

# your ally dealer digest.

Delivering industry news, dealer trends, and more.



august 11, 2020

## The Shift to Digital Auto Sales Moves into Top Gear\*

By Gabe Garroni, Senior Vice President of Sales, Ally Insurance

Whether it's the only option or preferred choice for stuck-at-home customers, the shift to digital auto sales is coming fast — ready or not. However, the speedy digital transition we're experiencing has been happening gradually for years, and the dealers who do it right in the next few months could be well-positioned to succeed in the long term.

For years, dealership departments have operated in silos, sometimes causing coworkers to compete with each other instead of the store across the street. Now, many dealerships are running with multi-tasking, skeletal crews and this streamlined sales process is appreciated by many customers who prefer dealing with just one person.

As dealers simplify operations, it's smart to take a closer look at how digital resources can seamlessly link different steps of the sales process through a single point of contact. To successfully update your dealership's approach, be sure to keep the following top of mind:

### Car buying: Treat online like the real thing

Think of your website as a kind of virtual sales lot. Would you let the cars be crooked and unwashed? Make sure your online experience reflects the same clean, organized look a customer would expect from a physical dealership.

Start by conducting an online audit to get a sense of how your dealership is displayed virtually. A quick Google search will give you a good idea how customers are viewing your products and services. Verify that search results are accurate and up to date. Are your hours of operation and staff photos current? Do you have promotions listed on a "specials" tab? This is a good time to update it with service and F&I specials.

Another critical step is making sure your website displays current inventory. Be creative with the approach you take, and tailor your marketing to your respective community. Include a video option or a virtual walk-around of vehicles to keep your consumers engaged.

### More than the Sale: F&I

A successful digital sales program integrates all the pieces of the dealership experience. Traditionally, F&I was a specialized department, but to really move the needle, it's better to integrate F&I with the sale and service process.

Income from F&I as a share of profit has been steadily rising as more dealers realize its potential. Data from NADA shows that the income from F&I departments accounted for 25.5% of total profits on sales in 2018, up from 24.9% in 2017. You may not be able to physically walk your customer over to the F&I or service departments, so it's important for every salesperson to be comfortable explaining the benefits of financing and protection products. In fact, we're hearing from several dealers who are seeing a lift in F&I results in the past month. Like online vehicle inventory, F&I products should be promoted on your website for customers to research and compare.

According to JD Power, more than 40% of Americans are reporting their financial situation has been at least somewhat hurt by the Covid-19 crisis. Customers aren't feeling good, mentally or financially, which means it's more important than ever to maintain the personal touch via virtual communications.

Personalize communications so shoppers know they're interacting with a human and not a computer. Thank them for choosing your dealership and compliment their choice of vehicle. Respond to their specific questions promptly and offer opportunities to "test" the vehicle through different mediums. These are just a few ways to make customers more comfortable with an unfamiliar process.

With remote communication, ask yourself: do you have the capabilities to allow customers to digitally sign for purchases? How are you holding pricing conversations – are you offering a virtual face-to-face connection through Zoom or Facetime? Find out whether your customer prefers email, phone, text or video chat conversations. Making your customer feel at ease in your digital environment should remain one of your top priorities and requires some creativity.

Finally, as you think about ways to adjust your dealership for digital sales and help your customers feel engaged, resist the temptation to add unfamiliar vendors and expensive new technologies given the many unknowns. Instead, take this time to focus on your people and make meaningful shifts that will help ensure your dealership is positioned for success in any situation.

# # #

\*This column original appeared in the June 22, 2020 issue of Automotive News under the headline, "Ditch silos to improve digital selling," on page 13.