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AUTOTALK LIVE! TO BRING DEALERS TOGETHER IN 2020



RICHARD EDWARDS
MANAGING EDITOR

2020 has been a challenge in so many ways for the market. First there was lockdown, then the need to brace for the expected economic impact, and now we have been surprised by the need to deal with a somewhat booming market.

The rapid changes are leaving many with questions. Am I doing the right things? How does my dealership compare to others? And do I have the best tools in place to give my business the best chance of soaring in the post COVID-world.

To help, Auto Media Group is excited to confirm we will be holding a two-day dealer event in Auckland during November this year. **AutoTalk Live!**

Day one will see dealers and their staff come to hear from industry experts on the latest industry benchmarks, strategies and products. There will be the chance to network with colleagues and suppliers with breakout sessions and a networking lunch.

Day two will provide the option to hit the road to check out some of the landmark dealership developments that have popped up over the city in recent years.

With dealers unable to travel this year to the Australian Automotive Dealers Association conference, which has been delayed, or similar conferences overseas, we think this will be a great chance for dealers to meet and learn locally.

Plus, travelling to Auckland for those outside the city is cheaper – if not as exciting – than heading to the Gold Coast or Las Vegas!

AutoTalk Live! ties into our ongoing mantra of celebrating, informing and educating the New Zealand automotive retail industry, and ties in well with the **Autotalk.co.nz** website, **AutoTalk** magazine, our webinars and recently launched podcasts.

More details will be released in coming weeks.

On the topic of podcasts, thanks to all of you have downloaded and listened to the episodes released so far. Hundreds of downloads have been made so far – that is hours of content out into the market.

Our cover story this month, featuring outgoing VIA chair **Graeme Macdonald**, is a great example of why podcasts tie in so well to what we do here at Auto Media Group. It features content not discussed in the print version of the article, and you can hear the information from the horses mouth so to speak.

HOW HIGH IS THE BOUNCE

I am not sure anyone could have predicted how far back the market could have bounced since COVID. Even the experts are a little shocked – **Neeraj Lala** from Toyota NZ saying this week they were scratching their heads a little about how resilient the market had been.

The question is, will this just be a bounce, or will it last?

There is a lot of doom and gloom floating around at the moment, warnings of what will happen when

the wage subsidies end, fears of the housing market collapsing, and mass redundancies.

Certainly within the automotive trade at both a dealer and distributor level, there have been job loses.

But there have also been positive signs. House prices have been resilient, job listings are returning, and car sales have rebounded... wait, that is us!

Yes, car sales are an economic indicator that things might just be ok. And when the ongoing issues from an economic hit like this are to confidence, perhaps it is ok to stop and believe for a minute to think that things may not be so bad. And plan accordingly.

A steady stream, some two-to-three Howard expats are returning to New Zealand monthly, and virtually all need a car. And if comments from the luxury car industry are anything to go by, some are cashed up. Plus cars appear to becoming the default place to spend the holiday cash you can't spend overseas.

These two drivers are not likely to change anytime soon.

Richard Edwards
MANAGING EDITOR





MATT BATTLE



KEN QUIGLEY



CHRIS STEPHENSON



SEAN STEVENS



DAVID VINSEN

NEW VIA BOARD CONFIRMED

The four members of the trade that will act as the new board of VIA have been confirmed following the organisation's AGM earlier in the month.

The board was selected by the council, itself made up of representatives of the financial members. While the council will set the policy direction, the chief executive officer will report directly to the board.

The process to select the board took two weeks, with the outgoing board remaining in place in the meantime.

AutoTalk understands the official handover to the new leadership occurred Monday, August 3.

The new board consists of **Matt Battle** from Moana Blue, **Ken Quigley** of Jacanna, **Chris Stephenson** of Enterprise Motor Group and **Sean Stevens** of Vehicle Inspection New Zealand.

A chairman has yet to be selected – this will be done internally within the board.

Chief executive **David Vinsen** is

pleased to have the new board in place, and looking forward to working under the new structure.

"I am meeting some of the new board on Thursday morning," he notes. "I am pleased the functions of the board have been separated in a way that industry issues will be the property of the council."

For Stephenson, taking up a position on the new board is somewhat a case of history repeating. Previous leaders of Enterprise Motor Group, including the late **John Nicholls** and founder Fred Lewis have played big roles in VIA's history.

"It is a chance for me to follow in some really big shoes," Stephenson says.

Stephenson has worked behind the scenes on the change to the new structure, and he is pleased to see it come to fruition.

"I have been actively involved over the last little while, and I am really pleased to see the council structure come together," he notes.

He notes the new board has a

different role to the outgoing one.

"Our roles on the board are really for pure governance – ticking the boxes and working closely with David [Vinsen] to keep delivering on what the council wants."

Matt Battle sees his position as a continuation.

"I was co-opted onto the board last year, so in a sense it is following though from that – a bit of continuity."

He believes it is important VIA remains strong, and its new structure will assist that.

"I understand the importance of VIA and how critical that it is as a think tank of sorts."

AGM FAREWELLS LONG STANDING LEADERS

The AGM farewelled long-standing members of the association's board.

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COULD NZ HAVE A VOLUNTARY CO2 EMISSIONS STANDARD?

The Australian Federal Chamber of Automotive Industries confirmed last month plans for a voluntary CO2 emissions standards for local distributors – getting ahead of any potential government regulation.

We asked the MIA whether a voluntary CO2 emissions standard like that being introduced in Australia could apply here.

Australia's Electric Vehicle Council chief executive **Behyad Jafari** says it could open the door there for EVs.

MIA chief executive **David Crawford** says it had considered whether to

pursue a voluntary agreement in 2017 in lieu of the government at that time not proceeding with a fuel economy standard.

"However, with the Labour/NZ First coalition and support with the Green Party this came back on to the government's work programme," he says.

Under the current programme, the MIA reconsidered what the issues are and what policies might best address the issues.

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DAVID CRAWFORD



BEHYAD JAFARI

...from page 3
New VIA board confirmed

The AGM was the last under the old board structure, and was the last chairmen **Lloyd Wilson** and **Graeme Macdonald**, who were acknowledged for their efforts.

Secretary **Alistair Sheard** also retired after 32 years in the position, and will take up a new role as patron, replacing the late **John Nicholls**.

David Vinsen says he was pleased to be able to table a balanced budget for the association at the meeting.

"We are able to draw a line under [our previous deficit] as I tabled a balanced budget with no loss. Already for the first three months of the year we have put a lot of money back in the tin."

Vinsen says the meeting was very positive about the association's work.

"They want us to keep on doing what we do," he says. "Some of our members have said they do not expect VIA to have all the answers, but they do expect us to facilitate the discussion."

Unlike all previous VIA AGMs, this year the meeting was closed to media.



TURNERS EXPECTS USED CAR MARKET TO BOUNCE BACK



GRANT BAKER



TODD HUNTER

Turners Automotive Group says it's looking for new opportunities post-COVID, and its strength still remains in automotive retail.

The company has released its annual report which says FY20 was on track with organic growth in underlying earnings for three of its four businesses until COVID hit.

In a letter signed by chairman **Grant Baker** and chief executive **Todd Hunter**, they say given the impact of the pandemic in the last six weeks of the financial year they are "pleased with the results".

"Year on year, we were slightly ahead on reported net profit before tax at \$29.1 million and we delivered strong growth in underlying earnings, which were up 11% to \$28.8m.

"The COVID environment has highlighted the value of a diversified portfolio of businesses, and the inherent 'annuity' nature of three of those businesses.

"Three of our four businesses (Oxford Finance, Autosure Insurance and EC Credit Control) were profitable even during the L3/L4 lockdown period.

"We launched our new strategy in May 2019, with a focus on three key themes – simplify, de-risk and grow our business. These directed our actions for most of the year.

"We are creating a more streamlined and cost efficient business, growing our

market share in sectors where we have a dominant position and building on our strengths to position our

businesses as the preferred choice for our customers.

"Key achievements include our investment into ASX-listed Collaborate Corporation, a tech- focused car-sharing and vehicle subscription business based in Australia; the continuation of our property strategy with the development and opening of two new sites with a further four planned for FY21; and the completion of the Oxford Finance strategic review," they say.

Turners reports a softening in the used car economy, starting in the second half of the FY19 year continuing into FY20, further compounded by the COVID-19 impact at the end of FY20.

"However, underlying demand remains robust driven by New Zealand's ageing fleet, with hundreds of thousands of cars needing replacement over the next few years."



...from page 3 **Could NZ have a voluntary CO2 emissions standard?**

"Our view is that there is a demonstrable need to decarbonise transport," Crawford explains.

"The decarbonisation pathway should, in our view, be technology agnostic focusing on a reduction of greenhouse gas emissions from transport. Left to the market, decarbonisation will happen, but the question remains is it happening fast enough?"

Crawford says the MIA's position is that the New Zealand market is a technology taker, not a technology leader.

"It can never be a technology leader

when it comes to vehicles as our market is too small to influence manufacturing decisions. However, a fast technology taker we can be," he adds.

"To achieve this the best initiatives are those that influence the purchase decision.

"A fuel economy standard is, in our view, a poor mechanism to do that as it is a supply side policy mechanism.

"Incentives or a feebate system would make a material difference at purchase time and for that reason we prefer a feebate scheme over a fuel economy scheme."

A feebate scheme was included in a proposed "Clean Car Plan", but both the "Clean Car Discount" (feebate) and "Clean Car Standard" which sought to introduce emission standards were reportedly blocked by NZ First and are unlikely to be considered further before the September 19 general election.



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MERCEDES-BENZ CARS NZ MOVING TO AGENCY SALES MODEL IN 2022

Mercedes-Benz Cars will move to an agency sales model in New Zealand for its full range of passenger vehicles from January 2022.

The New Zealand distributor confirmed the move to media by email, following a similar announcement in Australia.

"Mercedes-Benz New Zealand is working closely with the Mercedes-Benz retail network to develop a plan that ensures we continue to deliver the best customer experience and address customers' present and future expectations," a Mercedes-Benz Cars spokesperson says.

"This change was successfully introduced in Sweden more than 12 months ago, and New Zealand will be another of the earlier markets to make the switch, alongside Australia," the spokesperson says.

Mercedes-Benz Cars is moving to an agency model, where permitted, in export markets around the globe, as part of its digitalisation strategy for sales and aftersales.

The Mercedes-Benz AG board member for marketing and sales **Britta Seeger** made this announcement during a recent media roundtable for the brand's "Best Customer Experience 4.0" marketing strategy presentation.

Seeger says that moving from a franchise model to an agency model better suits the online dealership experience, making the brand fit for the future and enhancing

the customer relationship.

Mercedes-Benz expects to achieve more than 25% of global passenger car sales through online channels together with its trading partners by 2025.

"I truly believe this is the future model of doing things in automotive," Seeger says.

In an agency model the distributor retains ownership of the vehicle stock, which reduces the financial risks for dealerships holding large sums of floor plan finance.

But the agency model is more restrictive in some areas for the dealer as the distributor sets the retail price of the vehicles and pays the dealership a set fee for each sold vehicle. There is no opportunity for buyers to negotiate the price of the new vehicle.

Honda New Zealand moved to an agency model called "Price Promise" in 2000 saying it was a way of maintaining equity, transparency, consistency and value for buyers. In 2018 Toyota New Zealand confirmed a shift to a similar model under their "Drive Happy Project".

Mercedes-Benz introduced the agency model in South Africa in December 2017, and then Sweden in 2019. It says the model will be introduced to the Austrian market this year.

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MACDONALD MOVES ON

VIA CHAIR DISCUSSES HIS EXIT, THE PAST AND FUTURE

*Graeme Macdonald has played a key role with VIA and the used import motor vehicle industry, but the association's annual general meeting this July was his last as North Island chairman. He sat down with **AutoTalk** editor Richard Edwards recently to discuss the move, and his time with the association, for our podcast.*

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INTERVIEW



Graeme Macdonald says he and South Island chairman **Lloyd Wilson** had been contemplating resigning last year, but with the association embarking on a restructuring programme, they decided to stay and see it through.

"There was a lot of work to be done," Macdonald says. "There were a lot of decisions to take around the future of the association that required background knowledge ... to find a framework that would be fit for the future."

When they began drafting the physical restructure "we could see that the idea of a council and the idea of a new board of directors was exciting, it was a new direction for the association."

With the restructure plan completed before this year's AGM, they felt it was time for new people with new ideas and new concepts of how to run the association "to take it and run with it."

"It was a good time to step aside ... and let the new structure take its place."

Macdonald says VIA has evolved from being dealer-led to more of a supply

chain representation. "When I first got involved in 2006, it was still very much a member association. You had dealers like us at Croydon, who paid our money each year to have representation.

"Everyone knows that's changed over the last 14 or so years, and the funding for the association has come down to the businesses, the corporates, the bigger members that actually fund us that have the most to do with the vehicle supply chain, whether it's in Japan, all the way down to sale here in New Zealand.

"And so really, that dealer role, I suppose, was becoming increasingly redundant."

Macdonald says VIA's relationship with the Government has changed from being constantly in combat to "trying to work up-front and stop some of the curly and nastier issues becoming law".

He says reaching agreement with the Government on timing for the introduction of mandatory electronic stability control (ESC) on used import vehicles probably tops the list of VIA's achievements.

When VIA learnt of the proposed

legislation, there was talk of ESC being made mandatory for used imports by 2016.

"I think it was across the entire fleet and back then would have seen the decimation of the industry."

Macdonald did much of the research and wrote the business case for the association on ESC's impact on the used import fleet.

"I analysed the Japanese light fleet up to 2012 and came to the conclusion there was just no way it would work. And from there, in the succession of meetings we had with the minister at the time, the ESC deal was eventually done – believe it or not around a table."

"We came up with the idea in this meeting, of having a series of stepped changes, and it was revolutionary because it actually made sense.

"It gave the industry some breathing space. And the understanding that the light fleet would eventually be covered, was a win-win for everybody."

He says he's been "pretty comfortable" with the outcome of most issues VIA has been involved in. "I mean, there's been a lot of successes."

He didn't seek a seat on VIA's new council. "I thought the best way forward was a clean sheet for the incoming council," but he'll continue to be a VIA member.

Macdonald also works with AIMVIA, the Australian Imported Motor Vehicle Industry Association, and says the need for an association to take control of lobbying at a higher level for the future of the Australian motor vehicle industry became obvious in the mid-2010s.



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...from page 8

"I was invited to go across and help set up a trade association, which is exactly what we did. We looked and we met with government officials, we asked questions about what would be effective, what was needed, what the position was."

Frequent changes of Australian government and ministers has often complicated the situation.

Now an elected member of the board, he says he brings to the table "a passion for independence".

"I have always had a passion for the industry and the rights of the industry to sell motor vehicles. I've lobbied in New Zealand on that basis ... and Australia is no different.

"I see [Australia] as a highly restricted marketplace – it is overpriced. It's restricted by all these different commercial pressures – from the new car industry in particular, but also by government – and to me that's wrong, fundamentally wrong."

Because he's not involved directly in the Australian used car market, Macdonald says he brings an independent insight to the board.

Members of the Australian board have learned to leave their personal agendas at home. "One of the hardest things was trying to get these guys to think about what's good for the industry, not just their own business, and it was a really hard challenge to overcome because



MACDONALD VISITING AN ARMACUP OFFICE IN JAPAN.

they'd never had to think like that before.

"So my job now is, in part, acting as the independent arbitrator, if you like, between all these different pressures, and making sure the pathway the industry goes on is forward for everybody, and not just for the benefit of one or two parties."

Macdonald was involved in the heyday of used car importing in NZ and says the business has changed.

"I mean anyone can buy a car now in Japan and import it: Just talk to the friendly man on Facebook who sells cars

and push the button, pay the money or not pay the money as the case may be, and lo and behold the car turns up. Put it on Trade me, put it on Facebook itself.

"I think we've done ourselves a disservice by how unrestricted the market now actually is, and people's lack of connection with the product.

"When we started out with this, you actually had to know your product. That's all changed and now it really is just a cookie cutter business. You have operators

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MACDONALD, VIA CEO DAVID VINSEN AND OPTIMUS GROUP PRESIDENT NOBUYA YAMANAKA.



MACDONALD, AUTOHUB CHIEF EXECUTIVE FRANK WILLETT AND AUTOTALK PUBLISHER VERN WHITEHEAD



MACDONALD WITH FORMER NATIONAL PARTY LEADER SIMON BRIDGES



...from page 9

who, if they weren't selling cars, it'd be vacuum cleaners, or some sort of domestic product.

"Cars just happen to be the commodity today that they can buy from 'X' and they can sell to 'Y', and with no real interface needed on the way through."

He says, however, that some operators have moved away from the cookie cutter approach.

"You can see businesses that are now taking a personal approach to retailing and they're good at what they do. They specialise in various products, they know their products, they've got good people involved, got good marketing involved.

"And there's still a huge part of the marketplace that wants to not just buy the car, but buy the experience.

"They want to know that the people they're buying from know what they're doing, know what they're selling.

"If there's a problem, they come back, the dealership's still there, they'll shake their hand make them a cup of coffee and say, 'Yep, we'll sort that out.' There's still a huge marketplace for people that want that retail experience."

He says Croydon Wholesalers reopened at COVID Level 3 "with no idea what would happen. We genuinely opened the doors and thought, 'do we have a business, will we even get to see a customer?'"

By May and June things picked up and July was "really successful". But strong post-COVID sales have exposed a new issue.

"The biggest issue we face, along with most of the trade, is actually finding more stock. It's really hard to buy in Japan, and we're genuinely facing an issue down the pipeline of having enough cars to sell."



Graeme Macdonald is a car man through and through – has been since his mid-teens.

He bought his first car at the age of 14, too young to have a driving licence – he'd get that within five days of turning 15.

"My mum was travelling overseas at the time, and I spotted an advertisement in the old *Trade & Exchange*," he says. Two Triumph Herald's were for sale in Manukau City for \$600.

"On the way home from the airport with my mother I badgered her to lend me the \$600 to buy the Triumphs, so I could take them both home and patch up one and sell it for profit.

"That was how I started – just buying and selling cars myself at school in Waiuku.

"I bought my first import back in 1987. It was a Mazda RX7, we all bought an RX7, right."

To avoid heavy duties and taxes, Macdonald brought the RX7 into NZ in two containers. "One container had a bodyshell and the other container had the engine, the trans, the wheels, the seats, everything else.

"So it came in as parts. Back in '87 all we did to register a car was front up to the Post Shop and say here's my car. Here's a bit of paper that says here's the chassis number. I'd like some plates please and that's exactly what happened."

In 1989 he started with Turners. "In those days the Turners' machine was a very effective training ground for young people in the industry.

"It was both a very commercially savvy business but very morally good. It gave you a good grounding in how to do good business. It didn't pay well, but as a training ground it was absolutely fantastic."

After Turners, it was two and a half years on the traditional Kiwi OE – in Britain and the USA.

For a year he drove trucks all over Britain and Europe, and was into an 18-month stint in America when **Nick Jenkins** who had the Croydon wholesalers dealership in West Auckland contacted him.

"Nick wanted to get involved in importing cars. At that time, he was still buying vehicles from the auction here in Auckland, but the import machine was obviously really starting to churn, and Nick wanted to go and do that.

"But to do that, you had to be there. You couldn't just use an agent back at that stage and he needed somebody to manage the business for him while he was away.

"So Nick literally sent one of his friends across to LA with a handwritten A4 sheet with an offer to come back to New Zealand."

Nick's message outlined what he would pay and how it would all work. "That was enough, so in the middle of the night, very late '96 I came back to New Zealand, and we started the Croydon Wholesalers machine."

"It just snowballed and got bigger and bigger, and eventually we became 50/50 partners in the business."

Macdonald stepped away in 2011 "to pursue other bits and pieces, and amongst them a lot of, I suppose, pro bono work for the VIA."

Now he's back at Croydon, working on the yard, selling cars.

The business has been owned and operated by **Glenn** and **Charlene Hall** since 2008.

"Now I've got a bit more time to invest back in the industry and, to be honest, getting back to the business of actually selling cars and preparing cars.

"Being involved with them is a lot of fun, going back to what I know best, my core roots, I suppose.

"At the moment, I'm here three days a week, which is probably enough for the used car industry, and then three days a week doing my own vehicles. I'm a wholesaler, I'm still buying and selling cars.

"So I get to do that three days a week and whatever else I need to do for the industry and then the three days a week here at Croydon.

"The seventh day is usually either turning the phone off, or trying to deal with all the issues that have cropped up during the week – again with cars." ■





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WR PHILLIPS WELCOMES SUBARU

The head of one of the country's longest-serving motor vehicle dealerships received a fascinating gift to mark the opening of a new franchise – a piece of memorabilia from the time Subarus used to be assembled in New Zealand.

The occasion was the official opening of the Subaru Taranaki franchise by New Plymouth dealership WR Phillips.

During the event, dealer principal **Paul Phillips** revealed he'd received as a celebratory gift a coffee mug that in 1982 had been given to staff at the Motor Industries International vehicle assembly plant at Waitara, 18 kilometres away.

Motor Industries International was a subsidiary of Motor Holdings, and between 1974 and 1987 it used the Waitara plant to build Skoda, Datsun, Fiat, Volkswagen and Subaru cars.

"These mugs were presented to all staff members to celebrate the beginning of local assembly of the Subaru Leone," Phillips explained.

"On the mug there's a drawing of a Leone and the inscription 'A dream come true'. We're feeling the same way about the brand right now," he added.

Subaru New Zealand managing director **Wally Dumper** told the gathering that he remembered regularly driving his company Leone to the Waitara assembly plant when he was working for Motor Holdings.

"Waitara assembly came and went – a bit like Subaru dealer representation in New Plymouth," he added.

"Over the years we've struggled at times in this regard. So, from our point of view it's really good to see WR Phillips take on the Subaru brand."

WR Phillips has built a stand-alone Subaru showroom on prime commercial real estate next door to New Plymouth's iconic Len Lye Centre in the city's CBD.

A distance away on the same property the dealership continues to operate its Mitsubishi and Volkswagen sales and service franchises.



WR PHILLIPS LTD DEALER PRINCIPAL PAUL PHILLIPS WITH THE 38-YEAR OLD SUBARU MUG.

Paul Phillips said Subaru was a perfect fit with the family values of his company, which next year celebrates its 75th birthday.

WR Phillips was started in 1946 by Paul Phillips' grandfather **WR "Bill" Phillips**, armed with the rights to sell Hillman, De Soto, Sunbeam and Talbot cars, Commer trucks, and David Brown and Minneapolis Moline tractors.

In the early 1950s it also gained the regional franchise for Humber and Plymouth product, and in the 1960s the Australian Chrysler cars were added to the mix.

In 1970 Todd Motors was appointed New Zealand's distributor and assembler for Mitsubishi product, and this led to the New Plymouth dealership being among the first to win the sales and service franchise for the Japanese brand.

In 2001 WR Phillips picked up the sales and service franchise for Volkswagen, and a little later the parts and service

contracts for Audi and Skoda.

When WR Phillips retired, his sons **Rex** and **Neil** took over the business, with Rex assuming responsibility for cars and Neil for trucks.

Now the third Phillips generation, Neil's son **Paul**, is in charge, and Paul's son **Ryan** has become part of the sales team.

At the Subaru showroom opening, Paul Phillips said he was delighted to have the brand and its often passionate vehicle owners become part of the values of the long-serving New Plymouth dealership.

"It's a privilege to bring Subaru aboard. It presents a real opportunity for my generation of the Phillips family to continue dad's and grandad's legacy."

BY ROB MAETZIG



THE SUBARU TARANAKI SHOWROOM IS ON PRIME COMMERCIAL REAL ESTATE RIGHT IN NEW PLYMOUTH'S CBD.



SUBARU TARANAKI SALES EXECUTIVE MIKE GARRETT OUTSIDE THE NEW NEW PLYMOUTH SHOWROOM.



MULTI-MILLION DEVELOPMENT AT WEST CITY AUTO GROUP

Long-serving West City Auto Group founder and managing director John Blewett talks about the upward direction his business is taking during these difficult times.

West City Auto Group has shrugged off any COVID-19 doldrums and the loss of the Holden brand to firmly cement its West Auckland business.

A major milestone has been reached in a multi-million-dollar redevelopment of the group run by born and bred West Aucklander **John Blewett**.

While he laments the loss of Holden – “I’m sad to see it go, it represents 26 years of my life” – Blewett was fortuitously already in talks with Mitsubishi Motors when the news came earlier this year of General Motors Holden’s withdrawal from Australasia.

Blewett had secured the Holden dealership for the West Auckland and Northwest Auckland region in 1994 (he bought his business in 1993) after the brand had been absent from the area for more than five years.

“We were still holding good market share in New Zealand [for Holden],” he says, adding New Zealand got caught up with the Australian market which was not doing so well.

That spurred the Mitsubishi partnership, however, its signs now replacing Holden at the Central Park Drive premises in Henderson.

Holden still remains, included in West City Auto Group’s new parts and service centre in nearby Soljan Drive.

As one era ends, we embark on another, says Blewett, adding the business is excited to add Mitsubishi as a rapidly growing brand synonymous with the New Zealand auto industry for more than 50 years.

The new Mitsubishi showroom now open at Central Park Drive offers a range of vehicles from small cars like the Mirage and SUVs such as the ASX, Eclipse and popular Outlander (also available as a plug-in hybrid or PHEV) to Triton utes (Blewett drives one himself) and a variety of hybrid vehicles.

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WEST CITY AUTO GROUP JOHN BLEWETT

6

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ORION

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Later this year the Mitsubishi Express Vans will be added, which Blewett says shows Mitsubishi's direction with all the tech and safety equipment available in a well-priced vehicle.

And he believes many previous Holden buyers will transition to Mitsubishi, or some of the group's other brands.

West City Auto Group added the Westgate Kia and Suzuki dealership at Northside Drive in late 2017.

Work on a new Kia sales area at Central Park Drive is due for completion by the end of this year, giving West City Auto Group some of the most up-to-date automotive facilities in the country.

If there is ever a silver lining to the cloud that is the COVID-19 pandemic, then Blewett can see it.

"It takes something like COVID-19 to make people look around and think about their objectives."

He says New Zealand is lucky to avoid the pandemic troubles plaguing the rest of the world.

"It makes people realise New Zealand's not a bad place to live," Blewett says, pointing to the number of returning Kiwis who may also be able to help keep the domestic economy afloat.

Blewett is proud of the fact that West City Auto Group has managed to retain all 60 of its staff during the COVID crisis, many of them long-serving.

He's seen huge changes during his time in the auto industry, including the more recent move to online viewing and sales – although he believes even after viewing a product from afar a potential customer will generally still want to see what they're buying and talk to someone in the know.

Changes have also happened in the area around him, West Auckland developing more into a city in its own right although still largely considered a dormitory area.

Blewett likens the area's change to how Ponsonby developed, and he says multi-million-dollar homes now abound in the West while more businesses are expanding to the area as well.

The "Westie" image has changed too and the association with Holden has gone, even though black t-shirts may still find favour in the area.



JOHN BLEWETT (LEFT), JIMMY TAILOR (RIGHT)

"It's no different than anywhere else close to a major city."

Blewett sees a good future in the West, and he has no thought of retiring anytime soon as he remains extremely busy and takes a hands-on approach to the business.

Not bad for a bloke who was truck driving in his late teens then joined the sales team at Nissan New Zealand before going to Perry Motors run by Frank Perry in Henderson.

Blewett then bought the old Keith Hall Motors and started West City Auto Group in Great North Road, Henderson, and moved to Central Park Drive in 2004.

"In 2008 we took the Kia franchise for the West and Northwest and in 2016 we were appointed Suzuki dealer."

Blewett, who is dealer principal at West City Suzuki where he is based and runs the West City Auto Group with general manager Jimmy Tailor, owns several old cars and enjoys motor racing.

He remains active in club motorsports and has rebuilt a BMW 2002 race car and has several Toranas (yes, Holdens) for racing.

Club motorsports are being reinvigorated since COVID-19 interrupted the season, and Blewett's looking forward to getting back on the track.

Blewett's business invests heavily in its local community, supporting other sports such as the Northern Mystics Netball, and backing the Henderson Community Patrol (supplying vehicles) and Fair Food New Zealand.

He does see a future for electric vehicles in his industry, however. The Kia eNiro and a plug-in hybrid Kia Niro are available from his yard, with a Suzuki hybrid also there.

Others are on the way too, although Blewett says some stock may be in short supply later as demand for EVs increases elsewhere around the world, particularly as key cities introduce restrictions on fossil fuels in the wake of climate change.

Hybrids can help plug the gap in the meantime, providing enough electric range for urban driving with grunt for towing and extended use.

Blewett sees more variety eventually coming from EVs (his family has an e-bike which are also gaining popularity quickly).

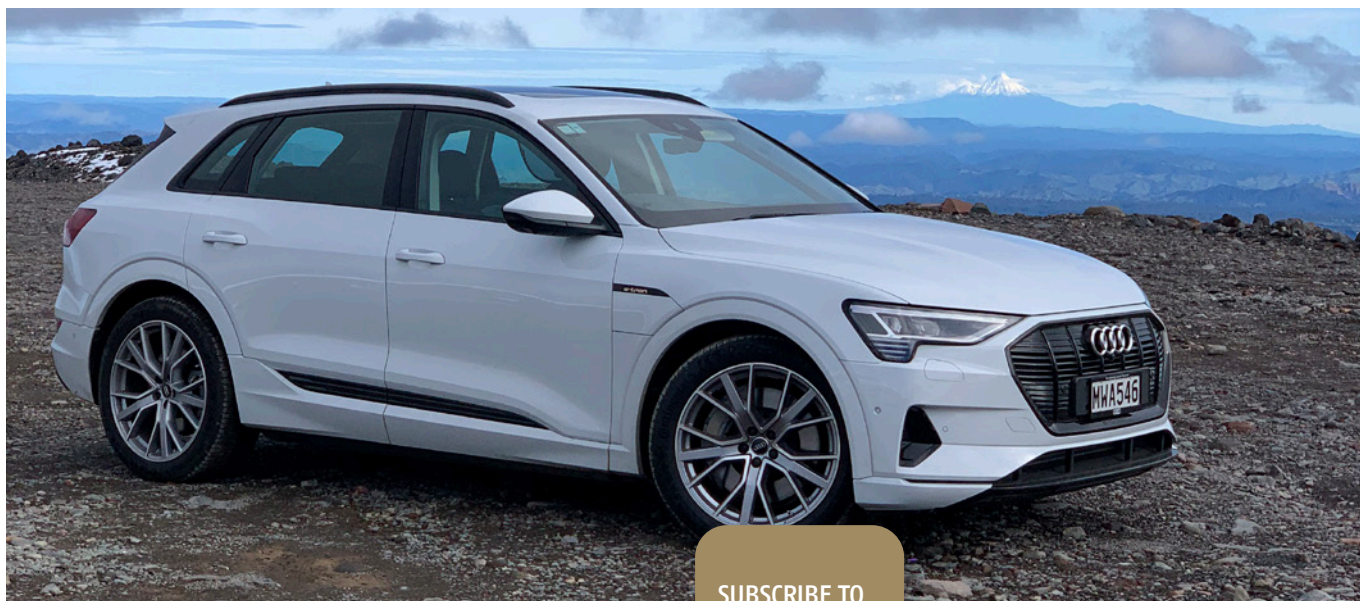
Meanwhile, improved technology is helping reduce fuel use and emissions.

And West City Auto Group continues to sell a variety of vehicles – the number of Suzuki's with 'sold' stickers on them outside Blewett's office testimony to the high sales turnover.

Indeed, West City Auto Group may consider consolidating at the end of this year after a period of expansion in an unlikely time.

But you can bet further offerings and growth are coming, especially with Blewett in the driver's seat.





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EV TRANSITION CONTINUES FOR AUDI

Audi New Zealand doesn't do average, its general manager Dean Sheed says.

So, when the German brand predicts that on average 40% of the cars it sells worldwide by 2025 will be fully electric, the rate will be higher here.

"If the company is going 40% on average, globally, we don't do average, we're better than that. The Kiwi psyche is about adopting sustainable power and we're going to have the products to support that."

"So I think over half of our business by 2025 will be fully electric, tending towards 50, maybe 55%. And I'm not counting in mild hybrids or anything without a plug."

Audi NZ pre-sold and retailed 101 EVs last year and this year about 32 because of the COVID impact.

"We're now getting firmly established with e-tron. We got the entry model, the 50, into the marketplace in July."

"In two months' time, we get the third member of the family, the Sportback, which takes the e-tron 55 to a coupe SUV style."

Audi does very well at the top end of the EV market, but what Sheed calls the "powerhouse" model, the volume seller, will be the forthcoming Q4 e-tron which will give buyers the chance to get into an Audi EV in a volume segment.

Making it easy to charge an electric

car is an important factor in getting people to buy EVs, and Audi NZ is nearing the end of a project to roll out DC chargers at its dealerships.

"Through all the research that we've conducted and the overseas studies, charging is one of the enablers," Sheed says. "The best research I've read talks about domestic or home charging being 80% of a consumer's use, 20% of the charging is destination or public charging."

"So you need a foot in both camps: Domestic charging is AC not DC, so you need an AC solution."

"The third component is the dealerships. Our BEVs (battery electric vehicles) require DC charging, so we've put a 50kW charger – currently the fast-charge standard – into every Audi dealership."

"We're going one stage further and putting in 175kW DC chargers, which a year or so ago would be seen as being fanciful and quite extravagant," he continues.

"However, our future product stream will need chargers like that to handle the technology. A 50kW charger is good, but when you've got a car that can take 150kW charge ..."

Next year, Audi NZ will introduce the e-tron GT which can take a 350kW charge. "So a 50kW charger is okay, but not flash for those particular circumstances, hence going to 175, which is a nice middle ground between

our range-topping 350kW and our base model e-tron 50."

All e-trons sold locally use 400-volt technology, but the e-tron GT steps up to 800 which allow 350kW charging.

"The reason that's important is you have a total charge time for the battery of about 10 to 12 minutes," Sheed says.

"Ten to 12 minutes is important because that's about the average amount of time you spend at a fuel station popping petrol or diesel into your car and grabbing a muffin and a coffee."

"So if we can get a charge time down to that level, happy days for the customer."

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GENERAL MANAGER DEAN SHEED.

Servicing needs of an electric-powered vehicle are less than for an internal combustion unit, but Sheed says that with the high-tech features cars now have, there are other things to do.

"We've now got radars, we've now got lasers being put into these cars, so you need your radar calibrated annually, you need your laser calibrated.

"There's a whole raft of things coming at us through the automation side of the business and driver assistance systems that do need checking and calibrating, so we're focused on that.

"The dealers are the single biggest part of our distribution network: they're the key connector to the customer. We're nothing without the dealer network, so we have to protect their viability."

Audi hasn't set a target for when it'll stop producing V8s and turbocharged internal combustion engines: "not to my knowledge anyway," Sheed qualifies.

"We're very passionate about our Audi RS product and also about our S-range." RS models account for "about 13-4% of our business and the S-cars make up another 30.

"So we've got to keep those customers

and bring electrification in at the same time. So you'll see our new Audi Sport range, the RS product, go mild hybrid.

"They've got 48-volt systems, cylinder deactivation. The next step is to launch the e-tron GT which is the first car that we're releasing designed by Audi Sport."

"What you've got there is electrification and our Audi Sport model ranges coming together, and that's only the first car ...

"The end game is we still retain the performance edge. It's just going to happen to be electric."

What does Sheed think the Government will do to promote EV ownership?

"I think personally, very little. If the question is, what do I think they should do? Then they have a huge opportunity in front of them.

"The previous government started a process which unfortunately they couldn't complete because they weren't the government anymore. The new government talked a lot and did not a lot, putting it quite bluntly."

"What the Government needs to do is show strong leadership and it needs to be a first-world country in terms of a pathway and a strategy. It needs to

enable the business community, and the private community to adopt EVs."

More positively, the Government is trialling three Audi e-trons as ministerial cars, replacing diesel-powered sedans with electric SUVs.

Will there be more? "I certainly wouldn't be able to comment on that," Sheed says.

"But the trial's going very positively and I certainly do hope that you'll see a fleet of e-trons ferrying ministers around the country."

In the post-lockdown world, Sheed says Audi NZ's after-sales business is settling down to around 90 to 95% of the pre-COVID level, and the sales side of the business – new, used and finance – is probably 85%.

"We think the [overall] premium market will see about a 20% drop year-on-year by Christmas. We're faring a little better than the general premium market and the general premium market's faring a little better than the total market."

BUSINESS INTELLIGENCE FOR THE MODERN DEALERSHIP

The daily complexity of a modern car dealership is easily overlooked according to **Brooke Ebbett** from Pentana Solutions.

Multiple departments, tight margins and lots of moving parts present a challenge to the dealership to deliver the best results month-in and month-out.

According to Pentana Solutions as dealerships have evolved, a lot of dealer management systems (DMS) around New Zealand have fallen behind the times in being able to provide relevant, clear and timely data.

"It's no longer acceptable to wait for manual exports, manipulation of data and spreadsheets that are subject to human error," Ebbett adds.

He says that more than ever dealerships are now looking for efficiency gains and automation to drive revenue and improved productivity wherever possible.

Pentana Solutions says its business intelligence tools within the eraPower DMS allows a dealership management team to look at the big picture.

The business intelligence tools provide access to live, real-time metrics and data. Departmental reports are automatically generated in easy-to-interpret digital dashboards, which means financial controllers no longer need to manually manipulate data from their DMS to get the information they need.

Ebbett says its analytics tool provides a 360-degree live view of the

dealership and provides mobile access to monitor its performance anywhere on any device.

Pentana Solutions analytics tool provides seamless integration with real-time data from the DMS as well as providing a point and click reporting system for comparing departments, franchises and month-on-month trends.

The KPI reporting can drill right down to an individual team or staff member while interactive dashboards visuals with visual analytics provide click-through ability for more detail.

To learn more, contact **Brooke Ebbett** on 021 555 122 or visit: pentanasolutions.com.



BROOKE EBBETT

BLUFF OR BUST FOR SMELTER PLAN

It's a bold plan intended to keep jobs in Southland and keep the deep south economy humming – inviting electric vehicle manufacturer Tesla to build a factory on the site of the doomed Tiwai Point aluminium smelter.

Entrepreneur **Nigel Broomhall** formulated it when international giant Rio Tinto said it planned to close the smelter near Invercargill. It has since confirmed the smelter's closure, with the loss – directly and indirectly – of around 2600 jobs.

Broomhall has a long history in the electric power game and now runs ChargePoint which supplies and installs commercial EV battery chargers locally and in the United States under the name Invisible Urban Charging.

His suggestion that Tesla might consider the smelter site for a giga-factory – close to abundant renewable and cheap electricity, close to the sea and shipping – drew plenty of attention.

There was amazement, even, at the audacity of the plan.

Everyone assumed he was talking about Tesla making cars there, but Broomhall's idea was for a battery factory. "I don't think they'd manufacture cars there.

"I'm a South Islander and my concern is for Southland.

The media talk about 1200 jobs being lost but we all know if you've got a massive player in a small community, there'll be indirectly people associated with that [it's been estimated that the smelter generates 10% of the region's economy].

"So you're going to have a knock-on effect. I think it's going to be more like 3000 to 5000. So it's a massive impact for Southland.

"We need to look at big ideas on how we can replace the jobs that will be lost out of Southland, and they need to be cleantech. Obviously, batteries is."

But why a Tesla factory? "The first thought is that that's in my wheelhouse in terms of the industry that I play in."

The biggest challenge would be sourcing materials. "But a lot of factories aren't necessarily right next to the materials.

"We've got sources of materials we can bring in from Australia. I think one of the challenging ones would be cobalt and that comes out of the Democratic Republic of the Congo (DRC). So you've got to look at the logistics of that."

But Broomhall says Tiwai Point's overwhelming advantage is the availability and price of electricity. "It's a major input cost for any large manufacturing plant, particularly highly robotised plants like you're looking at with Tesla."

Cheap, 100% renewable electricity is available at Tiwai: "You get a dedicated feed straight from 570 megawatts of 100% renewables.

"Tiwai's cost base if what's being reported is accurate, and I pretty much figure it is, is around five cents a kilowatt-hour, that's three cents US."

The smelter opened in 1971, and Broomhall points to the NZ Government of the day completing the Manapouri power project to supply it with electricity

"It was done to stimulate that industry in New Zealand. They had that business development perspective back in those days.





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"Why can't we do that now? It could be Tesla and we can get something in front of Tesla if we want to put together a deal, but it could be something else."

The ideas need to be pitched to the right people. "It's not good enough for us to just throw around a bunch of ideas and then hope that we get the interest of somebody."

Has there been any response from Tesla itself?

"The guys in New Zealand Tesla are aware of it. I went and had a chat to them."

Several NZ businesses have shown interest, but the politicians have been silent.

"We've had no response from either local or central government," Broomhall says.

"The central government flew [to Southland] and told them they were going to help them, which is great. But just what does that look like? We all want to see something."

Broomhall doesn't know the Government's appetite for the idea and acknowledges it's focused on the imminent election.

"I guess it makes sense that the attention of government's probably more focused on the short term: 'Are we going to be here and how do we compete for this process we go through every three years?'"

But with the announcement that the smelter will definitely close, Southland local authorities need to look at ways of attracting business: "They don't have a choice."

"I'm still continuing to push, to reach out to central and local government [but] if we can't get traction with local and central government, this is a dead duck."

"Southland could be easily forgotten in terms of the challenge it faces, so I want to make sure we keep that first and foremost and try and do something with this opportunity," Broomhall says.

"If we get to the point where we can't, that's one thing, but if we haven't tried, that's something completely different."



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ARCHIBALD AND SHORTER TAKE TOP JAGUAR LAND ROVER AWARD

Archibald and Shorter Greenlane has been hailed as the national champions as the Jaguar Land Rover Supreme Retailer of the Year.

The Giltrap Group-owned dealership picked up the national award for excellence in vehicle retailing along with the Jaguar Land Rover New Zealand Retail Marketing Team Award. The premium car dealer was also runner-up in five other categories including the overall Land Rover Retailer, New Car Sales and Approved Pre-Owned Awards.

Archibald and Shorter Greenlane dealer principal **Lee Small** says he and the team were delighted that their hard work and commitment to customer outcomes were recognised with the awards.

"I'm very proud of my team and their performance, we've all worked hard over the last four years in sometimes 'trying situations' and have forged a real customer-focused can-do attitude," Small says.

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THE ARCHIBALD AND SHORTER TEAM: GROUP AFTERSALES MANAGER SCOTT HOBSON; GROUP GENERAL MANAGER AFTERSALES AND OPERATIONS, GILTRAP GROUP, BLAIR GROUBE; DEALER PRINCIPAL GREENLANE LEE SMALLS; DEALER PRINCIPAL NORTH SHORE, SHAWN RUSHBY AND MANAGING DIRECTOR, GILTRAP GROUP, MICHAEL GILTRAP.



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**ADTORQUE
EDGE**

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"Winning the supreme dealer again for 2019 is a great recognition and something we all share in, I think the key is to enjoy what you do and to want to deliver all the time the best you can."

"It certainly helps having brands like Jaguar and Land Rover to keep that focus with arguably the best line up we've ever seen, with more exciting cars to come like the New Defender and Jaguars 2nd all electric car the new XJ next year."

"2020 has seen its fair share of surprises, but over the last six weeks we have seen a real resurgence in the demand for our cars and we are back on track to have another stellar year," he says.



ARCHIBALD AND SHORTER GROUP AFTERSALES MANAGER SCOTT HOBSON; DEALER PRINCIPAL NORTH SHORE, SHAWN RUSHBY AND GROUP GENERAL MANAGER AFTERSALES AND OPERATIONS, GILTRAP GROUP, BLAIR GROUBE.



JAGUAR LAND ROVER GENERAL MANAGER, STEVE KENCHINGTON; DUNCAN AND EBBETT TAURANGA BRANCH MANAGER SAM MACNEILL AND DUNCAN AND EBBETT GROUP GENERAL MANAGER, MARTIN WESTALL.



JAGUAR LAND ROVER GENERAL MANAGER, STEVE KENCHINGTON AND ARCHIBALD AND SHORTER DEALER PRINCIPAL NORTH SHORE, SHAWN RUSHBY.

Jaguar Land Rover New Zealand's general manager **Steve Kenchington** says the awards were thoroughly deserved.

"The Greenlane team is a credit to the retail network we support – their commitment to the continuous development of the customer experience in their retail environment has raised the bar and we are confident that the rest of the country will follow," he says.

Other notable mentions were **Archibald and Shorter North Shore** and **Duncan and Ebbett Tauranga**, which picked up Jaguar New Zealand Retailer of the Year and Land Rover New Zealand Retailer of the Year awards respectively.

Other winners were also announced the Jaguar Land Rover Retailer Excellence Awards:

- Jaguar Land Rover New Zealand New Car Sales Team Award – **Bayswater European.**
- Jaguar Land Rover New Zealand Service Team Award – **Archibald Motors Christchurch.**
- Jaguar Land Rover New Zealand Parts Team Award – **Archibald Motors Christchurch.**
- Jaguar Land Rover New Zealand Business Manager – **Duncan & Ebbett Hamilton.**
- Jaguar Land Rover New Zealand Approved Pre-Owned – **Duncan & Ebbett Hamilton.**



OAKWOOD MOTOR GROUP EXPANDS ISUZU TRUCKS

South Island dealership Oakwood Motor Group has purchased the Isuzu Truck sales division of Smallbone Mid and South Canterbury.

The deal will also continue a partnership with ACL Smallbone for service and parts in both regions.

Oakwood is a South Island-wide group, owning the long-established Blackwells and Cooke Howlison dealerships.

Group managing director **John Marsh** says the decision to purchase the Isuzu Master Truck franchise was part of the company's strategic plan for developing the truck business.

"We are very pleased with the acquisition of the Timaru and Ashburton dealerships, which complement our existing Isuzu Master Dealerships in Christchurch and Dunedin."

"The purchase is also a show of confidence in the Mid and South Canterbury economies and the exciting future for Isuzu Trucks, which has been New Zealand's number one selling truck for 20 consecutive years," Marsh says.

The acquisition will take the Oakwood Group to 13 car and truck dealerships and 340 staff across the South Island, with the intention of continuing to operate from the existing sites in Ashburton and Timaru.

Scania parts and service will continue to be supplied by ACL Smallbone and

Cooke Howlison in their respective regions.

Oakwood Group and Smallbone say they are committed to ensuring a smooth transition of customers and minimising any disruption to the business, with ownership commencing on August 10, 2020.

ISUZU JOINS HYUNDAI AT EBBETT

Hot on the heels of the Ebbett Group adding Hyundai to their Tauranga dealership, a deal has been struck with Tauranga Motor Company that will see the Ebbett branch in Cameron Road add the Isuzu Ute brand from mid-August as well.

Isuzu Ute, famous for the D-Max pick-up, will help to replace the sales of new Holden Colorado's after GM announced plans to discontinue new vehicle sales in NZ by the end of 2020.

Ebbett Group managing director, **Ben van den Engel** says: "Securing Isuzu Ute, along with Hyundai, for our Tauranga dealership gives us two extremely successful brands to ensure our customers are well catered for once GM stops new Holden sales."

"I'll reiterate that we're absolutely committed to long-term relationships with our Holden customers but we're also now well equipped to offer a whole range of premium new vehicles in the Bay of Plenty."

Ebbett, one of New Zealand's largest dealership groups, has recently added

a number of new brands to their sites around the North Island. These additions have included Hyundai, Kia, Nissan, MG and now Isuzu Ute, a real confidence boost to local markets having a Kiwi owned and operated business making that sort of investment at this time.

The move of Isuzu Utes to Ebbett ends Tauranga Motor Company's seven-year association with the brand.

Managing director **Mark Jury** says: "Tauranga Motor Company has enjoyed its relationship with Isuzu Ute, and in particular, with our Isuzu customers. We wish both Ebbett and Isuzu Ute well for the future."

"Our focus now is on the upcoming move of our Kia and Suzuki brands to our new dealership on Hewlett's Rd, and the coinciding move of our Honda Agency to the high profile 326 Cameron Rd site where we are looking forward to delivering the best experience possible for our customers."

The Ebbett dealership, run by dealer principal **Julian Clements**, expects to start selling new Isuzu Ute vehicles from August 14.



AUTOTALK LAUNCHES PODCAST SERIES



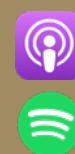
AutoTalk launched its new series of podcasts over the last month, with five already available for the automotive industry to listen to.

Hosted by managing editor **Richard Edwards**, the **AutoTalk** podcasts brings you interviews with the big names, and behind the scenes movers, in the trade.

The episodes are free to listen to, and most tie into stories featured in our monthly magazine.

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July episodes include:

July 31 – Graeme Macdonald on his career and VIA

Outgoing VIA North Island chairman Graeme Macdonald discusses his time with the association – the wins, the losses and the transition to a new structure.

He also talks about his interesting history in the trade, and what he sees his new role may be in the future.

July 24 – Tesla Giga Southland – with Nigel Broomhall

We chat with **Nigel Broomhall**, who is seeking support for an ambitious plan to get Tesla to build a giga factory in Southland to take the place – and the electricity – of the closing Tiwai Point smelter.

July 17 – Vinsen explains and discusses the restructure

VIA chief executive **David Vinsen** joins us to discuss the radical changes happening with the association. This is a must-listen episode for anyone interested in the used import trade.

In the interview with host Richard Edwards, Vinsen explains the structure and dispels rumours around what it means for the trade. He also confirms that a balanced budget has been made for the association, allowing it to move past its financial troubles.

July 10 – Simon Rutherford, van man

We catch up with Ford New Zealand managing director Simon Rutherford. He talk about how the company worked through COVID-19, future electric models, the Ford Ranger and more.

July 3 – Neeraj Lala steps up

Our first episode is a discussion with Toyota New Zealand's Neeraj Lala on the eve of his accession to chief executive officer. Neeraj discusses his career to date, outgoing CEO Alistair Davis, and confirms electrification is in the brand's future.



CRAWFORD'S CASE

BY DAVID CRAWFORD | CEO MOTOR INDUSTRY ASSOCIATION

JULY RESULT SUBSTITUTION SPENDING

The last two months has been an instructive lesson in the challenge of new vehicle market forecasting. Before COVID-19 our anticipation for the year was a slightly softening market perhaps down about five to six per cent on 2019.

Along comes COVID-19 and we all took deep breaths as we had a go at estimating what this would mean for the market.

Factors to be considered when trying to predict future vehicles sales were the impact of temporary manufacturing closures, likewise for parts production, supply chains and logistics being readjusted and a whole heap of uncertainty that washed over the world as the pandemic took hold.

At home, whole sectors of the economy shut down and some have not and will not fully recover. Tourism related activity remains heavily constrained.

Logic suggested that since it took us five years to climb out of the GFC, and that the underlying factors to the COVID-19 induced recession are deeper and fundamentally more pervasive than those that led to the GFC, then it will take much longer to climb out of this recession.

New sales for April were practically non-existent and May sales were significantly down. June was higher than anticipated and now July defies gravity coming in above July 2019.

It would seem as if the COVID-19 induced recession has not bitten our sector yet. It has, and it will bite harder as the year progresses.

The July result is most likely due to substitution spending from forgone overseas travel and returning cashed up Kiwis. June and July are traditionally busy travel months by Kiwis wanting to

escape our local winter.

The economic outlook for the remainder of 2020 still looks grim and 2021 is not looking any better. My best guess is that sales of new vehicles are likely to be 20-25% down on 2019.

Looking at the July data, two other features are apparent. Long term the business versus private split trend is 65% of new vehicles are bought by businesses and only 35% are private. For July private buyers represent 43%, supporting the view of substitution spending.

The second feature is the volume of hybrid vehicles registered. Combined BEV, PHEV and hybrid vehicles sales for July came in at 1204 units, representing just under 10% of new vehicle sales for the month. Clearly Kiwis are becoming more environmentally focused in their purchasing decisions.

Talking of vehicle sales with some form of electrification I was bemused in reading comments by Drive Electric in another publication where they were being critical of what an EV is. From the MIA's perspective Drive Electric has simply got it wrong.

The issue I have with saying EVs must plug into the electrical network to be termed an EV is that they are relying on a certain type of technology to promote as being the environmentally friendly vehicles to reduce greenhouse gas emissions. In my view, this narrow-minded thinking simply does not stack up.

My view is we should be thinking about all available pathways for reducing greenhouse gas emissions from transport.

The answer is to be technology agnostic and outcome focused. The

outcome is the accelerated rate in the reduction of greenhouse gases from vehicles, technology options are widening.

Some, like hybrids, will have their season before they too will not be enough. The important point is getting Kiwis into ever increasingly cleaner (and safer) vehicles.

It was pleasing to see recently the Government making decisions on determining several classes of products will become "priority products" under the Waste Minimisation Act.

Of the six announced, three affect vehicles, being tyres, electrical and electronic products (lithium ion batteries) and refrigerants and other synthetic greenhouse gases (air-conditioning gases).

The MIA has long supported the need for tyres to be declared a priority product and we have been working with other industry players on the need to manage end of life lithium ion batteries.

While we support the need for air-conditioning gases to be better managed, we remain concerned on the duplication between the emissions levy we pay for vehicles as they enter the fleet, and the duplication in costs under a priority product stewardship scheme.





LEAD, TEST DRIVE AND SALES BY SOURCE JUNE 2020 (VS MAY 2020)

BY MATT DARBY



In the last edition of Autotalk we shared some market stats on the recovery in the NZ market – comparing the first 20 days of May to the first 20 days of June 2020. Understandably with May just the beginning of the recovery, we saw some significant improvement over the first 20 days of each month.

Now that June is complete, we are seeing a much less significant increase in leads, test drives and sales as activity has quickly rebounded to pre-COVID-19 levels, and then flattened out. That said, the last 10 days of June continued to be positive for Kiwi dealers and we saw a increase of 22.4% in the volume of leads, test drives increased by 42.5% and sales increase by 38.6%.

TOTALS	TOTAL
● Leads	↑ 22.4%
● Test drives	↑ 42.5%
● Sales	↑ 38.6%

As with the first 20 days of June, leads from the brand source continue to bounce back at a higher rate than online sources such as 3rd party listing sites and dealer websites.

Leads from the brand source increased by 43.8% from the previous month, compared to an increase of 18.8% in web classified leads and 10.1% for leads from the web – dealer lead source. As we typically experience, despite the growth in the volume of leads provided by the dealers' brand/OEM, leads from dealer and 3rd party sites still account for more than double the amount of brand generated leads.

SOURCE	TEST DRIVES
● Web-classified	↑ 18.8%
● Web-dealer	↑ 10.1%
● Brand	↑ 43.8%

Test drive activity remains strong with a 42.5% increase from May to June. Test drives from web – classified sources increased by 29.4% from the previous month and overtook web – dealer (up 20.1%) as the top source of test drives for Kiwi dealerships.

Test drives attributed to genuine walk-ins are often attributed to the direct source in AutoPlay and this source continued to increase – up 71.5% from the previous period.

SOURCE	TEST DRIVES
● Web-classified	↑ 29.4%
● Web-dealer	↑ 20.1%
● Direct	↑ 71.5%

As with all other metrics, sales continued to bounce back in June with a 38.6% increase from May amongst AutoPlay customers. Sales attributed to web – classified sources increased by 27.0%, sales attributed to web – classified sources increased by 27.4% and sales attributed to repeat customers increased by 49.4%.

SOURCE	TEST DRIVES
● Web-classified	↑ 27.0%
● Web-dealer	↑ 27.4%
● Repeat	↑ 49.4%

As has been widely discussed June was a pretty successful month for a majority of dealerships. So far in July we have seen lead, test drive and sale activity remain pretty constant against June levels, with a slight lull recorded in the middle of the month.

Make sure to check back in **Autotalk** for more regular updates from AutoPlay on pre-sale lead activity throughout NZ.

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Smart Digital Tools



COVID-19 – LESSON AFTER LESSON AFTER LESSON!

BY PETER AITKEN | PJAGROUP@XTRA.CO.NZ



One month's gap between articles is not a long period of time under normal circumstances.

However, in the omnipresent world of this Coronavirus it is an abnormally long time as we continue to witness the exponential explosion of cases in so many countries around the globe.

We have been handed a series of lessons when it comes to dealing with the outcomes associated with this Coronavirus.

Here in New Zealand we can thank ourselves indeed fortunate we are an island-based nation with the ability to now effectively albeit with the odd defection, quarantine and monitor all border entrants.

By comparison the US, which has the most advanced medical systems and disease control experts in the world, has degenerated into a shambolic disease control response with self-centred federal political motives in open conflict with the national scientific guidance from the CDC.

The key lessons for me over the past five months have become very black and white, the safe bet is to trust the science and put to one side your gut instincts. Importantly, trust and back experienced disease authorities who base their decision process on scientific analysis of real time data.

Once available data is collated and analysed, potential outcomes identified then appropriate next step decisions can be made.

For me this has reinforced the need for a greater personal discipline in what I do and how I go about completing everyday tasks.

If one takes a helicopter perspective from these COVID-19 learnings there are parallels for businesses in the

coming months.

Predicting future economic and business outcomes has now become almost a futile exercise. In so many respects we are left with more questions than answers when it comes to the long-term impact of COVID-19 on how we sell, buy and even use cars. That being the case, time is better spent shoring up a dealership business to ensure first and foremost survival, next ascertaining what are the revenue and profit opportunities that present the greatest gain with least risk.

Within retail automotive dealer operations franchised dealers will have the added advantage of a wider range of revenue streams. For now, and in the foreseeable future, parts and service department revenue and profits should ensure franchised dealership survival.

New vehicle industry observers will rightly say what has changed as this has always been the case for new vehicle dealership operations. In this regard it was of interest to read a June 8th Cox Automotive US survey article summarizing their "Auto Dealer Sentiment Index." Highlights from the survey found:

1. Based on survey results from late April and early May, most key measures saw historic drops from the first quarter, showcasing negative impacts of the COVID-19 pandemic.
2. The current environment is much tougher for independent dealers with 54% stating that staying in business is their top priority
3. Franchised dealers are surprisingly optimistic for the next 3 months, expecting the market to be strong, while independents are far less positive.

Whilst one month is a long time in politics, especially if one is a NZ National Party supporter, one month on from when the above Cox article was written is certainly a long time for those in the US living in real time with a rampant pandemic running out of control.

As referenced in my recent monthly articles on the impact of COVID-19 it is a reasonably safe bet to expect long standing changes to consumer car buying behavior. July 17 Wards Auto article written by Richard Reina stated "dealerships will continue to adopt more robust and customer-friendly digital sales practices in order to compete with online-only retailers such as Carvana. This included at-home test drives, virtual walk-arounds and expanded online chat".

Reina went on to say "customers already accustomed to digitally buying so much from the comfort of their homes may come to expect some of these virtual car-buying experiences in the post-pandemic world. The showroom experience dreaded by many and considered in some respects to still be mired in the 1950s, finally joined us in the 21st century".

However, for Kiwi's with no restrictions on domestic travel, visiting a dealership may right now tick the "another thing we can do box".

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PRICES UP AS STOCKS RUN LOW

Frustration turned in to resignation during July for many Kiwi buyers looking to re-stock the yards and sale lists after the strong turnout of retail buyers here in New Zealand during May and June.

From the uncertainties of March with fears of not only a massive stockpile of automotive capital post-lockdown, but a stagnant market that would decimate any remaining value or profitability, the sheer volume of business seen across the used import retail sector took most dealers by surprise.

For most, the plan for May and June was to hunker down, slash and burn, cash up as many units as possible, pay down debt and try to put some levity back to the balance sheet.

Comparatively few gave much thought to adding any further financial stress to their business by buying yet more stock.

By the time the June calendar pages were being torn down to herald the start of July, all those predictions and survival plans had been replaced with a growing understanding that replacement stock was needed – and fast.

The past month has seen the return back to Japan – or at least, electronically – by Kiwi buyers looking for volume to ensure there would not be an equally difficult scenario played out in the third and fourth quarters – plenty of buyers, yet no stock to sell them.

It is at this point that the Japanese domestic marketplace has provided a handbrake to Kiwi shopping plans.

As discussed in last month's column, the decline in new-car sales due to the conservative approach taken by Japanese consumers has taken a toll in the physical numbers of trade-in stock units cascading down in to the auction system.

Even though there was a recovery in June from the horrors of the 44% decline in sales during May, the appetite of the Japan used vehicle domestic marketplace has proved unchecked.

Twelve months ago this would have had a lesser impact, but in 2020 with the restrictions of the ESC legislation

in New Zealand forcing Kiwi buyers to concentrate on later model stock that is ESC compliant, there is now a very obvious cross-over between the two markets with only one winner – Japanese consumer demand versus a weak Yen-\$/NZD cross-rate.

Later model, low mileage, clean, graded stock has become very, very difficult to obtain during July, especially hybrids, SUVs and commercial vans.

In particular, the success of the Toyota hybrid range in recent years has in turn driven strong demand in the used domestic market, with a number of models simply out of reach for New Zealand for the time being.

Can you buy stock? Yes, you can, and plenty of dealers are, but if you are shopping for nice, clean, graded and low mileage cars, not only has the selection at auction reduced, but there is no such thing as a bargain – in many cases buyers are now paying close to current retail price just to land good stock.

At the lower end of the market, higher mileage, fleet-spec or ungraded tender stock is still available, and at prices that are nominally little changed, but the issue for New Zealanders then becomes one of restricted choice – not everyone wants to buy a dozen white Aqua L-Package hatchbacks or white base-spec Demios.

If you require variety, quality and nice colours for your dealership or dealer clients, then there is no option but to pay a premium price over and above the pre-Covid “premiums”.

ESC legislation has significantly impacted the SUV and commercial marketplace, only now becoming apparent as initial stockpiles of popular models such as RAV4, Dualis, Juke, CR-V and Vanguard have all but dried up on our shores, and replacements either non-ESC compliant, or commanding absurd prices to replace in Japan.

The few ESC-compliant vans that are being found by Japanese agents are listed for sale at premium prices, only to be snapped up within hours, further fuelling the bidding wars for the stock we need, but cannot find.



GRAEME MACDONALD

There are a few bright spots in buying, with some of the older models that are both ESC compliant and saleable finding their way to Kiwi buyers, such as 2014–2015 Nissan Latio, 2014–on Nissan Wingroad, high-km 2012–2014 Toyota Aquas, a handful of Toyota Mark-X, Toyota Auris and even Nissan Cubes.

But for the most part they are not plentiful, and not as cheap as they used to be, with the days of the ¥100,000 FOB bargains for cheapies well and truly over for the time being.

As we draw in to August, the rise of COVID-19 cases, particularly in the Tokyo area is concerning, with the “second wave” fears having potential to further disrupt consumer confidence, and changing yet again the rules of engagement for agents and buyers on the ground.

Already, several large stock sourcing companies have given notice of a reduction in the number of ground staff available for pre-auction inspection.

The trend to watch for the industry in August is, sadly, once again, the health concerns and the reaction of the Japanese public to this ever-changing scenario.

Our ability to buy stock does not need the impact of another consumer retraction from new-car buying at this time.

CHANGE IS INEVITABLE - CHANGE IS CONSTANT

Over the past few years, I've written a number of times about change: its inevitability, its disruptive effects, and about then having to adjust to the changes.

There are multitudes of quotes and sayings about change and how to cope with it.

The common theme running through all these wise old sayings is that chaos generally precedes change, that the process of change is usually uncomfortable, but the eventual outcome is positive: improvements and new ways of thinking and working.

A couple of months ago I wrote about the possible effects of the COVID-19 pandemic and New Zealand's handling of it.

I covered the lockdown, the various alert levels and our performance by comparison with most of the rest of the world.

I also mentioned the likely costs: The financial and budgetary costs at a national level, the personal and business costs, and the human cost, in terms of mental health, depression and even suicide.

When I wrote that column, we were just coming out of lockdown, and the future was largely unknown.

A couple of months into Level 1, and we can now start to see how things are tracking.

Although vehicle sales have been better than might have been expected, we were uncertain as to whether this was the result of pent-up demand, from people being unable to buy during lockdown, or whether the sales were an indication of being back to some sort of normal.

And we're still uncertain about that, although forward orders for fresh imports are starting to pick up again. So, adjusting to change, and getting used to a new normal.

Although our businesses stopped, as though we'd "hit the wall" during lockdown, and everyone was compulsorily stuck at home, VIA had never been busier.

We became involved in facilitating various industry-government work groups, to help navigate through the difficult times. So, massive changes globally and nationally, resulting in huge disruptions to our personal, business and social lives.

All this disruption and change came on the back of the existential and financial uncertainty that VIA had been going through for the last few years: Struggling to achieve a balanced budget, working hard to generate additional funding, leading to serious concerns about VIA's future.

Luckily, it was not just management and the elected national executive members who were concerned, but also VIA's members, the wider industry and even Government officials.

Two years ago, VIA formed an informal council of key stakeholders in the industry; the aim was to improve communications and get better feedback on industry issues.

These members realised the importance of having VIA's voice and actions on industry issues and became determined to ensure VIA's future.

VIA has been around for over 30 years, and members wanted to ensure its continued existence. They decided to restructure the organisation, to make VIA "fit for purpose" for the future.

The best analogy and description that I can come up with is that, in commercial terms, VIA has been subject to a "friendly internal takeover".

Council members and national executive planned a restructured VIA, with a new constitution and set of rules. The new rules were adopted unanimously at a special general meeting and have now been implemented.

Membership has been restructured into five tiers, with different levels of contribution based on the size of the various member businesses. These different tiers elect the formal council members.

The old North and South Island Branch committee structure was past its use-by date and has been disestablished under the new rules.

A formal council of 16 members has been elected, and council has now appointed a board of four to provide governance oversight, and the restructure is complete.

After 32 years, VIA closed its Mt Wellington office in February, with all staff now working from home.

At an organisational level, we're all set up for this new phase of the organisation, but the most gratifying outcome is that we've been able to prepare a balanced budget for this financial year.

I believe that these changes were necessary, have been well considered and have prepared VIA for whatever the future holds for the vehicle import industry.

On a personal level, I'm really looking forward to this exciting new phase of VIA, and to working with the newly appointed board.

Although we were not actually "in chaos", the uncertainty about VIA's future had made life pretty challenging for some time.

This restructure proves the adages about the benefits of change. In VIA's case, the fact that the change has been driven by grassroots membership makes it even more positive, with good acceptance and buy-in from members. Exciting times ahead!



WASTE NOT

BY GREIG EPPS

As a founding member of the Tyrewise project, MTA is delighted that the country can now launch a regulated stewardship scheme to manage the sustainable disposal of tyres.

This follows the government declaring tyres one of six priority products for such a stewardship scheme. The decision gives a green light to the last eight years' work and waiting by the industry.

But for MTA, it is just one of the steps we believe is needed to ensure the motor trade becomes more sustainable.

Ideally, we'd like to see bumpers, oil and fuel filters, car bodies, the plastic wrap used in collision repair, and lots of other components and materials recovered and recycled.

The sector is generally willing to be part of regulated stewardship schemes. Regulation, as opposed to the many voluntary schemes, means

everyone plays by the same rules. Under a voluntary scheme, the cost is borne by those doing good while others undercut their pricing through poor environmental practices.

The opening of the Waste Management tyre chipping facilities has already made a huge difference to the re-use of end of life tyres in New Zealand. But there is still work to be done to recover the growing stockpiles of old tyres and weeding out the shady collection operators.

In the longer term, MTA would like to see a more holistic approach to auto sector stewardship schemes.

Instead of separate levies for tyres, yet another for bumpers, one more for oil filters, another for refrigerants and so on, there is an opportunity to look at whether they should all be covered by just one levy.

Perhaps charged when the car crosses the border? This would at least



GREIG EPPS
ADVOCACY & STRATEGY
MANAGER AT MTA

provide for backroom technology and systems that piggy-back off each other.

And on a slightly different tack, if we are serious about reducing emissions in New Zealand, we also need to take a crack at getting rid of many of the old vehicles that are still being driven.

Let's take another look at bringing in a national scrappage scheme that provides owners of older cars a decent incentive for disposal.

Looking even further into the future, with tyre manufacturers now taking recycling into consideration when they design new products, perhaps car manufacturers could do the same?

The easier it is to recover materials from products, the less costly the recycling process becomes.



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AUTOSURE – CARING FOR CUSTOMERS

At Autosure one of our core values is being “customer driven” and that means having customers at the heart of our business. This is something that’s very important to us and we’re pleased to see it’s replicated in the DNA of our partner dealers, finance brokers and repairers too.

As discussed in our article last month, it’s important to understand, listen to, be proactive about and responsive to customers’ needs. While we do this because it’s the right thing to do, there are also good business reasons to take great care of customers.

Research shows it costs around five times more to get new customers than to retain existing ones. So it’s worth investing time and effort into providing great customer service that creates loyalty. Plus that work will also pay off in the word of mouth publicity it inspires.

Some people think of “customer satisfaction” as just marketing jargon. But it’s important because it provides you with a way to measure how your business is doing and insights into how you could do better. Here are some key principles:

1. Always exceed expectations

Don’t settle for giving “good” customer service. Making sure your whole team go above and beyond will not only put a smile on your customers’ faces, it will set you apart from your competitors, attracting new customers and directly impacting your bottom line.

2. Measure how you’re doing

See how happy your customers are by putting a customer satisfaction measurement system in place, eg, a survey that gives you a Net Promoter Score (NPS) and individual feedback.

Your NPS will show how likely it is a customer will become an advocate of your business – buying their next vehicle from you and recommending you to others.

This type of survey will also highlight unhappy customers. Typically most businesses don’t hear anything from the majority of their unhappy customers. But you can be sure those people will share their unfavourable views of their experience with many of their friends and family, who then won’t be buying there.

By actively asking unhappy customers for feedback, you can use it to not only identify and sort existing problems, you can stop them from occurring at all.

3. Involve the whole team

Make sure everyone in your team is part of the process. This may mean sharing your survey results with them, brainstorming ideas for improvements or having upper management answer customer emails from time to time.

Remember, it’s often the people who are in direct contact with customers who will have the best ideas for improvements. So ask them what they think.

In addition to getting some good suggestions, you’re likely to find they’ll feel more motivated if they know their ideas are being put into practice.

These are all strategies we’ve implemented in our business and find that they make a big difference. There isn’t room on this page to give you examples of everything, but here are a couple of recent stories of principle 1. in action:

We were advised of an Autosure Mechanical Breakdown Insurance policyholder’s Mazda CX9 with brake issues on the day of the lockdown. The owner is a doctor, an essential worker, so we were very keen to help her get back on the road again ASAP.

But as we were all going into lockdown, most repairers were already closed, so it was a challenge. We had to call five different places before we found one who could assist her. Then the repairer advised the part required would be a month away due to the lockdown.

Obviously that timing wasn’t going to work for our doctor, so we had to find a better solution. Resourceful as ever, our claims assessor called a Mazda franchise dealer who kindly opened their parts department and then went the extra mile to deliver the part to the repairer.

This meant our doctor was back on the road within a few days and able to carry on with her essential work.



JAMES SEARLE
GENERAL MANAGER
DPL INSURANCE LIMITED

We’re also working with Vero, the underwriter of our Autosure Car Insurance, who’s parent company Suncorp New Zealand has created a \$10 million hardship fund to support vulnerable customers experiencing financial pressure as a result of COVID-19.

We’ve already helped a number of customers in this way. Here’s the story of one from a member of the claims team:

We’d been trying to contact a car insurance customer who’d lodged a claim during lockdown, to discuss the payment of his \$500 excess.

When he called he said he hadn’t been actively avoiding us – just that he’d been going through a difficult time of it of late, as his employment had been affected by the lockdown.

From his manner and tone we could tell he had a genuine financial issue and so we let him know we’d be waiving his \$500 excess.

The person who took the call said: “He said he was so overjoyed we’d been able to do this that he was at a loss for words. But said he was so grateful and that if he could he would give me a hug! I have to admit that the customer’s reaction blew me away so much I actually got emotional too. It really feels great to be able to help someone who not only needs it, but also truly appreciates it.”

We’re very pleased to be able to help customers every day in our business and proud to work with partners in the industry who also have this strong customer focus.

If you’d like to talk more about this topic please contact your local Autosure account manager today.



TRAIN THEM AND THEY GO – DON'T TRAIN THEM AND THEY STAY

A lot has been said about training to or not to and especially when times are tough like we have experienced in our industry many times over the years, of course nothing like the recent situation plus the concern that we may have not come out of it yet.



Most of us have experienced a good return to business, with less staff, shorter working weeks, but what now?

No matter what field or what levels of skill, a person has never taken your eye off learning and development – at least sharpen the axe.

In sport, great players like **Lionel Messi** still train; **Tiger Woods** still train; and they continually work on their game. You have to invest in your people and them in themselves to continue the growth of the business.

"An investment in knowledge always pays the best interest". Benjamin Franklin

The challenge in our industry is time, cost and lack of behavioural change, which has led me to research the best formula and strategise and make some changes to my business model to address the following issues.

Employee recruitment and retention

Any team coach would confirm that attracting and retaining good players is vital to the success of any team. Few would argue that players want to do be the best. Having said that, it is the same for companies that want to grow and be successful consistently.

We must consider investing in ways to help employees do well and achieve their goals – or risk losing them.

Managers need to realise employees will leave if they don't receive the necessary training to do well in their positions. Research shows that most employees who don't receive job training to improve will leave within the first year. Not to mention opportunities to advance.

Millennials, in fact all generations, continually tell me that training and development opportunities influenced their decision to join a company and to stay at there.

Richard Branson believes you should train them well enough so they can leave and treat them well enough that they don't want to

Employee engagement

Employee engagement is the emotional commitment that employees feel towards their job and how the company feel about them. If they feel valued they will be fully engaged, employees need to be productive and care about their work and their company.

The race to the bottom game

Surprisingly, there a lot of companies who don't see the benefits from training their team.

This way of thinking was, perhaps, understandable when there was plenty of money and business around. But with fewer opportunities, increased brands and competition, if you do not want to enter the "race to the bottom" game the following paragraphs may help.

Picking the best model

Face to face: Works, but is time consuming, expensive, and no guarantee it will work as there is a long time between drinks usually. I have had huge success with workshops and onsite training, but since the recent events I have had time to relook at better ways to achieve improved skills and reduce the investment in money and time required.

Online: Although more convenient and cost effective in a lot of cases the student learning was individual, product based and not addressing the situation or circumstances needed.

Blended learning: Which the standout strategy today. They can be short, often and relevant interactive training and coaching in person, interactive online, groups and one on one. This can be backed for larger groups with regular on demand 20-minute webinars to keep focused. Face-to-face is still important but is now only part of the solution.

If you are saying

"We are too busy to learn something new right now."

"We just don't have the money to pay for training."

Go on high alert because at some stage it will bite you in the bum

Your personal checklist

o Why do I want or not want to develop my people.

o What is the outcome for and against.

o Face to face/online/webinars/interactive workshops/on demand skills/a blended combination.

o I want appropriate content that is fresh, current, relevant and works.

o What evidence do you need to show it is working.

o I want it to be flexible, timely, frequency and personal.

My goal for you is to grow your business, increase customer satisfaction internally and externally, and increase profit regardless of how you answered the checklist.

If you have an avenue that is working – well done.

However, if not or you want to check out what's going on, send me a text or call on the number below and I will be happy to show you some exciting things relating to this article that will get you excited for the future to make and save you money.

Cheers GT

PS Text your name and email address to GTE 021 246 8885





WHAT DRIVES STEVE OWENS?

CHIEF EXECUTIVE OFFICER

"When we opened the doors of Provident Insurance five years ago we had a spacious office to fill. And a blue sky vision.

To harness our experience to bring what we understand really matters to New Zealand motor vehicle dealers.

A partnership rather than a business 'relationship'. To standing shoulder to shoulder with our dealers. We are clear that as we grow we want to remain true to our principles of thinking beyond the horizon. That no matter the size of the company, we know all our business partners by name. And flexible so that when they need us to work weekends, create lateral training solutions, or develop nimble ways to respond to their needs, it's all in a day's work. It's just what we do.

5 years. Almost 500 business partners. And counting.

After five years I'm proud to say that we have one of the strongest teams I've ever had the privilege to work with. Some of us have been together for longer than I can remember. On the dealer and company side. Inspiring, challenging, outstanding.

This journey.

That's what drives me."

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THREE F&I TIPS TO USE WHEN OFFERING INSURANCE PRODUCTS



JAQUES GRAY

1. Listen more, talk less

The most important thing you need to do before you begin explaining all the benefits and features of your insurance products, is to let your customer tell you about themselves.

Instead of just rushing in and offering your products, ask your customer about their lifestyle to build a rapport with them. Ask questions about their family and any concerns that they may have for their future.

Remember, your role is to try and consult by listening and taking a note of their concerns, then to provide an empathetic response, not just to try and be a pushy salesperson.

2. Don't just offer products, provide solutions

When you have been informed by your customer of what their concerns are, you should look to offer how you can help to prove a solution to elevate what they are or may be worried about occurring in the future.

People are much more likely to purchase insurance products that will resolve their problems and provide them and their family with peace of mind.

You will achieve their buy in if you ask and successfully understand the families' needs and have followed rule number one: Listen more, talk less.

3. Highlight benefits over features

Rather than focusing on the technical features of an insurance policy (although you do need to disclose the T & C's clearly prior to purchase), first highlight how having insurance will cover your customer in terms they can relate to (plain English).

For example, explain how a CCI policy will help pay the bills if they become disabled, get sick, or have an accident.

Be sure to keep the conversation on topic, provide a solution to a problem where you can protect them if they are unfortunately subject to an incident that is covered by an insurance policy you are offering.

I hope these tips help you to bond and gain the trust of your customer.

Remember, first they must like and trust you before they are comfortable enough to purchase from you.

Providing Insurance is in simple terms, to provide a promise to cover an incident.

Providing solutions, together with full disclosure of your products benefits, features, and exclusions, is a technique that helps to lead your customer into making an informed decision.

They will then have the confidence to know that what you are offering is something that is fit for their purpose, and that you have their best interest at heart, as a responsible Insurer.



TOO EARLY TO PREDICT SMELTER CLOSURE'S EFFECT ON INVERCARGILL CAR TRADE



MACAULAY'S MARKETING MANAGER SUZANNE VAN PELS

Invercargill Ford and Mazda dealer, Macaulay Motors, says it's too early to predict what effect the wind down and closure of the Rio Tinto aluminium smelter at Tiwai Point will have on the local motor trade.

While there has been some discussion of replacing the smelter with new projects like a Tesla battery factory, and Labour and NZ First at loggerheads over a support package, things do not look good for the 1600 directly employed and thousands in associated employment.

Macaulay's marketing manager **Suzanne van Pels** says the smelter wind-down, scheduled to be complete by August 2021, "will have an effect" on business in Invercargill.

"But I think that combined with COVID-19 it's too early for us to understand how much impact it will have locally, but we'd be naive to think that it won't have an effect.

"We'll be trying to understand the

long-term effects of COVID and the Tiwai closure. It's something that will play out over the next few months."

Macaulay services vehicles for the smelter. "We have a technician who is specifically inducted out there to work on their vehicles, and that will have an impact."

Van Pels says the closure and worker layoffs might help alleviate the Southland city's severe shortage of skilled tradespeople.

"Tradies and businesses are really struggling to hire skilled people – technicians, plumbers, electricians, all skilled labour.

"Maybe some of the skilled people from Tiwai may be able to be recruited back into the local community.

"We're hearing around town that other trades are desperately short of tradespeople – we're trying to recruit four automotive technicians ourselves because the service side of the

business is very strong."

She says that though 1000 jobs will be going from the smelter, "it's early days to try to understand how those 1000 jobs will impact our business."

Presently, the car business in Invercargill is strong. "June was an all-time used car record for us, and there are reports that other businesses in town had a very strong June.

"It was a strong June for the new car side of our business. May and June have both been very encouraging months." She says vehicle sales have been stronger than industry pundits or new car distributors were forecasting.

Van Pels says Invercargill is a very strong rural community and much of the city's business comes from the agriculture sector.





NEW YARIS STARTS FAMILY

The new Toyota Yaris hatch launched today is just the first of what will be a three model family according to the brand.

And it is unlikely to be the top selling model in the new family either, that nod is likely to go to the 'Cross', or SUV version of the light model, due here in the next two months.

The third member? That will be the high-performance three-door GR version, again set to arrive late in the year in extremely limited numbers, around 20 confirmed.

Still, the hatch brings with it firsts for the model, with it being the first Yaris available here as a hybrid model. That is not a first for the segment – the Suzuki Swift takes that nod – but importantly continues the expansion of the technology for Toyota. It also brings a range of safety technology to the Yaris for the first time, and according to chief executive **Neeraj Lala** is the most 'premium' small car they have ever built.

"The new Toyota Yaris arrives at a perfect juncture in time when consumers are wanting a characterful compact car that is fun to drive with premium interior touches, while also happy in the knowledge they are driving an extremely efficient vehicle with state-of-the-art safety," Lala says.

Toyota suggests buyers still want light cars. While most passenger car segments have declined, the – admittedly small – light car segment has remained relatively consistent. Early demand is strong, with around 100 pre-sold.

The new engine is a 1.5-litre three-cylinder unit, paired to an electronically controlled CVT unit. Dubbed 'Dynamic Force', the engine produces 88kW and 145Nm in the standard model. Hybrids gain an electric motor, and when combined with the detuned petrol produce 85kW and 120Nm. Despite the lower power outputs, the CVT is actually slightly quicker to 100kmh.

The petrol model is already frugal at



a claimed 4.9-litres per 100km on a combined cycle, the hybrid dropping this to 3.3-litres.

While running cost savings may be a factor for some Yaris buyers, others will be motivated by the low CO2 emissions from the hybrid – just 76g/km. The petrol variants sit at 114 g/km, a massive 22% decrease on the outgoing 1.5L engine.

"With the new Yaris Hatch hybrid, you know you will be reducing your carbon footprint. It's a winning combination – more fun for lower running costs and a smaller environmental footprint," Lala says.

The Yaris Hatch is available in two levels of specification – the standard GX and the higher specified ZR. The ZR petrol variant has 10 speed sequential shift paddles linked to the CVT transmission to create a fun, even sportier driving experience.

All Yaris Hatch variants get the latest Toyota Safety Sense package. Even the entry-level car gets Dynamic Radar Cruise Control and Lane-Tracing Assist. In a Toyota first, and for added safety, front seat centre aisle airbags have

been added to reduce the risk of the driver and front passenger colliding during a side-on collision.

The Pre-Collision System has also been updated and the new Yaris is the first Toyota to gain Intersection Turn Assist. The ZR variants also feature Blind Spot Monitor, front and rear parking sensors, and Parking Support Brake, which includes Intelligent Clearance Sonar and Rear Cross Traffic Auto Brake.

All models get Apple CarPlay and Android Auto.

The GX has a black interior, while the ZR has a contrasting grey and black interior with red accents. The ZR sports style seats also feature an embossed and printed 'Y' pattern in the seat fabric. Other upgrades for the ZR include climate control air conditioning, smart entry with push button start, digital speedometer and a heads-up display.

Prices start at \$25,990 for the GX petrol, with the ZR hybrid topping the range at \$32,990.



DEFENDER ENTERS NEW TERRITORY

Land Rover has finally launched its new Defender model into New Zealand, with the legendary off-roader set to continue to open up new and uncharted territory.

This is the first version of the Defender that is likely to appeal, strongly in fact, to those with more modest adventuring expectations – families. Priced from \$89,900 it will be coming up against the top end of the seven-seat family SUV segment, giving customers the choice of a Santa Fe or Highlander, versus a Defender.

Though admittedly to go spec-for-spec with the mainstream models, you need to spend more on a Defender, the cachet and ability could overcome that issue.

Speaking to *AutoTalk* at the launch of the model in Auckland last week, product manager **Paul Ricketts** acknowledged the broader appeal than the tough-as-nails compromised old model. He also noted that there could be some internal conquest for

Defender.

He says with Discovery going upmarket, some buyers have been waiting for Defender to upgrade, with it being more in keeping with the Discovery model of the past.

Buyers will be more conquest than not.

"There is a real mixture there, but there is more conquest than Land Rover owners," he notes.

He gave two other insights into the Defender buyer, very few trade in their existing vehicle, indicating it could be a second or third car, and they love accessories.

"It is a Defender, the old one was heavily accessorised, customers would not think twice about spending \$20-\$30,000 on accessories," Ricketts says.

To that end Land Rover has made a massive catalogue of accessories available, from roof racks, to ladders, to clip-on storage. Many are offered in packages, such as the Explorer – with a raised intake, off-road mudflaps and

more proving popular.

"Whether the car goes on or off-road it is still going to look the part," Ricketts says.

Retro-inspired white steel wheels are proving a popular option, as are off-road orientated tyres.

Dealers launched the car to customers late last week and over the weekend, though if they want to actually buy they will need to get in soon. The first shipment of a little over 100 cars is largely accounted for. They are only 110 models, with the short-wheel base 90 not due until February and the eight-seat 130 coming late 2021.

The cheapest Defender is actually a 110, the \$89,900 D200 features a 147kW and 430Nm 2-litre turbocharged diesel engine. A 177kW D240 version of the engine powers S, SE and First Edition models, while the SE is available with a P300 221kW 2-litre petrol, and the

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SE, First Edition and a range topping X model have the option of the P400 engine, a 3-litre straight-six mild hybrid producing 294kW and 550Nm. The 110 range tops out at \$164,900.

The 90 range starts at \$94,900 with an S model, and tops out at \$159,900.

A rather unique inclusion on the Defender specification list is seating options. You can have a 90 in five or six-seat options, with the addition of a front row centre "jump seat". You can do the same in a 110, or have a two-seat third row added for a seven-seat setup.

You can't have both the jump seat and the third row for an eight seater setup – you have to wait for the 130 for that option.

The interior is a very comfortable place to be. Despite rubberised floors and mats it does not feel overtly utilitarian. A large magnesium alloy cross beam stretches across the dash providing grab handles, and hosting the entirely digital dash and infotainment/control screen. A large centre console provides litres of storage, while rear seat and boot space is decent.

The new PIVI Pro infotainment system includes the usual functionality along with controls for the off-road systems and cameras. We did not get much of a chance to get deep into it – but will later.

Land Rover is still pretty hot on the Defender's off-road ability, and its durability. Fun fact: The rear door is made up of seven layers of material for strength, and the car is tested on corrugations twice as high as other

vehicles at a higher speed. Keeping that in mind the launch involved barely any on-road driving, spending our time instead on the slippery hills around Clevedon.

It performed, as a Defender should, brilliantly. Acres of ground clearance and excellent departure and approach angles mean little will hang you up, and the latest iteration of Terrain Response controls the locking differentials and air-suspension to the point where even a novice can look like **Bear Grylls**.

If there was a key point that impressed it was the ride on rough surfaces. At 50km/h on gravel farm tracks the Defender felt like most

small cars on a suburban city road. If you have significant gravel to cover this is the car for you.

The Defender can even show you what is under the car – or what was – it records an image from the front of the vehicle and composites it as you pass over.

So often a rebirth of a legendary vehicle leaves you with a cartoon-like version of what was. With the Defender, Land Rover have come up with something that shares many traits with the original, but which is very good in its own right.



\$89,990 PRICE FOR ELECTRIFIED TRANSIT



Ford New Zealand yesterday teased three new models in the metal at an event in Auckland – and confirmed pricing on their first electrified commercial.

The covers came off the new Ford Escape and Ford Puma models, both entering the highly competitive smaller SUV segments.

The brand had confirmed pricing for the two lines, the Escape range launching at \$42,990, with a plug-in hybrid option available from \$58,990.

The PHEV has a 14.4kWh battery and a claimed range of around 50km.

The Puma will be available in two versions, starting at \$33,990.

Transit PHEV pricing had not been announced until the event. It will be available in two versions, a short-wheel base cargo van for \$89,990 and a luxury Tourneo coach version for \$99,990.

Ford noted that they will now be the only large van in the market with

an electric option – LDV's EV80 is technically no longer sold, though Great Lake Motor Distributors told **AutoTalk** earlier this year they will consider its replacement, the EV90.

The Transit is a series hybrid, with the 1-litre 3-cylinder petrol engine not connected to the wheels, and only being used to boost the 13.6kWh battery. It can travel around 56km on EV only, and has a payload of over 1000km.

Marketing manager for commercial vehicles, **David Herbert**, says fleet interest in the vehicle has been strong – with the test unit off now for a trial with NZ Post.

"We have a lot of interest from fleets," he notes. "The main interest we have had is from government fleets, seeing as they have mandate to go fully electric."

While the pricing comes at a margin of around \$40,000 over the diesel version of the van, Herbert says it still stacks up.

"A lot of work has gone in with fleet operators around the cost of ownership of this van – and it has come out very competitively.

DEALER UPDATES FOR EVS

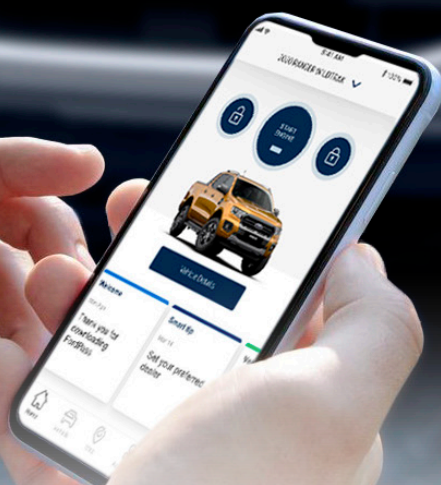
Managing director Simon Rutherford announced at the event that dealers were being made "EV ready" for the arrival of electric products.

Dealers will be required to have chargers on plinths on their forecourt, and service area – predominantly EVNEX units fitted by electrical contractor Singer. Bosch mobile units will be used in workshops.

A "dummy" unit will be sited in the showroom for customer education.

Sales staff and technicians are also being trained for the products – with Rutherford hoping to have the process completed by the end of September.





RANGER, EVEREST AND TRANSIT LEAD FORD'S CONNECTIVITY CHARGE

New model year 2020 Ranger, Everest and Transit vehicles arriving into dealerships this month will debut the FordPass Connect embedded modem.

It pairs with the FordPass smart phone app to unlock a range of new connected services.

However, Ford Australia and New Zealand mobility and connectivity manager **Christine Wagner** says the embedded modem cannot be retrofitted to earlier vehicles.

FordPass launch director **Jonathan Richards** says more than 7 million Ford owners around the globe are already using this technology.

By early 2021 all new Ford vehicles on sale in New Zealand will have the FordPass Connect embedded modem fitted as standard.

Pairing the modem to the app will enable Ford owners to remotely lock and unlock their vehicles, remotely start the vehicle (automatic only), as well as remotely check on the status, health and location of the vehicle, and receive live traffic updates.

The FordPass app provides easy access to warranty details and owner's manual, roadside assistance contact number, and online service booking (at participating dealers).

It's available for download free of charge for Apple and Android devices, with immediate benefits for customers with compatible Ford models.

"FordPass Connect is another way we're bringing simple-to-use technology into the hands of Ford owners and their families," Ford New Zealand managing director **Simon Rutherford** says.

"As our best-selling vehicles in New Zealand, we've chosen Ranger, Everest and Transit as the first to offer this technology as standard."

Through the FordPass app's Vehicle Status feature, owners can check their vehicle's key variables including fuel level, tyre pressures (where digital read-out tyre pressure monitoring system is fitted) and mileage through a smartphone.

Drivers can start their vehicle's engine from home, the office or elsewhere via smartphone, enabling the vehicle's cabin to commence heating or cooling to the last known setting. The vehicle is ready to be driven once the driver arrives with the key.

Drivers can lock and unlock their Ford remotely, meaning they don't have to rush back to their cars to check if they have remembered to lock their doors. This also allows drivers to let passengers into their vehicle regardless of whether they are there or not.

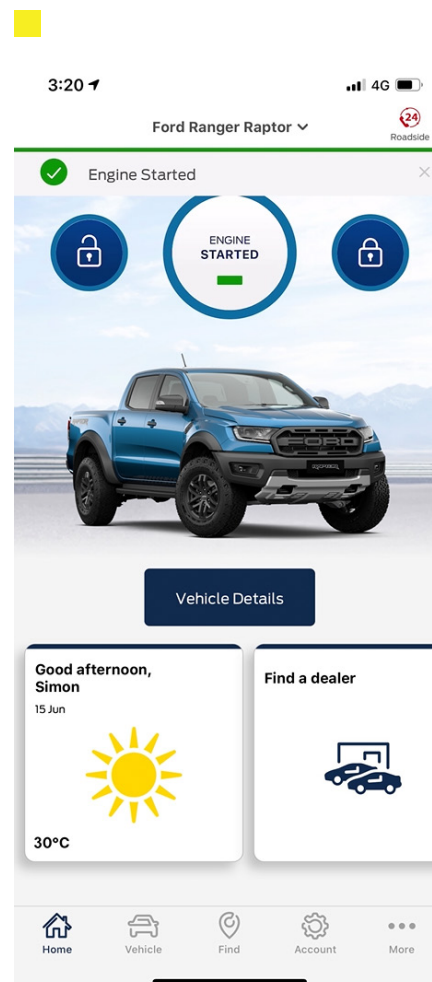
The Live Traffic Update capability delivers ongoing, instant traffic updates to provide more accurate navigation in congested areas. It includes traffic information, and offers an alternate route when detecting congestion and heavy traffic conditions.

Courtesy of a map and location tracker in the FordPass app, drivers can find their way back to their vehicle in a busy parking area without the need to remember exactly where they parked it.

The FordPass app capability extends to Vehicle Health Alerts, which can be sent directly to a smart device pre-empting service needs, general maintenance such as a washer fluid low alert. It is designed to identify specific issues and

recommend a course of action.

Customers can access additional information on FordPass Connect at ford.co.nz/fordpass, or download the FordPass app from the Apple App Store or Google Play.



USED MARKET DOWN BUT NOT OUT

The market for used import cars was down in July, but considering productions the market would be severely hit by requirements for electronic stability control it could be argued it is performing well.

Comments from dealers to **AutoTalk** back that sentiments, with reports of strong inquiry and sales.

The market for passenger cars was down 6.4% for the month to 11,968 units, from 12,791 this time last year.

Commercial registrations were up 2.75 to 989 units, from 963 this time last year.

Toyota was the most popular import

brand for the month on 2878 units, up 1.1% for a 24% market share.

Nissan took second on 2048, down a massive 18.6% for a 17.1% share, followed in third by **Mazda** on 1936, down 6.1% for a 16.2% share.

Honda was fourth on 1050 units, down 27.2% for an 8.8% share, while **Subaru** took fifth on 901 vehicles, up 17.6% for a 7.5% stake.

The Mazda **Axela** was the top selling import model on 666 units, down from 696 this time last year.

The Toyota **Corolla** was second on 594 units, followed by the Toyota **Aqua** on 484.

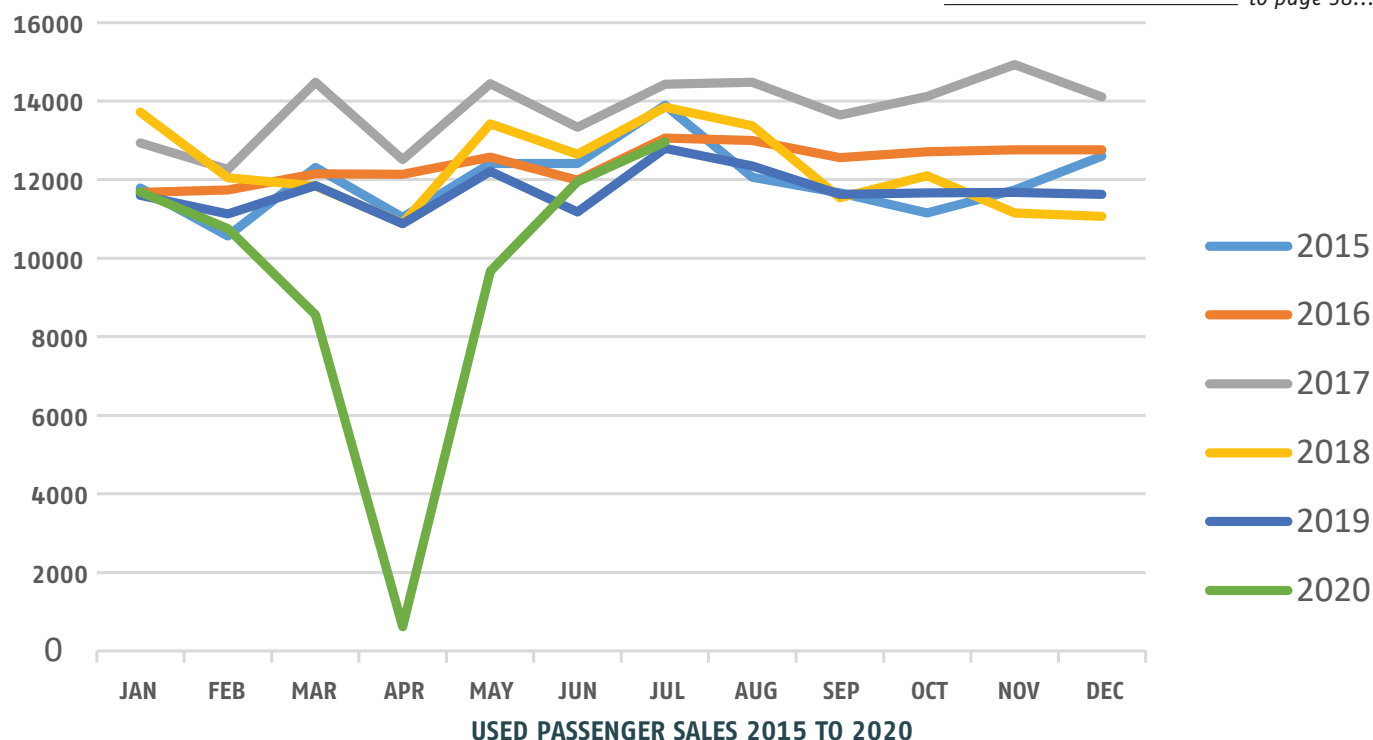
In third, the Honda **Fit** recorded 411 units, followed by the Toyota **Prius** on 385.

Toyota was the top commercial brand on 437 units, down 4.8% for a 44.2% market share.

Nissan was second on 246, up 9.8% for a 24.9% share, while **Ford** and **Mazda** tied for third on 43 units a piece.

Hino, **Isuzu** and **Mitsubishi** were in a three way tie for fifth spot on 36

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commercials.

The Toyota **Hiace** was, unsurprisingly, the top commercial, down 19 units to 333 for the month.

Nissan's **NV200** took second for the first time on 66 units, followed by the Nissan **Caravan** and **NV350** twins on 65 and 59 respectively. The Toyota **Dyna** was the top truck on 37 units.

BUSINESS BRISK IN THE MANAWATU

Used car business has been brisk in the Manawatu since New Zealand moved into COVID-19 Level 1, says Palmerston North dealer **Peter Day**.



"We've had good inquiry basically and pleasingly strong business, and good business too and 50% of our business comes from out of the region."

"Our only concern going forward is trying to replace stock; there's going to be a shortage of stock."

Prices have risen quite dramatically in Japan, Day says.

"There's not much to choose from and what's there is quite expensive. The next couple of months are going to be interesting from a stock point of view, but we'll be okay in the short term."

There won't be heavy discounting. "There's no point selling cars with not much margin if you have to pay more to replace them."

Day predicts that instead of moving trade-ins on, dealers will retain the better ones to sell themselves.

Peter Day Motors sells cars mainly in the \$15,000 to \$30,000 price range. "We've done quite a bit of business with returning Kiwis who have come back for any number of reasons, and they need a car."

The Manawatu economy is bustling. "All of the tradies in town are flat-out, they've got that much work in the pipeline. We're pretty insulated in this region; we've got heaps of infrastructure builds on and a large percentage of our income in the region

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USED COMMERCIAL MAKES JULY 2020

MAKE	JULY '20	JULY '19	MOVEMENT	% CHANGE	MARKET SHARE
TOYOTA	437	459		-4.8	44.2
NISSAN	246	224		9.8	24.9
FORD	43	39	UP 2	10.3	4.3
MAZDA	43	26	UP 3	65.4	4.3
HINO	36	42	DOWN 1	-14.3	3.6
ISUZU	36	49	DOWN 3	-26.5	3.6
MITSUBISHI	36	28	DOWN 1	28.6	3.6
CHEVROLET	14	11	UP 1	27.3	1.4
HOLDEN	14	14	DOWN 1	0.0	1.4
VOLKSWAGEN	12	7		71.4	1.2
OTHER	72	64		12.5	7.3
TOTAL	989	963		2.7	100.0

USED COMMERCIAL MODELS JULY 2020

MAKE	JULY '20	MAKE	JULY '19
TOYOTA HIACE	333	TOYOTA HIACE	352
NISSAN NV200	66	NISSAN NV350	62
NISSAN CARAVAN	65	NISSAN CARAVAN	58
NISSAN NV350	59	NISSAN NV200	47
TOYOTA DYNA	37	TOYOTA DYNA	37
MAZDA BONGO	31	TOYOTA REGIUS	32
TOYOTA REGIUS	30	HINO DUTRO	31
ISUZU ELF	25	ISUZU ELF	28
NISSAN ATLAS	23	TOYOTA TOYOACE	25
FORD RANGER	20	NISSAN VANETTE	20

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USED PASSENGER MAKES JULY 2020

MAKE	JULY '20	JULY '19	MOVEMENT	% CHANGE	MARKET SHARE
TOYOTA	2878	2847		1.1	24.0
NISSAN	2048	2515		-18.6	17.1
MAZDA	1936	2062		-6.1	16.2
HONDA	1050	1443		-27.2	8.8
SUBARU	901	766		17.6	7.5
MITSUBISHI	585	570	UP 1	2.6	4.9
BMW	526	450	UP 1	16.9	4.4
VOLKSWAGEN	438	428	UP 1	2.3	3.7
SUZUKI	423	598	DOWN 3	-29.3	3.5
AUDI	279	231		20.8	2.3
MERCEDES-BENZ	184	138	UP 1	33.3	1.5
LEXUS	182	185	DOWN 1	-1.6	1.5
FORD	88	69	UP 1	27.5	0.7
VOLVO	79	76	DOWN 1	3.9	0.7
JAGUAR	44	33	UP 3	33.3	0.4
CHEVROLET	41	33	UP 1	24.2	0.3
HOLDEN	37	47	DOWN 2	-21.3	0.3
LAND ROVER	30	36	DOWN 2	-16.7	0.3
MINI	30	30	UP 1	0.0	0.3
JEEP	23	30	DOWN 1	-23.3	0.2
OTHER	166	204		-18.6	1.4
TOTAL	11968	12791		-6.4	100.0

USED COMMERCIAL MODELS JULY 2020

MAKE	JULY '20	MAKE	JULY '19
MAZDA AXELA	666	MAZDA AXELA	696
TOYOTA COROLLA	549	SUZUKI SWIFT	624
TOYOTA AQUA	484	NISSAN TIIDA	611
HONDA FIT	411	HONDA FIT	581
TOYOTA PRIUS	385	MAZDA DEMIO	531
MAZDA DEMIO	378	TOYOTA PRIUS	410
TOYOTA HIACE	376	SUBARU LEGACY	381
SUZUKI SWIFT	352	TOYOTA WISH	338
MITSUBISHI OUTLANDER	340	NISSAN LEAF	323
SUBARU IMPREZA	285	MITSUBISHI OUTLANDER	294
VOLKSWAGEN GOLF	281	MAZDA PREMACY	289
SUBARU LEGACY	273	MAZDA ATENZA	286
NISSAN X-TRAIL	259	TOYOTA VITZ	284
NISSAN TIIDA	255	NISSAN NOTE	263
MAZDA ATENZA	254	VOLKSWAGEN GOLF	242
NISSAN LEAF	223	NISSAN DUALIS	204
MAZDA PREMACY	201	TOYOTA COROLLA	200
TOYOTA VANGUARD	184	TOYOTA BLADE	198
BMW 3 SERIES	175	SUBARU IMPREZA	196
TOYOTA WISH	169	HONDA STREAM	188

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is Government money."

A neighbouring car yard is doing well selling high-end vehicles – Chevrolet Corvettes, Mini Cooper Ss. "He's flat-out, the franchise dealers are going well," Day adds. "I hear no-one moaning."

AN END TO BUYERS HAGGLING?

Ashburton used car dealer Darryl Phillips says sales in the Canterbury rural hub are strong.

"We're grateful for what we receive, and we should be pretty happy that things are still boxing on. For what we've been through the country is in pretty good shape, and not too many people are upset with things.

"My biggest fear is what's around the corner; I think there's a bit more hard work still to be done."

Darryl Phillips Motor Company operates in a rural area and "thank God for the farmers we're ticking over okay."

Stock is extremely hard to buy. "To be honest I think it's been a buyer's market for far too long, and I think it's now going to turn the other way."

Phillips thinks the days of buyers bargaining for lower prices may soon be over.

"There's not many cars around; the franchise dealers can't get the stock they need, and everyone is suffering at the end of the day.

"It's going to get back to the value of what the vehicle should be."

He thinks franchised dealers will shift to set prices "and that will affect right through to us."

No haggle pricing "will give everyone a fair shot at it."

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NEW MARKET UP ON REPORTS OF STRONG RETAIL

The market for new vehicles was up 3.1% in July, with Toyota New Zealand reporting incredibly strong business through its retail channels.

According to the Motor Industry Association, July 2020 registrations came in at 3.1% over July 2019 with 12,263 vehicles registered, up 366 units on the same month this time last year.

"Year to date the market is down 24.8% in a year that is heavily affected by the COVID-19 pandemic which makes July a surprisingly strong result given the worldwide economic conditions," chief executive **David Crawford** says.

"Sales of both passenger and commercial vehicles were up on the same month in 2019.

"Returning cashed up kiwis and alternative spending to international travel is thought to be behind the July result. However, as the year

progresses the economic outlook is for a continuing tightening market."

The result was the second strongest ever registrations for the month of July.

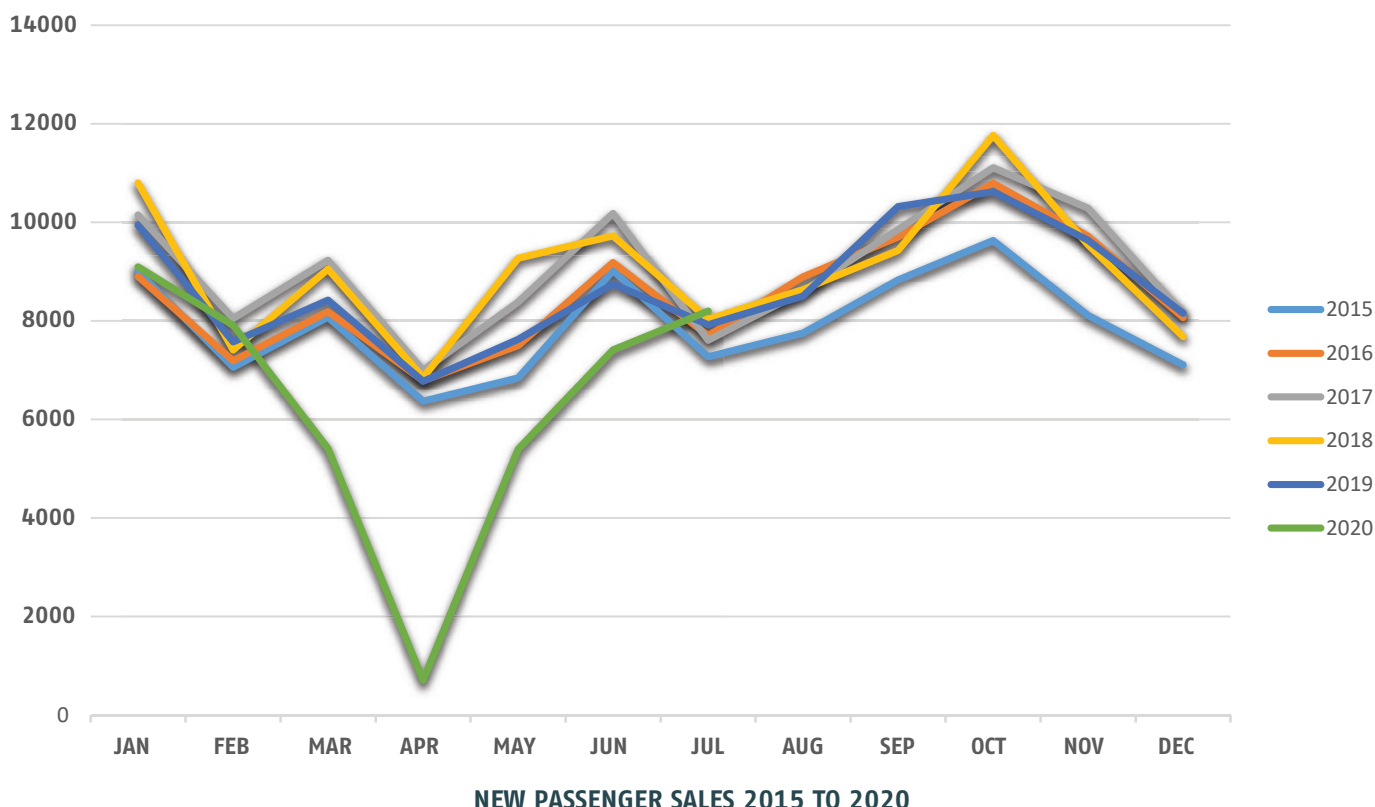
There were 90 pure electric vehicles, 69 PHEVs and 1045 hybrid vehicles sold for the month.

The market overall to the end of July is down 24.8% (21,694 units) on the first six months of 2019.

Registration of 8200 passenger and SUVs for July 2020 were up 3.5% (275 units) on 2019 volumes, while commercial vehicle registrations of 4063 were up 2.3% (91) compared to July 2019.

The top three models for July were the Toyota **RAV4** (796 units), followed by the Ford **Ranger** (781) with the Toyota **Hilux** in third place (627).

Toyota remains the overall market leader with 18% market share (2217 units), followed by **Ford** with 10%



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(1246) and **Mitsubishi** in third spot with 8% market share (1041).

Toyota was the market leader for passenger and SUV registrations with 17% market share (1416 units) followed by **Kia** with 9% (719) and then **Mitsubishi** with 8% market share (658).

The top selling passenger and SUV models for the month were the Toyota **RAV4** (796 units) followed by the Kia **Sportage** (320) and the Mitsubishi **ASX** (265).

Ford regained the commercial market lead with 22% market share (912 units) followed by **Toyota** with 20% (801) and **Holden** third with 10% market share (389).

The Ford **Ranger** retained the top spot as the best-selling commercial model with 19% share (781 units) followed by the Toyota **Hilux** with 15% share (627)

and the Mitsubishi **Triton** in third place with 9% market share (383).

Overall the top segments for the month of July were dominated by SUVs. The top spot went to the **SUV medium** vehicles with 22% share followed by **SUV Compact** with 19% and the **Pick Up/Chassis 4x4** segment with 16%.

Toyota celebrating big month for retail

Toyota New Zealand chief executive officer **Neeraj Lala** says that no-one could have anticipated the level of sales in July, given that it is a month usually known for cooling off from the big sales months of May and June.

"The level of new orders across our entire range has surpassed our expectations," he says.

"When the product is right and it resonates with customers, it definitely

delivers sales through our retail channels."

Hybrids continue to outsell traditional petrol models, with the percentage sitting at a 54% hybrid, 46% non-hybrid split year-to-date for passenger and 56% hybrid, and 44% non-hybrid SUV vehicles.

The retail channel has performed strongly for July, with 1755 vehicles being retailed through this channel. This is a 29.5% increase on July 2019. These results make it the biggest retail month since the launch of the new Drive Happy business model in April 2018.

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NEW COMMERCIAL MAKES JULY 2020					
MAKE	JULY '20	JULY '19	MOVEMENT	% CHANGE	MARKET SHARE
FORD	912	760		20.0	22.4
TOYOTA	801	753		6.4	19.7
HOLDEN	389	389	UP 1	0.0	9.6
MITSUBISHI	383	451	DOWN 1	-15.1	9.4
ISUZU	250	231		8.2	6.2
NISSAN	229	266		-13.9	5.6
MAZDA	227	233		-2.6	5.6
MERCEDES-BENZ	125	102		22.5	3.1
LDV	124	71	UP 3	74.6	3.1
VOLKSWAGEN	101	88		-16.9	12.8
OTHER	522	628		2.3	12.8
TOTAL	4063	3972		2.3	100.0

NEW COMMERCIAL MODELS JULY 2020			
MAKE	JULY '20	MAKE	JULY '19
FORD RANGER	781	FORD RANGER	657
TOYOTA HILUX	627	TOYOTA HILUX	534
MITSUBISHI TRITON	383	MITSUBISHI TRITON	451
HOLDEN COLORADO	381	HOLDEN COLORADO	380
NISSAN NAVARA	229	NISSAN NAVARA	266
MAZDA BT-50	227	MAZDA BT-50	233
TOYOTA HIACE	147	TOYOTA HIACE	188
ISUZU D-MAX	146	ISUZU D-MAX	123
FORD TRANSIT	131	FORD TRANSIT	103
MERCEDES-BENZ X-CLASS	86	HYUNDAI ILOAD	81

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...from page 41

"The parts and service rates have also increased and improved, and we continue to hold a 95% service rate despite COVID-19," Lala says.

"We will continue to help serve our customers post COVID-19 through our stores no matter whether they have a breakdown or need urgent parts."

Best ever month for JLR

It was not just the mainstream brands performing well, with **AutoTalk** speaking to multiple premium brands - including Lexus and Audi, who are experiencing better than expected recoveries.

Motorcorp, distributors of Jaguar and Land Rover products, is surprised with how well the market has gone.

July was a record month for the brands, no doubt bolstered by the arrival of the new Defender model.

"Even with the economic uncertainty, in this post-lockdown world it's reassuring to see our customers confidence in the Jaguar and Land Rover brands," general manager Steve Kenchington says. "Also their unwavering support and loyalty they continue to show us."

The Defender was the top selling model for the brand on 65 units, followed by the Discovery Sport on 32 and Range Rover Sport on 24.

Motorcorp notes the trend that new vehicles are being purchased instead of international travel.

"Luxury vehicle customers are moving towards Jaguar and Land Rover models as they embark on local travel and a desire for a vehicle that aligns with exploring New Zealand travel destinations."



NEW PASSENGER MAKES JULY 2020

MAKE	JULY '20	JULY '19	MOVEMENT	% CHANGE	MARKET SHARE
TOYOTA	1416	1432		-1.1	17.3
KIA	719	585	UP 1	22.9	8.8
MITSUBISHI	658	499	UP 3	31.9	8.0
MAZDA	580	713	DOWN 2	-18.7	7.1
SUZUKI	529	550		-3.8	6.5
HYUNDAI	509	457	UP 1	11.4	6.2
HOLDEN	385	555	DOWN 3	-30.6	4.7
VOLKSWAGEN	341	313		8.9	4.2
FORD	334	280	UP 1	19.3	4.1
SUBARU	257	304	DOWN 1	-15.5	3.1
MERCEDES-BENZ	192	174		10.3	2.3
LAND ROVER	173	78	UP 5	121.8	2.1
AUDI	169	147	DOWN 1	15.0	2.1
OTHERS	1187	971		22.2	14.5
TOTAL	8200	7925		3.5	100.0

NEW PASSENGER MODELS JULY 2020

MAKE	JULY '20	MAKE	JULY '19
TOYOTA RAV4	796	TOYOTA COROLLA	600
KIA SPORTAGE	320	TOYOTA RAV4	442
MITSUBISHI ASX	265	KIA SPORTAGE	302
SUZUKI SWIFT	251	MAZDA CX-6	288
TOYOTA COROLLA	230	SUZUKI SWIFT	269
MAZDA CX-5	222	NISSAN X-TRAIL	255
MITSUBISHI OUTLANDER	220	MITSUBISHI ASX	251
HYUNDAI TUCSON	206	NISSAN QASHQAI	163
KIA SELTOS	184	MITSUBISHI OUTLANDER	147
TOYOTA C-HR	172	HOLDEN COMMODORE	136
FORD ESCAPE	168	HONDA CRV	135
HONDA HR-V	163	MAZDA MAZDA3	121
NISSAN QASHQAI	157	HYUNDAI KONA	120
NISSAN X-TRAIL	147	HONDA HR-V	116
HYUNDAI KONA	118	TOYOTA CAMRY	116

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EX-RENTALS SELLING STRONGLY

Strong is the best way to describe the level of used and new car sales, says **Matthew Wales**, general manager of multi-franchise dealer Andrew Simms in Botany, southeast Auckland.

"Used cars have been going very well," he says. Simms specialises in New Zealand-new used cars and isn't in the import trade.

"We've partnered with Ebbetts to sell a large number of ex-rental cars."

Rental companies haven't been buying new vehicles and the larger fleets have been reducing their inventory.

"That retail business has been very strong for us. We've sold a significant number and they've sold very quickly."

Stock supply of used NZ-new cars is a bit of a constraint. "There are no used car factories so you can't place an order for stock."

During the lockdown dealers had

thought there was going to be a glut of used cars.

"That hasn't happened, they've all been sold. Who would have thought that three months ago"

"But we'll take it day-by-day and see where it goes."



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VEHICLE IMPORTS DOWN \$256M IN JUNE

Vehicles and parts led the biggest import fall in June, down \$256 million compared to the same period last year, according to Stats NZ.

This includes a \$189m fall in new and used car imports and \$67m fall in trucks and vans for the month.

While imports of vehicles fell, registrations bounced back in June 2020 to similar levels when compared with the same month last year.

Overall, imports were up slightly for the month mainly due to the arrival of the Royal New Zealand Navy's new vessel, HMNZS Aotearoa.

The value of total merchandise goods imports was up \$11m (0.2%) to \$4.6 billion in June compared to the year prior.

A rise in imports of ships and boats was largely offset by continued falls in the imports of vehicles and fuel.

Excluding the large one-off HMNZS Aotearoa import, the value of total goods imports in June 2020 was \$4.2b, a fall of \$384m (more than 8%) from a year earlier.

The monthly trade balance for June 2020 (excluding the new vessel) was a surplus of \$426m.

"Without the Aotearoa, imports fell for the third consecutive month, following the start of the COVID-19 alert level 4 lockdown in New Zealand at the end of March," international statistics manager Darren Allan says.

"The latest vehicle registration numbers indicate sales of vehicles may be recovering.

"Given the continued low imports of vehicles, it seems the car sales are of existing stock, after demand fell during the lockdown period," he says.

The second largest fall in goods imports was in petroleum and products, down \$217m. Crude oil fell \$215m (66%), down in both quantity and price.

TOTAL EXPORTS RISE LED BY DAIRY

Higher milk powder exports and a recovery in log exports helped boost total exports in June 2020, up \$107m to \$5.1b from June 2019.

Leading the rise was New Zealand's biggest export commodity group, milk powder, butter, and cheese, up \$90m to \$1.2b from last June.

Milk powder rose \$108m to reach \$650m, which was partly offset by a fall in milk fats including butter, down \$38m

In contrast to the falls in previous months, quantities and values of log exports in June 2020 were up on June 2019, up 8.8% and 7%, respectively.

The monthly trade balance for June 2020 was a surplus of \$426 million. Excluding the new vessel.

US IMPORTS DOWN, CHINA UP

Imports from the United States had the biggest fall in June 2020, down \$111m compared to the same month a year prior. Mechanical machinery and equipment (such as turbo-jet and turbo-propeller parts) led the fall, down \$58m (41%).

"With ongoing travel restrictions and international arrivals at a 61-year low, there's less need for imports of aircraft parts," Allan says.

Goods imports from China were up \$97m (10%) in June compared to the year prior. The leading rises were electrical machinery and equipment (mobile phones, etc) up \$45m, articles of plastic (like disposable aprons) up \$27m, and textiles (such as face masks) up \$23m.



BIKE SALES BETTER THAN EXPECTED - SUZUKI

Suzuki New Zealand says its post-COVID-19 Motorcycle sales have been much better than expected.

"New bike sales are well above most people's expectations," says the company's motorcycle marketing manager **Simon Meade**. Used bike sales have also been strong.

"The recreational bike market has been performing well and the farm market is very strong at the moment.

"In fact, it's hard to find an area of the market that's not performing above expectations."

"I haven't talked to any dealers who are unhappy with the current level of business," Meade adds.

He thinks the Government "underestimated the amount New Zealanders spend on overseas trips and holidays."

That money is now being spent on items like motorbikes, cars, spa pools, boats and boating equipment like outboard motors, and on tourism inside NZ as Kiwis take to the road post-lockdown.

ELECTRIC MOTORBIKES GET DEFENCE TEST

Four electric utility motorbikes from Tauranga-based UBCO are being trialled for a year by the New Zealand Defence Force (NZDF). It will test the specially built 2x2 bikes for their suitability for tasks such as reconnaissance and surveillance, airfield security and other transport roles.

The 65kg bikes are much lighter than normal military motorcycles, have an electric motor in each wheel, and with regenerative braking have up to 120km range.

The trial package includes a camouflage colour scheme, extra battery packs, a trailer and a range of spare parts.

The army, navy and air force will each trial the bikes, which are generally aimed at farmers, hunters, emergency services and others. "Obviously they are more environmentally friendly, and we will see if they are also more military friendly," lieutenant colonel **Brad Gallop** says.

"We will see how good they are for carrying equipment where a soldier on foot might not be able to.

"Electric vehicles offer some advantages over normally fuelled vehicles. They are quiet, don't give off exhaust or heat, and aren't powered by highly flammable liquids.

"They are simple to maintain and onboard computers will be able to record a range of information about how the bike is used." Gallop says the UBCO bikes will be limited to 50kmh and have lower training requirements to that of a motorcycle.

The trial is part of the Defence Force's wider goal of becoming a more sustainable operation, which also fits with the government's goal of having 64,000 EVs on New Zealand roads by the end of next year.

UBCO developed its electric utility vehicle and portable power platform originally for off-road use and has certified it for dual purpose (on road) use globally in a wide range of high duty applications.

"The collaboration with the NZDF allows UBCO to rapidly learn how the 2X2 can operate across army, navy and air force," UBCO chief executive Timothy Allan says.

"Globally, defence is a very controlled industry, so this collaboration is hugely valuable to learn quickly for UBCO."

NEW BIKE MAKES JUNE 2020

MAKE	JUN '20	YTD '20	JUN '19	% CHANGE	MARKET SHARE
SUZUKI	109	596	82	32.9	14.5
YAMAHA	82	487	44	86.4	10.9
HARLEY DAVIDSON	73	396	53	37.7	9.7
KTM	64	236	46	39.1	8.5
KAWASAKI	47	190	34	38.2	6.3
TRIUMPH	46	246	31	48.4	6.1
HONDA	41	299	47	-12.8	5.5
TNT MOTOR	36	193	36	0.0	4.8
INDIAN	33	98	8	312.5	4.4
ROYAL ENFIELD	30	153	21	42.9	4.0
FORZA	27	157	23	17.4	3.6
UBCO	22	42	3	633.3	2.9
BMW	19	118	9	111.1	2.5
DUCATI	14	70	0	-	1.9
MOPED	13	59	8	62.5	1.7
VESPA	12	102	8	50.0	1.6
FACTORY BUILT	10	68	3	233.3	1.3
HUSQVARNA	7	34	5	40.0	0.9
KEEWAY	7	28	6	16.7	0.9
SYM	7	31	2	250.0	0.9
OTHER	53	286	54	-1.9	7.0
TOTAL	752	3889	523	43.8	100.0

NEW BIKE MODELS JUNE 2020

MAKE	MODEL	JUNE '20
TNT MOTOR	ROMA 2T	35
SUZUKI	UZ50	22
UBCO	2X2	22
FORZA	CICLONE	17
SUZUKI	DR650SE	14
KTM	200 DUKE	12
SUZUKI	GSX150 FDZA GIXXER	12
ROYAL ENFIELD	CLASSIC	11
SUZUKI	GSX250FRLL9	11
YAMAHA	MT03LA L	11

USED BIKE MAKES JUNE 2020

MAKE	JUNE '20	JUNE '19	% CHANGE	MARKET SHARE
HARLEY DAVIDSON	72	64	12.5	38.1
DUCATI	17	8	112.5	9.0
TRIUMPH	16	20	-20.0	8.5
YAMAHA	13	7	85.7	6.9
BMW	11	6	83.3	5.8
KTM	11	2	450.0	5.8
SUZUKI	10	8	25.0	5.3
HONDA	8	14	-42.9	4.2
KAWASAKI	7	5	40.0	3.7
BUELL	4	2	100.0	2.1
OTHER	20	9	122.2	10.6
TOTAL	189	145	30.3	100.0



NEW AND USED COMMERCIALS DOWN IN JULY

New and used commercial vehicle registrations are both down in July compared to the same period last year.

Total registrations of new trucks and buses over 3500kg GVM sits at 440 units for July. This is down 17.6% compared to the same period the year prior which saw 534 registrations of new commercials.

Total registrations of used trucks and buses over 3500kg GVM sits at 222 units for July. This is down 9.4% compared to the same period the year prior which saw 245 registered.

The July slump followed a bounce back in the previous month of June where new commercials were only down 3.3% year-on-year while used commercials were up 3.1%.

Isuzu is market leader for new commercials in July with 104 units registered and a 23.8% market share. It was down 3.7% compared to the 108 registered in the same period the year prior.

Hino is second, up 1.9% with 55 new units registered and a 12.6% market share. **Fuso** is third, down 30% with 49 registered and an 11.2% market share.

Scania follows, up 81% with 38 units registered, **Iveco** down 10% (27), **DAF** down 7.4% (25), **Fiat** down 25% (21), **Mercedes-Benz** down 67.9% (18), **Foton** up 200% (15), and **Volvo** down 43.5% (13).

Toyota is market leader for used commercial brands in July with 48 registered units and a 21.6% market

share. This was down 36% compared to the same period a year prior which saw 75 registered units for the brand.

Hino and **Isuzu** brands share second spot for the month, each with 35 registered units and a 15.8% market share.

Hino is down 12.5% year-on-year while **Isuzu** is down 14.6%. **Nissan** is third, up 18.2% with 26 registered and a 11.7% market share.

Mitsubishi follows, up 47.1% with 25 units, **Mazda** up 114.3% (15), **Volvo** up 250% (7), **DAF** unchanged (4), **Daihatsu** up 300% (4) and **Fiat** down 20% (4).



NEW TRUCK MAKES JULY 2020						
MARQUE	JULY '20	JULY '19	% CHANGE	MARKET SHARE	YTD '20	YTD '19
ISUZU	104	108	-3.7	23.8	557	733
HINO	55	54	1.9	12.6	288	427
FUSO	49	70	-30.0	11.2	345	501
SCANIA	38	21	81.0	8.7	191	114
IVECO	27	30	-10.0	6.2	172	176
DAF	25	27	-7.4	5.7	87	153
FIAT	21	28	-25.0	4.8	148	172
MERCEDES-BENZ	18	56	-67.9	4.1	184	246
FOTON	15	5	200	3.4	43	57
VOLVO TRUCK	13	23	-43.5	3.0	168	203
OTHER	75	112	-33.0	17.2	490	857
TOTAL	440	534	-17.6	100.7	2673	3629

USED TRUCK MAKES JULY 2020						
MARQUE	JULY '20	JULY '19	% CHANGE	MARKET SHARE	YTD '20	YTD '19
TOYOTA	48	75	-36.0	21.6	305	421
HINO	35	40	-12.5	15.8	164	250
ISUZU	35	41	-14.6	15.8	203	279
NISSAN	26	22	18.2	11.7	102	171
MITSUBISHI	25	17	47.1	11.3	89	138
MAZDA	15	7	114.3	6.8	70	58
VOLVO	7	2	250.0	3.2	19	19
DAF	4	4	0.0	1.8	9	14
DAIHATSU	4	1	300.0	1.8	10	15
FIAT	4	5	-20.0	1.8	103	95
OTHER	19	31	-38.7	8.6	148	201
TOTAL	222	245	-9.4	100.0	1222	1661



CGA COVERAGE NOT ENDLESS

NILSON V MARKHAM MOTORS LTD

In March 2019, the purchaser paid \$39,990 for a 2015 Jaguar XF S, with its odometer reading 108,862km. The purchaser used the vehicle to drive to and from work and on longer drives, including return trips from Auckland to Wellington.

The purchaser serviced the vehicle on time, with an invoice from a specialist workshop showing that the vehicle was serviced on August 13, 2019 when its odometer reading was 118,122km.

The purchaser also provided the vehicle's service history and other information from a franchise dealer (the Jaguar dealership which sold the vehicle when new), which shows that the vehicle has been properly serviced throughout its life.

After one year and 17,588km of trouble-free motoring, the vehicle broke down on March 7, 2020 outside of Tauranga. The vehicle has since been assessed by the franchise dealer in that city, which found that the engine has suffered significant internal damage.

It recommended replacing the engine with a new engine at a cost of more than \$44,000.

Although the precise cause of the engine damage remains undiagnosed, the trader that sold it accepts that the vehicle has suffered major engine damage. However, it denies liability saying that the engine damage occurred too long after purchase for it to bear responsibility.

The issues:

Against this background, the sole issue requiring the tribunal's consideration is whether the vehicle has been of acceptable quality for the purposes of the Consumer Guarantees Act 1993 (the CGA).

In considering whether or not goods meet the guarantee of acceptable quality, the tribunal must consider the quality elements as set out in the CGA, from the perspective of a "reasonable consumer". The test is an objective one; it is not a view of those factors from the purchaser's subjective perspective.

The tribunal says the evidence is clear that the vehicle has suffered major engine damage. The cause of that damage has not been diagnosed, though the franchise dealer that inspected it thought that the vehicle may have a broken crankshaft, but the tribunal's assessor, considers that to be unlikely.

The assessor notes that it is highly unusual for the crankshaft in a vehicle maintained to manufacturer's recommendations of this make and model to break.

Instead, he considers it far more likely that the bearings in the engine's bottom end have failed, which is a much more common cause of engine damage in such vehicles.

Although the franchise dealer advises that the engine should be replaced at a cost of about \$44,000, the assessor also notes that if the crankshaft can be refurbished and if the vehicle is taken to a skilled engine rebuilder,

the engine may be rebuilt for much less.

The purchaser says that this major engine defect means that the vehicle has not been durable enough. He says that the vehicle has been properly serviced, both before and after he purchased it, and that a reasonable consumer would have expected a well-maintained \$39,990, four-year-old Jaguar XF S to be free of such significant engine damage for much longer than this vehicle has been.

The tribunal notes that while the purchasers position is certainly understandable, given the sizeable investment he has made in this vehicle and the cost of the required repairs, the tribunal feels the vehicle has been of acceptable quality.

"The guarantee of acceptable quality does not impose indefinite liability on the supplier of a motor vehicle, and at some point the risk of the vehicle developing significant defects must transfer from the supplier to the purchaser. The point in time at which that risk transfers from the supplier to the purchaser is determined with reference to the factors in s 7(1)(f) to (j) of the CGA.

"In this case, [the purchaser] purchased a well maintained \$39,990, four-year-old diesel Jaguar XF S with an odometer reading of 108,862km.

"I consider that, despite the vehicle's price and complete service history, a reasonable consumer would nonetheless understand that the

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vehicle had been well used (travelling on average 27,000km per year before it was purchased by [the purchaser]) and that defects that would not be present in a new vehicle of the same price may arise.

"Indeed, I consider that the risk of future defects developing is reflected in the price of \$39,990, which is a significant discount on the vehicle's

price when new – which the parties estimated at between \$100,000 and \$130,000."

The tribunal noted that the purchaser used the vehicle for more than one year before the engine failed, driving 17,588km in that time.

"Given the price, age and mileage of the vehicle at the time of sale,

the length of time before the engine damage became apparent and the distance travelled in that time, the adjudicator was satisfied that the vehicle has been as free of minor defects and as durable as a reasonable consumer would consider acceptable.

The application was dismissed.

FINANCE FIRM WARNED OVER REPO PROCESS

Finance company Financial Holdings Limited (FHL) has been warned by the Commerce Commission that its repossession documentation and post-repossession charges likely breached lending rules.

FHL provides personal and commercial finance, focusing on personal loans for the purchase of second-hand motor vehicles. The Commission commenced its investigation into FHL in May 2018 after receiving a number of complaints from budget advisors about FHL's conduct.

The Commission investigated whether FHL was collecting or claiming interest and fees after the repossession and sale of secured property, and issuing repossession notices that did not comply with the Credit Contracts and Consumer Finance Act.

In the Commission's view, FHL likely

breached the Fair Trading Act and CCCF Act by charging interest and fees after the repossession and sale of secured property, and it has also likely breached the CCCF Act by issuing repossession warning notices and post-repossession notices that did not contain all of the key information required and failing to issue statements of account to borrowers within 7 days after the sale of the consumer goods.

"The law does not allow lenders to charge fees or interest after secured property has been repossessed and sold," Commerce Commission chair Anna Rawlings says. "Lenders and debt collectors must be familiar with the requirements of the CCCF Act and FT Act, and it should not take a Commission investigation for lenders to comply with those requirements. FHL co-operated with

our investigation and advised us that it has changed procedures and documentation to ensure compliance with the CCCF Act."

From information provided by FHL, the Commission considers that 306 borrowers had interest and/or fees inappropriately added to their accounts after the sale of secured property. Customer files showed that FHL charged interest and fees from time to time on two complainant files for 18 years after the repossession and sale of secured property.

FHL has advised the Commission that it will review every loan where secured property was repossessed and sold since April 2014 and will apply credits or refunds where borrowers have been charged any interest or fees after the sale of the secured property.



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