

PROVIDERS HONE THEIR PRODUCTS FOR A 2023 MARKET UPLIFT

Demand remains strong for service plans that allow motorists to spread their aftersales budget

Service plans have provided some of the biggest sales opportunities for car dealerships over the past 12 months. As the used car market continues to remain strong and customers have been holding onto their vehicles for longer, so they need to service and maintain them more regularly.

In response, service plan providers have been capitalising by increasing and enhancing their offering to help dealers retain their customer base through their aftersales.

Among leading providers has been EMaC, which has broadened its product range over the past year. Among the company's biggest wins have been service plan contracts signed with SsangYong Motors and Volvo, as well as the AA.

"Historically, we have worked directly with manufacturers and dealers," says Liam Finney, EMaC's director of commercial partnerships. "So, working with online aggregators and marketplaces such as the AA is a new and interesting vertical for us, and one that we're looking to expand further into."

In addition, Glyn Hopkin and John Clark have both gone live with EMaC's subscription warranty product, which consolidates a single monthly direct debit payment with no upfront deposit required and complements its service plan offering.

And West Way Nissan has also taken up a tyre and alloy product.

"The subscription warranty product will be a game changer," says Finney. "Not only will it provide the consumer with the full package of warranty, service plan and breakdown assistance, but, because of the way the product is structured it also provides dealers with the opportunity to earn

upfront commissions in the same way as if they were taking the money in full from the customer in a standard warranty process."

EMaC has been educating motor retailers on the new product and providing them with the collateral to market to their customers. It has also been working with a PR firm on its new system launch, which is coming out later this year.

Additionally, EMaC has made some senior appointments in its commercial team to support its growing warranty product portfolio as well as its wider offering. The company has also invested significantly in its IT team. Tying in with that, EMaC will be launching its new service plan and warranty app later this year.

The company has also changed the role of its field-based sales team to give team members full autonomy of customer service initiatives and short-term, quarterly and tactical incentives for the service, sales and aftersales teams they work with across the territories they operate in.

Another firm that has benefited from the increased demand for service plan products is eDynamix. The company has continued to grow



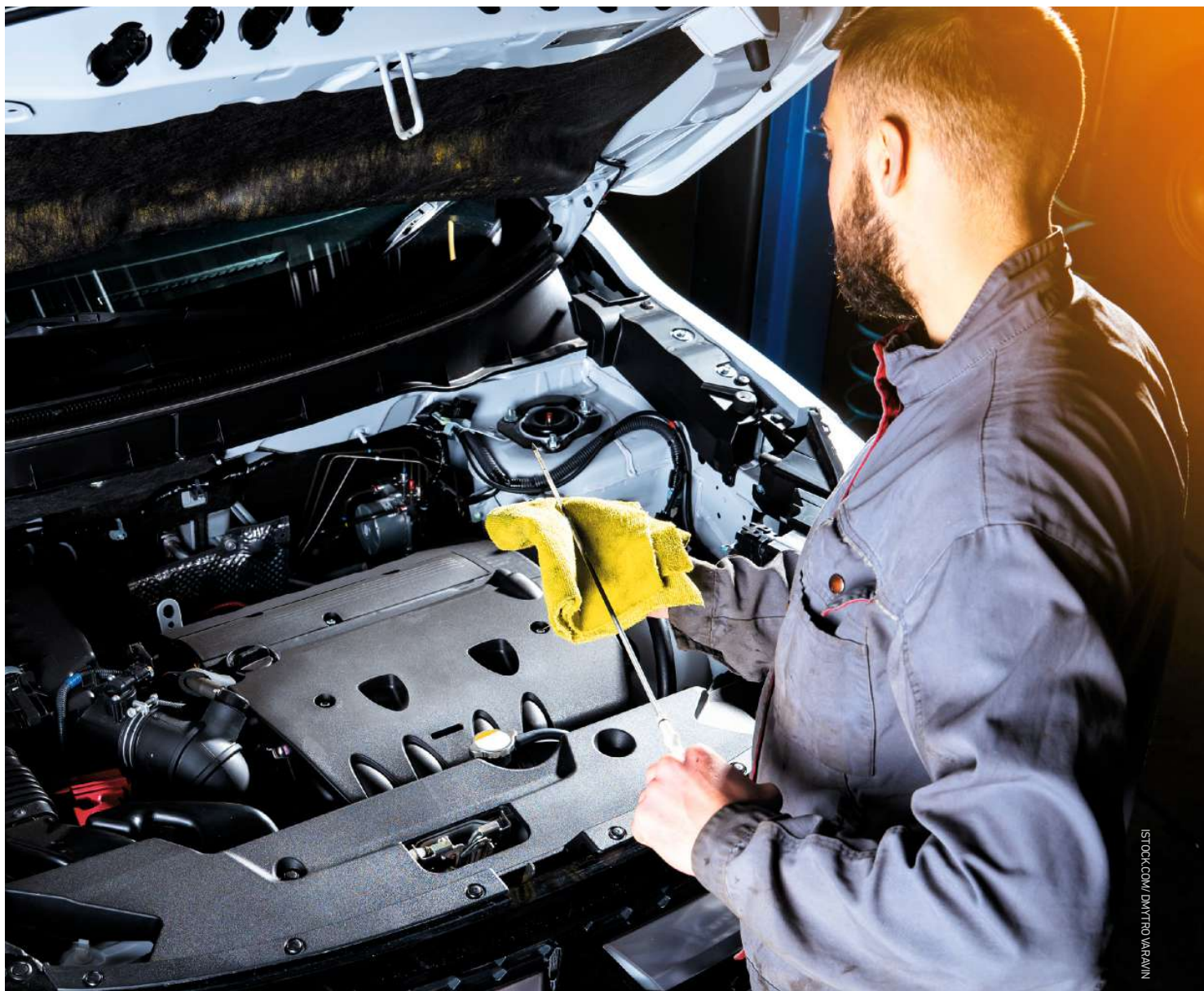
over the past year, increasing its workforce by 32% and has expanded into 10 new countries.

It has also implemented the JLR National Service Plan Programme and relaunched the MG National Plans.

Another key development is the establishment of the Hyundai UK Ioniq 5 and 6 subscription platform, which is part of a bigger project with Hyundai Motor Europe, leading to relationships with Hyundai Czech Republic, France, Germany, Italy, Netherlands, Norway, Poland, Slovakia and Spain. In terms of dealer groups, the company has also taken on Allen Motor Group, Ancaster, John Banks Group and Westaway.

“WE SEE AN AVERAGE OF 67% OF ELIGIBLE (SERVICE) PLANS RENEWING, MEANING CONTINUED CUSTOMER RETENTION FOR OUR CUSTOMERS

FAYE STALEY, EDYNAMIX



ISTOCK.COM/DMITRI YARAVIN

BOOKINGS MODULE

"We have launched the implementation of automatic service plan renewal, which has been a huge success – we see an average of 67% of eligible plans renewing, meaning continued customer retention for our customers," says Faye Staley, strategic account director at eDynamix.

"We have also implemented maintenance funds to service plans, which means a customer can choose to add an additional amount to their plan, which allows them to draw down on it for unscheduled items, such as bulbs or wipers, should they be needed during the plan's duration.

"We have also developed the inclusion of an integrated annual renewable warranty product to our portfolio through our relationship with Car Care Plan, which will soon be extended out to monthly renewable, and we will be adding additional products, such as roadside assistance, in the not-too-distant future."

On top of this, eDynamix has been piloting its Glovebox online portal which enables customers to manage bookings, view previous vehicle health checks, send messages, view digital documents and view and manage their service plan. It also allows them to configure and buy service plans.

"We have also been finalising our new bookings module, which is fully integrated into Keyloop DMS and allows call centres to create and amend bookings from within the extso platform," says Staley. "Bookings created within extso are fully updatable, amendable and cancellable by customers online, no matter if the original booking was taken over the phone, by email or online."

Additionally, the company has expanded its UK field team with the hire of two new account managers – Hayley Manning (south-east region) and Steve Kewin (north-west). It has also promoted Staley to strategic account director and continues to increase headcount in its support and development teams to ensure a high and consistent customer service level.

Car Care Plan has enjoyed its best year as revenue increased 117% year-on-year thanks to dealers having more time to focus on selling its products.

The company has broadened its product suite over the past 18 months, with the launch of a cosmetic and alloy membership scheme, an EV drivers club and a smart fob and app, which enables users to find their car keys and phone.

It has also partnered with eDynamix to provide a combined warranty, service plan and breakdown assistance package on a monthly subscription.

"Car Care Plan's foundation is in being a traditional company, but, over time, we have become much more digitally advanced and nimble in the marketplace to meet our customers' changing needs," says Chris Strong, its head of product innovation and dealer strategy. "In line with that, we have built a sales platform that can be embedded into OEM or dealer group websites that enables them to sell our products directly to customers."

EVs are now included as standard in the company's warranty product, while its EV drivers club helps customers in the transition from internal combustion engine (ICE) vehicles to EVs. Membership also entitles them to charging discounts and covers them for vehicle health checks.

Car Care Plan has won service plan contracts with two major OEMs and between 20-to-25 small- to medium-sized dealer groups. Most of them also include warranty as part of the package.

The company has also been active in its recruitment. It has appointed Simon Cook as sales director and will announce a new national service plan manager soon, while it has also fully trained and accredited its business development managers on its service plan systems.

ALEX WRIGHT