

SPOTLIGHT: FUTURE OF MOTOR RETAIL



The large Mercedes-Benz site at Stockport staged an art display at Christmas (far right) and uses its showroom to stage small events such as a tropical handover for a new 71 plate customer

Benefits of multi-tasking

Dealerships with large showrooms at their disposal could consider widening the scope of how they use the space to create other complementary income streams

As omnichannel sales, agency fees and low-maintenance electric cars become a norm, it will become imperative for car dealerships to identify new revenue streams. Given the generally large amount of space at the disposal of dealerships, among the biggest opportunities is using showrooms to host meetings and social events.

Dealers are now renting out their space for everything from business conferences to concerts. Often clients are attracted by the size and convenience of the location, while it also gives dealers the perfect opportunity to promote their brand.

Prime examples of this are Mercedes-Benz's Stockport and Birmingham sites, which are both used as a destination experience. A business enterprise group has booked an event for 200 people at the £65 million, 10-acre Stockport venue off the M60, such is its scale.

In addition, LSH Auto, the dealer group which operates the site, hires out rooms for small meetings, and provides state-of-the-art conference facilities and bistros.

"We believe in offering a variety of reasons to visit our dealerships, but that's absolutely not to replace vehicle sales with alternative revenue streams," says LSH Auto managing director Martyn Webb. "Rather, our additional services are designed to complement vehicle sales."

He adds: "One client has specifically requested some electric vehicles (EVs) are parked outside the event space because they are moving towards an electric fleet. It's a great example of how our facilities can be flexible and adaptable to meet the requirements of the client."

COMMERCIALISED EV CHARGING

By commercialising EV charging, retailers can provide a host of new services to the customer. These include the use of catering and retail outlets while they wait for their vehicle to charge.

EV chargers can also be used by a dealer to display digital marketing to advertise and sell its product to customers. This tends to be used on larger and rapid chargers, where it can be more prominently displayed.

LSH Auto has appointed an EV charging

network supplier to install additional charging spots across its locations, starting with its Mercedes-Benz sites in Tamworth and Solihull. Initially, they will be used to charge new vehicles and those being serviced or repaired in its workshops, as well as for staff use, but, eventually, they could be used at its Stockport and Birmingham bases, where LSH has on-site bistros and longer opening hours.

"It's true to say that offering additional services such as EV charging could help draw people to a forecourt, and many dealers will be considering installing charging points as EVs become more common, so there may be a commercial opportunity there," says Oodle managing director Phil Williams. "However, we think it's a little unrealistic to expect that using a showroom for general leisure activities is likely to generate enough additional revenue to make it worthwhile for many dealers."

LEISURE ACTIVITIES/EXPERIENCES

To make their showroom a true destination, dealers can provide leisure activities or



experiences such as simulators and cinemas. Dealers in other countries are already excelling at this, with the JM Lexus Country Club in Margate, Florida, opening a 3,000sq ft putting green area on its service centre's rooftop terrace, and saunas and swimming pools being installed by some dealers in Finland.

LSH Auto's Stockport branch has a TrackMan Golf Simulator (left) that customers can use while they wait for their vehicle to be serviced. There are even lessons available from resident golf professional, Sophie Walker, who played on the Ladies European Tour for 13 years and competed in more than 200 events including the Women's British Open and US Open.

The site also has a private cinema room for eight to 10 people (left), where screenings have been held previously for customers at Christmas.

It's also available to hire for private use, meetings and events. For example, small groups can choose to watch their favourite sporting events such as the FA Cup and Champions League finals.

In addition, dealers can put on exclusive events through their car owner clubs.

By partnering with luxury and heritage brands, they can offer their members an enhanced retail experience.

"We often put on customer events that are a good fit with our brand," says Webb.

"For example, we recently hosted a men's fashion event with Harvey Nichols and in July we're having an AMG Day with the AMG Owners Club coming to Mercedes-Benz of Stockport, which will be another opportunity to invite customers to bring their friends and family to enjoy a day out."

LAST-MILE MOBILITY

Another potential income stream for retailers is the sale or rental of last-mile mobility such as electric scooters and e-bikes, as well as camper vans. Some dealers even sell lawnmowers and boat engines.

Leading the way is Seat's MO, a 9kW e-scooter, which can do up to 87 miles on a single charge and can reach speeds of up to 59mph.

Peugeot also sells the Micro e-Kick as an accessory for the Peugeot 3008.

Hendy Group has gone a step further with the launch of its Hendy Go short- and long-term car rental service. Provided in partnership with Karzoom, the online service enables customers to rent a range of brands and models from its Bournemouth, Portsmouth, Salisbury and Southampton dealerships.

Peter Vardy Group has also brought out its UK-wide business vehicle rental service. Peter Vardy FlexAuto will provide a comprehensive range of makes and models for hire, from small cars to commercial vans, enabling businesses to better control and reduce their fleet costs.

"This is this a whole new venture which will complement the Peter Vardy vision of 'Mobility for Everyone,'" says Derek Longmuir, operations director at Peter Vardy Group.

"We believe business owners and directors, faced with ever-rising transport costs, will welcome long and short-term vehicle solutions from a family business with an established reputation for being trusted, transparent and customer-focused."

ALEX WRIGHT