

RETAIL REVOLUTION

CHALLENGES POSED BY THE DIGITAL ERA INSPIRE DEALERS TO ADOPT PEOPLE-FIRST PROCESSES

Car shoppers say that when they arrive at the dealership, they want to talk to a consultant, not a salesperson. They want the buying process to move faster. And they want to trust the price they're offered. Is there a way to make these things happen?

Customer dissatisfaction is a key reason that many dealers say they want to change their sales process. When MAXDigital conducted a 2018 nationwide survey of dealers, 41 percent said they are considering changing their sales process in the next year.



Patrick McMullen, MAXDigital senior vice president of strategy and innovation.

Says McMullen, "People in the industry are thinking: 'We need to change. We want to change. But how do we start?'"

"The bottom line is that customers want an easier way to buy a car."

NEW RULES, NEW ROLES

Recognizing that shoppers today are looking for a product expert rather than a salesperson, 63 percent of dealers in the MAXDigital survey said they are considering ways to make the sales process more consultative. "Many dealers already are changing their titles from salesperson to product consultant or product expert," McMullen says. "They recognize that customers want to learn about a car but don't want to be sold to."

"In many cases, customers sell themselves before they show up at the dealership. They pick that dealer for a reason."

PROPER TECH BUILDS TRUST

Technology—especially tools that give salespeople instant access to information about vehicle packages, equipment and the manufacturer's suggested retail price—can speed up the process, establish that consultant-style relationship, make salespeople more successful and build confidence and trust with customers.

"Dealerships that use robust technology to define detailed information about a vehicle can prove out the

quality and value in a car," McMullen says. "It's a way to use evidence, not just words, to prove that a dealer's price is fair."



Tim Scoutelas

It's also "a way to give customers acknowledgement for the work they've already done in shopping for a car," says Tim Scoutelas, a veteran senior account executive at MAXDigital. "Many dealers understand that no matter how much research they've done online, the customer still needs to complete the research at the dealership—especially by touching and driving that car. It becomes imperative that salespeople have the technology to access all of the same information the customer saw online—and a little more."

EQUIP YOUR TEAM FOR SUCCESS

A bonus of giving sales consultants the right information on vehicles, in an easy-to-access format, is that the sales staff also feels more confident in having a conversation during the customer buying journey. Nearly 80 percent of dealers surveyed say staff turnover affects their business, and 23 percent call it a major issue at their dealership. Part of the dissatisfaction, salespeople tell their dealers, is they don't have enough training or enough information when they're on the showroom floor.

HASSLE-FREE PRICING PROTECTS PROFITS

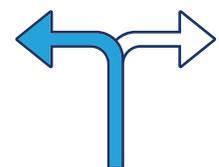
Customers also want reassurance that they're getting a fair price that matches what they saw online. Understanding consumers' desire for both a faster process and transparency, four out of 10 dealers surveyed say they're looking to adopt some sort of no-haggle or low-haggle/fair-price strategy.

A fair-price strategy, supported by detailed proof to explain a vehicle's price tag, can help dealers avoid price drops—drops no dealership can afford in today's competitive environment, where profit margins are under pressure. Thirty-two percent of surveyed dealers say they are considering ways to change their strategy to avoid dropping prices—because 60 percent say they discount the price of an average vehicle by at least \$500. ■

"DEALERS ARE STARTING TO REALIZE THAT THE EXPERIENCE A POTENTIAL CUSTOMER HAS AT MANY DEALERSHIPS IS NOT ALIGNED WITH THE WAY PEOPLE ARE SHOPPING TODAY..."

- **Patrick McMullen**, MAXDigital senior vice president of strategy and innovation

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of dealers
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change



59%
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do not want
change

63% OF DEALERS ARE CONSIDERING WAYS TO MAKE THE SALES PROCESS MORE CONSULTATIVE.



FOUR OUT OF TEN DEALERS SURVEYED SAY THEY'RE LOOKING TO ADOPT SOME SORT OF NO-HAGGLE OR LOW-HAGGLE/FAIR-PRICE STRATEGY.

"TO MAKE CUSTOMERS AND SALESPEOPLE HAPPY, WE HAVE TO MAKE THE ENVIRONMENT MORE LIKE 2018. THAT STARTS WITH THE PROCESS, AND IT HAS TO ENTAIL TECHNOLOGY."

- **Tim Scoutelas**, MAXDigital account executive, strategic accounts