

DealerExec

A DrivingSales Publication • 2nd Quarter, 2015

A DrivingSales Quarterly Covering Dealership Brand, Capital and People.



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The 100 Percent Solution Doesn't Exist

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 DrivingSales
VENDOR RATINGS

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2014 HIGHEST RATED AWARDS



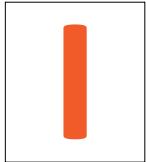
CRM-SALES | OWNER MARKETING
FIXED OPS SOLUTIONS | ILM

A Special Thanks to DrivingSales for Giving Our Clients a Voice

LEAD1ONE

FOUNDER'S LETTER

Dealership Executive,



In this edition we deliver on our promise to provide you practical insight you can get nowhere else to understand your customer better and build a high performing dealership.

At the DrivingSales President's Club event I revealed the surprising, and compelling, findings of our 16 month and \$1 million research project into the emotional drivers of today's automotive shoppers – what experiences makes them into profitable customers, and which drive them to your competition.

What is clear is that automotive retail is changing at a pace not seen since it's founding over 100 years ago. These changes are driven by the expectations set in other sectors of retailing today by firms such as Amazon, Zappos and Apple.

Like it or not, the consumer is now in the driving seat of their shopping process. If you fail to meet their expectations, on their timeline, your competition is only a click away. Tried and true practices of the past - such a single, finely tuned, sales process in the store - may now cause your buyers to disconnect and leave. Dealers who don't understand these changing expectations and then evolve their brand and processes to deliver on them are at risk.

Trust. It all comes down to earning the consumer's trust – in your brand, your people and your retail experience. Read this edition and gain insights to help you earn the trust, and business, of the modern car shopper.

Sincerely,

Jared Hamilton

Founder, DrivingSales, LLC

DealerExec

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DealerExec



ABOUT THIS PUBLICATION

DealerExec is published quarterly by DrivingSales, LLC featuring executive resources for automotive retail leaders covering dealership Brands, Capital and People, and a quarterly ranking of dealership vendors as rated by dealers themselves. Within the first issue of each year, *DealerExec* announces the annual winners of the the Dealer Satisfaction Awards from several Vendor Rating category.

SUBSCRIPTIONS

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Please send letters to mike.jeffs@drivingsales.com. Include a phone number and email address. Letters may be edited for clarity or space. Because of the high volume of mail we receive, we cannot respond to all letters.

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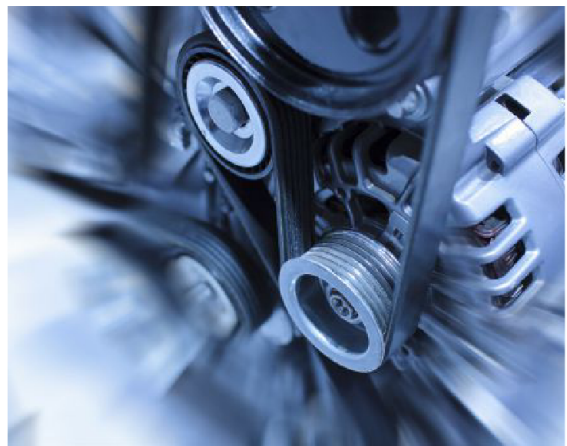


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DrivingSales

VENDOR RATINGS

On DrivingSales.com, dealers can rate their vendors. All reviews are verified to be legitimate and posted for you to learn who the best vendors are – directly from your peers.



DrivingSales

VENDOR RATINGS

Over 16,000 unbiased vendor ratings submitted by verified dealers.

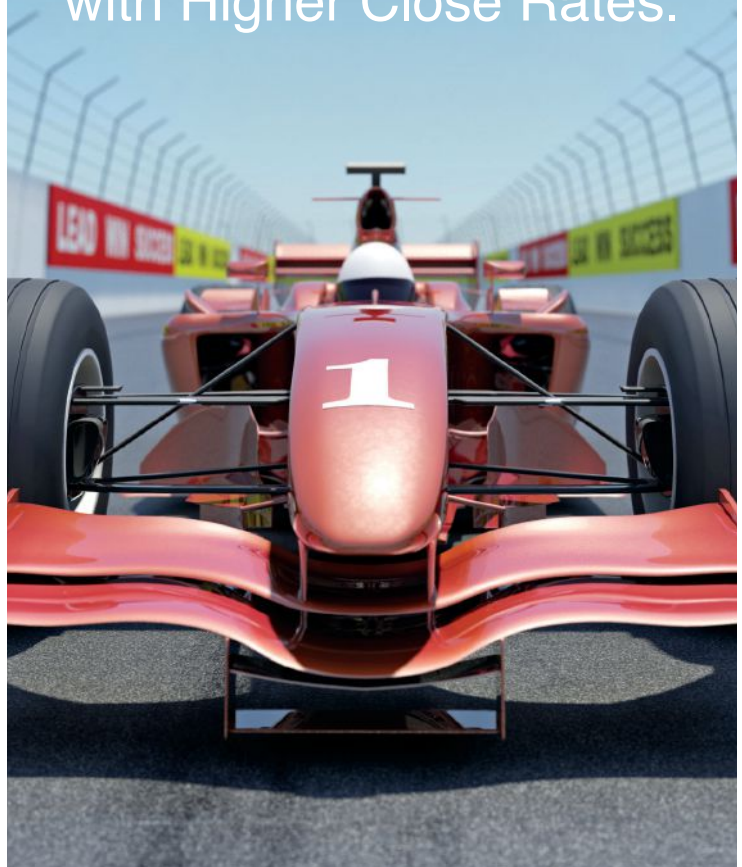
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Call Management

Solutions that track inbound calls through designated tracking phone numbers so that you can manage your marketing spend and increase ROI.

COMPANY	PRODUCT	SCORE	RATING	REC
CallSource	CallTrack	890.41	★★★★★	100%
CAR-Research XRM	Call Tracking / Ad Sourcing Solution	742.26	★★★★☆	94%
CallRevu	CallRevu 360	615.00	★★★★☆	94%
Century Interactive	Car Wars	304.64	★★★★☆	100%

Chat Products

These solutions allow you to meet, greet and converse with customers who visit your website, as well as set appointments, generate leads and provide better customer service.

COMPANY	PRODUCT	SCORE	RATING	REC.
ContactAtOnce!	Chat Connect + Mobile Text Connect	415.3	★★★★☆	99%
ActivEngage	ActivEngage Chat	101.26	★★★★☆	97%
Gubagoo	Gubagoo 24/7 Behavioral Live Chat	97.36	★★★★☆	97%
CarChat 24	24/7 Fully Staffed Chat	32.63	★★★★☆	99%

CRM-Sales Department

Dealer e Process Live Chat

0.33

100%

These are Customer Relationship Management (CRM) systems that track all your walk-in, phone and Internet customers through the complete sales funnel and owner life-cycle. They allow for advanced customer segmentation and marketing and track your sales activities by employee to make your team more effective at attracting customers and managing relationships.

COMPANY	PRODUCT	SCORE	RATING	REC.
ELEAD1ONE	ELEAD CRM	413.9	★★★★★	100%
DealerSocket	DealerSocket CRM	22.77	★★★★☆	97%
CAR-Research XRM	CAR-Research XRM	3.12	★★★★☆	96%
VinSolutions	VinSolutions MotoSnap CRM	2.28	★★★★☆	84%

Dealership Management Systems (DMS)

Dealership Management Systems connect all your dealership departments with accounting and maintain your dealership data in one central place. These ratings are for the DMS systems themselves, NOT the solutions that plug into the DMS systems such as a Desking or CRM solution.

COMPANY	PRODUCT	SCORE	RATING	REC.
Autosoft, Inc.	Autosoft FLEX DMS	648.52	★★★★★	99%
Auto/Mate Dealership Systems	AMPS	454.38	★★★★☆	97%
Dealertrack Technologies	Dealertrack Dealer Management System	5.12	★★★★☆	56%
Meadowland Systems	AutoMan	2.25	★★★★☆	100%
CDK Global	CDK Drive	1.26	★★★☆☆	54%

Fixed Ops Solutions

Products and/or services designed specifically for Fixed Operations.

COMPANY	PRODUCT	SCORE	RATING	REC.
ELEAD1ONE	AutoPilot	506.06	★★★★★	100%
DealerSocket	DealerSocket Service	7.10	★★★★★	100%
CIMA Systems	CIMA Car Care Service Menus	5.83	★★★★★	100%
CIMA Systems	CIMA CarView	1.89	★★★★★	100%

Internet Lead Management (ILM)

These Internet Lead Management solutions are built exclusively to handle incoming Internet leads and manage your Internet sales process. Many full-service CRM systems include Internet Lead Management features, but the ILM systems listed below are stand alone utilities built exclusively for managing Internet Leads.

COMPANY	PRODUCT	SCORE	RATING	REC.
ELEAD1ONE	ELEAD ILM	347.54	★★★★★	100%
CAR-Research XRM	Internet Lead Manager	1.48	★★★★★	100%
DealerSocket	DealerSocket ILM	0.61	★★★★★	97%

Inventory Pricing

With market volatility and transparency increasing online, knowing how to price your inventory is a science critical to increasing your store's profitability. These Inventory Pricing tools collect various forms of market data to help define the optimum pricing for your inventory to maximize both Gross and Turn.

COMPANY	PRODUCT	SCORE	RATING	REC.
vAuto	vAuto Pricing & Merchandising	553.10	★★★★★	100%
VinSolutions	MotoSnap™ Market Pricing Analysis	46.71	★★★★★	82%
Black Book	Black Book Used Car Guides, Internet and PDA	8.38	★★★★★	100%
FirstLook	FirstLook -- 360° Market Pricing	3.03	★★★★★	67%
Dealertrack Technologies	TrueTarget	2.6	★★★★★	33%

New Car Leads

These providers collect and aggregate leads from their web properties and from partner sites, then distribute these hot leads to dealers. Currently this category is for both finance and vehicle leads.

COMPANY	PRODUCT	SCORE	RATING	REC.
Autobytel	Autobytel New Car Leads	373.36	★★★★★	92%
Dealix	Dealix New Car Leads	64.16	★★★★★	63%
TrueCar	TrueCar New Car Leads	17.38	★★★★★	44%
Cars.com	NewLeadsPlus	10.04	★★★★★	100%
Edmunds New Car Leads	Edmunds.com	6.49	★★★★★	100%

Owner Marketing

These targeted solutions help you mine and segment your customer database, and then market to them successfully. These solutions can market to your customers through email/direct mail/phone and other means.

COMPANY	PRODUCT	SCORE	RATING	REC.
ELEAD1ONE	GoldDigger	119.06	★★★★★	100%
J&L Marketing	bLinked	1.37	★★★★★	100%
CIMA Systems	Complete Virtual BDC	0.84	★★★★★	100%
OneCommand	OneCommand	0.57	★★★★★	100%

Reputation Management

These products and services help a dealership manage its reputation. They may assist with review collection, monitoring, resolution, and promotion of online reviews.

COMPANY	PRODUCT	SCORE	RATING	REC.
DealerRater	DealerRater Certified Dealer Program	302.07	★★★★★	100%
eXtèresAUTO	Online Reputation Management	197.23	★★★★★	96%
Digital Air Strike	Reputation Logix	41.27	★★★★	75%
Slipstream Auto	Reputation Enhancement	20.28	★★★★★	100%
Cars.com	Cars.com Dealer Reviews	2.12	★★★★	100%

SEM - PPC

Dealer e Process Live Chat

0.33

100%

Search Engine Marketing (SEM) and Pay-Per-Click (PPC) solutions help you determine how to invest in and execute a display or paid ad campaign on the major search engines for greatest ROI.

COMPANY	PRODUCT	SCORE	RATING	REC.
Dealer e Process	Digital AMMP	136.00	★★★★★	100%
Local Search Group	Search Engine Advertising - Automotive PPC	112.37	★★★★★	100%
DealerFire	DealerFire SEM/PPC	22.05	★★★★	89%
Dealer.com	Dealer.com Unified Advertising Exchange	18.07	★★★★	88%
Showroom Logic	AdLogic	17.72	★★★★★	100%

Search Engine Optimization (SEO)

Search Engine Optimization (SEO) solutions work to optimize your websites so that they show up higher in the search engine rankings. These services generally include both on-page and off-page optimization. This category also includes Website Conversion Tools.

COMPANY	PRODUCT	SCORE	RATING	REC.
Customer Scout, Inc.	Customer Scout SEO	955.39	★★★★★	100%
DealerFire	DealerFire Content Marketing (SEO)	586.08	★★★★★	100%
Dealer.com	Dealer.com SEO	109.29	★★★★	57%
CDK Global	PowerSEO	87.76	★★★★	100%
eXtèresAUTO	eXtèresAUTO - SEO	57.83	★★★★	75%



33



33% INCREASE IN LEAD CAPTURE USING OUR MOBILE SALES APP

121



AVERAGE CUSTOMIZED MARKETING QUERIES USED BY DEALERSOCKET POWERED DEALERS

36%



INCREASE IN PAY 'ROs' WHEN MAINTENANCE PROGRAM IS OFFERED

4



MINUTE INSPECTION WITH DEALERSOCKET MOBILE CHECK-IN APP

89%



CLOSE RATE ON REVENUE RADAR APPOINTMENTS THAT DEMO A VEHICLE

15%



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Used Car Advertising

These consumer-facing websites allow you to display your inventory to in-market consumers. They make huge media buys to attract customers to your inventory, and to increase your walk-in, phone and web leads.

COMPANY	PRODUCT	SCORE	RATING	REC.
Autotrader	Used Car Advertising	983.29	★★★★☆	80%
Cars.com	Cars.com Online Advertising	99.07	★★★★☆	75%
Dealix Corp.	UsedCars.com	55.66	★★★★☆	100%
TrueCar	TrueCar Used Car Leads	26.74	★★★☆☆	50%

Websites

Website solution providers create full-service websites built to be the main hub of your dealership's online presence. These sites are central to your dealership's marketing, branding and customer service. Micro Sites and Mobile Sites are rated in their own categories.

COMPANY	PRODUCT	SCORE	RATING	REC.
Dealer Car Search	Responsive Websites	537.18	★★★★★	100%
DealerOn	DealerOn - Flex Sites	210.03	★★★★★	98%
DealerFire	DealerFire Responsive Websites	86.76	★★★★★	100%
Dealer e Process	Dealer eProcess Responsive Websites	85.33	★★★★★	100%
Dealer.com	Dealer.com Core	1.31	★★★★☆	75%

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Driving Results Across the Dealership



How Do Vendor Ratings Work?

The DrivingSales Vendor Ratings site is the first formal mechanism for dealers to rate and review their vendors in a comprehensive, real-time vendor directory. It empowers dealers by allowing them to learn about all the solutions available and to view actual customer feedback, both good and bad, about how each solution actually performs.

Rules

- Only dealership employees can post ratings and reviews. Reviewers are verified to ensure they are valid and eligible to leave reviews.
- Dealership employees can only rate and review the products they have experience using. The ratings are a chance to hear from actual customers with live experience using the solutions in their stores.
- Each reviewer must answer three questions to complete their rating:
 1. How many stars does the solution deserve?
 2. Would you recommend the solution to a friend?
 3. Why would or wouldn't you recommend the solution?
- All three components of the review, along with the job title of the reviewer, are posted live to DrivingSales.com for all to reference when selecting new vendors.

Safeguards

- DrivingSales.com protects the anonymity of each dealer employee who leaves a rating and review. However, DrivingSales requires valid name and contact information for each reviewer so that each reviewer can be validated.
- Each review is passed through a variety of technological checkpoints to ensure vendors are not gaming the system. Furthermore, DrivingSales staff calls to verify a large percentage of the reviews.

Vendor Ranking

In each product category the vendor solutions are ranked in real-time as each new dealer rating is submitted. The vendor products are ranked based on a weighted Bayesian Algorithm. This is a standard mathematical calculation that looks at the number of stars the reviewer gave as well as the statistically valid sample size needed, relative to the competitive set, to create a ranking based on the statistical accuracy of the results. Sometimes a company with 3 stars will rate above a company with 4 stars if mathematically the first company has a higher probability of success based on the submitted reviews.

We encourage all dealers to rate and review their vendors by visiting DrivingSales.com/Ratings

Dealer Satisfaction Awards



The DrivingSales Dealer Satisfaction Awards recognize those solutions with the highest vendor ratings. For each category within the vendor ratings there are three award winners, the "Highest Rated" vendor and two "Top Rated" vendors. These awards reflect products and providers with a proven record of success and excellence in serving their dealer clients. The Dealer Satisfaction Award trophies are presented annually. Learn more at DealerSatisfactionAwards.com

Rankings ★★★★★

Only dealership employees are allowed to rate their vendors on DrivingSales.com and all submitted ratings are verified. The vendors are then scored and ranked using a weighted Bayesian Algorithm (shown below). Sometimes a company with 3 stars will rate above a company with 4 stars if mathematically the first company has a higher probability of success based on the submitted reviews.

$$w = (m * v^2) * r + (v^2 * m) * c$$

*The Vendor Ratings in this issue are based on the aggregate of all dealer ratings submitted from March 15, 2014 to March 15, 2015.
*CATEGORY SCORES ARE COMPUTED PER CATEGORY AND ARE NOT COMPARABLE ACROSS THE BOARD.
FOR QUESTIONS ABOUT VENDOR RATINGS, PLEASE CONTACT MIKE.JEFFS@DRIVINGSALES.COM*

View detailed vendor reviews written by verified dealers at DrivingSales.com/Ratings

DrivingSales News features exclusive reporting on dealership tech trends and innovations in automotive retailing directly from the DrivingSales editorial team.

Here is a recap of the top stories from 2015 Q1 impacting your dealership. You can find all these stories and more on DrivingSalesNews.com

Apple Enters Automotive

After all off smoke cleared from speculation regarding what Apple has been up to, multiple news stories, which include inside information, have confirmed that Apple is working on developing some sort of full sized vehicle. Rumors began with sightings of an Apple vehicle mounted with cameras that lead some to believe the company was experimenting with a street view feature similar to that which Google offers or an autonomous vehicle. With the additional information that Apple has been recruiting Tesla engineers accompanied by anonymous sources within Apple confirming that Apple is developing a full-size passenger vehicle, the evidence is strongly leaning toward this as fact. Apple has not commented on any of these stories.



Facebook Introduces Ad Relevance

In an effort to assist marketers using Facebook Ads, Facebook has

introduced “Relevance Scores” into its ad manager to better assist companies in determining whether the targeted audience finds their ads relevant. Facebook will also begin to factor in these scores when determining deliverability of the ads when two or more companies are



competing for impressions from the same audience. Facebook did stress that Relevance Scores will not be the only determining factor as bidding amounts are still a factor. The purpose of the new scores is to give companies the chance to A/B test their ad campaigns to determine which ads are most effective as well as reduce costs for companies who deliver more relevant ads to their fans or target audience.

Dealer Sued by Subaru Over Fake CSI Surveys

Subaru of America has sued a Southern California car dealership accusing them of falsifying 224 CSI surveys in 2014. Subaru alleges the dealer modified email addresses when reporting sales to divert surveys into email accounts under the dealership’s control. The dealership allegedly had employees complete and return surveys to Subaru to improve their CSI scores. This



dealership had previously been in a remediation program due to low CSI scores, but was released from it when those scores improved.

DARPA Illustrates Security Risks in Vehicles Through Hacking

Through a segment on “60 Minutes,” the Department of Defense illustrated the security dangers presented as vehicles get more technologically advanced by hacking into a Chevrolet Impala’s controls. DARPA took command of the vehicle through its OnStar system by sending it normal data infused with malware that gave them control over the vehicle while a journalist was driving. They were able to control not only vehicle functions like headlights and windshields wipers, but also remove functionality of the vehicle’s brakes.



Twitter and Google Reach Agreement to Index Tweets in Real-Time

Since the 2011 dissolution of a previous agreement between the two companies, Google has been unable to index Twitter content in real-time having to



resort to scraping the site. This new agreement reopens the Twitter data stream to the search engine giant once again allowing tweets to show up in real-time search results. With the addition of native video functionality also recently being introduced into the Twitter platform, these events provide more marketing possibilities and SEO value than previously.

NHTSA Issues Second Recall for Faulty Equipment Installed in First Recall

The National Highway Traffic Safety Administration has issued a second recall for vehicles that were



already under a recall from the Takata air bag failures. This second recall affects 2.12 million vehicles and includes over a million vehicles that are subject to the initial Takata recall. The second recall places responsibility on auto parts supplier TRW who supplied the parts to repair vehicles under the Takata recall. This will force consumers who have already had the initial Takata recall fixed to return to dealerships for a second recall to again repair the airbags.

FTC Closes Yelp Investigation

The FTC has closed the investigation it started in 2014 accusing popular review site Yelp



of manipulating reviews to increase the ratings of its advertisers. The investigation was initiated after the FTC received over 2,000 complaints from businesses claiming Yelp was

essentially extorting businesses into advertising with threats of lowered ratings. This all comes on the heels of a Federal Appeals Court ruling in September 2014 in which the court ruled that even if they were manipulating ratings, the site is entitled to determine what it publishes and is not doing anything illegal. Yelp denies they have ever manipulated ratings.

West Coast Port Disputes Endanger Import Vehicle Inventory

An ongoing labor dispute between the International Longshore & Warehouse Union (ILWU) and the



Pacific Maritime Union (PMA) has resulted in as many as 33 cargo vessels anchored along the West Coast with another 55 vessels sitting idle at port. West Coast ports handle as much as 47 percent of all imports entering the United States including automobiles. This has left vehicles stranded aboard cargo vessels as the ILWU and PMA continue to blame each other for the lack of a resolution. This disruption in the supply chain could eventually have an impact on the available inventory of new import vehicles.

TrueCar Sued By 117 Dealers Alleging False Advertising & Unfair Competition

An attorney representing 117 dealers filed a \$250 million lawsuit in March against car buying shopping service TrueCar alleges that the company has intentionally




deceived customers through erroneous advertising practices and lost sales. The dealers participating in the lawsuit – all of whom are not current TrueCar customers – claim that TrueCar’s website and advertising make false promises to consumers by issuing price guarantee certificates that include false “no-haggle... factory invoice... financing... transparency... and rebate claims,” as well as “bait-and-switch advertising.” In a statement from TrueCar, the company has called the lawsuit meritless and said they “will vigorously defend ourselves and our business practices and expect to be fully vindicated.”

Data Security Concerns Lead to Lawsuit Against Ford, GM and Toyota

As more advanced and connected technology gets integrated into vehicles, consumers are increasingly getting concerned over future possibilities of hacking and data theft. These concerns have led to a lawsuit being filed



in Northern California against Toyota, GM and Ford alleging that the manufacturers have failed in its duty to manufacture safe vehicles by exposing the risk of hacking through its ECU. The plaintiffs claim that the lack of security of the vehicle’s electronic systems leaves the vehicles vulnerable to hackers and places owners in a potentially unsafe situation. They are asking for damages, a recall of all automobiles that could be affected, legal fees and a jury trial. 

How Trust Impacts Car Sales

Consumer shopping research reveals need for fundamental change



Over the last 16 months, DrivingSales University has conducted an intensive research initiative aimed at understanding

the car shopping process from the consumer's perspective.

We set out to understand consumer shopping expectations and how they evolve as they interact with dealerships over the course of shopping for and buying a new car. Specifically, we wanted to identify what customer experiences cause them to choose one dealership over another and ultimately purchase.

Our end goal is to better understand and share with the industry how to improve customer experiences to drive positive business outcomes.

Checking Preconceptions at the Door

Most of us at DrivingSales come from retail, have decades of experience and have successfully trained thousands of dealerships collectively. We *know* car shoppers and we know the realities of the car business. There was nothing stopping us from writing an online survey and being on our way.

Yet we know much of the research coming out of our industry is not getting at the real core of the issue, the emotions that drive consumer decision-making. To invest the time and money into research, we wanted to make sure it was objective and we wanted to be sure we got it right. We had to check our egos and years of retail sales and training at the door and go at this in a completely different way.

First, we hired a qualitative research firm to help us conduct the first phase. A number of unique and bleeding-edge approaches were used including ethnography, the study of people interacting in their natural environments.


We visited people in their homes while they were shopping for cars online. These visits included observing and documenting how they went about their research, what resources they used and interviewing them about their approach and how they felt about the process. We followed these home visits by accompanying participants to dealerships while they shopped for and actually purchased cars. Again, we observed what was happening, especially at the emotional level, and then conducted follow-up recorded interviews.

In addition to the ethnography, we conducted webcam interviews and mobile geo-tracking enabled research. The latter is a new approach to research and involves pinging shoppers on their cell phones just as they were leaving a dealership asking them for 10 minutes to get feedback on what had happened and how they felt about their purchase or shopping experience. This enabled us to get insight while it was fresh, unaltered and while the emotion and recall was still high.

Out of this qualitative phase came important themes. Some not so surprising. But many findings had us scratching our heads which is sort of the point of the qualitative phase – learn insights that aren't on your radar and quantify them. The insights from the qualitative phase were used to write an extensive quantitative survey.

BY KEVIN ROOT





“A common theme in the study was people were delaying the purchase of a new car because they consider the dealership process to be difficult.”

The quantitative phase was conducted with over 1,200 car shoppers who were within weeks of purchasing a new vehicle or had just completed a purchase. Questions were structured to get the deepest insight and the survey was managed and fielded by a second research firm specializing in quantitative consumer research.

It's important to note that many who are unfamiliar with research methodology might balk at a survey of “only 1,200 people.” Professional researchers will tell you statically valid findings can be produced with as little as 200 people if the 200 are selected the right way. What is important to consider when looking at quantitative findings is what is called the “confidence level.” With a sample size of more than 1,200, our confidence level was 90 percent, meaning that in nine of 10 cases, the findings would be replicated to reveal the same result. This is considered very high in quantitative research.

The depth and breadth of our planning has paid off. The research revealed significant insights into what consumers want and expect in an automotive retail experience. Further, rich insights by “sub groups” based on gender, age and volume versus luxury shoppers. Here are a few of the major themes:

Opportunity Cost to the Entire Industry

A common theme in the study was people were delaying the purchase of a new car because they consider the dealership process to be difficult. In quantifying this, we found that 56 percent of buyers were postponing their new car purchase because they feel the dealership process is so difficult.

This perception of difficulty isn't new, but with over half agreeing they delay purchase because of it is a clear signal to the industry there is a significant opportunity cost. As the research process unfolded, it became clear the perception stems from a deep lack of trust in dealerships.

Distrust Drives a Big Disconnect

Most shoppers start the process with a fair amount of distrust. Less than one percent said they expect a hassle free experience. This distrust impacts their interaction with a dealership in many ways, including for a large group, visiting the dealership website. Many view the OEM or third party sites as more trustworthy.

Only 1.5 percent expects to be satisfied with the shopping experience. This expectation results in many shoppers keeping dealers and sales people at a proverbial arms length until late in the purchase process. When they're ready to interact, 61 percent initiate contact by walking into the dealership without prior contact.

Why? Many said, “...I don't trust the dealer so I don't trust their website.” This distrust of the information on the dealership website takes on many forms. Some find them confusing to use while others feel they are very difficult to find information quickly. Some are wary that prices on the website may not be accurate and cars may not be available or representative of all the model options available. Many are concerned dealership staff, if given a phone number, will continue to bother them. But most of it all boils down to one thing.

Distrust.

Friends and Family Are Most Important Influence

Distrust impacts nearly every part of the purchase process. It dictates the way they research, the tools they choose to use or avoid, the dealerships they visit, inventory exploration, dealership communications and even when and how they buy.

Because distrust is so high, they actively seek out input from those who they do trust. Overwhelmingly, shoppers rely on the input and advice of family and trusted friends. Often, this friend and family input is shared via Facebook.

Few have a lot of time to dedicate to

an extensive vehicle search let alone vet multiple dealerships. To save time, they turn to friends and family to help direct their search and “cut through the clutter” faster and more efficiently. The thinking goes like this: “If Bill has had a good experience with a brand/or dealership, then chances are I’ll have a good experience too.”

The influence of friends and family comes into play at pivotal stages of the shopping process. Friends and family were the primary influencers of what brand to buy. They were also rated most important when considering what dealerships to visit initially.

And beware those doubting the importance of social media in retailing. Facebook is so ingrained in the daily fabric of customers’ lives, it surfaced many times in our study as a very important conduit to give and get input on what new car to buy and which dealership to buy it from – provided the information on Facebook is coming from a trusted friend or family member. This is one of the most influential medias available in terms of influencing the opportunity for a sale.

Most sobering of all, friends and family will also share which dealership to stay away from based on experience. Customers who feel they had a bad experience will likely share it on Facebook to their social networks, resulting in dozens, if not hundreds, of lost opportunities for that dealership.

Consumers Defy All Stereotyping

During our dealership visits with participants, we witnessed how prevalent it is for dealerships and sales reps to stereotype car shoppers. We witnessed firsthand how this stereotyping comes at a steep price.

We talked with older women who preferred to negotiate the price of a new car. We sat down with a gentleman who currently owned five new cars and hated to negotiate. We visited a dealership with a young man who barely looked old enough to shave and was ready to do an all cash deal. He was essentially ignored likely for looking

“too young.” It became very clear to us there is no “one type of shopper” and stereotyping based on gender and age were met with very negative reactions from these buyers.


While different consumers shop or purchase differently, many dealerships have a process to handle customers as if they were all the same (i.e., the “steps of the sale”). This collision of the dealers desire to control the shopper and the shoppers desire to interact with the salesperson or products in a manner that is comfortable to them, creates friction and frequently adds to the distrust. In many cases, it prevents the purchase of the vehicle.

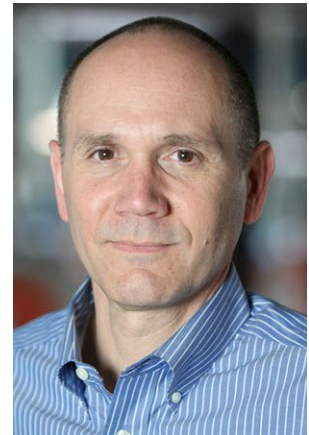
Signaling Demand for a Better Experience

Consumers expect dealerships to serve them the way they want and not waste their time on a “one sales approach for all” process. If they feel their time is being wasted, if they don’t feel listened to, if they feel pressured to “buy today,” and if they feel a dealership is not being transparent, most will distrust and disconnect.

Shoppers’ expectations are shaped by the efficiencies and transparency found in other retail verticals today. These expectations, along with deep distrust, are creating a negative dynamic – a fundamental disconnect between the shoppers’ desired shopping process and the traditional dealership business processes that emphasize “controlling the sale” and selling a car “that day.”

If our research reveals one thing, it’s that consumers are expecting a more fundamental change in automotive retail process. This study confirms our feelings: Dealerships that adapt will be rewarded; those that fail to change will in time, will be at risk. This change can only come through committed, informed dealer leadership.

We’ll be publishing more insights into our research and how dealerships can take advantage of them to improve their operation at trust.drivingsales.com. 



KEVIN T. ROOT

President and Chief Operating Officer of DrivingSales. Kevin started his 26 years in the automotive industry selling new and used vehicles. In 1994, he created the first Ford dealership website and was recognized by J.D. Power and Associates as one of the original automotive ecommerce pioneers.

Previously Kevin was the Chief Strategy and Product Officer at Dealer.com, Senior Vice President of Product Strategy at DriverSide, Vice President of Strategy and Marketing at Dealix, and Vice President of Products and Services at Cobalt. Prior to Cobalt, Kevin worked at Microsoft as a product planner for CarPoint where he launched and managed the MSN Used Car Marketplace.

Kevin is a frequent keynote speaker on consumer trends, digital marketing and dealer performance improvement at automotive industry conferences.

The Benefits and Challenges of One Price Selling

Execute and provide what customers are looking for – a hassle free experience

M

ost customers love to negotiate! If you believe that, then read no further.

If you think most customers care more about squeezing the last dollar than getting a great experience ... stop reading here.

When discussing One Price with dealers I often hear, “We negotiate because the customer feels they have to win something.” Before the Internet, perhaps that was true. But today’s customers know what they should be paying. As long as your price is in the “bandwidth of their expectations” that is all they care about. They don’t expect buying a car is a “battle” they have to win.

Today’s highly knowledgeable customers are shopping more for the hassle-free experience than the lowest price. Women (who make up over 50 percent of today’s automotive purchasers) and Gen Y (over 25 percent of sales) especially hate negotiating, which they view as a lack of transparency and game playing.

Here are the top reasons for transitioning to a One Price Sale process:

Sales Associate Recruiting

The number one reason to move to One Price is your ability to recruit a younger, well educated, gender balanced sales force. The number one challenge for most traditional dealers is recruiting and retaining outstanding

salespeople. Women and “Gen Yers” have not had to negotiate for anything in their lives and don’t *understand* why in the world they should have to negotiate a car deal. So, why would they apply for a job where the primary core competency is negotiating and a commission plan that rewards them for trying to make as much money as they can off everyone they greet? They won’t! Eliminate negotiations and your window of recruitment opens much wider.

Transaction Expense Reduction

In an era of margin compression, dealers have to lower transaction expenses, which are mostly personnel. One Price salespeople are paid around 18 percent of the variable gross – typically \$100-125 less per car than a negotiating salesperson – but they average about 14 cars per month – so they still make a very good living. Some One Price dealerships pay salespeople hourly. Fixed labor costs further reduce expenses. There is one manager for every 2.5 salespeople in a negotiating store (including Finance/BDC). The long-term goal of One Price dealers is to collapse the F&I department and operate with less management (no more “desking” deals) to achieve a ratio of one manager for every five salespeople. Also, One Price dealers are not on split programs with their lenders. Because all customers are “rated” accurately 94 percent of all reserve dollars “stick.”

BY MARK RIKESS

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<p>WARRANTY</p> <ul style="list-style-type: none"> * 3YR/36,000 BUMPER TO BUMPER * 5YR/60,000 POWERTRAIN * 5YR/60,000 ROADSIDE ASSIST 			

INCLUDED ON THIS VEHICLE	(MSRP)	PRICE INFORMATION	(MSRP)
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\$2,000

Fuel Economy & Greenhouse Gas

1

6

This vehicle emits 346 grams CO₂ per mile. (The distribution of fuel also create emissions; learn more.)

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fuel economy gov

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Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.	
Side Crash	Front seat Rear seat Not Rated Not Rated
Based on the risk of injury in a side impact.	
Rollover	Not Rated
Based on the risk of rollover in a single-vehicle crash.	
Star ratings range from 1 to 5 stars (★★★★★), with 5 being the highest.	
Source: National Highway Traffic Safety Administration (NHTSA). www.safercar.gov or 1-888-327-4236	

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MARK RIKESS

Mark Rikess' career as a successful entrepreneur, auto dealer, consultant, and auto industry thought-leader has been the result of his lifelong passion for innovative thinking. As a second-generation dealer, Mark began with an early focus on dealership performance improvement, supported by well-documented implementation principles. The Rikess Group was founded in 1989 and Mark has been widely quoted in Automotive News, USA Today, The Wall Street Journal, Business Week, and The New York Times. Mark Rikess is a graduate of Arizona State University with a degree in Business Administration and is a resident of Hollywood, CA.

Five Star Sales Reviews

You would not go to a doctor or eat at a restaurant that had a 3.5 rating or less. Why would a customer consider a dealership that's sales process is rated fewer than four stars? Dealers who execute the prescribed One Price sales process automatically get high customer ratings. Ratings drive leads. The One Price process is fast, fair, simple and transparent. These attributes don't apply to traditional dealerships where negotiating is an adversarial event for the majority of customers.

Sales Management Effectiveness

Desking deals and taking "TOs" are the core competencies that make a good negotiating sales manager. Conversely, One Price sales managers focus on *developing* people while *managing* a very well defined sales process. The key element of One Price success is "out presenting" the completion. Developing and training the sales staff is a must for success. Customers expect to find "Geniuses" on your showroom floor. Think "Apple Store."

Improved Grosses

This is counter intuitive, but One Price stores have slightly higher grosses than negotiating stores. Simply put, when you add value to a transaction you can charge more. Think about yourself. Would you pay a small premium for an outstanding experience? Of course. Now factor in reduced transaction expenses, and you wind up with higher net gross sales profits.

SO, WHAT ARE THE CHALLENGES?

Executive Management Commitment and Support

There will be "bumps and bruises" when launching a radically new initiative. The executive team needs to go into


One Price with the feeling that "If I can't make this work, I should get out of the car business." Only that level of commitment will create success with this new sales process. This group also needs to be patient, not a strong suit for most dealership executives. You will need a *vision* of what you want your showroom and online experience to look like and support that in an unrelenting manner.

Sales Management Buy-in

The biggest drag on One Price success is the lack of buy-in from sales management. On average, one-third of the existing sales management team won't make the trip to the "new world." They either don't have the desire or the skill set to take the journey. What's worse is many stores have managers who will "quit and stay." They like the dealership and feel they can "out wait" the new process till it goes away. They wind up undermining One Price either overtly or covertly. If you don't have the right "managers on the bus" trying to transition to One Price will be a time consuming and costly experience.

Not Becoming a Learning Organization

As previously noted, One Price success is contingent upon out presenting the competition. Most dealerships today do not have a laser like focus on training their sales people in product and process. Putting training calendars in place, managers conducting daily one-on-ones, instant coaching, generating *extreme* product knowledge by the sales consultants is not found in most stores today. Without these attributes, expect to fail when attempting to install a One Price process.

Implementing One Price isn't for the faint of heart. But it is the only way to transact what the majority of customers are looking for. 

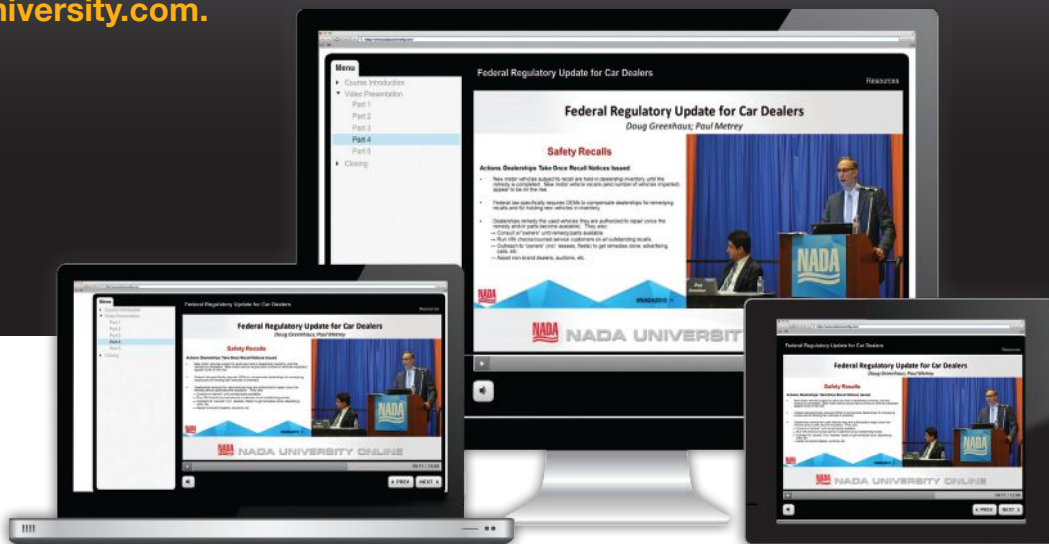
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NewCar IQ

from Pearl Technology Holdings, LLC

What is the DSES Innovation Cup?

A panel of top dealer executives select five finalists from online applicants from vendors who submit an *innovative* solution. Those five finalists then have the opportunity to participate at DSES. Each finalist has just five minutes to “sell” his/her product on stage to our dealer judges. The judges in turn will have 4 minutes of Q&A with the presenter and then they silently score each product on a standardized judging scale. After all innovations are demoed, the scores are tallied and a winner is announced during an award ceremony at the conference uncovering the *Most Innovative Solution of the Year*.

T

he Driving Sales Executive Summit is a fantastic reason to go to Las Vegas and step foot in the Bellagio for a few days. The representatives from both the dealers and vendors in attendance are always of the highest quality. The conference always becomes a congregation and collaboration of the country’s most progressive dealers. Couple this with fantastic speakers, sponsors and organizers who really come together to make the whole show experience an enlightening one for all parties involved.

We were thrilled to be nominated for the Innovation Cup for the second year running. In 2013, we were selected as a

finalist for our SmartPrice™ retail pricing tool product and in 2014, our NewCar™ product won the Innovation Cup.

One of the things we’ve really enjoyed about this conference over the years is how this vendor competition spotlights innovation in the automotive space. We can only see collective progress by bringing new ideas and thought processes to the table for discussion, evaluation and adjustment. True innovation requires input and cooperation between both dealers and vendors. Whether we like it or not, consumers see our industry as a stagnant, archaic business that is ravaged by rudimentary processes. This notion is topped off with the consumer’s profound



Jared Hamilton (left), Founder and CEO, DrivingSales
Bruce Thompson, Founder and CEO, Pearl Technology Holdings

distrust for our overall sales process.

DrivingSales' Founder and CEO, Jared Hamilton, delivered a fantastic keynote on this topic to a receptive dealer and vendor audience. If there had to be one takeaway from his time on the stage, it is this: We need to start being our toughest critics again. If we don't care about the customer experience more than the customer does, then what are we doing here? There is no excuse for being stagnant, given the state of the industry today. I took this to heart and imparted the philosophy to my team members after the show. I think this idea is really reflected in our company tagline: "Rethinking Automotive."

Our goal for this year's show was to get as much feedback on the NewCar IQ application as possible, and there was no better way to do that than the Innovation Cup. The 5-minute presentation format really forced us to focus on just a handful of our application's features and how they solved the biggest issues that dealers experience

everyday in their new-car operations.

One of the most complex challenges franchise dealers face today is the online pricing of their new-car inventory. To price or not to price with incentives? That is the all-important question with no easy answer. To ignore the incentives is giving the competition in your market a chance to undercut you on price with your manufacturer's money. However, if you do want to include incentives in your online pricing, it is an incredibly mundane and tedious process to follow, especially if you have a large amount of new car inventory on your lot. Sorting out which incentives can be used with other incentives, keeping track of incentive expirations, all of this can overwhelm a new car manager preventing them from doing what they do best – selling cars and managing their team. So, we decided the best solution for a dealer would be to give them a way to mass-price all of their new car inventory from one single page, with all generic stackable and

“If we don't care about the customer experience more than the customer does, then what are we doing here?”



“We pride ourselves on pushing the boundaries and bringing new technologies to market year after year.”

regionalized incentives automatically applied to every vehicle in stock, every month. Furthermore, they needed the ability to toggle from MSRP to Invoice to Employee Discount Pricing, account for Dealer Holdback, again, all from one page. This concept would give a new car manager the ability to effectively and efficiently manage their new-car pricing without sacrificing time or manpower.

Another question that we were frequently asked by new car managers during the development of the application was, “How can you help me understand my competition better?” With dealers’ markets becoming more and more competitive for a given customer, dealers need actionable intelligence on what their competition is doing. So, we developed Insight, a module within the NewCar IQ application that allows a dealer to select an unlimited amount of competitors in their market to monitor

on a daily basis. This allows a dealer to know their competition better than they know themselves. Metrics monitored by Insight for competitive dealers include:

1. Current inventory broken out by make, model, trim and color
2. Average age of current inventory
3. Estimated day supply
4. Estimated rolling 90 sales
5. Estimated turn times
6. Average listing price
7. Total number of listings
8. Overall market share
9. Inventory market share
10. Sales market share

By delivering these metrics to the dealer in an intuitive and “insightful” manner, dealers can begin to understand why and how they are losing market and inventory share to their biggest competitors, down to specific makes, models, trims and colors.

The third and final problem that we felt dealers needed help solving was “What

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inventory do I need to order and when? How much inventory?" New car stocking has always been made difficult by stubborn OEM reps shoving inventory down dealers' throats. Then, 150 days later, the same rep comes barging in wondering why you haven't sold that car. The answer, obviously, is they never needed those units in the first place. Dealers need to know what units they need to have in stock for the upcoming months, down to make, model, trim color, and which units that are in stock that they need to trade. Our recommendation and forecasting engine gives the dealer the "ammo" they need to push back on the OEM rep and tell them EXACTLY what inventory they want, and what they don't want. These recommendations are based upon a blend of both historical sales data and market data. Our forecasting engine allows a dealer to see where their sales are most likely going to end up for the month at the beginning of the month, so if the dealer is going to

be under their target, they have time to do something about it before it's too late.

We were lucky to be in the company of some fantastic vendors in this year's competition: CarWars, LotLinx, DMEautomotive, Gubagoo. I felt each company brought something really unique to the table, and dealers really got a well-rounded view of some exciting technologies being developed in different areas of the industry. I cannot tell you how excited I was when our name was called as the winner of this year's Innovation Cup. We pride ourselves on pushing the boundaries and bringing new technologies to market year after year, and to get that type of recognition from the dealers really means a lot to our team members. We are already looking forward to DSES 2015, and we hope to be given the opportunity to showcase something new to the audience in this year's Innovation Cup at the DrivingSales Executive Summit. 

BRUCE THOMPSON

Auto industry entrepreneur Bruce Thompson announced earlier this year the formation of a new holding company, Pearl Technology Holdings, LLC. The company's mission is to create and deliver innovative new impact solutions to the industry. Thompson has been credited with creating the "used car inventory management" space when he formed American Auto Exchange (AAX) in 2001. In 2010, he started RedBumper, LLC, which is also primarily focused on "used car inventory management." Pearl represents a departure from used car space with the launch of new subsidiaries in 2014: NewCarIQ, LLC and VehicleXchange, LLC.



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The 100 Percent Solution Doesn't Exist

Leadership requires decisiveness amidst uncertainty

BY LEIF BABIN

As a young Navy SEAL officer, the first time I found myself in the midst of a serious firefight in the streets of Ar Ramadi, Iraq, it was nothing like what I had imagined. Bullets impacted the nearby concrete wall with the kinetic energy of the most powerful strongman imaginable wielding a sledgehammer at full force. Shards of concrete rained down around us, and the ear-shattering explosions of deadly RPG-7 shoulder-fired rockets rocked our world. Just as we had rehearsed, our SEALs instantly returned fire with a vengeance. As a combat leader, I was well-trained. But even still, the chaos of it all was beyond anything I had envisioned. In that moment I had no idea who was shooting at us, how many of them there were, or more importantly, where they were or what their next move would be. I couldn't even be sure it was enemy fire as the danger of friendly fire from U.S. or Iraqi security forces mistaking us for enemy fighters was a substantial and constant risk. That first major firefight was utter chaos and mayhem. Yet, as a leader, I had to relax, look around and make a decision – a principle we call “Prioritize & Execute.”

Even the greatest leaders of history could not effectively handle a multitude of problems simultaneously. To take on too many tasks at once is to fail at them

all. Instead, the best leaders are able to rapidly evaluate the highest priority and focus the team's efforts on solving that most important problem. Then, they move on to the next priority; then, the next.

In the first moments of that firefight, it was imperative that I remain calm and make good decisions amid such chaos and uncertainty. Our SEAL unit had to rout the attack, quickly maneuver our troops off the street and out of harms way, and if possible, flank the attackers or call in fire support to destroy them. I couldn't know for certain what the outcome would be or how the enemy might react. There was no 100 percent solution. I could only make the best decision I could based on the limited information available, and upon the knowledge of how the enemy had been known to react through previous experience. A combat leader must act swiftly and decisively amid chaos and uncertainty and execute decisions with confidence in the incomplete picture. In that first major firefight, we did just that. Our SEALs laid down a withering barrage of fire and maneuvered out of the kill zone. My junior leaders decisively led the teams in their charge. I directed the team toward a strongpoint within the concrete walls of a residential compound nearby. Then, we called in heavy fire support from U.S. Army M1A2 Abrams tanks that hammered



“Business leaders—in the automotive industry or otherwise—must act decisively amidst uncertainty and chaos.”



LEIF BABIN

Leif Babin is a highly decorated Navy SEAL Officer who successfully led SEALs on the battlefield, then built and ran SEAL leadership training and now runs his own leadership company.

He spent 13 years in the Navy, nearly nine years as a SEAL. Leif deployed three times to Iraq earning a Silver Star, two Bronze Stars and a Purple Heart. In the Battle of Ramadi in 2006, Leif led a SEAL platoon in some of the toughest sustained urban combat in the history of the SEAL Teams. His SEAL task unit became the most highly decorated special operations unit of the Iraq War. Upon his return, Leif captured a host of lessons learned from his combat experience, then built and ran leadership training for the future generations of SEALs. In 2011, Leif left active duty and co-founded Echelon Front LLC to teach these same leadership principles to others who want to build their own high performance teams.

the enemy positions. Fortunately for us on that day, all of our troops made it to safety while inflicting heavy losses on the enemy.

Perhaps the biggest lesson learned for my generation of SEALs and other U.S. military combat leaders through more than a decade of continuous conflict has been the necessity to act decisively amid chaos and uncertainty, based on only the information at hand. There is no 100 percent solution; the picture is never fully complete. Every decision carries risk. A leader must do everything in their power to mitigate those risks that can be controlled. But not every risk can be controlled. As is often said in the military, “The enemy gets a vote.” One cannot know precisely what the enemy’s next move will be. Intelligence gathering and research are important, but they must be employed with realistic expectations and they must not impede swift decision-making that is often the difference between victory and defeat. One must make an educated guess based on previous experience of how the enemy operates and whatever intelligence can be gleaned in the immediate. Then, boldly execute to achieve victory.


This principle is certainly not unique to combat. It applies to virtually every aspect of our individual lives from personal health care decisions, or whether or not to evacuate from the predicted path of a major storm. It equally applies to leadership and decision-making in any business, in any industry, where capital is at risk, markets are in flux and outcomes are never certain.

As competing businesses vie to outmaneuver each other in fierce rivalries, one can never know with certainty what their enemy’s next move will be. Therefore, business leaders, in the automotive industry or otherwise, must act decisively amid uncertainty and chaos. Like a good SEAL combat leader, they must gather information and research and understand their competition’s strengths and weaknesses. They must mitigate risks

that can be controlled. But they must also accept that, just as in combat, in business not all risks can be controlled. Leadership requires taking risks and business leaders must be comfortable with this. Risk is required to achieve extraordinary results.

The ability to “Prioritize & Execute” in high-pressure situations is not intuitive to most. But the capacity to do this well can be greatly enhanced through training and mentorship. SEAL leaders and operators work to improve their ability to perform well under pressure through training. And every business team must build realistic training programs that develop their leaders, key players and front-line troops within the team. Senior leaders should train their junior leaders to also act decisively amid uncertainty with a firm understanding of the bigger, strategic mission of which their teams are a part.

As in combat, when business executives or department managers are indecisive, when they delay decisions until the certainty of success is all but guaranteed, this enables the enemy to maneuver and gain the tactical advantage. This leaves a team vulnerable and increases risk. Throughout the history of warfare this saying has held true: “Flank or be flanked” – either one will seize the initiative, maneuver on the enemy and score a victory or the enemy will. For companies in fiercely competitive markets like the auto industry, it equally holds true.

In order to win, leaders must understand and accept that the 100 percent solution doesn’t exist. The outcome of any decision cannot be known with certainty. But like a combat leader on the battlefield, business leaders must act decisively based on the information available and foreknowledge of how enemies, or competitors, think and act based on previous experience. To wait for the 100 percent solution only results in indecision, perpetual delay, inaction and eventually defeat. But to act decisively amid uncertainty enables leaders to lead and win. 

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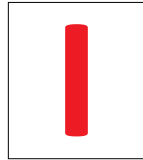
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If you're not mining your customer database to target your "in-equity" customers with direct mail marketing, your dealership could be losing out on between 13 - 40 incremental sales per month, according to a recent survey.

It might be one of the oldest marketing methods in the book, but the humble direct mail piece is delivering the type of results your dealership wants. Today's digital world has relegated direct mail to the bottom of the marketing heap due to high costs – both in printing and postage – and concerns about the viability of using such an old school marketing method in the electronic age.

In a recent study, we analyzed over 200 dealerships using personalized direct mail marketing for strategic, targeted campaigns and the results might surprise you. The clue is in the word "targeted" – using the information in your customer database to help you ascertain the needs of the customer can help you create effective direct mail campaigns that are targeted to the customer's needs.

It turns out that mining the database for customers who are "in-equity" in their vehicle – meaning their current vehicle is worth more than they owe on it – are customers who are ripe for targeting. This means the customer is both in-market and in a position to purchase a new vehicle with little or

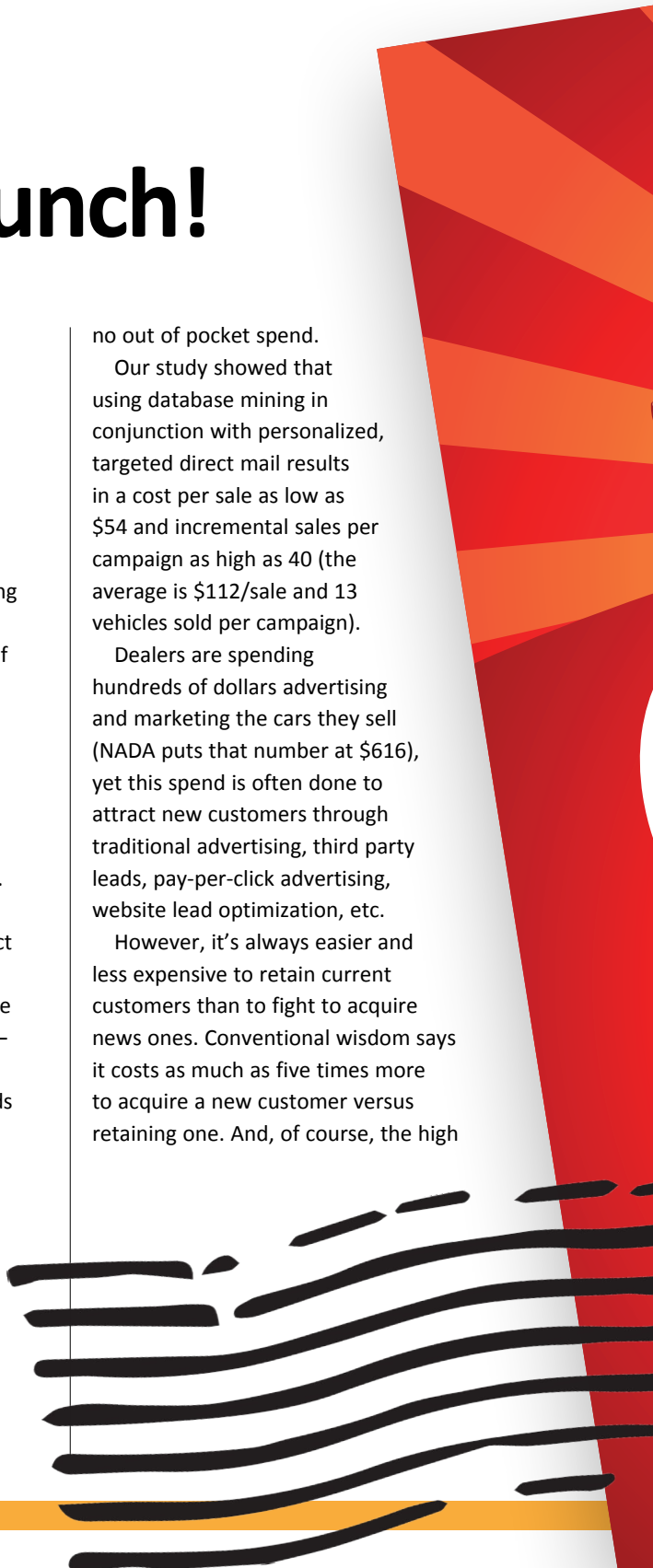
no out of pocket spend.

Our study showed that using database mining in conjunction with personalized, targeted direct mail results in a cost per sale as low as \$54 and incremental sales per campaign as high as 40 (the average is \$112/sale and 13 vehicles sold per campaign).

Dealers are spending hundreds of dollars advertising and marketing the cars they sell (NADA puts that number at \$616), yet this spend is often done to attract new customers through traditional advertising, third party leads, pay-per-click advertising, website lead optimization, etc.

However, it's always easier and less expensive to retain current customers than to fight to acquire new ones. Conventional wisdom says it costs as much as five times more to acquire a new customer versus retaining one. And, of course, the high

BY ALLEN LEVENSON





SALE

HOT PRICES!
BEST CHOICES!
NEW, USED, ORIGINAL MODELS!



“In addition to being able to target customers with correct information, your salespeople are freed up to do what they do best...selling cars instead of working on the database and creating mailers.

lifetime value of automotive customers is nothing to scoff at – between car purchases, F&I products, service visits and referrals, the value of a single customer can easily run into the six figures and, depending on brand, even higher.

And the dealers in our study reported ROI and conversion rates that far outpace their other marketing channels by using their dealership’s data, combined with information pulled from the OEMs and used car pricing resources to create personalized, targeted direct mail campaigns to reach these in-market prospects.

So why don’t more dealers take advantage of what database mining and equity marketing have to offer? There appears to be a basic disconnect – dealers don’t always understand the value these databases hold (on average, \$30K per month in incremental gross) and the best way to unearth these in-market, sometimes orphaned, customers.

There are a few ways dealerships can approach this task, including dedicated database mining and equity marketing software programs, and CRM tools with equity-mining functionality baked in. Both these self-service solutions have some drawbacks: CRM tools can be complicated, time consuming and difficult to master, while dedicated software

programs rely heavily on salespeople to make contact with a prospect.

And both these solutions lack the strategic, targeted direct mail marketing component that was worked so well for the dealerships in our study. It’s the consistent communication to the customer base at appropriate intervals in their ownership lifecycle with the inclusion of current manufacturer incentives that make them particularly relevant to the customer.

In fact, all dealers in this study employed a full-service equity marketing solution that used personalized, targeted direct mail as the first point of contact in their in-equity marketing campaigns – followed up by email and calls. And the impact was significant.

“Offer letters” – based on current inventory needs and OEM incentives – were sent to in-equity customers. The list is built by pulling actual data from the dealer DMS and other relevant sources. The data is then examined and ideal targets are chosen for their mathematical fit by analyzing payments remaining, the exact interest rate being paid and the true wholesale value of their vehicle. Using this data, a “go shopping price” is determined, giving the customer the exact value of a new vehicle they can trade up to while retaining their current

Results of Targeted Equity Marketing Campaigns*

COST-PER-SALE AVERAGE

\$112 – considerably less than other marketing channels

INCREMENTAL SALES PER CAMPAIGN

40 = TOP 10% 29 = TOP 25% 13 = AVERAGE

GROSS PROFIT

Additional \$422 per customer versus first-time customer sales – a full 28% more profit!

* Over 200 dealerships nationwide

payment with no money out of pocket.

“Dealers sometimes put messages out to customers that are less than believable so some customers may initially be suspicious and think the offer ‘is too good to be true,’” said Ben Faricy, President, The Faricy Boys, a family-run Colorado Springs Jeep Chrysler dealership. “But we pride ourselves in always being able to deliver on what’s in the offer letter - there’s a lot of integrity to that.”

In addition to being able to target customers with correct information, your salespeople are freed up to do what they do best ... selling cars instead of working on the database and creating mailers. It also ensures customers get touched on a regular basis.


“Even if my salespeople never pick up the phone, I know my database is being worked and customers are being touched – and I’m going to sell more cars,” said Michael Glynn, General Sales Manager, Friendly Honda.

The most successful direct mail campaigns focus on whatever needs a dealership has. For example, a “Year-End Clearance Event” to move end-of-year overstock; or if moving a certain model is important, a campaign will focus on this; and, if a dealer wants to fill up their lots with certain used vehicles, campaigns can target these specifically.

Once the goal is determined, direct mail pieces are personalized and customized with the financing and/or rebate incentives that are available from the OEM. All of this is then put into a targeted direct mail offer letter that goes out to the customer.

And with today’s postal cleansing software, deliverability rates are extremely high (upward of 90 percent ... MANY TIMES HIGHER than email deliverability). Similarly, with well-designed envelopes, open rates are also extremely high (and again, much more likely to be opened than email).

Interestingly, the study also showed higher gross profits on each car sold – an average of \$422 more when compared to a first-time customer sale – clearly illustrating that retaining current customers makes fiscal sense. In addition, these equity campaigns result in trade-ins of vehicles that have likely been bought and serviced at the dealership, so trade-ins sell through much faster than typical pre-owned vehicles: 64 percent of trades sell at retail within 30 days of being on the lot.

Don’t you think it’s time to reconsider direct mail? As the results of this study show, the ROI and incremental sales make it well worth exploring adding equity marketing combined with targeted direct mail to your marketing mix. 



ALLEN LEVENSON

Allen Levenson has over 25 years of automotive and marketing experience. He is currently Vice President of Sales and Marketing for Prospect Vision. He also spent eight years as Vice President Sales & Marketing of Asbury Automotive Group. Earlier he was a consultant with both Bain & Company and McKinsey & Company. He holds an MBA from Wharton Business School and a BA from Tufts University.

NADA's Used Vehicle Supply Outlook

“The year 2014 marked the first time since 2006 that new vehicle sales surpassed the 16 million unit mark.”

Last year marked another banner year for used vehicle prices. Compared to 2013, prices of vehicles up to eight years in age grew by 1.1 percent. The occurrence capped off a run in which prices grew by an incredible 18 percent since 2007.

Strong demand for used vehicles clearly played a role in the rise of used vehicle prices since the end of the Great Recession. Possibly of greater importance, however, has been the decline in used vehicle supply that resulted from new vehicle sales dropping from an annual average over 16 million units before the recession, to a low point of 10.4 million in 2009. Now that new vehicle sales have returned to pre-recession levels, used vehicle supply – especially off-lease supply – is quickly recovering.

In this article, we review how new vehicle sales and ownership cycles are dictating used vehicle supply growth, and what the increase in volume means for used prices in 2015 and beyond.

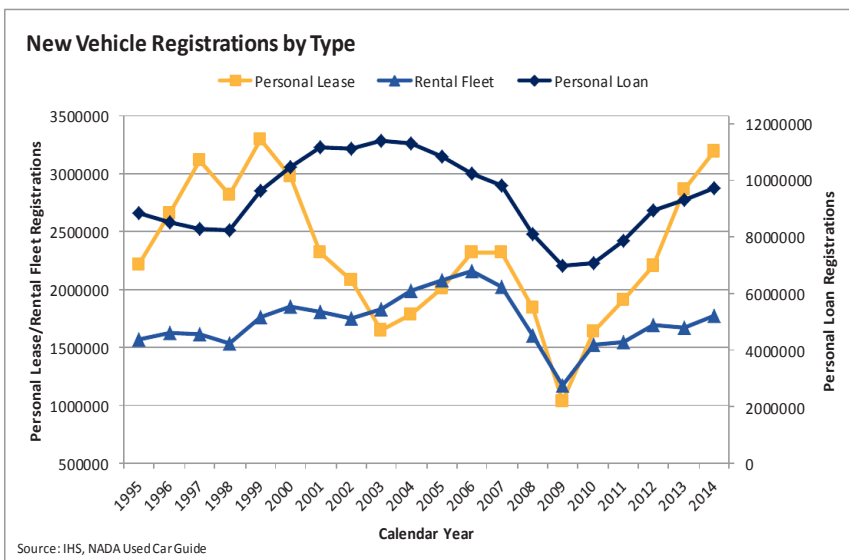
Led by Leasing, New Vehicle Deliveries Bounce Back

The year 2014 marked the first time since 2006 that new vehicle sales surpassed the 16 million unit mark. With a tally of 16.44 million vehicles, 2014 was within striking distance of the 16.8 to 17 million unit average recorded back in the early 2000s.

Diving into new vehicle registration data sourced from IHS, we see the recovery in new deliveries has been spearheaded by exceptional growth in consumer leases. Since 2011, personal lease registrations have improved by an annual average of roughly 18 percent (leases soared by 30 percent in 2013). By comparison, personal loan registrations grew by a lesser 8 percent over the period.

From a share standpoint, leasing comprised approximately 22 percent of new vehicle deliveries to consumers in 2014, down slightly from 2013's 23.1 percent figure.

Personal lease volume improved by approximately 11 percent to 3.19 million units in 2014 (commercial leases added another 500,000-plus units), which is the highest figure recorded since 1999's record high of 3.3 million units. Given the growing appetite for leasing, it's a safe bet that the number



of personal leases booked in 2015 will surpass this figure by landing somewhere in the 3.3 to 3.4 million range.

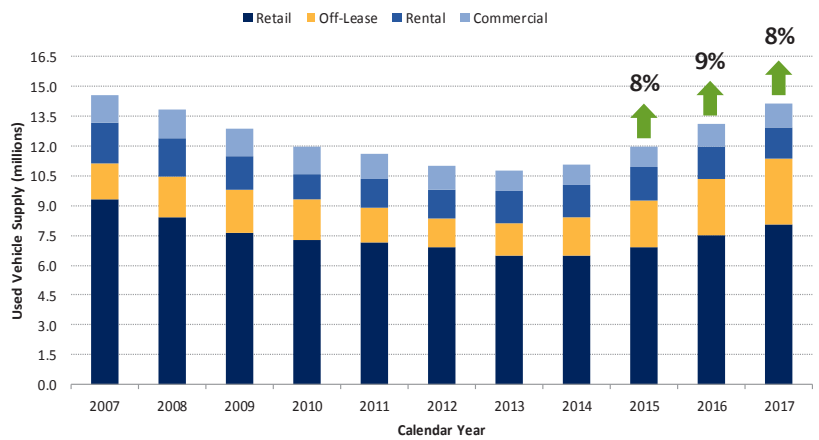
As far as rental fleet deliveries are concerned, annual growth over the past two years has been similar to what has been recorded for consumer purchases, with sales growing by roughly six percent in 2014 to 1.77 million units. For historical context, rental registrations reached a high point of nearly 2.1 million units back in 2006.

Off-Lease Supply Up Sharply, Retail Not So Much

The recovery in new vehicle sales means more used supply will be become available as time progresses. In addition, the rapid

Late-Model Used Vehicle Supply Forecast

Vehicles up to five years in age.



Source: NADA Used Car Guide



Late-Model Used Vehicle Supply Forecast

Vehicles up to five years in age.

Segment	CY2014	CY2015	^ Change	% Change
Luxury Compact Utility	103,000	136,000	33,000	32%
Subcompact Car	360,000	448,000	88,000	24%
Compact Utility	1,400,000	1,578,000	178,000	13%
Luxury Large Car	25,000	28,000	3,000	12%
Mid-Size Utility	1,135,000	1,265,000	130,000	11%
Large Pickup	1,163,000	1,286,000	123,000	11%
Luxury Mid-Size Utility	328,000	361,000	33,000	10%
Luxury Compact Car	420,000	453,000	33,000	8%
Compact Car	1,715,000	1,846,000	131,000	8%
Luxury Mid-Size Car	199,000	214,000	15,000	8%
Mid-Size Car	1,837,000	1,920,000	83,000	5%
Luxury Large Utility	92,000	95,000	3,000	3%
Mid-Size Van	423,000	435,000	12,000	3%
Large Utility	221,000	225,000	4,000	2%
Mid-Size Pickup	221,000	215,000	(6,000)	-3%
Large Car	398,000	355,000	(43,000)	-11%

Source: NADA Used Car Guide

“Overall, we estimate late model retail supply will grow 25 percent – about 1.6 million units – from 2014 to 2017.”

rise in leasing combined with the program’s shorter holding cycle means that volume growth for younger models will rise more dramatically than it will for older vehicles.

Considering this, NADA estimates late model supply (up to five years in age) will grow by more than 900,000 units to 11.97 million in 2015 – an increase of more than 8 percent. Off-lease volume is expected to rise by 20 percent to 2.35 million, while retail supply is forecast to jump by a more modest seven percent, reaching 6.94 million units. Mirroring new registration trends, off-rental supply should tick up by one percent this year to 1.65 million units. Reflecting overall economic and business growth since the end of the recession, commercial volume is forecast to rise by 4.4 percent to just over 1 million units.

Late model supply is expected to rise by an additional 1 million-plus units per year in both 2016 and 2017, to reach 14.1 million units by the end of the period. This would place supply within striking distance of 2007’s 14.6 million units. Viewed another way, it will have taken more than 10 years for late model supply to approach pre-recession levels.

Overall, we estimate late model retail supply will grow 25 percent – about 1.6 million units – from 2014 to 2017. Off-lease supply will be up more than 67 percent,

which is equivalent to about 1.3 million vehicles. Totals for each are forecast to reach 8.1 and 3.3 million, respectively.

As far as older model supply (six to eight years in age) is concerned, the Great Recession’s legacy will continue to push volume lower on a like-age basis for a few more years to come. In fact, supply for the group won’t begin to rise until 2019 and it will be even longer before volume returns to pre-recession levels.

Segment Growth Led by Compact Utilities and Compact Cars

Given the exceptional growth in new compact utility sales over the past few years (luxury or otherwise), it shouldn’t be surprising to see used supply for the group increasing in similar fashion. For 2015, NADA estimates the pool of late model mainstream and luxury compact utilities will expand by 13 percent and 32 percent, respectively, placing volume for both at record highs.

Likewise, the subcompact car segment – where new sales ballooned by 67 percent from 2007 to 2012 – will experience a substantial 24 percent increase in used supply in 2015. Late model supply growth for other segments will be not as impressive. Luxury large car volume is expected to rise by 12 percent, but despite the increase, total supply will remain below pre-recession levels. On the other hand, the expected 10 percent hike in luxury mid-size utility supply would push volume for the segment above its high-water mark set back in 2009.

Mainstream mid-size utility and large pickup supply is scheduled to climb by 11 percent in 2015; however, volume for the two will still be 30 percent below pre-recession levels. At the opposite end of the spectrum, late model supply for mid-size pickups and large cars is expected to fall by three percent and 11 percent,

respectively. Volume for remaining segments should increase anywhere from two percent to eight percent.

Brand and Model Highlights

Brands that have enjoyed more substantial new sales growth over the past few years will realize the largest increases in used supply in 2015. Falling into this category are Land Rover, Kia, Audi, Subaru and Jeep, where late model supply will be up between 17 percent to 23 percent (in that order). Supply for Fiat, which returned to U.S. shores in 2011, is expected to rise by nearly 60 percent this year.

For these brands, cultivating a stronger certified pre-owned presence will be especially critical, particularly those working to take major strides in advancing their overall brand image.

Supply for German brands Mercedes-Benz, Porsche, BMW and Volkswagen is forecast to grow by an average of 13 percent, and volume for GMC and Nissan by an average of 11 percent. Late model volume for remaining brands should be up between five percent to nine percent, excluding Chrysler, Lincoln, Scion, Smart and Jaguar, where supply will either be flat or down compared to 2014.


As for models, there will be two-plus times as many used Jeep Cherokee, Mazda CX5, Buick Verano and Dodge Dart vehicles available this year, while volume for compact and mid-size cars Honda Civic, Ford Focus, Honda Accord, Toyota Camry and Nissan Altima should rise by just five percent to seven percent.

Impact to Used Vehicle Prices

There are multiple factors that will help support strong used vehicle prices in 2015. A growing economy, lower unemployment, higher home prices, and drastically reduced pump prices are just some of the supporting factors. Even so, these tailwinds won't be quite strong enough to

offset the negatives associated with less favorable credit conditions, new market pricing pressure – and most importantly – an expanding pool of used vehicles.

As a collective, NADA's forecast for the year has prices of used vehicles up to eight years in age dropping by two percent to 2.5 percent compared to 2014. Later model year vehicles will see an additional one percent to two percent shaved off their prices. Subcompact, compact and mid-size car prices will suffer most this year, due to lower gas prices and supply levels that will be close to if not higher than pre-recession levels. Truck prices will get a lift from lower gas prices and will be less burdened by rising supply.

Looking further ahead, used price movement will be determined by a variety of factors, some of which will be harder to predict than others. Automaker production and incentive actions are just two factoring examples. However, we can pinpoint used supply growth with far greater accuracy and can state with confidence that the additional volume will pressure down prices even more in the coming years. Recognizing this, lenders, automakers and others with longer-term investments in used vehicles can better prepare for the challenges that lie ahead. 

“Brands that have enjoyed more substantial new sales growth over the past few years will realize the largest increases in used supply in 2015.”



The Current State of the Auto Retail Economic Cycle

Where are we at as an industry and where are we headed?

The auto retail industry has always weathered economic cycles with profits accelerating off the bottom faster than any increase in sales volume. Even though this last recession was more painful for dealers, in part due to the decisions by General Motors and Chrysler to eliminate under performing dealers and, in GM's case, also eliminate marginal brands and the dealers that sold those makes. In addition, thousands more new and used car dealers closed their doors as lenders cut credit lines to retailers while imposing stricter lending standards on prospective car buyers.

Both 2009 and 2010 were tough years for everyone associated with the automotive industry. But after several years of slow, steady growth, gloom was replaced by euphoria in 2014. The selling rate for new cars exceeded 16 million in 2014 while the average transaction price for a new car will approach \$36,000 this year. As a result, auto companies and car dealers are posting record earnings in North America. Whereas dealerships could be acquired at fire sale prices in 2010 (if the buyer had cash) the turnaround in the auto retail industry and its profitability and cash flow early into a cyclical rebound has driven valuations up to pre-recession levels or, for some brands, even higher.

BY MARYANN KELLER

Many industry analysts and observers attribute the turnaround in vehicle demand to the aging of the car population that has



generated so-called pent up demand. They are apt to forecast an extended period of new vehicle sales at or above 17 million. In fact, the average age of vehicles on the road is meaningless in terms of predicting future sales. The vehicle population has been aging each year since the late 1970s and is likely to continue for years to come.

The key to higher sales is not how old your car is but rather can you afford to replace it. Vehicle owners might want a new or newer car, but they can only act if they can afford to make that purchase and affordability is a function of many variables including employment, wage growth, consumer confidence and, crucial to the current rebound – interest rates.

In past recoveries, interest rates rose as the economy gained momentum. But because of the damage done during the credit crisis, the Federal Reserve policy kept rates low by any historical measure. And low interest rates and long loan maturities have compensated for the lack of wage growth to date. Single digit rates enabled more consumers to afford a new car loan or lease and to favor higher priced top of the line models over basic transportation. Eventually interest rates will rise and be reflected not only in the pricing of auto credit, but also in the cost of operation of dealerships.

Even as interest rates have impacted the auto cycle, dealers have had to adapt to an ongoing secular shift in the sources

“The key to higher sales is not how old your car is but rather can you afford to replace it.”





MARYANN KELLER

Maryann is a principal of the automotive consultancy, Maryann Keller & Associates, serving clients in the auto, auto parts and auto retail industries as well as government agencies in the U.S. and Canada. During a 28-year career on Wall Street, Maryann was named one of the top three auto analysts on Wall Street for 12 consecutive years. During her career Maryann developed an interest in the auto retail and encouraged the public ownership within this sector.

In July 1999, Maryann joined priceline.com as the president of its fledgling Auto Services division. During her year and a half at priceline, Maryann managed the car division's national roll out and observed the dramatic turns within priceline as it attempted to create an online auto retail business.

of the store's profits. The impacts of these forces are easily seen in the financial performance of five public auto dealers – Asbury Automotive (ABG), AutoNation (AN), Group 1 (GPI), Lithia Motors (LAD), and Sonic Automotive (SAH) – over the past decade. (Penske Automotive is not included in this analysis because it derives a significant portion of its revenues overseas.)

Since 2005 the average transaction price of a new car among the five companies has risen 17 percent from \$29,608 to \$34,765 while the gross profit on that car decreased 5 percent from \$2,179 to \$2,064 resulting in a drop in the gross margin from 7.4 percent to 5.9 percent over this period. Many factors contributed to the long-term drop in gross profit margins. First, automakers cut dealer margins by raising wholesale prices faster than manufacturers suggested retail prices. But in the last decade price transparency changed the car buying process for both the buyer and the dealer. Automotive websites, including independent sites as well as those hosted by auto companies and their dealers, cumulatively log hundreds of millions of unique visitors each month, multiples of the number of new and used cars purchased each month. The typical car buyer can find out whatever they might want to know about the car he or she wants and importantly, also can access detailed data that can include incentives and local market transaction prices.

Besides price transparency the Internet has also expanded the number of dealers who can easily be contacted online for a price quote thus putting dealers into competition with stores outside of their traditional market area. All of these factors, in combination with the shift toward dealer incentives linked to meeting specific sales goals have encouraged dealers to focus on volume rather than margin with the obvious consequences on front-end grosses.

Franchise dealers responded to the pressure on front-end margins by

diversifying their businesses. In 2014 finance and insurance and used cars accounted for 40 percent of gross profits compared to only 34 percent in 2005. Likewise service and parts contributed 48 percent of the gross profit of these five companies compared to 38 percent a decade ago. As much as these sources of income have boosted profits, there are limits to future growth with some coming from regulation and others from automakers. Auto retailers seem to be reaching a limit as to F&I profits while automakers and dealers will continue to spar over compensation for warranty and recall work. In addition, it is unlikely dealers will see another year when more than 60 million vehicles are recalled filling service bays to capacity.


A byproduct of the more cautious production planning by automakers has enabled dealers to maintain appropriate inventories and generate floorplan credits through this recovery. Last year the five companies booked \$99MM to profits from floorplan credits compared to realizing floorplan expense of \$226MM in 2005 when dealers were overstocked with slow selling models. We regard this as a temporary source of income as assembly capacity ramps up and put more pressure on dealers to absorb extra units.

On the cost side, the cyclical upturn in demand has allowed dealers to offset not only the secular drop in new car margins, but also the higher cost of doing business. Every auto company has mandated greater investment so that facilities conform to brand image initiatives. Automakers have sometimes required additional personnel to educate customers to new technology, mandated certain software and service providers as well as greater investments in equipment, tools and service personnel. The move on the part of automakers to influence the customer experience online and in the store will continue to impose more burdens on dealers with smaller

dealers, in particular, having less flexibility to offset higher fixed and personnel expenses.

The Internet was supposed to reduce per unit marketing costs. But there is little evidence of that as dealers lowered spending on traditional media but increased commitments to Internet-based advertising, paying for leads, participating in social media and enhancing their own websites. In order to accommodate online shoppers, dealers now operate business development centers, offer live chat and pay for premium placement on Google or other high-traffic automotive websites. Since the consumer's economic health not a dealer's advertising determines the number of cars sold across the country or in a given market area, this spending is aimed at maintaining or increasing a dealer's local share.

An old adage from Wall Street is, "Don't confuse brains with a bull market." Right

now everything favors car buyers and dealers. An improving economy, low interest rates, a desire to trade in the six-year-old car for a new one and, for dealers, a better distribution of income among their profit centers has made for heavy stock prices and dealership valuations that might dull the memory of the last recession. But this is a cyclical business that will eventually see volume decline along with bad behavior from automakers trying to keep factories running at full capacity. At the same time, auto retailing is experiencing profound secular trends, not only those mentioned here but also in the regulatory arena. This is the time when dealers have to exercise more discipline over their capital allocations and expenses. 

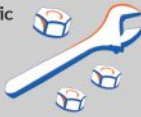










"Right now everything favors car buyers and dealers."

DEALERMINE

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With over 15 years of automotive CRM experience and our turnkey web based CRM solution, DealerMine has helped dealers across North America drive incredible results to their dealership and build relationships with their customers like no other CRM can.



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<p>SALES CRM</p> <ul style="list-style-type: none"> - Traffic Log Monitoring - Portfolio Opportunities - Lead & Campaign Management 	<p>ONLINE SCHEDULING</p> <ul style="list-style-type: none"> - Shop Scheduling - Customer Online Scheduling - Customization & Mobile Accessibility 	<p>SERVICE MENUS</p> <ul style="list-style-type: none"> - Off-make Menus - Factory Service Intervals - Tailored Menus for each Customer Vehicle 	<p>MARKETING</p> <ul style="list-style-type: none"> - Personalized Marketing - Dynamic Print & Email Campaigns - Leverage Every Customer in your Database 	<p>Toll Free: 1.800.304.3341</p> <p>Email: sales@dealermineservice.com</p> <p>Online: </p>

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Getting Serious About Service

What trends should you expect and why?

D

dealers should prepare for what will be an increased focus along with a slew of new solutions targeting service departments.

Every vendor we talk to has ratcheted up the conversation about service.

Manufacturers also are beginning to get serious about it. Last July, Toyota yanked service marketing co-op money away from its dealers because very few dealers made use of it. The new program directs dealers to use one of three marketing firms for their service retention initiatives: DME, Aspen and AutoLoop. Toyota will pay for the marketing, but it retains control over the messaging and targeting.

The focus is all about service retention.

Below are three trends we believe will be front and center over the next year or two.

Increased Acquisitions in the Service Space

Over the last 24 months, there have been seven acquisitions/investments in the service department arena in the U.S. (As of press time). I'm providing a recap of those deals because they are critical to the strategies of the buyers moving forward while indicating what the trends will be in the next few years.

Cars.com invested \$13 million in Repair Pal in February 2013. The focus is on certifying dealership service departments along with reputation services, much like what Cars.com did earlier when it provided dealerships

with reputation management services a few years. At NADA this year, Cars.com announced Repair Pal Certified, in which it certifies dealers who complete an assessment every 90 days in four areas: Technical Assessment, Minimum Warranty, Customer Satisfaction and Price Guarantee.

In July 2013, Welsh Carson Anderson & Stowe acquired Service Repair Solutions for more than \$500 million. SRS is the parent to AutoPoint (MPi) and Identifix.

Solera Holdings created a joint venture in October 2013 with WCAS to purchase an equity position in SRS. That deal culminated in Solera's outright acquisition of AutoPoint, which is headed by Richard Holland. AutoPoint is the former MPi company that was founded by Les Silver.

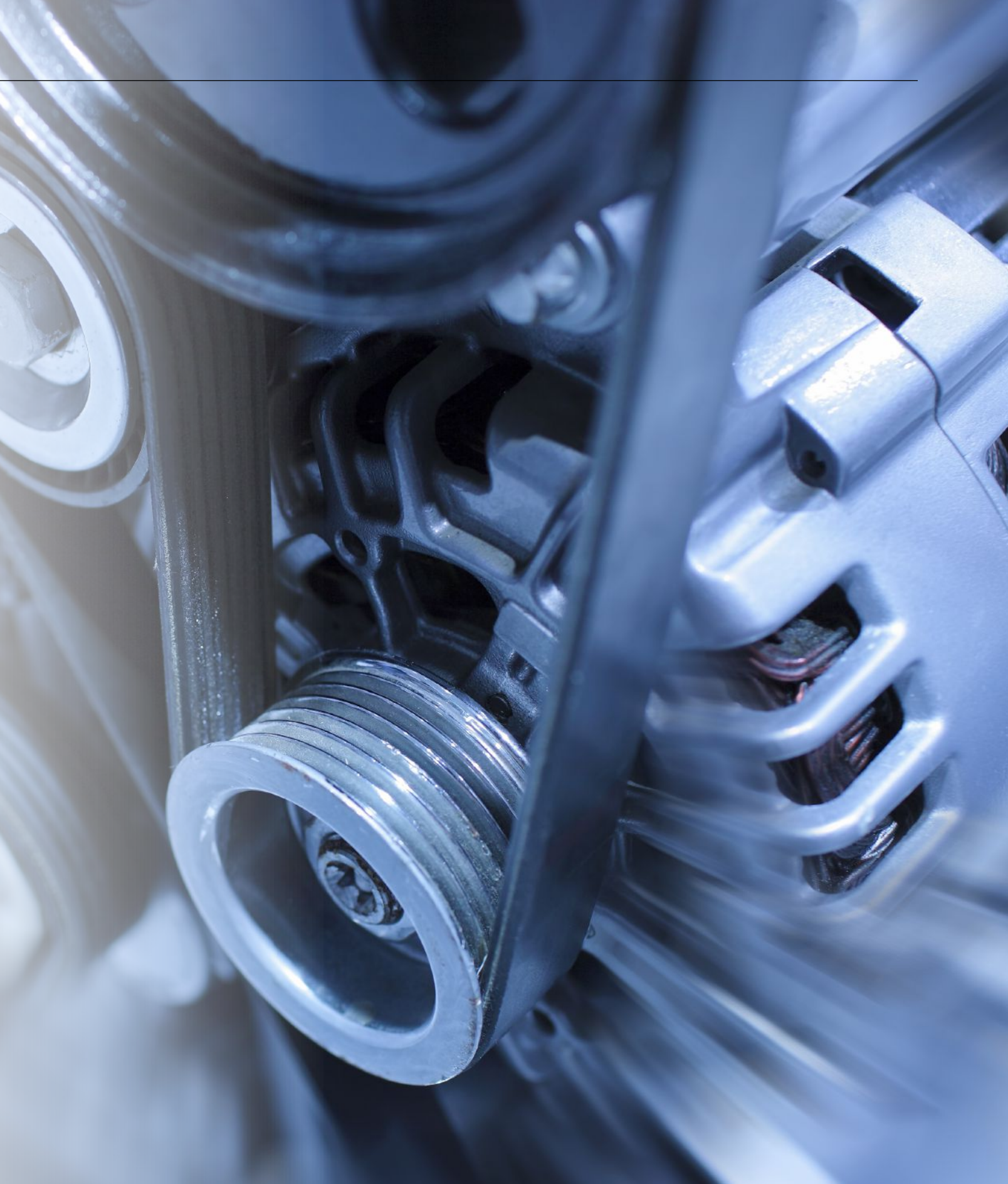
Solera also acquired Service Dynamics earlier this year and is integrating that company's online service scheduler with AutoPoint's solutions.

In July 2014, DealerTrack acquired ASRPro for its multi-point inspection solution for the service department.

Cox Automotive, in a joint deal with Federal Mogul and other investors, invested \$7 million into AutoMD, a company owned by U.S. Auto Parts. It was a small investment, but is indicative of what we believe will be a critical trend over the two to three years in dealership service departments.

Cox Automotive also acquired xTime for \$325 million in November. This

BY CLIFF BANKS





CLIFF BANKS

Cliff Banks is an industry veteran of 24 years. A long time editor and analyst, he is the founder and president of The Banks Report, an online service that analyzes news and trends in the automotive retail sector. He is a regular contributor to the DealerExec.

move, which TBR had been predicting for several months, positions Cox as the leader, along with Solera, in the service operations space. xTime is the leader in the online service scheduling space and has built a marketing solution that it claims is based on filling unsold capacity in service departments – much like the airline and hotel industries do.

For the rest of this year, who are the buyers and who are the sellers?

Buyers will be Solera and Cars.com – probably the second half of this year; DealerTrack may try to add to its ASRPro purchase, but it won't be a big deal; don't be surprised if Cox pulls off another surprise in this space this year.

Companies that could be buyers are EleadOne – to add to its AutoPilot solution; CDK (DME, AutoLoop would be great acquisitions, as would EleadOne); Reynolds and Reynolds; DealerSocket; Dominion Dealer Solutions.

Service-related acquisitions this year will be focused on companies providing service retention-marketing services – think DME or AutoLoop. DME is a solid company that should be an attractive target this year. We're hearing a lot of chatter about this one. Meanwhile, AutoLoop has come on strong in the last year, but it may be too soon in their development to think about acquisition. OneCommand also could be a nice fit somewhere.

Also, the industry should see more acquisitions of companies that improve efficiency in the service lane – mobile-based (tablet) write up solutions. Companies such as ServiceBook, Dealer-FX, DealerLogix, Smart VMA, CM, are potential sellers this year.

Increasing Transparency of Service Department Pricing

The industry is going to start hearing more about this over the next two to three years. AutoMD and Repair Pal will

be the two companies driving this. Pricing transparency happened on the sales end several years ago when invoice prices were made available to customers. And now it's coming to the service department.


Dealers were frustrated (and rightfully so) that the prices they paid the manufacturers were made public. But the industry can't let that frustration cloud what needs to happen.

It's inevitable in the service department and it's what needs to happen if dealers want to compete with the independent repair shops. Firms that move the industry in this direction are not the dealer's enemy.

Website companies, though, need to do a better job of helping dealers build service-related content for their websites. A study last August by 3Birds Marketing revealed out of more than 1,000 dealership websites 60 percent had fewer than five pages of service-related content on their website while 82 percent do not offer a "Why Service Here" message.

More Solutions Tying the Dealership Service Department to the Vehicle's Onboard Telematics System

xTime is already working with different manufacturers to develop ways to integrate the onboard vehicle diagnostics with the dealership's service scheduling solution. Envision the following scenario: The customer is in the vehicle and receives a voice message saying it's time for an oil change. The message also includes the time slots available at the dealership service department and whether those times are open in the customer's calendar. And with a simple voice command, the customer can set the appointment.

Solera is in position to start moving in this direction also. Whether it does, is the question. At this point, no one else appears to be thinking or moving in this direction. 

What's the fastest selling car in America?

New
VEHICLES
MOVE
52.56%
FASTER



Used
VEHICLES
MOVE
61.95%
FASTER



The fastest selling cars in America are the ones that are “deeplinked” directly to your website vehicle details pages (VDP). In other words, Lotlinx cars.

Greater inventory turn. More active buyers. Lower cost per sale. Lotlinx drives the fastest selling cars in America by shifting your days on lot from where it has been.

For most dealers, average days on lot for a 2015 Subaru Forrester is 88 days. With LotLinX, the average days on lot is 52 days.

To where it should be.

Average days on lot for a used 2013 Nissan Altima is 125 days. With LotLinX, the average days on lot is 76 days.

We call it “sales velocity.” And across America, at dealerships large and small, we’ve increased inventory turn by reducing days on lot by as much as 60%.



POWER to the Dealer

“We’ve reduced our vehicle days on lot by more than 33%. With Lotlinx I’m getting more “true” customers and spending less time in the sales process. Customers arrive ready to buy.”

--Brent Durham, Preston Automotive Group

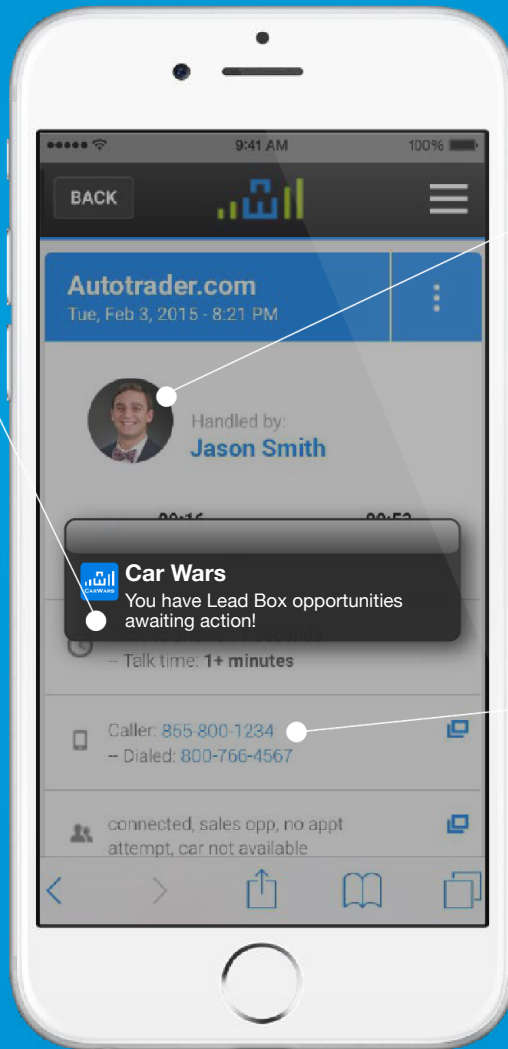
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