

EVOLVING YOUR SALES PROCESS TO WIN

Acquire, Price, Merchandise, and Sell to Win Today's Digital Consumer

WHAT MATTERS MOST TO TODAY'S DIGITAL CONSUMER

Today's car buyers are very different than they were 10 years ago. Our proprietary research has shown that there is a distinct way that today's consumers are looking to search, and a distinct way that they are looking to buy.

It is emotion, and not logic, that ultimately gets the deal done. Think about it, try to call a time when a friend or family member has called and said "I can't wait to show you my new car... I don't really like the drive or the feel, and it's not very practical for my needs... but dang, I got a great price on it, I really beat that dealer up"? Those sort of exchanges just don't happen. People want to love the cars they buy. So the ultimate question is, how should dealers build their businesses?

HOW TO GET IT RIGHT . . . ACQUIRE, PRICE, MERCHANDISE AND SELL

Unfortunately, it's not an easy, quick-fix solution. If it were, we wouldn't see long-time established dealerships going out of business at the rate they are today.

The reality is to do these things right, to win with today's digital consumers, dealers have to evolve the way they market and sell. In our experience working with some of the industry's finest dealers, there are four critical steps that dealers need to take in order to enable their people and win with today's digital consumers.

ACQUIRE RIGHT

The first step is to acquire right. Dealers need to have a strong foundation for their business by acquiring inventory with a modern cost-to-market appraisal. Sounds simple, but it's as true today as it ever was... the first steps in an effective and profitable marketing and sales process is acquiring cars at the right price.

Appraising vehicles before you acquire them is one of the most important processes in auto retail because it can make or break dealers' potential margins. Whether it's a trade-in or at an auction, vehicle appraisals are critical, and they can be challenging and time-consuming without real-time market information.



PRICE RIGHT

The second step is to price right. Pricing is absolutely critical in protecting margin and ensuring transparency with consumers. Cars need to be priced using industry-accepted pricing proof points that ensure both transparency and consistency across information sources.

Our proprietary research here at MAXDigital has shown that if consumers' needs are met on the lot – if they are able to validate the information they find online and trust in the price is built – then consumers will negotiate less and are considerably more likely to make a purchase. Establishing early and often that a vehicle is priced fairly can make or break a sale, and thus can make or break a dealer's margins.

MERCHANDISE RIGHT

The third step is to market right. Marketing cars is more critical than ever, and having a consistent and transparent message is the only way to attract today's consumers and close deals when they arrive on the lot. The goal for innovative dealers is to start building trust with consumers right up front/online... so that their desire or tendency to want to "do battle" on the lot is diminished and double discounts can be avoided.

One way to build trust is to make sure the experience consumers have is consistent across all touch points– from what they see online, what they hear from business development centers and when they visit in-person on the lot. According to Google, dealer sites were ranked ahead of OEM sites, search engines, and third-party sites as the #1 source of information for consumers during the shopping process.

SELL RIGHT

The 4th and final step is to sell right. This is the bread and butter of any dealership – margins and livelihood. The sales processes and practical sales tools being deployed by dealers today have simply not evolved enough. Today's digital consumers want a trusted ally on the showroom floor. Dealers who fail to deliver, will fail to get the sale... or at least the profitable sale. J.D. Power and Associates agrees. Their recent white paper found that dealer treatment, rather than lowest price, was the top reason both Internet and non-Internet users chose to purchase from a given dealer.

Dealers who acquire right, price right, and merchandise right stand to lose all the ROI in the equation if they do not empower and enable their sales team to sell in the way that today's digital consumers demand.

So give the consumers what they want, where they want it, when they want it. Today's consumers are starting their decision-making process way before they even think about visiting a dealership. In fact, the majority of consumers have narrowed down their decision to a couple, if not one, vehicle. They know what they want and they come to the dealership to validate their research and test drive vehicles.

WHAT IF YOU DON'T KNOW HOW?

Don't worry, it's not just you. Check out maxdigital.com/takethechallenge to see how you stack up.

CONTACT US

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¹ Deloitte – Driving through the consumer's mind: Steps in the buying process (December 2014)