Self-Serve facility, run by GForces, also enables consumers to buy service plans any time of the day online via the dealer or manufacturer website of their choice, said O’Donnell.

“It can be embedded into a dealership’s existing website with no need for extra ‘pop-out’ windows, making it easy to integrate within the consumer’s online purchase path,” he said. “Dealers and manufacturers can also control the look and feel of the landing page, with EMaC support, offering best-practice advice on how to keep consumers engaged.”

Among its other big launches was Drive Now, Pay Later, the first in EMaC’s new range of solutions to help dealers develop new revenue streams, said O’Donnell.

Developed in partnership with the Swedish bank and e-commerce provider Klarna, Drive Now, Pay Later gives dealers access to a credit facility to help consumers finance repairs and other vehicle-related expenditure.

“This solution recognises that big-ticket costs can come at inconvenient times, providing a facility to spread the cost evenly through an agreed payment plan,” said O’Donnell. “With full support from

EMaC’s experienced field team to set up the programme, dealers also benefit from staff training, ongoing performance reviews and best-practice advice.”

EMaC has also increased its team of dealer-facing field-based sales development managers and has established a dedicated department to look after manufacturer and commercial partner relationships, said O’Donnell.

In addition, the company has put more resources into its outbound sales team to develop its aftersales retention strategies with dealer and manufacturer partners.

The Warranty Group was taken over by New York-based insurance specialist Assurant in a \$2.5 billion (£1.93bn) deal in May.

The acquisition will provide Assurant with new client partnerships and distribution channels, including dealer networks and national accounts, and greater consumer insights, which will be used to capitalise on key trends in the motor retail market to improve customer service.

With annualised revenue of more than £1.54bn as of March 31, 2018, The Warranty Group will also expand Assurant’s size and scale within vehicle protection, extended service contracts and financial services.

In August, Assurant announced a three-year agreement extension with The RAC until at least 2024, covering a range of RAC-branded warranty and other dealer insurance products, as well as the RAC Dealer Network and RAC Approved Dealers. **ALEX WRIGHT**