THE VEHICLE DEALER'S NEWS SOURCE

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MAY 2020 .CO.NZ

COVID-19: DEALERS DISCUSS THE RETURN TO TRADE

p4, 6, 8, 9

WILL LEVEL 2 LIVE UP TO EXPECTATIONS?

by **Richard Edwards**
Managing Editor

For our cover story this month we decided it was time to treat COVID-19 and its economic repercussions a little differently. Recent months have seen a lot of discussion around the supply chain and the technicalities of trading through the stages of lockdown.

But what about you, the people, the dealers.

We interviewed a group of dealers - new and used, big and small - from around the country, to get an understanding as to how the lockdown has impacted business, and what the expectation is for the market going forward. It was interesting to put together - and a great read.

What was interesting is many are looking to level 2, as if it is some kind of great hope. Yet as of going to press, we still do not actually know what level 2 will mean.

If you have been following out new

You probably still can't put a salesperson in a car with a customer, you may need to track where they go in a showroom, and that flash customer lounge you spent thousands on? It is probably still closed.

Dealer Professional Development series - see more on this on pages 13 to 15 - you will have seen our session with MotorCentral's **Mark Greenfield**, the Motor Trade Associations **Greig Epps** and VIA's **Kit Wilkerson**. The three agreed that we do not yet know what level 2 will mean; and it will not mean business is free and clear to operate as before.

It may, in fact, open up a whole new can of worms when it comes to the business of selling and servicing cars. Contact tracing and distancing is somewhat straight forward when the doors are closed, but a whole lot more complicated when they are open.

What was interesting is many are looking to level 2, as if it is some kind of great hope. Yet as of going to press, we still do not actually know what level 2 will mean.

You probably still can't put a salesperson in a car with a customer, you may need to track where they go in a showroom, and that flash customer lounge you spent thousands on? It is probably still closed.

The key is we don't know. And with most of the key safety points in place, you may as well embrace them now. They are not going away anytime soon.

Luckily our supporting industries are here to help. Software providers have already released contact tracing options into the market to assist, finance and insurance companies have cut the few remaining needs to sign things in person, new vehicle sanitising products are out and logistics and shipping companies have kept the vehicles moving.

They've also kept supporting *AutoTalk* - which is a win for all of us.

Speaking of *AutoTalk*, we are pleased to announce that this issue will mark a return to print for us - we managed to only miss one physical edition of the magazine. If you are still at home, do not forget to grab it from the office the next time you visit.

GOVERNMENT ASSISTANCE FOR CAR INDUSTRY 'WIN-WIN' - MIA

The Motor Industry Association has put out a call for the government to assist the New Zealand automotive industry, noting the move offers some big wins for a relatively small amount of monthy.

In a statement this week, the association called for the government to make three moves to support the trade - have government departments buy more electric vehicles, for the “feebate” scheme to be implemented, but with the government funding the incentives rather than charging buyers of high-emission vehicles and for the implementation of a scrappage scheme.

The industry is already hurting, with sales cut by 90% in April. With the market for new and used vehicle imports understood to be worth $8-9 billion a year, that is a potential $450 million hit.

For the year, the association is expecting to drop around 40-45% - with arguably a corresponding drop in revenue for both dealers and distributors.

"If there's a 40% drop for the year, there's about $4 billion turnover taken out of the economy," MIA chief executive **David Crawford** says. "That's got to have a ripple-on effect."

Playing devil's advocate, *AutoTalk* asked Crawford why the government should be assisting large, mostly foreign-owned, distributors.

"We do not have a New Zealand alternative," Crawford noted. "And all of those distributors, well 95% or them, are New Zealand-based and New Zealand companies - albeit with some foreign ownership."

"But if you look down the chain, almost all of the franchise dealers are New Zealand owned," Crawford says.

He notes the key is that the government has the opportunity to assist while also turning the fleet over, achieving its goals of having newer, safer, cleaner cars on the road.

And such support would save jobs.

"We have already seen redundancies, some at a distributor level, but I understand quite a lot through the dealer networks," he says. "Then there’s the flow-on effects too - through the certifiers, transport and service and repair trade."

So how will the assistance work? With the electric vehicle - including plug-in hybrid purchases - the association is calling for budgets of government departments to be expanded to allow for the purchasing of additional vehicles.

"If you leave them with the same budget and say, buy more electric cars, or more plug-in hybrid electric cars, all that happens is they buy less cars," Crawford says. "To make that a more meaningful uptake, or to accelerate the uptake of fuel-efficient vehicles, then the departmental votes [budget] for vehicles needs to increase."

David Crawford

With the feebate scheme, the government would foot the bill for energy-efficient vehicle purchase subsidies. Crawford acknowledges this would cost millions, but would offer good value in terms of environmental and safety improvements, as well as saving jobs, compared to the packages likely to go to other sectors of the economy.

AutoTalk's quick calculations noted that for the cost of the government's media bailout package, the government could subsidise the purchase of more than 8300 battery-electric vehicles on to the road at $6000 each.

On the scrappage scheme - a political football that has been discussed, debated and tested before - Crawford is calling for an industry-wide working group to be formed with the government to develop it.

Scrappage schemes would likely benefit the used market more than the new, but Crawford notes that doesn't matter - as all the assistance suggestions would have flow-on effects for the entire trade.

"It is not really something that necessarily immediately assists the new vehicle trade, but it certainly has overall flow on affects for everyone."

HOW IS BUSINESS?
WE TALK TO DEALERS AROUND THE COUNTRY

COVID-19 and the subsequent lock down are likely to be one of the biggest things to hit the automotive trade in New Zealand since the arrival of imports or the shuttering of local assembly.

But what does that mean for those at the coal-face of the retail trade, those most likely to have a stake in what they are operating?

AutoTalk journalist Mike Stock travelled the country over the last week - via his iPhone of course - asking how COVID-19 has hit business, and what dealers are expecting as business returns.

"We're in uncharted territory" - Doug Breden, Hutt City Autoworld

Hutt City Autoworld co-owner Doug Breden says he's getting some online inquiry since New Zealand moved to COVID-19 Level 3.

"But it's pretty much based around price," says the Lower Hutt used car dealer. "If they see something and it looks like a really super-good deal, we're getting inquiry. There's little bit of hope, but it's very early days yet."

Breden says his dealership remains physically closed and is relying on online inquiry. "We're going to work and doing things, but the gates are shut, and we open by appointment only; we've had some appointments which is good."

Breden has sold some cars, "but I'm not going to say how many. Whether we made money out of the cars I haven't looked at yet, but we've sold some and I think we're on the right side of the ledger rather than the wrong. But it's not anything to shout about; it's pretty average."

Prices are falling especially after big nationwide players dropped their prices. The fall was "always going to happen sooner or later."

At the moment, trading for dealers is "all about cashflow, it's not about who can make the most money. It the same for everyone, no matter whether you're building houses or selling cars."

He says it's very difficult to predict when things will pick up. "We've taken the attitude to take each week as it comes. We're in uncharted territory."

Breden believes it'll get easier to predict once the country moves into Level 2 but thinks nothing will be clear till June or July. "We're in May now and June and July are proper winter, and that comes into play – it's our quieter time."

But even though the market is quiet, it's better than April when nothing happened. "You're only as good as your last month but I'm going to have a good May."

He says it's impossible to comment on the overall effect of the shutdown. "I don't know what the numbers are going to look like compared to last year, but I think it'll be somewhere between 50 to 70% of where we were."

"A lot better than expected" - Matthew Wales, Andrew Simms, Botany

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AutoTalk Magazine and autotalk.co.nz are published by Auto Media Group 8/152 Quay Street, Limited.
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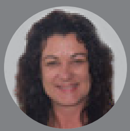
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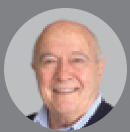
PUBLISHER / CHAIR
Vern Whitehead
021 831 153
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Annual subscription: $84 + gst ($96.60)

Printed by: Alpine Printers.

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"A lot better than expected," is how Matthews Wales, general manager of multi-franchise dealer Andrew Simms' Botany branch in east Auckland describes the first week under Level 3.

"We thought Level 3 would be pretty tight but service is back, sales online have increased, trade inquiries are up."

Though sales levels aren't what they were, "it's more solid than we thought it would be – long may it last."

Wales says the level of activity probably reflects some pent-up demand from the Level 4 lockdown period. "There's been a whole month with cars not able to be sold, and some people need a car for a particular reason."

He's noticed some optimism among customers. "A lot haven't been as negative as we thought they might have been."

He says people who were considering overseas holidays they now can't take because borders closed are looking at buying cars. "There are good car deals out there and it might be time to do something because their personal position is okay."

Wales says that though online inquiries are strong, it's hard to tell how many will translate into actual sales. Some are decision-making, some are from people who may not yet be in the market. "The ones through Trademe are people pretty solidly in the market now."

Wales says that at the moment his dealership is running with about 50% staff in the workshop. If workshop demand gets higher "we'll probably increase that slightly."

"But that makes social distancing harder. At the moment we have a workshop bay between each technician; when the workshop is fully loaded it's harder to keep the distance.

"In sales we've got a small crew who said they were happy to come back into work. A couple more came in to work today. We could probably look at closer to full staff if inquiry is starting to build."

Contactless selling is working well under the Level 3 rules. "We're doing the paperwork online; customers are paying deposits through the website and we're doing virtual tours of cars."

After COVID, Wales says he believes there'll be a place for both online and face-to-face sales. "More will buy online as they become more comfortable with it.

"I think we will see much greater acceptance of doing more online. The car gets brought to you for a test drive, and if it works why not keep doing it? I think you'll see a lot more acceptance by customers of online and contactless.

"Conversely there are still plenty of customers want to come to the dealership and try different models."

He says uncertainties over unemployment add to the difficulties of predicting how the trade will be post-COVID.

"We can only see how New Zealand and the rest of the world fares over the next few months. At the moment we can plan for the worst and hope for the best."

"Forestry is going good" - Brian Read, Gisborne Motors, Gisborne

Logging starting up again is beginning to have a flow-on effect on new vehicle sales on the North Island's East Coast says Gisborne Motors dealer principal, Brian Read.

He says Gisborne was the first to feel the

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negative economic impact of COVID-19 after exports to China stopped and logging operations were closed down in the early days of the pandemic.

"The forestry guys were hit at the end of January with the slowdown in China." For Gisborne Motors, a Ford dealer, that led to several Ranger ute sales being cancelled.

But with forestry the first industry to start operating again – "forestry is going good" – the prospects for new vehicle sales are looking better.

"There's a little bit happening," says Read. "We've delivered a couple of vehicles that were sold before lockdown."

And new car sales staff are following up on phone and online inquiries. "We've dropped a couple of vehicles off for test drives. There's a little bit happening but nothing special. Hopefully we'll get to Level 2 next week and get some sales."

Read says the business's farm machinery side, with quad bikes and side-by-sides is busy. "Farming is going reasonably well, and a couple of guys have bought bikes."

But used car sales are very quiet. "We can't put up flags so we're not attracting customers."

Read says Gisborne Motors is running at normal staff levels – "we haven't laid anyone off" – and contactless trading is working well both in sales and the panel shop/workshop.

The company has devised a workable and safe system to ensure cars are sanitised, staff are safe, and to keep social distancing between customers and staff.

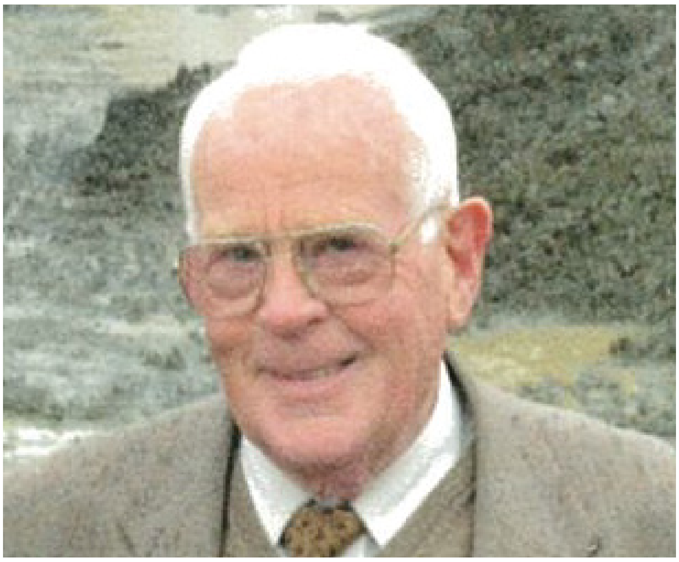
"Customers can't get close and are unable to come in. They have to sign in and work at arms' length, but it's working pretty good."

Read is optimistic about the future. "In Gisborne we don't really have tourism and we're probably better off than some other places, but I think used cars are going to be pretty challenging till the end of the year

"New cars will come back, but they won't be the boom times we've seen over the last few years.

"Looking long-term, I think New Zealand will do a lot better than other places. The total economy can't boom but it's unknown territory. I think we should get back reasonably quickly other than those who have lost businesses or their jobs."

"We're surviving" - Neil Cottle, Autocourt, Dunedin



Dunedin dealer Neil Cottle says he won't be making any predictions about the future of the car trade until he learns how dealers will be able to operate if New Zealand moves to COVID-19 Level 2 next week.

Cottle's Auto Court dealership has been in business since 1962, and under Level 3 was open and operating under contactless and social distancing rules.

"We're surviving," he says. "We can make appointments with customers to come on to the yard, and make sure it's a safe activity, and get the person's name and address and keep social distancing."

Cottle says the dealership is "seeing a few customers, but not like what we normally see.

"I don't think people are being encouraged to look for cars at the moment. I don't think we'll get much before next week – if we go to Level 2. If we don't, we'll have to make do."

He says the trade has other problems. Cars have been coming in but because of the COVID restrictions, not going out. He's had to find temporary space to store them. "It's something we have to contend with. We're comfortable to do that while everyone else is."

Cottle says trade in March before the lockdown was "moderately steady. We can't complain but (trade) had gone slightly quiet over several months."

Cottle says Auto Court has kept on all its staff during the lockdown – "most definitely."

For now, it's a matter of timing – such as when the Level 3 rules are lifted and what will replace them. "We've got to see what happens before we can make any predictions."

Right now, it's very hard to know, he says. But what he does know is "there's not much inquiry" from customers.

"It's more of a click-and-collect type service" - Jason Cann, Auckland City Toyota, Auckland

Auckland City Toyota chief executive Jason Cann says it will take until Level 2 or Level 1 to know what the post-COVID car market may look like.

But he says the market has been hit hard by the Level 4 lockdown and he doesn't expect sales will return to previous levels.

Auckland City Toyota – which has yards in three major car hubs across the town – is operating to a blend of its own protocols and guidelines developed by Toyota NZ to trade during Level 3.

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Cann says the company is maintaining compliance easily because sales inquiry is relatively low during the early days of Level 3, but he says trading "is certainly not easy."

"We're managing to work the odd sale to outcome. It's more of a click-and-collect type service, more of an online demand, and we're contacting previous customers from our database.

"If they're updating the same model with a newer one, it's a lot more like click-and-collect."

Cann says there's interest from delivery operators and other commercial vehicle users. "We've seen quite a bit of email inquiry for construction work, and for Hiace vans."

Auckland City Toyota's workshop is busy handling jobs that backed up during Level 4. "We've got quite a bit of an order bank to fill the workshop." In Level 3's first four days 80% of technicians were back at work, though around 20% were involved with vehicle and workplace sanitisation.

Crystal-balling, Cann says he sees opportunities for the car industry if a joint NZ/Australia "bubble" stimulates tourism. "There's a flow-on effect in sales and service for rental cars."

And there are big opportunities for Toyota, which he says may be seen as offering "more sensible" cars better suited to a time of predicted financial hardship. It's also a brand that New Zealanders have faith in.

"Some people might not have faith in public transport anymore and are in the market for a car.

"There will always be a market for Toyota. It sits in a position of strength. It's reliable and a household brand, whatever the market is."

He says post-COVID the overall new car market will be reduced, "but whatever the new market will be, I think (for many people) Toyota is a safe haven brand for anyone to buy.

"I think our market share will be very, very reasonable but what the numbers will be I don't know."

"It's going to be weird" - Lloyd Wilson, Lloyd Wilson Cars, Dunedin

Dunedin used car dealer Lloyd Wilson says business during the first few days of Level 3 was quiet.

"We're not seeing a lot of people around. I understand there are a few cars being sold in Auckland, but maybe people are a bit more conservative down here.

"We haven't had a lot of inquiry but we're hopeful that's going to change – it's going to be weird."

He says Lloyd Wilson Motors is taking a cautious and carefully planned approach to reopening.

"We haven't put out any flags yet, we're very low-key which is the way we're all supposed to be, I guess.

"We're open, but it's supposed to be only interest sales at the moment. We're here and we've got cars to groom and clean so that we're ready when we can open again."

Wilson says dealers are going to have to plan very carefully. "It's going to be virtually like starting a new business; you've got to be on top of things, the competition is so great.

"We're going g to have to do everything right in the next two weeks and make sure we're ready. We're just going back to the basics and we'll go from there."

Wilson says the company was having a good year till the lockdown intervened. "In March we were going all right, sitting on a really good month and then the handbrake came on."

He says the short-term future of the used car trade depends on "where people see their finances are headed, and how hard-hit the local economy is.

"As well there are a few job losses down here, and you've also got the finance companies tightening up.

"Things are going to be a challenge for some time I believe."

"We're doing all right" - Brian Dowling, Caroline Mitsubishi, Timaru

Business was ticking along well at Caroline Mitsubishi in Timaru during the first few days of Level 3.

"We're doing all right," says Brian Downing, sales manager at the long-established family firm. "We've got good staff on, about three-quarters, and the workshop is reasonably good.

"Sales are pretty quiet, as you'd expect., but overall it's better than I thought it would be."

He says contactless sales and servicing is going well. "You have to explain it to everyone, and we get a lot of people trying to come into the showroom, so you have to be firm about that.

"But when you tell people about how it has to be and what they can do, everybody has been fine with that. There's been no push-back."

He says there is extra work and extra cost for dealers in contactless servicing. "I've got a person whose sole job is complying with that, cleaning cars before they go to the techs and cleaning them again when they come back. Cleaning the loan car.

"That sucks up a whole employee with the work - and if the work is done right all the time, all the time, all the time."

Downing says he doesn't think vehicle sales will pick up until Level 2 or Level 1: "then I think sales will ramp up."

"I think we'll have a couple of months or so then we'll get back to 80% or 70%. Tourism is going to be very badly affected but tourism isn't big here in Timaru, though we also sell into the McKenzie country where it is pretty big."

He believes farming and other industry will carry on. "I don't think there's as much doom-and-gloom as some of the media is portraying.

"I think it will be okay in two to three months. It won't be like it was before though.

"We were going really really well before COVID-19 - we were kicking arse.

"I don't think we'll get back to that, but I think we'll be on an acceptable level in two or three months."

NEW CAR INDUSTRY WORKING NOT TO 'SABOTAGE' MARKET WITH RENTALS

Neeraj Lala

David Crawford

New vehicle distributors have been put in the delicate position of having to protect their own operations, protect the market and assist their rental customers as best they can as the closure of the tourism industry bites.

In comments reported by *Stuff.co.nz* last week, Rental Vehicle Association chief executive **Pim Borrens** indicated the $700 million a year trade was in serious trouble, with some notable names unlikely to survive.

He claims one of the issues is vehicle distributors using "force majeure" clauses to renege on buy-back agreements as they expected vehicle prices to fall.

AutoTalk has been chasing Borrens, and RVA president **James Dalgleish** for comment on the issue, since Toyota New Zealand chief operating officer **Neeraj Lala** highlighted the issue in an interview with *AutoTalk.*

Borrens continues to decline the offer – saying they are wary as the information that triggered the Stuff article was "leaked". *AutoTalk* understands the information is actually from a publicly available submission to the government.

In response to the latest story, Lala – who represents just one of several distributors who deal with rental fleets – confirmed what they do have is the right to accept the first offer.

Nor are they refusing to buy back all rental vehicles.

"We are working through it and making the best decisions were can to look after our key, longstanding partners," Lala explains. "As much as I would love to help everybody, this simply is not possible.

"Our priority is to respectfully support our rental customers the best we can under what is extremely difficult conditions for all parties involved."

He would not be drawn on the number of vehicles Toyota is being asked to take back.

"Naturally the rental companies are trying to de-fleet as much stock as they can," he says. "The difference between what the rental companies want us to take back, and what we can take back is substantial."

Some priority is given to customers that were also customers of Toyota Financial Services.

Toyota NZ has been attempting to reduce its exposure to the rental market over the past two years, though it still had vehicles set to go out to rental fleets this year that had since been cancelled.

David Crawford, chief executive of the Motor Industry Association, notes it is disappointing the RVA has taken the discussion public.

"I think it is unfortunate some of this discussion has been made public when not everyone is privy to all the details and background," Crawford says.

"The Rental Vehicle Association is, of course, trying to represent its member's view and plight in a way that helps that sector, but this is only one side of a commercial arrangement."

He notes distributors will have in the back of their mind the need to keep themselves – and the market – moving in the best way possible.

"The new vehicle distributors are very careful not to sabotage the market going forward, and will be working to find the best way they can over the next six, 12, 18 months as we go through economic recovery."

Check out this video on the Auto Media Group YouTube channel

TURNERS EMBRACES THE NEW NORMAL IN VEHICLE RETAILING

Turners Group Limited chief executive officer **Greg Hedgepeth** says the company is embracing digital trading and contactless sales which is becoming the new normal in used car retailing.

Entering the level 4 lockdown was a challenging time for Turners as the company shut down and secured 21 sites across New Zealand in less than 48 hours.

"It was a mammoth effort over a short period of time," Hedgepeth says.

"There was a lot of vehicle movements involved in that, and a lot of work that was needed to be done on the security front as well. The team did a fantastic job, and worked day and night over those two days to get it done in time.

"We managed to get everything safe and secure and shut down, and sites are now quite reasonably full with cars back to back across them," he says.

Hedgepeth says the company had around 4000 vehicles in stock as it moved into the level 4 lockdown period and that around 20% of the staff members were able to work from home in a full-time capacity.

He notes that for many of the Turners retail staff their ability to work at home or off-site is reasonably limited, so some have been working part-time being able to do what they can.

"We have been running an extensive online training programme for our sales team, and then for our business managers, so there's been five or six video conferences every single day to various teams throughout the business," Hedgepeth says.

"So, we're doing our best to try and keep people engaged and also develop them over this time, as they can't actually do what they're normally doing in their day to day. And then we have been doing online sales as well.

"MBIE confirmed that we could sell to essential services workers, so we've been doing remote contactless sales to them. We've also been running a campaign where we've been selling cars with a $500 deposit with the view that if you're not an essential service worker, then

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you'll just pick that car up and pay it in full at the end of level 4.

"That has kept a few people busy at home, and we're able to do that all contactless and from the privacy of their own homes, so that's worked out really well," he says.

Hedgepeth says Turners sold about 250 cars during level 4 which was a fraction of the company's usual sales and about 10% of these went to people on the frontline.

"I know one story of a doctor - he and his wife had one car and they needed a second one because they were working shift work at the hospital in order to help out with the COVID-19 influx, and we were able to facilitate a contactless sale for him, which enabled him to get to work and help Kiwis," Hedgepeth says.

"There's also other stories around guys who run delivery businesses, who need another truck because obviously demand has been up, as they needed to deliver food and other essential items to various places. So, we've been able to help with that as well.

"The reality is that new cars or new trucks are not always in the budget realms of what people need, or can afford. So, while there is a space where the new car industry can do some of it, used cars certainly has a place there too," he says.

Going contactless

Hedgepeth says that Turners was well set up to cater for online and contactless vehicle sales as the lockdown loomed.

"We previously trialled online selling under the Cartopia brand for a few years. And I think, at the time, New Zealand wasn't quite ready for it, but we've got a lot of expertise into how, basically, to present cars online, communicate and facilitate the sale remotely, and then delivery of the car, or a contactless pick-up," Hedgepeth says.

"We knew exactly what to do and how to do it, and the team knew how to do it, and all of our tech platforms are well set-up for it.

"It came down to the question of does the car get delivered to the person or do they come and pick it up at the branch?

"The majority have been pick-ups at the branch, where we've organised a time, the person comes down, keys are in the vehicle, they've already done all the paperwork and everything online, and then they're essentially just jumping in the car and not having contact with any Turners staff member.

"The cars are all wiped down, all hygienically cleaned, and ready for that pick up. So, it's very safe, and works reasonably well," he says.

Hedgepeth says Turners has been fine tuning its digital finance and insurance offer, where online ID verification and a digital signature has been put in place allowing a full online transaction for both finance and insurance.

Glut of used vehicles?

Hedgepeth says he understands there are around 30,000 used imports stockpiled in the country and while there may be some more on the way through the tail end of May, he believes there will not be many more vehicles arriving after that.

"There will be a glut, but it should hopefully normalise in a few months because there won't be fresh imports coming in to the country to refill any that get sold into the end users. There might be disruption to pricing over the next couple of months, but hopefully that will normalise in the months after that," Hedgepeth says.

"Everyone's very clear on the implications of COVID-19 for tourism and the rental operators. Some will be able to weather the storm, but there may be some that will be looking to get out of significant levels stock. So, it's going to be interesting to see as to the timings on those.

"We work with a few key players in the industry with inventory on their books, so we're already in discussions with them as to how best we can help them re-market the vehicles and make sure that it doesn't have too much detrimental impact on the RVs of the product itself.

Hedgepeth believes some rental operators will slowly flow vehicles on to the market while others will be forced to get rid of vehicles quickly, depending on the parent company and the funding situation.

"We've got obviously the sale channels set up ready to go from a consignment perspective, that we can help them with that, and help the industry by making that stock available to them.

We will be increasing the frequency and size of our auctions because we know that there is going be some more inventory coming through.

"So, for the trade and the dealers out there, we will be making the auction experience a bit more prominent moving forward, giving them access to a lot of that inventory that's becoming available in the next six to 12 months. We're also looking at enhancing that auction experience because they are going be online auctions, for the foreseeable future we do not see there being physical auctions being held at our sites.

"Most of the dealers out there interact with us in the online space anyway when it comes to auctions, and I guess they have a lot of trust and faith in our team that when we say a car looks, or drives a certain way, that's the way it drives and looks, and that's what we deliver.

"Online buying from the dealer community via auctions is already common practice, we just think we will up the ante on that in the

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months ahead as more potential inventory comes available, and enable the trade to be able to access that inventory no matter where they are in the country," he says.

Moving forward

Hedgepeth says that some used import operators might have to reconsider their intake of stock from Japan over the coming month.

"It depends what happens in Japan, and I know they're going into a lockdown situation now, whether or not that will impact the outflow of cars able to be sent out, or purchased and sent out of Japan, I'm not sure, we'll have to wait and see there.

"But, the good news is I think there will be ample inventory on the ground in New Zealand and we can certainly help facilitate that for any of those dealers that are looking for alternative sources of stock.

"We can also help the dealer community if they've got excess stock as well, because we operate on a consignment. You know, roughly half of our business is on consignment, and we've got a fairly advanced technological platform in regards to, not just our selling tools, but things like our website where we get a couple of hundred thousand people a month visiting that website, state-of-the-art photography booths and presentation tools.

"So, we can help any dealers that need some assistance if they've got excess stock or they don't have the physical space to be able to sell from, then we can help them sell that stuff pretty effectively on consignment," he says.

Hedgepeth believes that online retailing of vehicles will accelerate when the lockdown is over. He

Hedgepeth says Turners sold about 250 cars during level 4 which was a fraction of the company's usual sales and about 10% of these went to people on the frontline.

says the buy now feature on the Turners website will become more popular as consumers look to buy from the safety of their homes.

He says the company is always reviewing its retail footprint and optimising its operation.

"We're about to open a new 8000 square metre site in West Auckland in the next few months. We're about to open another big site in Dunedin as well. As we open those new sites, then there may be some rationalisation of smaller sites, just depending on where they are in the country and the timings on leases and things like that," he says.

Vehicle subscription service

Hedgepeth says the launch of the company's Carly vehicle subscription service has been delayed by COVID-19 but will proceed when the lockdown period concludes.

"Vehicle subscriptions should be reasonably appealing to a lot of people at this point in time because there's no big financial commitment for a long period of time, like a lease, or like owning a vehicle itself.

"We think the timing is right, and also for the industry, if there is excess inventory, that dealers, or rental car companies, or OEMs have, that's the perfect type of stock for Carly because essentially they can repurpose that inventory to be earning some income while writing it back.

We've got the platform and everything ready to go, then it's just a matter of switching it on, communicating it, and getting the inventory out there to the consumers," he says.

AUTOPLAY REPORTS POSITIVE DATA FROM RETURN TO TRADING

The volume of leads arriving in dealer inboxes in the first few days of trading under level 3 have been positive, according to one set of industry statistics.

Automotive technology business AutoPlay has reported that during level 4, lead volumes were operating at roughly 10% of pre-COVID 19 levels.

The start of level 3 saw this number rise to around 30% of pre-COVID 19 levels and from April 29 onwards the daily average jumped to around 70% of pre-COVID 19 levels.

"Although it's far too early to make a call on the trajectory of customer enquiry in the market going forward, it's great to see customer leads hitting dealerships in spite of such strong operating restrictions still in place for dealers" **Mike Pratt** of Marque Group New Zealand says.

Over the last two days, test drive numbers were sitting between 30-40% of pre-COVID 19 levels, while vehicle appraisals are sitting at over 50% of pre-COVID 19 levels.

"We think the strong appraisal numbers demonstrates the initiative that dealers are taking in the service lane to appraise existing customer vehicles so that they can present new vehicle options to customers" Pratt says.

Matt Darby, national product and operations manager at AutoPlay comments: "This activity is great to see, particularly as test drives must be conducted in a contactless manner, and sometimes away from the dealership. **It's great to see the Contactless Test-drive tool that we developed in AutoPlay is helping the industry facilitate this important step in the road to a sale safely."**

Automotive technology business AutoPlay has reported that during level 4, lead volumes were operating at roughly 10% of pre-COVID 19 levels.

Mike Pratt

Matt Darby

TOYOTA AND TURNERS ON MOST TRUSTED BRAND LIST

Toyota is the most trusted brand of vehicles for New Zealanders, while Turners is the most trusted for used cars, according to the annual *Reader's Digest* survey.

While cars feature in the list, the Most Trusted of all Brands in the annual 2020 Reader's Digest survey was won for the ninth time by Whittakers chocolate.

The annual survey is in its 21st year and has grown over the years to include 69 categories of products and services, reflecting a broad range of industries.

A total of 1601 New Zealanders from a broad demographic were asked to select three of their most trusted brands for each category. They then rated those brands on the 1-10 scale for trust.

Toyota took the nod for its used car brand, and also for "manufacturer certified used car sales" with Toyota Signature Class. Turners was the top used car dealership, while Enterprise Motor Group got its first "highly commended" in that class.

In associated classes, Bridgestone was most trusted for tyres, Turtle Wax for car care products, Avis for car rental and AA Insurance for insurance.

TOYOTA

Check out this video on the
Auto Media Group YouTube channel

SUCCESSFUL START TO NEW DEALER DEVELOPMENT SERIES

Hundreds of industry members have already joined in on the new *AutoTalk* Talks Dealer Professional Development series - run by the team behind AutoTalk.

With level 3 restrictions requiring sales to be largely contactless, the way dealers do business in New Zealand is set to change dramatically across all sectors – sales, logistics, finance and insurance and service.

"This is a new world, and dealers are going to need to rapidly rethink how they do things, and retrain their teams accordingly – in a hurry and remotely," Auto Media Group editorial director **Richard Edwards** says.

"Our industry partners have already been thinking of what the new market will look like, so we figured we can play a role in bringing that information to traders," Edwards says. "We are hugely thankful to them for taking part.

"Professional development like this is something we have always had an interest in, and now is a great time to launch."

Edwards says they had emails reporting that entire teams of staff from dealers and distributors were watching sessions at the same time.

Best of all, the webinars are permanently available online at **AutoTalk.co.nz/dealerprofessionaldevelopment**

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The “nurturing leads in a post-COVID world” webinar hosted by **Matt Darby**, **Jackie Hingston** and **Mike Pratt** of AutoPlay explored how to maintain contacts and relationships during the lockdown and coming level 3 restrictions.

Hingston says digital communication doesn’t have to be sales focused but could be more about maintaining relationships, particularly as dealers find some customers may be experiencing financial difficulty.

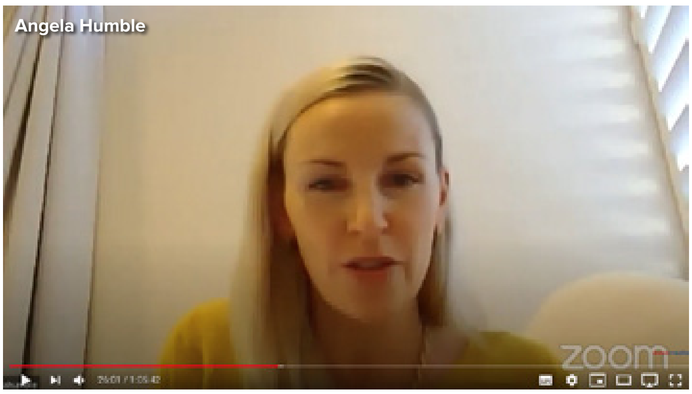
Being proactive in hygiene, contact tracing and seeking leads was also discussed.

"We strongly believe in the concept of professional development, and will continue to work with our partners to produce such valuable content.

In the second session, held on April 23, specialist trainer **Graham Taylor-Edwards** offered tips for dealing with staff, particularly sales teams, working remotely.

Discussions revolved around how to set goals, and structure rules around communications with team members that may no longer be working within the dealership environment.

Questions from the crowd showed a particular interest in Taylor-Edwards' particular approach to goal setting.



In the second week we took a digital marketing focus. In the third session on April 28, Trade Me Motors North Island sales manager **Angela Humble** and Motorcentral general manager **Mark Greenfield** discussed perfecting listings and the importance of online reviews for dealers.

Both impressed upon viewers the need to write proper descriptions on vehicles, rather than just the “five seats, abs, leather” structure so common in listings.

"The customer shouldn't learn any more when they come on to the dealership than they already know from the listing," Greenfield explained.

Humble had some very interesting statistics about buyer wants from Trade Me's research - including noting that while price was a driver in the purchase process, 86% of customers did not buy the cheapest vehicle.

In our next session, held April 30, **Mike Pratt** and **Mike Sexton** of Marque Group, the operators of Smart Loyalty and Autoplay, discussed the importance of loyalty, and how their lessons from the parts trade can be applied to dealerships.

The pair were able to tease data - released by AutoPlay to the public the next week, showing leads were quickly returning to the sales market.

The final session before this magazine headed for press was on May 5, covered the rules for trading under level 3, and a short discussion of what business could look like under level 2.

The panel included VIA’s **Kit Wilkerson**, who has been co-ordinating a pan-industry group on getting the trade back to work, **Mark Greenfield** of Motorcentral, which has created an operating guide for dealers, and Motor Trade Association advocacy and strategy manager **Greig Epps**.

Edwards is keen for people to know that as COVID-19 restrictions wane, the new series will continue.

"We strongly believe in the concept of professional development, and will continue to work with our partners to produce such valuable content.

For more information, or to register, email **Deborah@automediagroup.co.nz**

"The customer shouldn't learn any more when they come on to the dealership than they already know from the listing,"

LIQUIDATION ORDER SOUGHT AGAINST TIMARU DEALER

Dunedin-based car importer and distributor Asakusa Auto Limited has applied to the High Court at Timaru to have South Canterbury dealer Grant Gilbert Investments placed into liquidation for alleged non-payment for two cars.

The case revolves around a Suzuki Escudo and a Mazda Axela that Asakusa says the Timaru dealer bought from it in 2019. The total amount involved is around $20,000.

The case will be heard in the Timaru High Court on May 11. Asakusa's lawyer Dr Richard Reeve filed a statement of claim with the court on March 4, requesting GGI be put into liquidation by court order under the Companies Act 1993.

GGI was operating from a Timaru car yard, Bay City Motors, selling its own cars in a yard-sharing arrangement with another dealer.

AutoTalk has been told that Bay City Motors had no financial interest in the two cars in question, and that the other company sharing the yard didn't buy cars from Asakusa.

GGI hasn't responded to phone calls seeking comment.

TMCA ACQUIRES TNZ DEALER MANAGEMENT SYSTEM SUPPLIER

Toyota Motor Corporation Australia (TMCA) has acquired software development and implementation business, Revolution Software Services, effective from April 1, 2020.

The acquisition will enhance Toyota Australia's ability to deliver dealer software management solutions and support their dealer network as TMCA transitions into a mobility company.

Revolution has provided the technologies and services for Toyota New Zealand's (TNZ) dealer management system (DMS) known as TUNZ, which is a New Zealand version of the TUNE DMS system it provides in Australia.

"Following this announcement, Toyota New Zealand will work closely with our Australian counterparts, Revolution and Toyota Stores to update our development roadmap for TUNZ," says Toyota New Zealand general manager of business technology **Andrew Davis**.

"We will continue to have dedicated resources and support that focus on maximising TUNZ for our dealers and customers."

Toyota Australia's **Mike Rausa** says more than 200 Toyota and Lexus dealers across Australia are expected to be using this platform by the end of 2023.

"This acquisition gives us the ability to work closely with our dealers to integrate best-practice technologies and know-how in a challenging mobility environment," Rausa says.

CAPRICORN ACTIONS CORONAVIRUS SUPPORT AND GUIDANCE STRATEGY

Australasian automotive cooperative Capricorn has actioned a Covid-19 communications plan to assist more than 20,000 members, preferred suppliers and staff located across Australia and New Zealand.

Led from the onset of this pandemic by Capricorn Group chief executive officer **David Fraser**, a detailed strategy was introduced ensuring that members in each country are accurately informed of the business support mechanisms that may be relevant to them.

As the vast majority of Capricorn members are small, family-owned automotive aftermarket businesses, these communications include timely member exclusive Covid-19 emails providing information in line with announcements made by state and federal governments.

These have been provided in an easy to understand format with state specific information, making it easier for members to identify their eligibility for the various stimuli, staff retention and other taxation-based incentives that have been and continue to be introduced.

Capricorn also continues to update "The Workshop", the cooperative's member community platform that provides business support and resources to help members stay strong through Covid-19.

Since March 20, The Workshop community platform has had more than 16,500 visits and more than 10,000 new users accessing the information made available.

The Workshop includes a Covid-19 community support forum, where Capricorn members can connect, share ideas and discuss their experiences operating a business during these unprecedented times.

The Capricorn team is also available through these forums to answer any questions that members may have.

Capricorn's community platform also features a resources section dedicated to ensuring members are accurately informed of any changes to the assistance packages both at the federal and state levels, a series of videos designed to help workshops through these extraordinary times, and a comprehensive list of mental wellness resources.

Since March 20, The Workshop community platform has had more than 16,500 visits and more than 10,000 new users accessing the information made available.

"Our responsibility from the onset of Covid-19 was first and foremost to ensure that our members and preferred suppliers are constantly and accurately informed of the local, state and federal government stimulus mechanisms and support services that have been introduced and continue to be made available to them," Fraser says.

"As a cooperative structured organisation, everything that we do is for the benefit of our members, so it is incumbent of us during such an unprecedented situation like this to make use of our online services platforms and services capabilities to do all that we can to provide assistance to our members, while also providing telephone or online-based support.

"Our actions to date and the continued support services that we will be providing our members across Australia and New Zealand have one major objective, to ensure that we sail these uncharted waters together, emerging safer and stronger once things return to some form of normality," Fraser says.

"All of us at Capricorn understand that we are all in this together and that supporting our members, preferred suppliers and staff through this pandemic is paramount," he says.

David Fraser

RVE DRIVER BUBBLE – IN-VEHICLE PERSONNEL PROTECTION EQUIPMENT

Necessity is the mother of invention, and it can also lead to the realisation that there is a bigger market ready and waiting.

Retro Vehicle Enhancements (RVE) began life more than 50 years as a provider of motor trimming to the automotive industry, and today the company provides full customised interior makeovers in leather and vinyl.

The customised interiors of the one-off Toyota Hilux Gladiator and the one-off Holden Colorado Rox were created by RVE, but the arrival of COVID-19 has seen the company create a new health and safety product which it has trademarked as the RVE Driver Bubble.

The company is focusing on its stock in trade of motor trimming.

Realising that his staff would need more hygiene protection in the work van, RVE director **Jim Stanners** took an industrial sewing machine home. He used his motor trimming skills to replace the cloth driver's seat with more hard wearing and more easily disinfected vinyl upholstery.

"I'd noticed while travelling through China, Singapore and Malaysia that shared surfaces such as public transport seating was covered in sealed and non-porous material that didn't absorb water.

"This lead to the question, is COVID-19 able to live on soft cloth surfaces of any shared seating? As the answer is most likely yes, at RVE we turned our attention to protecting our staff and loved ones from the current greatest threat - each other," Stanners says.

He says vinyl is a sealed surface that can be regularly cleaned with detergents and soaps. It withstands usual sanitising processes, making it ideal for seat covering.

"We can make seat covers as a customised slip over cover set, or as a complete replacement for high-use passenger vehicles such as taxis, shuttles, buses and ferries.

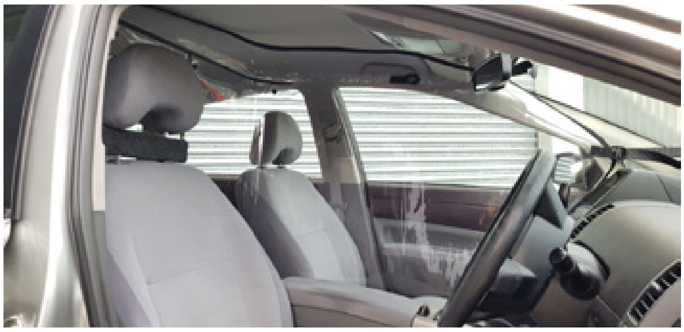
"RVE is the only recognised facility in New Zealand to make sure the sewing of the seams of these covers are compliant with seat airbag legislation, backed up by years of independent testing," Stanners says.

But then he also had the realisation that more often than not there are two staff members in the van, and how could they be safely social distanced from each other?

"The driver and passengers need to be separated to meet social distancing. Most importantly, if more than one occupant are travelling together outside of the immediate family, we have to be kept apart," Stanners says.

"This creates a problem for the shift worker or trades person not being able carry staff and who may not have budget for a second vehicle. We believed the solution was to create a bubble inside the vehicle that provided adequate separation."

Using the company's extensive knowledge and experience of automotive interiors, Stanners drew up a pattern for the RVE Driver Bubble.



"A clear PVC screen creates an impenetrable barrier for aerosol droplets, one of the main sources of transmission of coronavirus. The RVE Driver Bubble is easily removed for cleaning when required.

RVE's knowledge of vehicle safety systems came to light when designing the Driver Bubble and its innovative headrest mounting system, which was dictated by side curtain airbags.

Stanners says some other companies have made basic side-to-side screens using metal poles hooked into plastic trim panels, but while this looks like a simple solution, it overlooks the fundamental issue of side curtain airbags in modern vehicles.

"Side curtain airbags are designed to deploy from the edge of the roof lining, down between the seat and the windows. Any metal bars in its way are turned into interior missiles with devasting results. Our headrest mounting system has removed this danger," Stanners says.

"It's a simple design which fits 80% of vehicles and we have new patterns coming out every day for different vehicles.

"We've had huge inquiry from commercial fleets, particularly transport operators in road side assistance, passenger service, ride share, as well as the mining and civil construction sectors.

"Companies with a dedicated health and safety manager have been very quick to take up this new product, which is great because we really want get people back on the road during this pandemic," Stanners says.

MOVING TO THE NEW NORM OF CONTACTLESS AND PAPERLESS SALES

The New Zealand vehicle sales industry is a resilient sector which has faced many challenges over the past 30 years and has adapted to ever-changing market regulations and conditions.

"We are assisting with applications through Launchpad, bank statement retrieval via Credit Sense link, and the credit contract will be issued electronically via secured signing."

The arrival of the COVID-19 pandemic has forever changed how new and used cars will be traded, sold, serviced, and most importantly, financed. Protecting the health and safety of employees and customers is now at the forefront of every responsible car dealer, according to the team at Community Financial Services (CFS).

The internet and secure online technology allows vehicle buyers a fully contactless process from finding the vehicle, securing finance, transacting the sale and collecting it. This will become the new normal as consumers will find it saves them time and stress.

For the car dealer, the challenge of moving to paperless and contactless sales will be making sure they have the right technology and the right processes in place for a seamless end-to-end service.

CFS sales manager **Angela Jorgensen** says that both car buyers and dealers are beginning to understand how to operate in the new normal which has been forced upon them by the COVID-19 pandemic.

"It is a sea-change for dealerships and buyers because they are not yet used to doing everything digitally," Jorgensen says.

"Before we entered lockdown level four, at the previous level, there was already a lot of uncertainty around social distancing and people trying to avoid busy places such as car yards.

"Our chief executive officer **Chris Stephenson** lead a strategy team to plan and adapt our existing lending products to become paperless and contactless by using technology while still providing our usual high levels of service to business partners.

"The team executed our new paperless lending products, and these were working in the market before New Zealand was placed into the COVID-19 level four lockdown," Jorgensen says.

She also says CFS has been at the forefront of technology for some time in the dealer/broker space.

The company launched electronic loan contracts (E-DOC) in 2017 before the creation of its "Launchpad" portal 18 months ago.

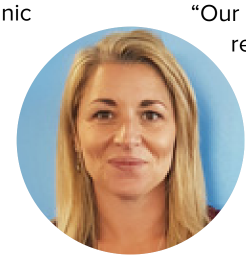
"As a non-bank lender, we wanted to provide a service that mirrored everything a bank lender could do, so that dealers could easily make and monitor finance applications, chat with us instantaneously and retrieve bank statements online.

"The team executed our new paperless lending products, and these were working in the market before New Zealand was placed into the COVID-19 level four lockdown," Jorgensen says.

"This was a game changer for the parts of the market that didn't have options outside the usual bank lenders, and we continue to receive positive feedback about it," Jorgensen says.

The arrival of levelthree lockdown on April 28, meant CFS was ready and able to assist car dealers who have the ability to trade online. The first day of trading using the new system saw nine new deals signed up.

CFS sales manager Angela Jorgensen says that both car buyers and dealers are beginning to understand how to operate in the new normal which has been forced upon them by the COVID-19 pandemic.



Angela Jorgensen

"Our lending and sales staff were ready for level three and they are working closely with all our dealers and brokers to ensure that a safe and secure way of transacting business is taking place," Jorgensen says.

"We are assisting with applications through Launchpad, bank statement retrieval via Credit Sense link, and the credit contract will be issued electronically via secured signing.

"CFS also offers electronic signing of dealer VOSA & CIN's, alongside these, to verify clients non face to face for AML. A product called Biometrics' can be used with a link sent out to the client; this way the whole process is completely electronic, contactless and paperless.

"It is a positive change for everybody in the vehicle sales industry because this system will speed up the transaction which will benefit both parties.

"We understand it may not be the way some dealers might want to conduct business, but they can count on CFS help to get them through.

This is the new norm moving forward, let's embrace it and be ready to support each other," Jorgensen says.

CRAWFORD'S CASE

By **David Crawford**, CEO, Motor Industry Association

MOVE TO EVs, SCRAPPAGE

It is difficult to write my column this month without repeating the same descriptions used in the media by so many people. Extraordinary times, unprecedented in living memory, not seen for 100 years and the list goes on. The thing is it is all true.

It is also difficult to write this month without being gloomy.

To be positive, so far, health wise we have dodged a bullet. The Government's go hard, go early strategy has paid dividends in lives saved. No one can with any certainty calculate how many but if this virus got out of control, I suspect the numbers must be in the thousands.

The Government is to be congratulated for its early intervention. While its pandemic response has not been perfect, it has nevertheless been effective.

Economically though the battle has only just begun. At an economy wide level, it will be long, and it will be severe. Some sectors within the economy will do well, others will be decimated. In between, many sectors will be severely impacted.

Our economic challenges arise from two sources, the effect of our pandemic response in shutting down businesses for a period compounded by the emerging worldwide recession, which in turn is driven by international government's responses to the pandemic. None of this is news to you, but I mention it as context for the challenges facing the new vehicle sector.

Various economic commentators have begun to describe the emerging recession as potentially turning into an economic depression.

An economic depression is marked by a severe, long-term contraction in economic activity that lasts for years. It imposes more extreme consequences than recessions do and the last one was in the 1930's lasting about ten years.

I am not yet convinced we will see an economic depression but talk of one illustrates how concerned some commentators are about the worldwide economy going forward.

During the global financial crisis, the new vehicle market in New Zealand was significantly impacted. Registrations of new vehicles dropped from a little over 102,000 units in 2007 to just 70,000 in 2009. It took five years for the sector to recover.

It is difficult to write my column this month without repeating the same descriptions used in the media by so many people. Extraordinary times, unprecedented in living memory, not seen for 100 years and the list goes on. The thing is it is all true.

However, the drivers of the global financial crisis, while significant, were not as sharp, or deep, as those causing the current economic climate. At best, we think it could take longer than five years to recover from the emerging economic recession.

With this in mind, it is my view that the Government can play a decisive role in lessoning the economic pain we are feeling. There are three policies we believe the Government needs to fast track.

The Government should accelerate the uptake of plug-in vehicles across the Government fleet. To date, uptake of plugin vehicles by Government agencies has been less than modest at best.

The MIA calls on the Government to increase departmental votes to permit departments to increase their uprate of BEVs and PHEVs.

Prior to the pandemic, the MIA supported in principle the adoption of a feebate scheme. However, given the degree of fiscal impact the pandemic is causing, we believe this policy needs immediate review.

It is our view the Government should defer the introduction of a feebate scheme and instead provide incentives for fuel efficient vehicles, to be reviewed in 2023.

Finally, the question of scrappage. We all know we have an old and ageing fleet with many old polluting and unsafe cars roaming our roads.

We believe it is time for the Government to provide financial incentives to remove the vehicles which are older than 20 years of age or where their exhaust emissions standards are the equivalent of Euro three or less. This would also be in line with the new road safety strategy and climate change objectives.

It is the MIA's view, which I know is shared by the MTA, that the Government could usefully bring together an industry working group to provide expert advice in the development of an effective scrappage scheme.

This package of measures would go a long way to improving our fleet, making it more modern, more environmentally sustainable, and safer. It is also the fiscal support that our industry desperately needs to remain viable. Transport is a vital enabler to the rest of our economy.

STRONGER, TOGETHER

MTA MATTERS

Like the rest of New Zealand, MTA and its members have had to fully embrace the world of digital communication. With the help of Zoom, Microsoft Teams, and the web, we are collaborating, informing and sharing resources with government, within the sector, and with members.

This crisis has brought us closer together. One example was VIA's swift move to call together a taskforce of representatives from within the dealer sector to prepare the industry for the new trading regime once lockdown ended.

Members included MTA, MIA, compliance companies, dealers, Turners, Trademe and VINZ.

All the meetings within this group have been via Zoom. In turn, it is the digital tools, Like Zoom, that will help members communicate with their customers. Video is the new handshake and a digital signature agrees a contract.

As a result of what will be ongoing collaboration, the sector has been better prepared and the government better briefed. It's not perfect but I'm confident that together, we'll keep tweaking the new system.

All the meetings within this group have been via Zoom. In turn, it is the digital tools, lLike Zoom, that will help members communicate with their customers.

Video is the new handshake and a digital signature agrees a contract.

For our members, knowing how to use these tools, rather than a spanner or a scanner, could determine the future of their business. For dealerships, online sales techniques and processes will be vital. In some ways, they have had an advantage and most already have a strong online presence and technology capability. Others have to catch up fast.

MTA has pulled out all the stops over the past six weeks to help prepare members for the processes and practices that are needed within our businesses to keep the country safe from the new corona virus. Using email, Zoom, Teams, and our member website, Toolbox, we have kept members up to date with all developments and information.

Chat groups, webinars, seminars and e-learning have all been ramped up to provide huge numbers of members with access to helpful resources and advice.

Many of these webinars and discussions were recorded and are available online. These include several sessions with resilience coach **Lance Burdett** on staying calm and managing worry. Other

As a result of what will be ongoing collaboration, the sector has been better prepared and the government better briefed. It's not perfect but I'm confident that together, we'll keep tweaking the new system.

webinars involve a range of business advisors, including our own staff.

Our webinar sessions will continue to grow with the changing needs of members.

Our staff have also pulled together a huge library of ever-changing information for members covering everything from HR guidance, contact tracing documentation, and processes for operating a business at level 3. This is continually updated and will change as we move toward and through the different alert levels.

I have to say, I'm very proud of the way MTA and the sector has responded to the COVID-19 pandemic and am delighted to see appreciation for our efforts reflected in member feedback. It is good to know that businesses are finding our support to be so timely and useful.

There is a catch phrase that is very apt right now: "We are stronger, together."

SAFER WORKING IN A COVID-19 MARKET

by **Mike Pratt**
Marque Group/
AutoPlay

Over the past few weeks, we've seen a massive change to automotive businesses. It goes without saying that the manner in which we retain existing customers, engage potential buyers and facilitate how they engage with us, is going to look a little different for some time.

It comes as no surprise that the number of leads coming in has drastically decreased, with very little buyer enquiry flowing through to dealerships whilst the economy has stalled.

Overall, in March we saw around 23,000 leads flow through AutoPlay which is down on expectation due to the lockdown that came into effect on March 26. Since lockdown commenced through until mid-April, we were seeing less than 200 digital enquiries per day going through to dealerships across New Zealand – but in just the last few days of April we are starting to see this number lift.

This is a positive sign that there is some enquiry and activity starting to return, albeit at a fraction of what we consider to be normal.

What will the so-called 'new normal' look like for people visiting automotive dealerships?

We predict that new customer enquiry is going to become the second most important currency for dealerships behind the New Zealand dollar.

It is important to ensure that once we emerge from lockdown and buyer enquiries return to the market, that we are set up and ready to capitalise on and follow up all lead traffic – fast and effectively.

Digital strategy plays a big part here, but it is business basics that will be of critical importance. It is likely that dealerships will have to implement rigorous contact tracing and vehicle hygiene processes just to operate within the restrictions on face-to-face trading that the New Zealand government continue to advise us on.

Visitor logs inside dealerships across sales, service and parts departments are likely to become the norm, with hygiene standards also implemented in each of these departments. For sales, this may well mean that every car needs to be cleaned and sanitised following each test-drive.

Level 3 stipulates that test drives, like all other dealership (and general business) processes, will have to be entirely contactless.

Current indications suggest it is also likely that some of these standards will stretch through to Alert Level 2, which means there is every chance contact tracing will be around for some time yet.

With ongoing updates from the government in the coming days and weeks, it is important that the auto sector is progressive, rather than reactive in our approach to doing business, so that dealerships can reopen their doors and get back to doing what they do best.

How can retail operators get quickly back on their feet?

Retail operators will soon find themselves in a world where contact tracing and sanitising vehicles is likely to play a key part in how their dealerships function.

Consider implementing contact tracing processes, so you know who your customers are, when they visited your dealership, and all staff and vehicles they interacted with.

Likewise, vehicle hygiene will be paramount to ensure all cars taken for test drives are appropriately cleaned afterwards, and those records are kept for staff check-listing, recordkeeping and later reference.

Customers will likely need to digitally sign disclaimers before or when setting foot in dealerships and appointment-setting is going to become mainstream, whether they be onsite at the dealership or at the customer's own home.

In the background, AutoPlay has launched features and modules in Sales Pipeline that assist dealerships with contact tracing, disclaimer signoff, appointment setting and vehicle hygiene requirements, helping them shift their processes to be able to more quickly operate under contactless and cleanliness guidelines set by the government.

Future releases will include visitor logs that dealerships can use across their sales, service and parts departments, plus the integration of web-based test drive, appraisal and calendar booking forms.

Like you, we're adjusting as quick as we can to the "new normal" to not just help dealerships get back on their feet, but encourage the bounce-back of bookings, and get those all-important leads rolling back in again in the weeks and months to come.

WORKING WITHIN A COVID-19 LEVEL 3

by **Peter Aitken**
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or 021 940 318

My April article entitled "*COVID-19, the dawn of the new normal*" was written on March 22, just four days before the implementation of "Level 4 – Eliminate". It's easy to lose track of just what life was like back then, and how in the intervening four weeks normal has been rotated 180 degrees.

We are about to phase into "Level 3 – Restrict", however, we have yet to receive the exact guidelines as to what we can and can not do.

For this article I wish to concentrate on steps a dealer could take assuming some return to automotive business is authorised.

Craig Brown, founder of AutoPlay, appropriately describes how dealers can best plan to phase in a return to the new normal as "applying commonsense measures" in all aspects of their operation.

Steps to enable a phased in return to work

First, gain an insight of what major leading overseas dealer associations are recommending in their recent publications. The most comprehensive I have read originated from NADA. Unfortunately, we do not have an equivalent to NADA in this country.

One of NADA's relevant links was titled "*Safely operating your dealership within a pandemic*". This guide offers an extensive dissemination of the most reliable information available at the time of publication and uses guidelines sourced from the USA Department, CDC.

Here in New Zealand there will be a need to overlay many of these commonsense actions with Health & Safety guidelines issued by our Ministry of Health.

This NADA guide provides information on:

- Keeping your employees and customers safe during the pandemic.
- Cleaning and disinfecting dealership facilities and vehicles.
- Safely handling service operations.
- Safely handling sales operations.

Second, take this time to draw up a comprehensive re-entry plan to "Level 2 – Reduce" and ultimately "Level 1 – Prepare". The big un-known is the length of time it will take to transition through this crisis. How deep is this pool and is it the equivalent to 25 metres or more like 50m in length?

The other significant unknown are the changes that will take place in consumer behavior and subsequent car buying and servicing preferences. A question for all readers of this article - how many of you genuinely expect dealership business practices to return to the way they were in early 2020?

For those readers who wish to gain further information on what actions they could take a refer you to another link set up by the Business Continuity Resource Hub at Cox Automotive.

Third, what actions should I consider taking now? In this regard I will defer to a US auto legend I have long admired.

We are about to phase into "Level 3 – Restrict", however, we have yet to receive the exact guidelines as to what we can and can not do.

Dave Pollak, executive vice-president of Cox Automotive and founder of vAuto, has an extensive overview of US dealership operations and has set out some of his thoughts on the impact of COVID-19 in a recent open letter to dealers:

For used inventory: "Do not hang on to it awaiting an improvement in the market. Sell it now and keep the cash as the market will not significantly improve in 30, 60 or 90 days".

For new cars: "Is it wise for dealers to do everything to make a new car deal with a trade work? Pollak's thinking is no. Unless you can make the deal with a proper trade-in value, you're better off passing on the transaction. However, Pollak goes on to say he is not advocating dealers stop selling new cars but rather they institute appropriate appraisal practice and review procedures that will help ensure every trade reflects realistic realisation of the vehicle's retail performance".

For digital processes, Pollak recommends dealers take this opportunity to:

- "Identify the retail processes that have always been less efficient than you'd like and probably rub the customers the wrong way.
- Reinventing those processes with an eye toward using digital retailing technologies and tools to make each process more efficient, customer-friendly and profit-productive.
- In the heat of the COVID-19 crisis dealers are saying that digital tools help them manage more sales and service customers with fewer employees, and at safer distances, than they could without them. Such anecdotes suggest the current crisis may be teaching us lessons about new ways to do business that benefits both dealers and customers."

Vinsen's View

The monthly update from VIA chief executive David Vinsen

WHAT'S NORMAL?

After over a month of alert level 4 and now level 3 lockdown, it seems that most of us are looking forward to level 2 and beyond ... and getting back to some sort of normality.

But what's normal?

What will the "new normal" look like?

Our normal for the past five weeks has been completely different from anything we've ever experienced in our lifetime, in every aspect of our lives: Socially, commercially, financially and psychologically, to list just a few.

Just last month, I wrote about my mother's experience of living through the Great Depression and the Second World War, followed by the post-war boom, mass emigration and the development of international trade, travel and globalisation.

Significant events, affecting all areas of her life, but spread over more than 30 years.

I'd argue that the changes we have already seen and are going to experience as the result of this COVID-19 pandemic are just as radical as those that previous generations went through ... but condensed into a much shorter timeframe.

No wonder there's uncertainty and serious concern about our immediate and near-term future.

Our recent and current "normal" has involved concepts and terminology previously completely alien to us.

Things such as lockdown, personal and group bubbles, social distancing, self-quarantining, mass government subsidies, PPE, safe commercial practice, contact tracing ... and being kind. All official requirements and terms that were never in our lexicon until a few weeks ago. Only a few weeks, but it seems like forever.

But now we're trying to understand what the next stages look like for us, our families and our businesses ... and society as a whole.

And as I write this, concern is being expressed about when we move to alert level 2. For the first time, doubts, questions and criticisms are starting to be raised about how long we should stay in level 3.

Experts from a number of different professions are voicing their opinions and predictions, with each expert focused on their own discipline, as they should be.

It is the politicians' role to take all of this sometimes conflicting advice, and then make value judgements for the benefit of the country and people as a whole.

Policies, laws and economic decisions flow from these value judgements ... affecting every area of our lives

The government's decisions have until now been based on the advice and recommendations of health experts and epidemiologists, with the value judgement being that people's lives are of greater value than people's livelihoods.

Although there's been general support for this line of thinking, the tide is starting to turn.

Questions are being asked about the need for continued lockdown at level 3, and the negative effects of the economy having been deliberately forced into hibernation as the result of government policies.

It's not just the effects of the lockdown on business, commerce and employment that are being focused on; experts are also raising concerns about the longer-term negative health consequences of unemployment, poverty and business failure.

So, the public debate is starting: how much damping down of the economy is enough? There is a groundswell of opinion building to get back to normal as quickly as possible ... but the next question is "what will our new normal look like?"

None of us knows the answers to that question, but I can throw in a few more questions to be considered.

What emphasis will be placed on "buying local" ... to support local industries and business, and start to wean ourselves off dependence on foreign-made goods? Will we be prepared to pay a bit more to support local companies and employment?

There's bound to be a strong push for domestic travel and tourism, partly because we won't be able to travel internationally for some time, and partly to support our local tourist industry operators.

A re-run of the old "Don't leave New Zealand until you've seen the country" promotion and marketing? What will be people's response to encouragement to holiday locally?

What will consumer confidence look like in a few months' time?

And that question leads immediately to another more basic question, with the economists all having different answers and projections:

How quickly will the economy recover?

- Will it be a deep, V-shaped slump, with a relatively quick, sharp recovery?
- Or a U-shaped recession, with a period of low economic activity?
- Or worse still, a structural recession, taking ages for us to gradually recover?

Buyer behaviour and consumer confidence are inseparable, and the answers to the questions above will largely depend on attitudes, as well as the economy.

In December, I wrote about **Darwin's** "Origin of the Species", and his theory

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BIGGEST DISRUPTER IN LIVING MEMORY

by **Graeme MacDonald**

This month's column may seem shorter than usual, but this might be a visible way to illustrate the current state of the marketplace in to New Zealand for the Japanese used vehicle industry.

In short, April has been a disaster.

For an industry machine that has built itself up around volumes, whether through averaged agent fees, internal transport costs, storage, biosecurity, heat treatment, logistics, shipping or inspection, the one constant that ensures consistency around process and cash-flow is numbers each month - a steady "consistent variable" that allows for planning and financial security.

COVID-19 in New Zealand and the move to level 4, one of the most dramatic in the world, has in turn sent shockwaves across the ponds of every related marketplace, with the Japan export-led vehicle sector no less affected.

The irony in Japan has been the partial closure only of public infrastructure, with business still able to operate, consumers able to shop and people able to move about freely. The restrictions have been designed to allow the economy to continue, albeit with greater controls over large gatherings, schools, the elderly and social distancing.

In turn, car sales - new and used - have continued, with the associated auction markets for trade-ins, fleet disposals, lease and rental car turnover carrying on, although in many cases with appropriate restrictions around social distancing or even online sales only.

Lunchrooms have closed - the famous auction hall "curry rice" no more, and even those auctions that have permitted physical attendance have seen many buyers retreat to online interaction instead.

The Japanese new car market saw a 28.6% reduction in the number of new cars sold for the April period, with a 25.5% fall in the over-660cc market to a total of 172,138 units.

While this is one of the single biggest month-on-month falls the market has seen in many years, it cannot be considered a total collapse, either.

There are still plenty of new cars being delivered to Japanese consumers, and although reduced, still plenty of trades and de-fleeted units trickling down to feed the auction machine and the Japanese domestic used car market.

But the two-speed nature of the Japan used wholesale market has been cruelly exposed with the withdrawal by volume of the New Zealand buying machine.

While prices at auction for late model and low mileage, clean, well-graded stock saw comparatively little change in values attained over April - destined for Japanese dealer yards, no doubt - the stock that typically ends up in New Zealand, afforded those Kiwis with money to spend some incredible bargains on the auction floor.

It highlighted how the competitive nature of the New Zealand import industry has served to artificially pump up the pricing in Japan over many years, with the shrink-back in Kiwis exposing what might be considered the "true value" in Japan of a specific used car model.

The bottom line in April was this - if by some miracle you had avoided the worst of the COVID-19 fallout, you had not lost your margin with the exchange rate fall, you'd determined there were buyers for your stock in New Zealand and most importantly, you had the cash reserves to pay your agent or the auction house, then there were some very, very good bargains to be found.

The next challenge, and arguably a much greater one, is how the crash in volume to be exported to New Zealand in the coming months will impact the logistics industry, whether frequency, services operated, or per-unit costs.

Given that so many aspects are based upon a fixed-cost model of expenditure, such as real estate, ship costs, staff and physical plant infrastructure, the inability to amortise those costs across a volume-based clientele will no doubt have financial repercussions in the coming months.

Lockdown level-4 will likely prove to be the biggest disrupter to the motor vehicle industry in New Zealand in living memory.

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that the key criterion for survival is not fitness or strength, but the ability to adapt to change.

A simplistic answer to all of the questions I've posed is that our recovery will depend on our ability to adapt.

The "new normal" will not be the old normal. We'll have to continue "safe commercial practices" in our businesses, with social distancing and good hygiene in our social behaviours for some time. Some business models will need to be radically adapted, and the survivors will be those who can make the necessary changes. Already we're seeing some companies in various industry sectors completely reinvent themselves, or repurpose their existing operations to deal with the changed circumstances.

In our industry I predict that there will be an increased focus on online trading, with websites that enable e-commerce transactions becoming an absolute necessity. There'll always be a demand for physical inspections and test drives of vehicles, but the move to electronic searches, negotiations and transactions will be accelerated.

Over the past few years, I've written about the futurist **Alvin Tofler's** predictions in his 1970 book "Future Shock", where he prophesied that "the pace of change would accelerate".

Maybe we're experiencing that now. Maybe our "new normal" will look like it was always going to look, but the future will be here a lot sooner than we had expected.

MARKETING IN ALERT LEVEL 3

by **Todd Fuller**
General Manager, Adtorque Edge

Now more than ever the digital tools and data accessible to the automotive industry are leading to dealers finding new ways to take advantage of this enforced downtime and setting themselves up for the future.

In spite of the current restrictions, our team is regularly in touch with our automotive clients, discussing ways in which we can help set them up for post-COVID-19 business success.

Our call tracking tools have demonstrated how much level 4 restrictions affected dealerships with, the industry dropping in inbound call volumes by a whopping 86% in April, and the average call duration sitting at just 45 seconds.

So, it was encouraging to see the call statistics on our first day out of lockdown increasing by a massive 2000% and call durations going up to 2.57 minutes per call. Dealership website users also increased that day by 43% and remained up over the first week of level 3 restrictions.

Around 40% of all calls coming into a dealership have been to ask: “Are you open?” This demonstrates that it is important to let customers and the local public know that, not only are you open, but you are ready to do business in a way that will protect the health and safety of customers. This is where your advertising is critical.

The recent downgrade of restrictions has allowed the automotive industry to re-open for business, however, in order to move forward through this new-look future it is important that dealers adapt the way they do business.

Your website needs to promote the fact that you are open and highlight any new “contactless” measures you have implemented on the homepage. This can be done using slider banners and pop-ups that appear as soon as a visitor lands on your site.

In order to get those visitors to your website, however, you need to run a well-targeted digital campaign incorporating database marketing, and advertising on the social and search platforms, promoting your contactless services and driving traffic to your page.

But what are these new offerings that dealers have introduced since re-opening, to give customers peace of mind that precautions are being taken and social-distancing measures respected? How can you stand out from your competitors as a dealership that understands their customers’ concerns and appreciates that in this modern world, the process of purchasing and servicing a vehicle needs to evolve?

Sell online

A positive that has come out of this crisis is that it has enabled the fast-tracking of a lot of technological advances that may have otherwise taken another few years to launch. One such initiative for the automotive industry has been the introduction of online purchasing of vehicles.

Dealers have started to add “reserve a car” functionality to their website stock locators. This new process enables customers to put down a credit card deposit to hold a car they wish to purchase, securing it with merely a click of a few buttons.

Sales consultants will also appreciate this new function on their site, as it gives them an assurance that the customer who has expressed interest and put down a deposit is a genuine buyer.

At-home test drives

Once the lockdown restrictions are lifted, customers will no doubt continue to be apprehensive about close contact with others, so many dealers are offering the opportunity to test drive a vehicle away from the dealership.

When a customer books an at-home test drive, a salesperson would deliver the car to their chosen location. The customer would then be able to view and drive the vehicle without the need to ever enter the showroom.

But most importantly right now, customers need to know you’ve reopened, so get the word out with clear and effective marketing.

Contactless servicing

In order to maximise their opportunities in their service departments, some dealers are introducing “contactless service”. Once a customer has booked their vehicle in for a contactless service, a dealership representative goes out to their home or office and collects the vehicle from them.

The vehicle is then taken to the workshop where it is serviced, cleaned and fully sanitised, before being returned to the customer at the end of the day. No need for the customer to enter the service department; minimal risk to health and safety.

The recent downgrade of restrictions has allowed the automotive industry to re-open for business, however, in order to move forward through this new-look future it is important that dealers adapt the way they do business. Offerings need to be adjusted to ensure minimal contact and off-site transactions.

But most importantly right now, customers need to know you’ve reopened, so get the word out with clear and effective marketing.

SUPPORTING OUR PARTNERS THROUGH COVID-19

We hope you're well and staying safe. While we're doing all we can to support your customers with their claims right now, we know you're also "doing it tough" during this trying time. So, we thought we'd outline a few ideas about how your business can successfully transition out of lockdown.

Selling cars during the crisis
We know your number one question right now is: "When will customers be free to buy again as normal?" and we all have our fingers crossed that will be very soon. We want to help you be prepared for this, so here are a few tips:

- Continue to man the phones, so if people are interested in a car you have experts they can talk to.
- Provide a large number of high-quality photos and videos of cars (and promote your F&I options) on websites.
- Consider taking deposits to secure cars now and then deliver them once restrictions have eased.
- Let potential buyers know you've upped your game when it comes to in-car cleanliness and ensure cars are thoroughly cleaned prior to delivery.
- Look to offer contactless delivery so people can look at a car, sign key paperwork, organise finance and insurance, then deliver it to their front door - all without having to leave their house.
- Implement a robust contact tracing system for staff and customers, so that information is easily accessible should it be needed.

Remember: Now, more than ever, customers need the protection of insurance for unforeseen events.
You can help your customers by ensuring insurance is a key part of every vehicle sale. Incorporating insurance will help you maximise your earnings on every sale, especially in situations when there may be margin pressure on other parts of the transaction.

What would you like your business to look like when it reopens properly?
Many business managers are using this time to ask some tough questions. The aim of this is to evaluate what they would do if they could do it all again and what does their ideal business look like moving forward.
Now is a good time to review everything. Look at what you think you can improve and how that could be done. For example, could you make your website better/ increase your F&I penetration/grow your social media reach?
These are likely to be things you've thought about before, but haven't had time to focus on because you're normally too busy, so now's a great time to have a think about:

- Do you want your business to look exactly the same when it reopens as when it closed, or do you have new goals?
- What really works well?
- What doesn't?
- What people, systems and support businesses could help you achieve your new goals?

How you can be productive in lockdown
We know it's very unusual for you to have time on your hands. Normally you're often open all hours, so this current situation will be a shock to the system. Here are a few ideas of things you can do to keep busy and improve your business:

- Put messages up on your website and social media to let customers know they can call and email you, so you can maximise your leads.
- Utilise your database to keep in touch with loyal customers and follow up on any that may be ready to change their car soon.
- Review your marketing strategy eg, refresh your ads or improve the quality of your photos. By doing this now, you'll be ready to put these in place quickly later on.
- Keep your staff as positive as possible so they're ready to hit the ground running when you're able to reopen properly. There are lots of online tips about remote team building and checking in regularly will help them feel connected.
- Beware of scammers sending phishing emails. Check the "from" email address. Do you know the sender? Is the company name spelled correctly? Don't click on unsolicited website links or attachments. Keep your usernames and passwords private. Basically, if an email looks suspicious and you think there's something odd about it, then there probably is!

As an "essential businesses we're well positioned to keep supporting our partners and customers through this trying time.
Many of our team are working from home, but you and your customers can still contact us as usual by phone or email. We also have lots of useful information about claims during this period on our website **www.autosure.co.nz**.
Let's keep up the good work we're doing - supporting each other, our partners and customers - and keep our fingers crossed everyone can safely reopen soon.
If you have anything you think we may be able to help with, talk to your Autosure account manager today.

James Searle
is general manager of DPL Insurance Limited

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'F&I DISCLOSURE OBLIGATIONS REQUIRED WHEN SELLING REMOTELY'

by **Jaques Gray**
Provident Insurance national sales manager

There is an old saying: "When the going gets tough, the tough get going". Something to think about as we evolve into a new market with restrictions placed upon us of how we can conduct business.

Over the past few years, the digital tools available to us to assist in the process of remote selling have made it so much easier to communicate with your customer rather than just sending a letter or an email.

I suggest where you can, you consider conducting a virtual meeting with all remote sales of F&I so you can engage with your customers and hold their full attention, just as if you were conducting a face-to-face meeting in the dealership.

Remember, the same rules of engagement apply, portray a professional appearance, offer a clean desk policy, and arrange a convenient time that suits your customer, so they will likely not to be challenged by any other distractions.

Prepare yourself with all the relevant information necessary, it looks unprofessional to have to go and find something during the meeting. If this is the first contact with a new customer make sure you have access to all the vehicle details that your customer may be looking to purchase. If this is a referral from your sales team, obtain the sales write up sheet with any relative personal information that may help you bond with the customer.

Whether you offer any F&I products in a virtual meeting or over the phone, make sure you provide your customer with a copy of all the relevant information by email immediately after your discussion.

You will need to follow the same rules of disclosure that would apply as if the customer were in front of you at the dealership.

As a responsible seller of F&I products you are required as part of your process to conduct both initial disclosure and post-sale disclosure of all relevant products offered.

All forms of disclosure must provide all the relevant information in a simple and easy to understand format. An informed decision can then be made as to whether entering into a credit contract, and or the requirement for Insurance products is within a customer's means and it suits their personal circumstances.

To undertake this process correctly when offering Insurance, you have a duty to explain how your products are designed to assist and protect the customer. The best and compliant way to do this is to provide your customer with a summary sheet listing the key benefits, features and exclusions of the Insurance product you

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wish to offer. Attach this with your email quotation and refer to the policy booklet for the full terms and conditions.

Ensure that your email, together with the attached disclosure form and summary sheets includes the following information to your customer:

- The key benefits and features of each Insurance policy.
- The key exclusions of a policy.
- The amount of the premium being charged, and if it forms part of a credit contract that the customer understands that interest is charged on the policy offered.
- Advise that the policy is optional.
- The duration of each policy.
- The cooling-off period for each policy.
- A reference to review the full terms and conditions of the policy.

Your customer then can make an informed decision as to whether the following applies:

- The policy provides appropriate cover for my personal circumstances.
- The provisions of the policy will prevent financial hardship.
- I understand the terms and conditions of the policy.
- I have had enough time to consider the benefits of the policy.

Upon the purchase of any F&I products you need to immediately provide the customer with a copy of the full credit contract and any insurance policy schedule or certificate purchased, together with the full terms and conditions, agreed payment terms and any premium due.

I also strongly advise, that as part of your insurance sale process that you ask your customer to confirm in writing that they have read and understood the terms of the disclosure.

This acknowledgement should be confirmed by signature on a separate disclosure form that lists all of the insurance products offered and notes your customer's response as a "yes or no" to their acceptance or declinature of each product. The involving of your customer and keeping a record achieves two important procedures.

- It confirms that the offering is not a casual sales pitch and that the protection offered under such policies should be taken seriously.
- A record of the disclosure process will protect you as the Trader, should a customer portray later that they were not offered protection, or disclosure was not preformed correctly.

As professionals, we should all take disclosure seriously whether it is offered face to face or via an email.

Remember the golden rule: "Offer 100% of relevant products to 100% of people, 100% of the time".

You should never preconceive your customer's insurance requirements. If you offer your customer the full range of products, you are providing them with all the options available so they can make an informed decision regarding their required cover and protection.

If you disclose your products correctly, and you understand how to overcome the main concerns and misconceptions that your customer may have, the benefits and features offered will allow the product to sell itself.

The offering of protection makes for a better customer experience. "Insurance is the one thing that you can't buy when you are in immediate need of its protection".

If you or your staff need further advice, training, or assistance to understand your responsibilities regarding disclosure through direct or remote selling, or how to effectively offer finance and insurance products, call me now and I will be happy to help.

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Mazda says its new CX-30 is the first of a new generation of cars

MAZDA SEES NEW CX-30 AS A GAME-CHANGER

Mazda's CX-30 compact crossover SUV has had a bumpy introduction to New Zealand, thanks to the COVID-19 pandemic.

It was set to go on sale on April 2, but by then the country was in lockdown; some CX-30s were at dealers' showroom, others were in storage, and none could be sold or delivered.

Mazda launched the car a week before the country entered level 3 and contactless sales and deliveries could begin.

It has high hopes for the car which slots into the five-model CX range between the smaller CX-3 and bigger CX-5.

It sees it as a game-changer, the first in a new line of Mazdas that takes the brand to a new footing and lays down a challenge to European vehicles.

Hence the CX-30 name that puts it out of synch with the rest of the CX range, and sets it a little apart (there is a CX-4, built and sold exclusively in China).

Mazda insists the CX-30 is a new start, and is touting it as looking like an SUV but driving like a car – and not just any car, but a driver-oriented one like the new Mazda3.

Product and sales planning manager **Tim Nalden** concedes the CX30 and Mazda3 will vie for the same buyers and that the CX-30 will probably outsell the hatchback. But, he adds: "We're actually really happy with the way the 3 has performed."


CX-30 sits between CX-3 and CX-5 in Mazda range

Mazda thinks the new wagon will live up to its description and cross over categories capturing buyers looking not just for an SUV but for vehicles in "multiple product segments".

Nalden also thinks it will change the traditional small car sales ratio of 75% private and 25% business. "There's an option here for business buyers. We believe it will attract some interest from business buyers – small to medium enterprises."

The business ratio might reach as much as 40%, he suggests.

So what's the essence of this new small five-door game-changer?

There are three models: The $41,990 front-wheel drive GSX; and the all-wheel drive GTX ($33,990) and Limited ($50,990).

The GSX's 2.0 litre four-cylinder Skyactiv-G engine develops 114 kW and 200Nm, and Mazda quotes 6.5 litres/100km fuel economy. It rides on 16-inch metallic grey alloy wheels and 215/65 tyres.

The GTX and Limited have 139kW/252Nm four-cylinder 2.5 litre Skyactiv-G engines, and Mazda says both can achieve.6.8l/100km. They have 18-inch metallic silver alloy wheels and 215/55 tyres.

All three have six-speed automatic gearboxes, i-stop engine stop/start, and

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a braked towing capacity of 1200kg. Suspension is MacPherson struts at the front and torsion beam at the rear.

Mazda aimed to keep the CX-30s under 4400mm long for easier parking and manoeuvrability, and came in 5mm below target. The car is 120mm longer than the CX3; its 1795mm width is 30mm greater, but both are 1540mm tall. The CX-30's wheelbase is 85mm longer, at 2655mm.

CX-30 luggage capacity is 430 litres and the tailgate opening is 1020m wide; the height of the lower lip is 731mm.

Mazda says that like its other cars the CX-30 is designed around occupants' needs. The interior has a snug "cockpit" for the driver, and an airy more open space around the front passenger.

The Mazda Connect infotainment system has Apple CarPlay and Android Auto connectivity, an 8.8-inch touch-screen. Satnav is standard and there's Bluetooth handsfree phone and audio connectivity. GSX and GLX models have an eight-speaker audio system, and the Limited gets a surround sound 12-speaker Bose.

Mazda designed the CX-30's cabin to deliver quality audio to all occupants. Studying how sound reaches occupants' ears and how those sounds are perceived, engineers developed a speaker layout they say matches the characteristics of human hearing. It's called the Mazda Harmonic Acoustics audio system.

The seats are designed to keep occupants' pelvises upright, allowing them to balance the body's centre of gravity by moving the pelvis and spine without conscious effort, just as when walking. The seat design also enables them to stabilise their heads naturally.

GSX equipment levels are the basic spec for the range with the upscale cars getting model-specific enhancements.

Mazda says CX030 is a driver's car capable of rivalling its own Mazda3

There are automatically-folding exterior mirrors, rain-sensing windscreen wipers, automatic on/off LED headlights, LED taillights, and halogen daylight running lights.

A head-up display projects on to the windscreen, and there are keyless entry, push-button ignition, and an electric parking brake.

The two AWD models have proximity keyless entry systems, and dual zone climate control air-conditioning – with a rear cabin vent on the Limited.

The CX-30 has a five-star safety rating, and Euro NCAP and ANCAP scored it 99% for occupant protection.

Safety kit includes blindspot monitoring, rear cross traffic alert, lane-keeping assistance and lane departure warning.

The CX-30 also has radar cruise-control, smart brake support with bike and night-time pedestrian detection, and traffic sign recognition. A reversing camera and rear parking sensors are standard, with dynamic guidance graphics on the GLX and Limited.

Big news in the Limited is a driver alertness monitoring system which uses both an infrared camera and infrared LED allowing it to work day and night and function properly even if the driver is wearing sunglasses.

The system monitors the driver's eyelid position, the rate of blinking and the angle of the mouth and face to determine drowsiness or fatigue levels before delivering alerts.

Nalden says the level of CX-30 pre-orders is encouraging because it's an all-new model rather than an update of an existing car.

But he adds it's inevitable in a time of economic uncertainty that some of those orders will be cancelled. "I'd be surprised if we retain 100% of the deposits."

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*Speaking at Mazda's virtual media launch of the CX-30, conducted by audio-visual link using Zoom, managing director **David Hodge** says the company has enough vehicles landed in New Zealand for three months of sales.*

Under COVID-19 Level 3 rules which came into force on April 28, dealers are open for contactless sales and service.

"There will be some people who will be wanting to get back to normality, and we will be ready for that," Hodge says

Hodge says the company supports the government's approach to the virus, and the "hard and fast approach they have taken"'

But he notes it has had a massive impact on the economy and car sales. "COVID-19 has had a massive impact on not just people's lives and health, but been a massive hit to our economy," Hodge says.

What that will mean long term he says he doesn't know. For the car industry it could vary depending on the level of government assistance, and the individual distributors' supply pipelines.

He suggests government support, particularly on infrastructure spend, will help: Mazda has major fleet contracts with construction and engineering giant Fulton Hogan.

The company is extending warranties on vehicles that ran out during the lockdown to allow for any rectification to happen.

It's also honouring its free service offerings missed during the period, and says delayed servicing won't impact warranty support.

DRIVING DOWN MEMORY LANE IN A HOLDEN ACADIA

by **Robert Barry**

There's an old saying that it is an ill wind that doesn't blow some good to somebody, and the level 4 lockdown in March saw me becoming, quite unintentionally, a long-term custodian of a Holden Acadia LTZ-V.

So, it's quite fitting to write a farewell to GM-Holden while driving an Acadia, particularly as GM vehicles have featured prominently in my family history.

My father **Paul** started his transport career with a post-war Chevrolet truck, and after a brief dalliance with a Morris truck, bought the first of two new Bedford TK trucks, and a Bedford Van was the family car for many years, followed by a VH Holden Commodore. Other family members also owned Holden and Vauxhall cars.

Full disclosure, I myself have not owned one, but in a 17-year long motoring career, I've driven more Holden cars and utes than most people.

My Holden journey started in late 2003 when corporate affairs manager **Albert Van Ham** sent me a Commodore V8 one-tonner to review for a vehicle supplement in the *North Shore* and *Manukau Courier.*

Since then I've driven every single variant of Commodore made, one oddity being an R8 Clubsport wagon with a manual gearbox.

The V8 Monaro Coupe was also a fun beast and the Adventra was a thirsty beast.

I was also the first member of the Kiwi press to drive the HSV W427 (7-litre 375kW V8) briefly while on a trip to visit the Clayton plant in Melbourne for a manufacturing story.

The NZ Corporate Affairs office were not amused at this deviation from their plan and I was instructed to say nowt to anybody.

It was at the time the most powerful Australian production car yet. The noise from the exhaust was spine chilling.

I drove a diesel-powered Holden Epica on the 2006 EnergyWise Rally, and its successor the Malibu which was a much nicer car. The Korean-sourced Holden cars such as the Spark, Barina, Captiva 5 and 7 all did their job of providing value for money motoring.

The handling of the Holden Cruze improved greatly when production moved from Korea to Australia and the Holden engineers had greater input into it.

The European-sourced Holden Astra and Holden Insignia vehicles were fun to drive, particularly the high-performance VXR models.

The Colorado got off to a rough start with media, because GM-Brazil who were the homeroom for this vehicle, just wanted a basic truck. However, once the Aussie Holden engineers got their hands on it, ride quality, noise vibration and harshness, and engine and transmission calibration were vastly improved, and we said so.

For a short period, Saab and Hummer vehicles were also marketed through Holden dealers by GM Premium Brands in Australia and New Zealand, and there was an intention to launch Cadillac as well, but it literally got canned just as the CTS cars landed in Port Melbourne.

High-tech flagship

For Holden, the arrival of the Acadia signalled the first time the brand had a high-tech premium-spec seven-seat SUV as its flagship vehicle.

With everything from haptic safety seats to active cruise control, the Acadia is not lacking for technology, the only striking omission being a head-up display but it's got every other electronic acronym you can think of.

It comes from a GM plant in Tennessee, the same state in which its competitor the Nissan Pathfinder is made, while NZ-bound Toyota Highlanders come from Princeton, Indiana.

The Acadia has a specific redesigned grille with the Opel-esque wings which Holden requested so the car followed the same family look as the now departing Astra and Commodore.

It was the Acadia LTZ-V that received the most input from Holden engineers, specifying that this top-spec model should have the ride and handling a $71,990 car deserved. Hence the LTZ-V's confident handling and comfortable ride comes courtesy of FlexRide adaptive suspension and 20-inch alloy wheels shod with Continental Cross Contact tyres.

Powered by a 231kW/367Nm 3.6-litre V6 engine allied to a nine-speed automatic, the all-wheel-drive LTZ-V is a capable and frugal long-distance cruiser, but around the city not quite so.

The Acadia is a fitting vehicle in which to farewell the Holden brand. While not produced in Australia it still provided the very best example of how local know how and engineering could enhance vehicles in the GM stable for our roads and driving conditions.

CHEVROLET SILVERADO 1500 SET FOR NZ MARKET

Following the introduction of the Chevrolet Silverado 2500 Heavy Duty pickup truck in 2018, HSV has confirmed the Silverado 1500 LTZ Premium Edition is soon to arrive in dealerships.

Arrival was initially planned for March but the COVID-19 pandemic has set that back a few months and will see the vehicle land around May if all goes to plan.

HSV NZ regional manager **Andrew Lamb** says production is already under way in Australia and pricing will be released soon.

It will be competitive with other similar sized vehicles on the market, he says.

The current Silverado 1500 (platform name T1) will set the category benchmarks for power, technology, and safety when it reaches dealerships according to HSV.

It is propelled by a 313kW/624Nm 6.2-litre EcoTec3 V8 engine mated to a 10-speed automatic transmission, offering a maximum towing capacity of up to 4.5 tonnes using a 70mm ball.

The Silverado 1500 features tow/haul mode, trailer swap control, hill start assist and auto grade braking.

Everything needed to simplify towing is found in the available advanced trailering package: hitch guidance with hitch view, integrated trailer brake controller, trailer theft alert, and in-vehicle advanced trailering system.

Active safety features include: Front and rear park assist, lane change alert with side blind zone alert and rear cross traffic alert. I

To optimise the steering feel and the turning radius of the Silverado, the size of the electric power steering motor was increased to develop higher output.

In addition, there is forward collision alert, low speed forward automatic braking, front pedestrian braking, IntelliBeam

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The current Silverado 1500 (platform name T1) will set the category benchmarks for power, technology, and safety when it reaches dealerships according to HSV.

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automatic headlamp control, following distance indicator and safety alert seat.
The suite of passive safety features includes dual-stage frontal airbags for driver and front outboard passenger; set-mounted side-impact airbags for driver and front outboard passenger; and head-curtain airbags for front and rear outboard seating positions.
There is StabiliTrak electronic stability control with rollover mitigation technology, trailer sway control and hill-start assist.
Inside, the 1500 boasts perforated leather-appointed upholstery plus heated driver and front outboard passenger seats with 10-way power and driver memory, plus a heated steering wheel.
The Chevrolet Infotainment 3 Plus system, multi-touch display and advanced voice recognition is included, as is a high-definition rear vision camera. Two USB ports provide power and connectivity for mobile devices, while two in the rear support charging devices.
To optimise the steering feel and the turning radius of the Silverado, the size of the electric power steering motor was increased to develop higher output.
A drive mode selector allows the choice of different drive modes that alter the transmission shifts, throttle and traction systems to better handle varying road conditions. Tour is for everyday driving; Sport increases responsiveness; tow/haul aids in trailering; and off-road is helpful in slippery conditions.
Performance options will include HSV-tuned suspension for those seeking more driver feedback and performance airbox/exhaust and a complete range of performance upgrades.

Everything needed to simplify towing is found in the available advanced trailering package: hitch guidance with hitch view, integrated trailer brake controller, trailer theft alert, and in-vehicle advanced trailering system.

The Silverado 1500 has a longer wheelbase, and more cargo volume than the previous generation, yet it is up to 205kg lighter. It features high-strength steel in the frame, bed and safety cage and lightweight aluminium in the doors, hood and tailgate.
The all-new frame is 40kg lighter than its predecessor, but has 10% greater torsional rigidity according to HSV.
As much as 80% of the frame is made of high-strength steel varying from 2mm to 5mm in thickness.

IMPORT REGISTRATIONS JUST 5% OF APRIL 2019

Import vehicle registrations were - as expected - utterly devastated by the broad lockdown measures in place for almost all of April.

Just 622 units of passenger cars were registered, compared to the usual 10-11,000 vehicle total normal for the month. On April last year figures were 94.3%.

For the year, passenger registrations are now down 30% to 31,627 units.

Dunedin dealer and VIA South Island chair, Lloyd Wilson says lockdown was a handbrake for trade.

Toyota was the most popular passenger brand on just 145 units, down 93.9% for the month for a 23.3% share.

The other brands saw similar changes in their volumes - **Nissan** second on 119 followed by **Mazda** on 78, **Honda** on 76 and **Subaru** on 32.

As expected with the introduction of mandatory electronic stability control, and despite the massive market disruption, the **Toyota Aqua** was the top-selling passenger model - though at just 26 units

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20 TOP USED IMPORT PASSENGER MAKES

MAKE	APR '20	APR '19	Movement	% Change	Market Share
TOYOTA	145	2392		-93.9	23.3
NISSAN	119	1976		-94.0	19.1
MAZDA	78	1882		-95.9	12.5
HONDA	56	1216		-95.4	9.0
SUBARU	46	614		-92.5	7.4
BMW	32	394	Up 2	-91.9	5.1
SUZUKI	25	594	Down 1	-95.8	4.0
MITSUBISHI	24	530	Down 1	-95.5	3.9
VOLKSWAGEN	18	339		-94.7	2.9
AUDI	17	207		-91.8	2.7
MERCEDES-BENZ	13	146		-91.1	2.1
LEXUS	10	118		-91.5	1.6
LAND ROVER	5	31	Up 4	-83.9	0.8
HYUNDAI	4	20	Up 8	-80.0	0.6
JAGUAR	4	41		-90.2	0.6
CHEVROLET	3	39		-92.3	0.5
PORSCHE	3	13	Up 7	-76.9	0.5
CHRYSLER	2	27	Up 1	-92.6	0.3
FORD	2	66	Down 6	-97.0	0.3
MINI	2	31	Down 2	-93.5	0.3
OTHER	14	207		-93.2	2.3
TOTAL	**622**	**10883**		**-94.3**	**100.0**

USED IMPORT COMMERCIAL MAKES

MAKE	APR'20	APR'19	Movement	% Change	Market Share
TOYOTA	34	381		-91.1	39.1
NISSAN	29	209		-86.1	33.3
ISUZU	6	37	Up 1	-83.8	6.9
MAZDA	4	44	Down 1	-90.9	4.6
HOLDEN	2	18	Up 3	-88.9	2.3
IVECO	2	0			2.3
MITSUBISHI	2	25		-92.0	2.3
VOLKSWAGEN	2	3	Up 9	-33.3	2.3
DAF	1	0			1.1
GMC	1	6	Up 1	-83.3	1.1
OTHER	4	125		-96.8	4.6
TOTAL	**87**	**848**		**-89.7**	**100.0**

TOP 10 USED IMPORT COMMERCIAL MODELS

MAKE	MODEL	APR '20	MAKE	MODEL	APR '19
TOYOTA	HIACE	24	TOYOTA	HIACE	289
NISSAN	CARAVAN	11	NISSAN	CARAVAN	65
ISUZU	ELF	5	NISSAN	NV200	47
NISSAN	NV200	5	TOYOTA	DYNA	37
NISSAN	NV350	5	MAZDA	BONGO	33
NISSAN	VANETTE	5	NISSAN	VANETTE	31
TOYOTA	TOYOACE	4	NISSAN	NV350	30
MAZDA	BONGO	3	TOYOTA	REGIUS	27
TOYOTA	REGIUS	3	HINO	DUTRO	24
IVECO	ACCO	2	ISUZU	ELF	21

Business was fine before the lockdown, Campbell says. "We were reasonably busy, ticking along all right. Then the handbrake came on."

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it's unclear if this says much.

The **Honda Fit** was second on 23, followed by the **Mazda Axela** and **Demio** tied for 21, and the **Suzuki Swift** fifth on 20.

Commercial registrations fared slightly better, down "just" 89.7% to 67 units.

For the year used import commercial registrations are down 34% to 2489.

Toyota was the top-selling brand for the month on 34 vehicles, down 91.1% for a 39.1% share.

Nissan was second on 29, followed by **Isuzu** on 6, **Mazda** on 4 and **Holden**, **Iveco**, **Mitsubishi** and **Volkswagen** on 2 each.

The **Toyota Hiace** was the top model on 1, followed by the **Nissan Caravan** and the **Isuzu Elf, Nissan NV200, Nissan NV350** and **Nissan Vanette** on 5 each.

Lockdown a handbrake

Dunedin dealer and VIA South Island chair, Lloyd Wilson says lockdown was a handbrake for the trade.

Wilson says his dealership - Lloyd Wilson Motors - was having a good year until the lockdown intervened.

"In March we were going all right, sitting on a really good month and then the handbrake came on."

He says the short-term future of the used car trade depends on "where people see their finances are headed, and how hard-hit the local economy is.

"As well there are a few job losses down here, and you've also got the finance companies tightening up.

"Things are going to be a challenge for some time I believe."

Phil Campbell of Greymouth Car Centre made the same observation.

Business was fine before the lockdown, Campbell says. "We were reasonably busy, ticking along all right. Then the handbrake came on."

AROUND THE COUNTRY
PASSENGER REGISTRATIONS

DIST	APR '20	APR '19	% CHANGE
WHA	13	294	-95.58
AUC	248	5031	-95.07
HAM	29	694	-95.82
THA	7	97	-92.78
TAU	19	450	-95.78
ROT	12	172	-95.93
GIS	7	63	-73.02
NAP	17	258	-95.74
NEW	11	175	-98.86
WAN	2	84	-77.38
PAL	19	289	
MAS	6	76	-92.11
WEL	51	885	-94.24
NEL	9	202	-95.54
BLE	7	48	-85.42
GRE	3	35	-91.43
WES	0	5	-100.00
CHR	106	1438	-99.58
TIM	6	84	-95.24
OAM	4	12	141.67
DUN	29	333	-94.89
INV	17	158	
TOTAL	622	10883	-94.28

USED IMPORT COMMERCIAL MAKES – YEAR-TO-DATE 2020

	CHEVROLET	DODGE	FIAT	FORD	HINO	HOLDEN	ISUZU	MAZDA	MITSUBISHI	NISSAN	TOYOTA	VOLKSWAGEN	OTHER	TOTAL
20-Jan	11	5	66	40	26	14	26	41	25	200	345	8	40	847
19-Jan	19	1	30	58	35	19	39	40	35	206	399	6	50	937
% diff	-42	400	120	-31	-26	-26	-33	3	-29	-3	-14	33	-20	-10
20-Feb	13	4	12	21	22	12	41	26	18	211	430	9	45	864
19-Feb	22	9	24	48	45	13	42	61	29	213	437	9	48	1000
% diff	-41	-56	-50	-56	-51	-8	-2	-57	-38	-1	-2	0	-6	-14
20-Mar	8	3	10	24	17	12	37	27	22	195	298	2	37	691
19-Mar	12	6	15	36	38	14	45	50	20	218	499	10	46	1009
% diff	-33	-50	-33	-33	-55	-14	-18	-46	10	-11	-40	-80	-20	-32
20-Apr	0	0	0	0	1	2	6	4	2	29	34	2	7	87
19-Apr	11	1	10	34	34	18	37	44	25	209	381	3	41	848
% diff	-100	-100	-100	-100	-97	-89	-84	-91	-92	-86	-91	-33	-83	-90
YTD 20	32	12	88	85	66	40	110	98	67	635	1107	21	111	2489
YTD 19	64	17	79	176	152	64	163	195	109	846	1716	28	185	3794
%diff	-50	-29	11	-52	-57	-38	-33	-50	-39	-25	-35	-25	-40	-34

VEHICLE IMPORTS TAKE A HEAVY HIT IN APRIL

Vehicle import arrivals have finally felt the force of COVID-19, down 45% in April compared to the month prior.

A total of 14,398 vehicles, including trucks and buses, hit the wharves in April compared to 26,387 in March, according to New Zealand Customs Motor Vehicle Statistics.

April saw a total of 11,774 cars arrive compared to 22,116 in the previous month.

It's the first big drop since the pandemic reached New Zealand, with March figures still up more than 4900 units as vehicle imports continued to arrive with ships en route.

April saw a total of 11,774 cars arrive compared to 22,116 in the previous month.

New car imports were down with 5625 units compared to 8724 in the previous month.

Used car imports were down 6149 compared to 13,392 in the previous month.

Total truck and van imports (new and used) were down in April with 2561 units compared to 4170 the previous month.

New trucks and vans were down with 2302 units compared to 3279 in the previous month. This includes 2090 under 3500kg GVM and 212 over 3500kg GVM.

Used trucks and vans were down with 259 units for the month compared to 891 in March. This includes 243 under 3500kg GVM and 16 over 3500kg GVM.

The total number of bus and coach imports was also down in April with 63 arrivals compared to 101 the previous month. This includes 61 new buses and coaches and 2 used for the month.

20 TOP USED IMPORT PASSENGER MODELS

MAKE	MODEL	APR '20	MAKE	MODEL	APR '19
TOYOTA	AQUA	26	MAZDA	AXELA	584
HONDA	FIT	23	SUZUKI	SWIFT	508
MAZDA	AXELA	21	HONDA	FIT	494
MAZDA	DEMIO	21	MAZDA	DEMIO	460
SUZUKI	SWIFT	20	NISSAN	TIIDA	407
NISSAN	TIIDA	17	TOYOTA	COROLLA	399
SUBARU	IMPREZA	16	TOYOTA	PRIUS	300
SUBARU	LEGACY	16	TOYOTA	WISH	295
TOYOTA	COROLLA	15	MITSUBISHI	OUTLANDER	290
TOYOTA	PRIUS	14	NISSAN	LEAF	263
VOLKSWAGEN	GOLF	12	TOYOTA	AQUA	239
MAZDA	ATENZA	11	SUBARU	LEGACY	238
NISSAN	NOTE	11	MAZDA	ATENZA	237
NISSAN	SKYLINE	11	TOYOTA	VITZ	233
NISSAN	X-TRAIL	11	NISSAN	DUALIS	215
MITSUBISHI	OUTLANDER	9	MAZDA	PREMACY	209
NISSAN	LEAF	9	SUBARU	IMPREZA	206
TOYOTA	MARKX	9	VOLKSWAGEN	GOLF	190
BMW	1 Series	8	NISSAN	NOTE	175
BMW	3 Series	8	NISSAN	X-TRAIL	150

THE 17 LEADING USED IMPORT PASSENGER MAKES – YEAR-TO-DATE 2020

	AUDI	BMW	CHEVROLET	DAIHATSU	FORD	HOLDEN	HONDA	HYUNDAI	MAZDA	MERCEDES	MITSUBISHI	NISSAN	PEUGEOT	SUBARU	SUZUKI	TOYOTA	VW	OTHER	TOTAL
20-Jan	185	353	40	2	86	29	1174	18	1925	120	480	2246	12	795	536	2936	335	421	11693
19-Jan	177	417	44	8	90	31	1270	23	1873	149	552	2328	2	653	653	2450	391	487	11598
% diff	5	-15	-9	-75	-4	-6	-8	-22	3	-19	-13	-4	500	22	-18	20	-14	-14	1
20-Feb	197	364	33	2	87	26	1115	26	1715	121	448	2024	8	660	515	2668	337	401	10747
19-Feb	210	395	39	8	79	24	1224	20	1780	171	531	2207	9	621	601	2406	344	460	11129
% diff	-6	-8	-15	-75	10	8	-9	30	-4	-29	-16	-8	-11	6	-14	11	-2	-13	-3
20-Mar	152	316	32	3	59	27	863	24	1276	100	335	1613	5	587	366	2165	269	373	8565
19-Mar	248	456	39	5	84	32	1373	25	1979	152	526	2260	5	665	691	2483	356	473	11852
% diff	-39	-31	-18	-40	-30	-16	-37	-4	-36	-34	-36	-29	0	-12	-47	-13	-24	-21	-28
20-Apr	17	32	3	1	2	1	56	4	78	13	24	119	1	46	25	145	18	37	622
19-Apr	207	394	39	6	66	26	1216	20	1882	146	530	1976	9	614	594	2392	339	427	10883
% diff	-92	-92	-92	-83	-97	-96	-95	-80	-96	-91	-95	-94	-89	-93	-96	-94	-95	-91	-94
YTD 20	**551**	**1065**	**108**	**8**	**234**	**117**	**3208**	**72**	**4994**	**354**	**1287**	**6002**	**26**	**2088**	**1442**	**7914**	**959**	**1232**	**31627**
YTD 19	**842**	**1662**	**161**	**27**	**319**	**113**	**5083**	**88**	**7514**	**618**	**2139**	**8771**	**25**	**2553**	**2539**	**9731**	**1430**	**1847**	**45462**
%diff	-35	-36	-33	-70	-27	4	-37	-18	-34	-43	-40	-32	4	-18	-43	-19	-33	-33	-30

NEW VEHICLES COMPETITIVE FINANCE
BROUGHT TO YOU BY:
UDC New Zealand's Finance Company

JUST OVER 1000 NEW VEHICLES REGISTERED DURING LOCKDOWN MONTH

While April saw almost all automotive business locked down under level 4 restrictions, 1039 new vehicles were still delivered.

Motor Industry Association chief executive **David Crawford** says the 90% drop – representing 9601 units year on year – was to be expected.

"The month of April was closed for business other than for the supply of essential vehicles and three business days at the end of the month for contactless sales," Crawford notes.

"That distributors were able to sell as many as they did was testament to their determination to partially re-open for business while maintaining strict health and safety processes."

The hit means that for the year

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NEW PASSENGER MODELS

MAKE	MODEL	APR '20	MAKE	MODEL	APR '19
KIA	SELTOS	95	TOYOTA	RAV4	525
SUZUKI	SWIFT	35	KIA	SPORTAGE	328
SUZUKI	JIMNY	28	MAZDA	CX-5	252
KIA	RIO	24	SUZUKI	SWIFT	231
HOLDEN	COMMODORE	23	HYUNDAI	TUCSON	218
KIA	SPORTAGE	22	NISSAN	QASHQAI	213
TOYOTA	RAV4	20	TOYOTA	COROLLA	193
SUZUKI	VITARA	17	MITSUBISHI	OUTLANDER	188
HYUNDAI	KONA	16	HYUNDAI	SANTA FE	146
MAZDA	CX-5	16	MITSUBISHI	ASX	143
NISSAN	QASHQAI	16	HYUNDAI	KONA	120
HYUNDAI	I30	15	SUZUKI	VITARA	120
MITSUBISHI	OUTLANDER	15	NISSAN	X-TRAIL	114
SUZUKI	SX4 S-CROSS	14	SUBARU	XV	103
HONDA	CRV	13	HONDA	HR-V	95
HONDA	HR-V	13	SUBARU	FORESTER	93
HYUNDAI	SANTA FE	13	FORD	ESCAPE	91
SUBARU	OUTBACK	13	TOYOTA	HIGHLANDER	87
TOYOTA	COROLLA	12	HONDA	JAZZ	84
HONDA	JAZZ	10	HONDA	CRV	83

NEW PASSENGER MAKES

MAKE	APR '20	APR '19	Movement	% Change	Market Share
KIA	169	537	Up 3	-68.5	23.9
SUZUKI	102	460	Up 3	-77.8	14.4
HYUNDAI	74	562		-86.8	10.5
TOYOTA	51	1112	Down 3	-95.4	7.2
HOLDEN	50	325	Up 3	-84.6	7.1
HONDA	39	305	Up 3	-87.2	5.5
MAZDA	35	601	Down 5	-94.2	5.0
MITSUBISHI	27	444	Down 2	-93.9	3.8
SUBARU	24	299	Up 1	-92.0	3.4
VOLKSWAGEN	22	231	Up 2	-90.5	3.1
NISSAN	21	365	Down 4	-94.2	3.0
BMW	15	109	Up 2	-86.2	2.1
FORD	14	273	Down 2	-94.9	2.0
PEUGEOT	13	42	Up 11	-69.0	1.8
MG	6	35	Up 11	-82.9	0.8
SSANGYONG	5	76	Up 3	-93.4	0.7
CITROEN	4	19	Up 12	-78.9	0.6
FIAT	4	2	Up 26	100.0	0.6
HAVAL	4	52	Up 3	-92.3	0.6
MERCEDES-BENZ	4	159	Down 7	-97.5	0.6
OTHER	24	770		-96.9	3.4
TOTAL	**707**	**6778**		**-89.6**	**100.0**

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the market is down almost 32% (15,676 units) on the same period in 2019.

Registration of 707 passenger vehicles and SUVs for April 2020 were down 89.6% (6071) on 2019 volumes.

Commercial vehicles were down 91.4% (3530) compared to April 2019.

The top models for April were the **Kia Seltos** (95 units), followed by the **Toyota Hilux** (59) and the **Holden Colorado** third (38).

In April, **Kia** was the overall market leader with 16% market share (169 units), followed by **Toyota** with 13% (132) and the **Suzuki** third with 10% (102).

Business was ticking along well at Caroline Mitsubishi in Timaru during the first few days of level 3.

"We're doing all right," **Brian Downing**, sales manager at the long-established family firm says. "We've got good staff on, about three-quarters, and the workshop is reasonably good.

"Sales are pretty quiet, as you'd expect, but overall it's better than I thought it would be."

"A lot better than expected," is how **Matthews Wales**, general manager of multi-franchise dealer Andrew Simms' Botany branch in east Auckland describes the first week under level 3.

"We thought level 3 would be pretty tight but service is back, sales online have increased, trade inquiries are up."

Though sales levels aren't what they were, "it's more solid than we thought it would be – long may it last."

AUSTRALIAN NEW VEHICLE SALES FALL 48%

The impact of COVID-19 has seen new vehicle sales in Australia drop by 48.5% in April 2020, according to figures released by the Federal Chamber of Automotive Industries (FCAI).

"A total of 38,926 sales were recorded for the month. This figure represents a fall of 48.5% over the same period last year (75,550 sales), and the largest single decrease of any month since VFACTS figures were first recorded in 1991," FCAI chief executive **Tony Weber** says.

Year-to-date figures for April totalled 272,287 sales, down from 344,088 in 2019, which equates to a 20.9% decline.

All states, with the exception of the Australian Capital Territory (ACT), saw new car sales decline in April.

Victoria suffered the worst

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NEW AROUND THE COUNTRY
PASSENGER REGISTRATIONS

DIST	APR '20	APR '19	% CHANGE
WHA	14	142	-90.14
AUC	216	3046	-92.91
HAM	49	499	-90.18
THA	12	85	-85.88
TAU	50	321	-84.42
ROT	16	103	-84.47
GIS	2	31	-93.55
NAP	28	214	-86.92
NEW	12	111	-89.19
WAN	15	85	-82.35
PAL	29	221	-86.88
MAS	17	66	-74.24
WEL	60	579	-89.64
NEL	9	106	-91.51
BLE	7	56	-87.50
GRE	4	12	-66.67
WES	0	2	-100.00
CHR	79	645	-87.75
TIM	6	66	-90.91
OAM	1	4	-75.00
DUN	56	244	-77.05
INV	25	140	-82.14
TOTAL	707	6778	-89.57

NEW IMPORT COMMERCIAL MAKES – YEAR-TO-DATE 2020

	FIAT	FORD	FOTON	FUSO	GREAT WALL	HINO	HOLDEN	HYUNDAI	ISUZU	LDV	MAZDA	MERCEDES-BENZ	MITSUBISHI	NISSAN	SSANGYONG	TOYOTA	VOLKSWAGEN	OTHER	TOTAL
20-Jan	56	1024	8	61	47	52	380	76	197	73	180	95	367	274	46	683	119	241	3979
19-Jan	51	888	32	73	33	53	353	76	283	120	163	84	445	338	33	594	99	278	3996
% diff	10	15	-75	-16	42	-2	8	0	-30	-39	10	13	-18	-19	39	15	20	-13	0
20-Feb	42	814	2	61	40	38	181	53	196	72	214	61	342	265	41	799	107	199	3527
19-Feb	44	818	23	73	33	51	302	76	246	140	196	76	506	335	43	817	119	221	4119
% diff	-5	0	-91	-16	21	-25	-40	-30	-20	-49	9	-20	-32	-21	-5	-2	-10	-10	-14
20-Mar	52	508	5	57	33	34	374	25	156	30	105	93	347	198	29	597	71	187	2901
19-Mar	66	982	26	77	30	68	493	113	308	164	284	111	594	325	36	737	162	270	4846
% diff	-21	-48	-81	-26	10	-50	-24	-78	-49	-82	-63	-16	-42	-39	-19	-19	-56	-31	-40
20-Apr	2	35	0	9	2	7	38	17	35	8	17	10	10	6	2	81	0	53	332
19-Apr	57	865	28	58	27	62	403	52	254	73	154	68	465	268	37	694	78	219	3862
% diff	-96	-96	-100	-84	-93	-89	-91	-67	-86	-89	-89	-85	-98	-98	-95	-88	-100	-76	-91
YTD 20	152	2381	15	188	122	131	973	171	584	183	516	259	1066	743	118	2160	297	680	10739
YTD 19	218	3553	109	281	123	234	1551	317	1091	497	797	339	2010	1266	149	2842	458	988	16823
%diff	-30	-33	-86	-33	-1	-44	-37	-46	-46	-63	-35	-24	-47	-41	-21	-24	-35	-31	-36

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decline with a 53.3% drop in new car sales, though some luxury car dealerships *Autotalk* spoke to said they had suffered closer to a 70% drop in sales during the month. One dealer principal commented that they weren't looking forward to seeing the final numbers for April, describing the situation as "very depressing".

New South Wales and South Australia dealers were both hit with a 50.5% decline in new vehicle sales, Queensland saw a 48.7% drop, Western Australia saw a 36.5% decline and the Northern Territory saw 33.1% fewer new car sales.

"Clearly, the COVID-19 pandemic has had a major influence on the April sales result, and reflects a downturn in the broader economy right across the country," Weber says.

NEW COMMERCIAL MAKES (UNDER 3500KG)

MAKE	APR '20	APR '19	Movement	% Change	Market Share
TOYOTA	81	694	↑ Up 1	-88.3	24.4
HOLDEN	38	403	↑ Up 2	-90.6	11.4
FORD	35	865	↓ Down 2	-96.0	10.5
ISUZU	35	254	↑ Up 2	-86.2	10.5
VOLVO	27	23	↑ Up 16	17.4	8.1
HYUNDAI	17	52	↑ Up 8	-67.3	5.1
MAZDA	17	154		-89.0	5.1
MERCEDES-BENZ	10	68	↑ Up 2	-85.3	3.0
MITSUBISHI	10	465	↓ Down 6	-97.8	3.0
FUSO	9	58	↑ Up 2	-84.5	2.7
OTHER	53	826		-93.6	16.0
TOTAL	**332**	**3862**		**-91.4**	**100.0**

NEW COMMERCIAL MODELS (UNDER 3500KG)

MAKE	MODEL	APR '20	MAKE	MODEL	APR '19
TOYOTA	HILUX	59	FORD	RANGER	760
HOLDEN	COLORADO	38	TOYOTA	HILUX	542
FORD	RANGER	29	MITSUBISHI	TRITON	464
VOLVO	FM	22	HOLDEN	COLORADO	401
TOYOTA	HIACE	21	NISSAN	NAVARA	268
HYUNDAI	ILOAD	17	MAZDA	BT-50	154
MAZDA	BT-50	17	ISUZU	D-MAX	151
ISUZU	D-MAX	14	TOYOTA	HIACE	136
ISUZU	N SERIES	11	FORD	TRANSIT	105
MITSUBISHI	TRITON	10	FIAT	DUCATO	57

NEW PASSENGER MAKES

	ALFA ROMEO	AUDI	BMW	CHERY	CHRYSLER	DODGE	FORD	GREAT WALL	HOLDEN	HONDA	HYUNDAI	JEEP	KIA	LAND ROVER	LEXUS	MAZDA	MERCEDES-BENZ	MINI	MITSUBISHI	NISSAN	PEUGEOT	PORSCHE	SKODA	SSANGYONG	SUBARU	SUZUKI	TOYOTA	VOLKSWAGEN	VOLVO	OTHER	TOTAL
20-Jan	23	145	237	0	0	0	510	0	534	413	592	90	964	132	76	674	272	107	588	467	88	61	145	70	291	596	1220	293	64	447	9099
19-Jan	17	111	130	0	0	0	606	0	689	450	551	110	710	179	76	1052	247	65	803	370	107	60	113	72	382	592	1718	374	68	290	9942
% diff	35	31	82				-16		-22	-8	7	-18	36	-26	0	-36	10	65	-27	26	-18	2	28	-3	-24	1	-29	-22	-6	54	-8
20-Feb	17	142	144	0	0	0	408	0	276	415	557	84	751	90	81	580	189	62	764	409	112	44	141	71	295	494	1093	288	47	357	7911
19-Feb	9	120	163	0	1	0	416	0	545	512	528	55	580	128	76	758	152	41	547	355	72	49	108	55	299	580	800	309	64	256	7578
% diff	89	18	-12		-100		-2		-49	-19	5	53	29	-30	7	-23	24	51	40	15	56	-10	31	29	-1	-15	37	-7	-27	39	4
20-Mar	11	80	47	0	0	0	153	0	460	263	305	87	354	77	54	394	152	28	347	322	55	23	72	50	173	397	918	197	41	355	5415
19-Mar	19	157	178	0	0	0	346	0	543	699	561	77	626	135	70	805	214	72	631	489	84	22	124	67	338	564	960	307	61	276	8425
% diff	-42	-49	-74				-56		-15	-62	-46	13	-43	-43	-23	-51	-29	-61	-45	-34	-35	5	-42	-25	-49	-30	-4	-36	-33	29	-36
20-Apr	0	3	15	0	0	0	14	0	50	39	74	0	169	1	0	35	4	4	27	21	13	1	4	5	24	102	51	22	0	29	707
19-Apr	12	98	109	0	0	0	273	0	325	305	562	82	537	90	74	601	159	58	444	365	42	43	107	76	299	460	1112	231	46	268	6778
% diff	-100	-97	-86				-95		-85	-87	-87	-100	-69	-99	-100	-94	-97	-93	-94	-94	-69	-98	-96	-93	-92	-78	-95	-90	-100	-89	-90
YTD 19	51	370	443	0	0	0	1085	0	1320	1130	2929	261	2238	300	286	1683	617	284	1726	1219	268	162	523	196	783	1589	3282	800	152	1188	23132
YTD 18	57	486	580	0	1	0	1641	0	2102	1966	2202	324	2453	532	296	3216	772	236	2425	1579	305	174	452	270	1318	2196	4590	1221	239	1090	32723
%diff	-11	-24	-24		-100		-34		-37	-43	33	-19	-9	-44	-3	-48	-20	20	-29	-23	-12	-7	16	-27	-41	-28	-28	-34	-36	9	-29

SHUTDOWN SEES FURTHER FALL IN SECOND-HAND CAR SALES

Public to public sales of second-hand cars fell the least during the April 2020 COVID-19 shutdown, but were significantly less than those in March 2020.

There were 14,775 second-hand cars sold privately in April 2020, a 63.6% decline from the 40,603 vehicles sold in April 2019.

Sales of second-hand cars from the public to the motor trade fell 89.6% in April 2020 to 1337 units, down from 12,863 vehicles in April 2019.

Sales of second-hand cars from the motor trade to the public fell 88.5% in April 2020 to 1890 units, down from 16,394 units in the previous corresponding period.

SECONDHAND REGISTRATIONS – APRIL 2020

SALE TYPE	WHA	AUC	HAM	THA	TAU	ROT	GIS	NAP	NEW	WAN	PAL	MAS	WEL	NEL	BLE	GRE	WES	CHR	TIM	OAM	DUN	INV	TOTAL
Cars 2020																							
Public to Trader	16	691	54	22	42	7	2	27	9	9	102	23	99	15	4	5		119	11		52	28	1337
Public to Public	748	4190	1199	215	729	330	149	553	385	260	675	187	1121	358	145	70	13	2086	177	44	697	444	14775
Trader to Public	47	606	129	27	100	38	11	89	29	26	86	18	185	24	9	4	2	318	20	1	71	50	1890
Cars 2019																							
Public to Trader	281	4975	1067	178	512	115	39	439	179	183	1025	117	941	159	103	19		1772	88	4	415	252	12863
Public to Public	1899	13248	3204	648	2012	923	368	1445	898	580	1555	471	3052	1005	449	166	46	4933	534	112	1998	1057	40603
Trader to Public	595	5750	1289	277	760	375	134	603	328	227	722	204	1417	265	152	64	8	1875	184	39	692	434	16394
Cars % Change																							
Public to Trader	-94.3	-86.1	-94.9	-87.6	-91.8	-93.9	-94.9	-93.8	-95.0	-95.1	-90.0	-80.3	-89.5	-90.6	-96.1	-73.7		-93.3	-87.5	-100.0	-87.5	-88.9	-89.6
Public to Public	-60.6	-68.4	-62.6	-66.8	-63.8	-64.2	-59.5	-61.7	-57.1	-55.2	-56.6	-60.3	-63.3	-64.4	-67.7	-57.8	-71.7	-57.7	-66.9	-60.7	-65.1	-58.0	-63.6
Trader to Public	-92.1	-89.5	-90.0	-90.3	-86.8	-89.9	-91.8	-85.2	-91.2	-88.5	-88.1	-91.2	-86.9	-90.9	-94.1	-93.8	-75.0	-83.0	-89.1	-97.4	-89.7	-88.5	-88.5
Motorcycles 2020																							
Public to Trader		31	2	3				2					4					5			4		51
Public to Public	48	248	74	14	42	20	8	46	42	9	47	8	84	33	16	6	1	141	11	4	38	11	951
Trader to Public	3	28	11	1	4	1		4	1	2	2		5		1			8	1		4		76
Motorcycles 2019																							
Public to Trader	2	126	28	2	23	8		4	4	1	10	8	52	7	1			31			10	4	321
Public to Public	61	595	164	38	122	45	14	74	56	27	72	23	174	79	24	7	2	285	19	8	81	55	2025
Trader to Public	14	104	37	8	20	10	2	19	5	7	24	6	42	11	5			32	4	1	13	5	369
Motorcycles % change																							
Public to Trader	-100.0	-75.4	-92.9	50.0	-100.0	-100.0		-50.0	-100.0	-100.0	-100.0	-100.0	-92.3	-100.0	-100.0			-83.9			-60.0	-100.0	-84.1
Public to Public	-21.3	-58.3	-54.9	-63.2	-65.6	-55.6	-42.9	-37.8	-25.0	-66.7	-34.7	-65.2	-51.7	-58.2	-33.3	-14.3	-50.0	-50.5	-42.1	-50.0	-53.1	-80.0	-53.0
Trader to Public	-78.6	-73.1	-70.3	-87.5	-80.0	-90.0	-100.0	-78.9	-80.0	-71.4	-91.7	-100.0	-88.1	-100.0	-80.0			-75.0	-75.0	-100.0	-69.2	-100.0	-79.4
Trucks 2020																							
Public to Trader	3	139	17	2	6	4	1	19			13	3	21	6	5			33	6		10	13	301
Public to Public	152	561	242	57	130	61	29	142	96	54	118	64	170	66	32	21	1	357	43	15	118	91	2620
Trader to Public	10	101	32	3	24	12	5	17	13	8	15	7	26	11	2	3	1	48	5	1	18	13	375
Trucks 2019																							
Public to Trader	90	934	286	51	125	45	30	127	37	48	158	28	138	61	46	5		256	19		69	84	2637
Public to Public	384	1853	512	142	389	205	105	321	161	105	281	115	331	203	78	41	8	767	92	19	336	219	6667
Trader to Public	152	801	276	65	150	99	81	173	83	46	179	60	224	83	61	16	2	316	44	8	155	132	3206
Trucks % change																							
Public to Trader	-96.7	-85.1	-94.1	-96.1	-95.2	-91.1	-96.7	-85.0	-100.0	-100.0	-91.8	-89.3	-84.8	-90.2	-89.1	-100.0		-87.1	-68.4		-85.5	-84.5	-88.6
Public to Public	-60.4	-69.7	-52.7	-59.9	-66.6	-70.2	-72.4	-55.8	-40.4	-48.6	-58.0	-44.3	-48.6	-67.5	-59.0	-48.8	-87.5	-53.5	-53.3	-21.1	-64.9	-58.4	-60.7
Trader to Public	-93.4	-87.4	-88.4	-95.4	-84.0	-87.9	-93.8	-90.2	-84.3	-82.6	-91.6	-88.3	-88.4	-86.7	-96.7	-81.3	-50.0	-84.8	-88.6	-87.5	-88.4	-90.2	-88.3

NEW BIKE MARKET SALES DOWN 87.4%

Registrations of new motor bikes absolutely collapsed in April 2020, totalling 78 units for the month, an 87.4% year-on-year decline from April 2019 which saw 618 units registered.

Honda recorded 18 new bike registrations for April 2020, (46 in April 2019), followed by **Suzuki** with 14 registrations (83 in April 2019), **KTM** took 8 (34 in April 2019), **Kawasaki** had 7 (43 in April 2019) and **Harley-Davidson** saw 6 new bikes (70 in April 2019).

Year to date, the new bike registration tally is 2448 units.

Suzuki is the year-to-date market leader for the new bike market with 360 units registered, followed by **Yamaha** with 333, **Harley-Davidson** 264 and **Honda** with 211.

Used bikes suffer 76% decline

Registrations of used motorbikes also suffered dramatically, thanks to the April lockdown.

There were 38 used bike registrations in April 2020, a 76.7% decline from 163 units in the same period last year.

Harley-Davidson recorded 29 used bike registrations in April 2020, a 53% decline on the 62 units in April 2019. **Ducati** saw 3 used registrations (down 76% from 13 in the previous corresponding period), and **BMW** saw 2 registrations (down 83% from 12 in the previous corresponding period).

NEW BIKE MAKES

MAKE	APR '20	YTD '20	APR '19	% Change	Market Share %
HONDA	18	211	46	-60.9	23.1
SUZUKI	14	360	83	-83.1	17.9
KTM	8	112	34	-76.5	10.3
KAWASAKI	7	114	43	-83.7	9.0
HARLEY DAVIDSON	6	264	70	-91.4	7.7
MOTO GUZZI	4	21	3	33.3	5.1
BETA	3	1			3.8
INDIAN	3	48	12	-75.0	3.8
TNT MOTOR	3	129	32	-90.6	3.8
TRIUMPH	2	155	29	-93.1	2.6
YAMAHA	2	333	107	-98.1	2.6
APRILIA	1	24	8	-87.5	1.3
FORZA	1	106	11	-90.9	1.3
HUSQVARNA	1	22	4	-75.0	1.3
MOPED	1	32	11	-90.9	1.3
PEUGEOT	1	4	0		1.3
PIAGGIO	1	8	6	-83.3	1.3
ROYAL ENFIELD	1	83	10	-90.0	1.3
VESPA	1	76	8	-87.5	1.3
OTHER	0	345	101	-100.0	0.0
TOTAL	78	2448	618	-87.4	100.0
TOTAL	**606**	**2370**	**795**	**-23.8**	**100.0**

NEW BIKE MODELS

MAKE	MODEL	APR '20
HONDA	C 110X	13
TNT MOTOR	ROMA 2T	3
KTM	390 ADVENTURE	3
KAWASAKI	EX 400GLF	3
YAMAHA	XVS650J ROAD DRAGSTAR	2
SUZUKI	GSX250FRLZL9	2
SUZUKI	SV650AU ABS LAMS	2
SUZUKI	UK 110NE	2
KTM	690 ENDURO R	2
HONDA	GLC 150SH	2

USED BIKE MAKES

MAKE	APR'20	APR '19	% Change	% of Market
HARLEY DAVIDSON	29	62	-53.2	76.3
DUCATI	3	13	-76.9	7.9
BMW	2	12	-83.3	5.3
APRILIA	1	3	-66.7	2.6
KAWASAKI	1	4	-75.0	2.6
SUZUKI	1	9	-88.9	2.6
TRIUMPH	1	21	-95.2	2.6
OTHER	0	39	-100.0	0.0
TOTAL	38	163	-76.7	100.0
BIMOTA	2	1	100.0	1.1
OTHER	16	26	-38.5	8.9
TOTAL	180	211	-14.7	100.0

COMMERCIAL REGISTRATIONS DOWN 80%

New and used commercial vehicle registrations were heavily impacted by the level 4 lockdown in April, with only essential services running for the period.

Total registrations of new trucks and buses over 3500kg GVM sits at 93 units for April. This is down 80% compared to the same period the year prior which saw 466 registrations of new commercials for the month.

A total of 1346 new trucks and buses have hit the road in the year-to-date compared to 2042 for the same period the previous year.

Volvo is market leader for April with 27 units registered and a 29% market share. It was the only brand up for the month (17.4%) with 27 units compared to the 23 registered in the same period last year.

Isuzu is in second spot for the month, down 79.6% with 21 units registered and a 22.6% market share. **Mercedes-Benz** is third, down 65.5% with 10 registered and a 10.8% market share.

Fuso follows, down 84.5% with nine units registered, **Hino** down 88.7% (7), **Scania** down 33.3% (6), **Iveco** down 55.6% (4), **MAN** down 66.7% (3), **DAF** down 88.2% (2) and **UD Trucks** down 92.6% (2).

Total registrations of used trucks and buses over 3500kg GVM sits at 20 units for April.

This is down 88.1% compared to the same period the year prior which saw 168 registrations of used commercials for the month.

A total of 447 used trucks and buses have hit the road in the year-to-date compared to 748 for the same period the previous year.

Isuzu is the market leader for used trucks in April with six units registered and a 30% market share. It was down 81.3% compared to the 32 units registered in the same period last year.

Toyota is second, down 89.2% with four units registered and a 20% market share.

Iveco is third, coming into the used market with two.

Mitsubishi follows, down 89.5% with two units, followed by **DAF**, **Hino**, **Mazda**, **Nissan**, **UD Trucks** and **Volvo** also seeing one registration each.

Isuzu Trucks NZ general manager **Dave Ballantyne** says all 12 of its authorised dealerships around the country are now open for business under alert level 3.

"Moving to alert level 3 is very welcomed as we will gradually be able to offer sales and servicing to all customers, not just those considered an essential business," he says.

However, there will still be reduced capacity due to health and safety rules associated with the pandemic.

"This will see the introduction of special measures to limit the possible transmission of COVID-19, including following health requirements pertaining to customer interaction as well as considerations relating to sanitation.

"Above all else, we need to do our best to ensure we're providing employees and customers with a COVID-19 free environment."

Keith Andrews Trucks (KAT) chief executive **Aaron Smith** says his team also welcomes the move to level 3.

For the past few weeks, KAT has been operating with reduced staff numbers to provide servicing, repair, parts supply and vehicle sales to level 4 essential services. This includes its Fuso, Mercedes-Benz and Freightliner brands.

"While the safety of our customers and staff remains our number one priority, the whole Keith Andrews team is looking forward to supporting more of our customers' businesses as restrictions ease," Smith says.

NEW TRUCK MAKES (over 3500kg)

MAKE	APR '20	APR '19	% CHANGE	MARKET	YTD '20	YTD '19
VOLVO	27	23	17.4	29.0	110	148
ISUZU	21	103	-79.6	22.6	275	406
MERCEDES-BENZ	10	29	-65.5	10.8	101	118
FUSO	9	58	-84.5	9.7	188	281
HINO	7	62	-88.7	7.5	131	234
SCANIA	6	9	-33.3	6.5	93	48
IVECO	4	9	-55.6	4.3	77	91
MAN	3	9	-66.7	3.2	29	55
DAF	2	17	-88.2	2.2	31	81
UD TRUCKS	2	27	-92.6	2.2	43	87
OTHER	2	120	-98.3	2.2	268	493
TOTAL	93	466	-80.0	100.0	1346	2042

USED TRUCK MAKES

MAKE	APR '20	APR '19	% CHANGE	MARKET	YTD '20	YTD '19
ISUZU	6	32	-81.3	30.0	94	146
TOYOTA	4	37	-89.2	20.0	109	157
IVECO	2			10.0	3	
MITSUBISHI	2	19	-89.5	10.0	42	78
DAF	1			5.0	4	10
HINO	1	34	-97.1	5.0	66	152
MAZDA	1	5	-80.0	5.0	14	21
NISSAN	1	19	-94.7	5.0	34	75
UD TRUCKS	1	4	-75.0	5.0	6	9
VOLVO	1	2	-50.0	5.0	8	14
OTHER	0	16	-100.0	0.0	67	86
TOTAL	20	168	-88.1	100.0	447	748
TOTAL	141	194	-27.3	100.0	427	580

NO OPT-OUT WITHOUT AGREEMENT

Wilson v Andrew Bird T/A Coast Cars

In April 2019, the purchasers paid $9750 for a 2011 Hyundai van. The morning after he purchased the vehicle, the complainant says he noticed coolant leaking from the vehicle and oil on the underside of the bonnet.

Photographs provided by the purchaser corroborated this evidence as to the existence of the oil and coolant leaks. He also noticed that the vehicle's oil was milky.

The purchaser had the vehicle assessed by a local workshop, which found that the vehicle had a blown head gasket. Over a period of more than two months, the trader through his repairer, performed various repairs including replacing the radiator and water pump, replacing the head gasket and related components and machining the cylinder head. The trader says that he paid approximately $6000 for these repairs.

Although a reasonable consumer must have realistic expectations as to the quality and durability of an eight-year-old, $9750 commercial van that has an odometer reading of more than 280,000km at the time of sale, the adjudicator was satisfied that a reasonable consumer would not expect such a vehicle to have pre-existing head gasket damage and coolant leaks and that the vehicle was therefore of unacceptable quality for the purposes of the Consumer Guarantees ACT.

Following the head gasket repair, the buyer had a string of problems relating to substandard repairs performed by the trader's repairer - a mechanic acting on behalf of Andrew Bird, performed various repairs including replacing the vehicle's vacuum pump and cracked timing cover housing to try to rectify an ongoing oil leak.

In early September, the purchaser noticed black smoke from the vehicle's exhaust. The trader's repairer, who gave evidence, assessed the vehicle on October 2. He says that he found that the vehicle's EGR valve was blocked with carbon. He removed the EGR solenoid, cleaned the valve and replaced the solenoid in an attempt to rectify the cause of the black smoke.

The next day the vehicle lost all power. The purchaser had the vehicle assessed by his own repairer, which found that the vehicle's turbo had "collapsed", that the vehicle's oil levels were "way over full" and that the oil was "very thin", suggesting that the oil was contaminated with diesel. It considered that the condition of the vehicle's oil could have contributed to the turbo failure.

The adjudicator and his assessor agreed the turbo was now in need of replacement - and that it was highly likely that the damaged turbo and condition of the vehicle's oil are related and are indicative of the vehicle having leaking injector or injector pump seals, which allowed diesel to bypass the seals and contaminate and dilute the vehicle's oil supply. The diluted oil could not then sufficiently lubricate the turbo, which caused it to fail.

The EGR valve and turbo faults were identified in October 2019, six months after purchase, by which time the van had travelled approximately 4000km in the hands of its new owners.

Considering this short distance, the tribunal felt the issues also existed at the time of sale - and again would not be acceptable under the CGA.

For the above faults taken individually, however, the tribunal would not be able to uphold the rejection of the vehicle - as the trader has not been given a chance to rectify the faults. The adjudicator was satisfied, however, that the accumulative defects did cross the line for rejection.

The trader claimed the buyer had no recourse on the vehicle under the CGA as it was purchased for use by a business. The adjudicator noted though that there was no written contract-out of the requirement made when the vehicle was sold.

The trader was ordered to refund the price of the vehicle, and some of the buyers costs.

GM HOLDEN REJECTS ALLEGATIONS OF UNCONSCIONABLE AND MISLEADING CONDUCT

GM Holden has categorically rejected allegations of unconscionable and misleading conduct in a proposal from law firm HWL Ebsworth (HWLE) regarding compensation of dealers impacted by the decision to wind down sales in Australia.

It says the report made baseless allegations which are plainly wrong and unsupported by fact or law.

It also claims the HWLE proposal made a number of inaccurate claims, assumptions and costs allocations.

Detailed analysis has been undertaken by PricewaterhouseCoopers (PwC) and Norton Rose Fulbright and a response provided to HWLE.

"We consider that Holden's Transition Support Program (TSP) is more than fair and reasonable, even before the devastating impact of COVID-19 on the economy and industry," says the response.

Compensation

The compensation for new vehicle sales was calculated using three fiscal years, 2017 – 2019, and includes profitable Commodore units that were produced in Australia.

It includes all facets of new vehicle profitability and amounts to $1500 per car. This compensation is more than four times what the average dealer made in the new vehicle department over this same timeframe.

HWLE has claimed that such amount should be $6110. The PwC analysis of HWLE's modelling for such amount identified a number of inaccurate assumptions and cost allocations.

For example, it omitted to factor in dealers' opportunity to continue the service, repair, warranty and parts activities. Aftersales is typically one of the most profitable parts of a dealer's business representing on average up to 115% of a dealer's total net profit in 2019.

GM Holden is committed to maintaining an aftersales operation in Australia for at least 10 years to provide warranty, service and parts to Holden customers.

The HWLE proposal was also wrongly based on 7.7 years of compensation when there is approximately 2.5 years remaining on the current agreement.

After the wind down of Holden new vehicle sales, dealers can continue to service and repair vehicles through to the end of the current agreement. If they accept the compensation offer, dealers are also given the opportunity to continue as Holden authorised service operations beyond the current agreement.

PwC, after making appropriate corrections and adjustments, concluded that an appropriate range of compensation is actually $350-1409 per vehicle.

GM Holden's offer also includes compensation for un-recouped Holden facility investments.

These are valued independently and dealt with separately in addition to the compensation offered using the formula discussed above.

Unconscionable and misleading conduct claim

GM and GM Holden flatly reject HWLE's claims of misleading, deceptive or unconscionable conduct.

These claims are based on an argument that GM has secretly planned to shut down Holden since at least 2015, but made various significant investments in programs, plans and strategies to support and promote Holden in order to mislead dealers into thinking that there was no secret plan to shut down Holden.

GM says it defies logic to believe that it intended to close Holden while investing heavily in new or updated right hand drive (RHD) models for the Australian market including Equinox and Acadia, launched new here in 2017 and 2018 respectively, and updated Trailblazer, Trax and Colorado models introduced across a similar period.

In that timeframe GM says it also launched in Australia its mobility business Maven, its captive finance company Holden Financial Services and invested heavily in the new RHD Corvette to ensure its availability in Australia.

There were also large investments made in marketing campaigns to improve Holden's brand image and sales, ongoing spending on motorsport and other sponsorships, and investments in engineering staff and major upgrades to facilities at the company's proving ground at Lang Lang in Victoria.

Investments such as these cannot by any logic be held to be the actions of a company that allegedly intended to close through that time says GM.

Those investments and the work undertaken by the Holden team through that period had the same objective: to turn around Holden's sales and financial performance.

As GM said on 17 February 2020, ultimately it came to the decision that it could not support further investment in growing the Holden business into the future, because it could not meet the company's investment thresholds.

Below are two examples which show the excessive nature of the dealers' claims:

Case Study 1: Medium-sized dealership

For a medium-sized Holden dealership which sold 190 cars in 2019, GM Holden's per vehicle compensation offer totals $712,500. This significantly exceeds the average medium-sized dealer's total net profit in 2019 across its business of $200,000. It should be noted the $200,000 figure includes the profitable service and parts business which dealers will continue to benefit from going forward.

In contrast, under the HWLE formula, the compensation for that dealer would be $8,936,930.

Case Study 2: Large-sized dealership

In the case of a large Holden dealer who sold 466 cars in 2019, the per vehicle compensation offered by GM Holden totals $1,747,500.

This significantly exceeds the average large-sized dealer's total net profit in 2019 across its business of $330,000. It should be noted the $330,000 figure includes the very profitable service and parts business which dealers will continue to benefit from going forward.

In contrast, under the HWLE formula, the compensation for that dealer would be $21,923,902.

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