



5 Mobile Opportunities for Automobile Dealerships

**THE ULTIMATE GUIDE FOR GROWING YOUR
AUTO DEALERSHIP WITH MOBILE**

Modern dealerships face many challenges

Buyers across every industry are shifting toward mobile, conducting their research and making purchase decisions within the context of a digital world. They read extensive reviews, compare competitor prices and gather information before making the decision to purchase an expensive product. What does this mean for automobile dealerships? Owners, sales, service and marketing managers must rethink their customer engagement strategies in order to attract these digital-savvy buyers.

82% of shoppers turn to their smartphones to help gather information prior to making purchase decisions. And even though 80% of customers still test-drive vehicles in-person as part of the purchasing process, most car shoppers will only visit 1.6 dealerships when purchasing a car - making it that much more important for dealership owners to embrace a strong digital presence that engages with the buyer early on during their information-gathering stage...before they've decided which dealer to visit.



“The power and proliferation of mobile devices in the U.S. is undeniable, and consumers are rapidly turning to these devices as they shop for cars.”

- Jared Rowe, president of AutoTrader.com

The automotive field lags behind other industries that have embraced innovations in mobile technology. As consumers continue to expect a digitally-enhanced shopping experience and as automotive products become increasingly more complex, auto dealerships need to embrace digitization. This may require an overhaul of sales and service processes in order to keep up with other retailers and meet revenue goals.

Car dealership owners and sales teams must be extremely knowledgeable and up-to-date with specs for each product in order to make a sale. This is especially true in an age where shoppers have Internet access readily available, but also expect their salespeople to provide a wealth of information that is not easily accessible via mobile search.

Traditional car dealership models in many countries face increased competition and market oversaturation, making customer loyalty even more difficult to cultivate. In fact, as the number of U.S. auto brick-and-mortar retailers increased, sales dipped 15% in 2015, alone. Despite this decrease, 90% of customers still consult original equipment manufacturers' (OEM) and dealers' websites in the early steps of the purchase process.



While the significance of traditional brick-and-mortar retailers has lessened for most other industries, physical car dealerships play a relevant, consultative role in a buyer's purchase process for the following reasons:

- Car buyers still want to personally experience the car before making their final purchase decision.
- Buyers need advice and information that isn't available on dealer or OEM websites such as financing, insurance and additional services.
- Automotive brands, car dealerships and buyers still see the importance in building a personal relationship that allows the brand and the dealership opportunities for customer retention, upselling service offerings and improving brand representation. This personal touch gives customers peace-of-mind that they are buying from someone they trust.

This shift to mobile is effective for streamlining and simplifying the customer's car-buying process. Mobile also offers dealerships opportunities to increase operational performance and provide employees with better tools that create a more meaningful experience for the customer. With more customers now turning to mobile to address their automotive needs across the life of their vehicle, dealerships must get ahead of this new technology and incorporate mobile into their overall business strategy.

How can mobile address these challenges?

Sales. Sales teams' knowledge about their brands' models have increased due to readily-accessible information, improving both their expertise and efficiency. Useful sales tool information includes online reviews, dealership videos and inventory information that can help sales teams inform their customers' decision-making process without having to resort to hard-sell measures. Salespeople also have a better chance at upselling when they can instantly provide customers with information that clearly explains the value and the features of a vehicle model. Sales teams at OEM's including BMW, Ford and Mercedes Benz now use company-provided tablets to effectively present car buyers with information.

Sales teams can also proactively utilize mobile to combat “showrooming” – when on-site customers use their mobile phones to shop competitors for a lower rate in real-time.

A tech-savvy salesperson can use tablets to help the customer compare competitor products online and offer price-matching or upgrades, giving the dealership a competitive advantage.



1. Sales
2. Service
3. Financing & Insurance
4. Loyalty
5. CRM

Service. Dealership management must be proactive in cultivating customer relationships that extend beyond the purchase of a vehicle and include servicing the car over its lifetime. Even though 54% of customers believe dealerships offer higher quality maintenance and repair services than aftermarket mechanic shops, customers also perceive dealerships to be more costly and slower to make repairs.

This negative perception is expensive for dealerships as it means car owners often seek repairs elsewhere. In 2014, the time customers spent between service appointments, also known as the 'service interval,' jumped by 4.2 days in 2014, costing auto dealerships an estimated \$85,600 in annual service revenue.

Auto dealership service managers who wish to reverse this perception should examine their service lane. By uncovering and addressing inefficiencies in the service process and improving customer communications, service managers can ensure they provide the best possible customer service, encouraging customers to return to the dealership for their service and repair work.

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Mobile is an effective way to mitigate these challenges; research shows that 65% of adults possess smartphones and those with dealer-branded apps book 25% more repair and maintenance appointments than those who don't use a branded dealership app. Some of the service-enhancing functionalities within a mobile app include providing customers with service hours in real time, instant responses to requests for quotes, appointment booking and even account payment with just a few taps on their device.

A mobile app can not only improve the dealer's relationship with customers, but also positions dealers as more convenient than their competition by making it easier for customers to properly maintain their vehicles. Dealerships that have not deployed mobile apps are missing out on lucrative opportunities to improve process, increase customer satisfaction and boost company revenue.

Financing & Insurance. F&I is one of the most time-consuming and paperwork-heavy aspects of the car buying process for both the dealer and the customer. On average, car buyers spend 61 minutes or 66% of their time completing the financial paperwork necessary to complete the purchase, while an average of only 30 minutes is spent looking at cars and conducting test drives.



Several documents are required when a customer applies for financing: information from previous and current employers, total gross monthly income, sources of income, financial obligations, credit reports and much more. This process is a perfect application for mobile to uncover and promote operational efficiencies, making the experience better for all involved parties.

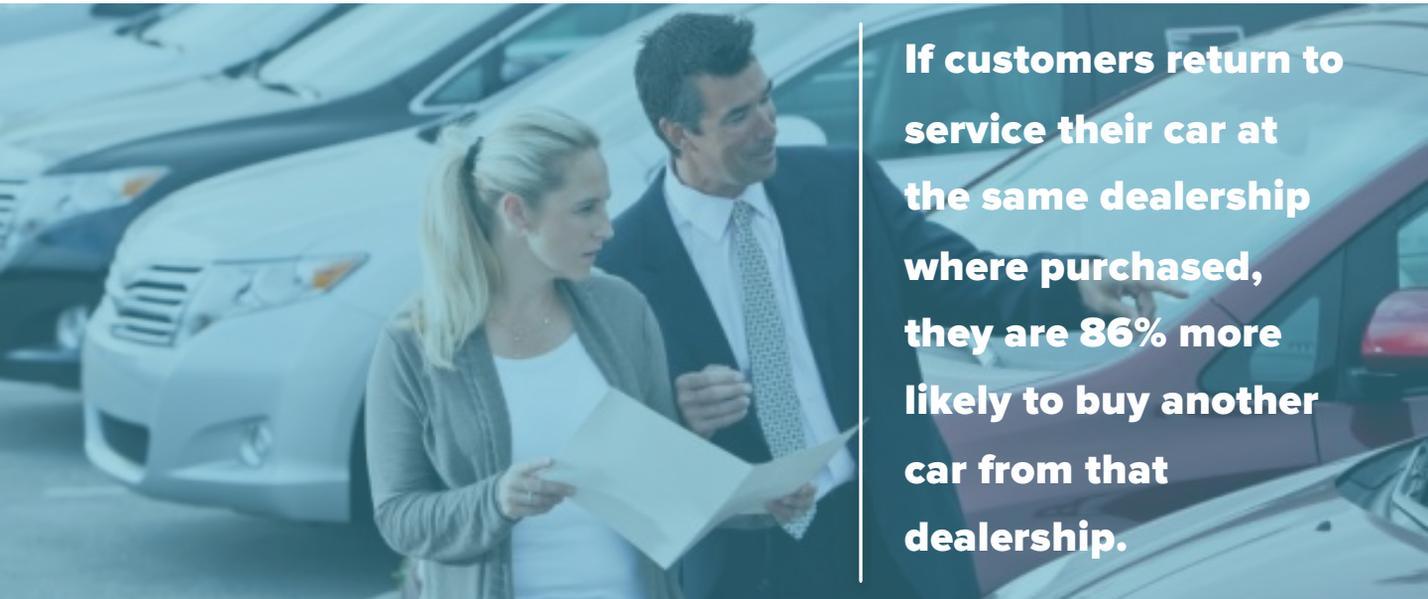
For instance, while waiting to meet the F&I manager, customers can start the paperwork process via a tablet by creating a profile about their driving habits, watching educational videos and designing a customizable package based on their needs. This saves both the customer and the F&I manager time, but more importantly it leaves the customer feeling more empowered to make better decisions.

Transparency is another key benefit for the F&I department when dealership managers invest in mobile. Finance managers can seamlessly and consistently present financing products to each customer with full breakdowns for associated fees and payment terms allowing customers to quickly compare package options. Managers can also use mobile to adjust financing terms and rates in real time.

For tech-savvy customers, mobile is a way to stay engaged in the overall sales process and make purchase decisions in their preferred buying environment. As a result, auto dealers will improve profit opportunities and increase customer satisfaction.

Loyalty. Dealerships with strong loyalty programs can benefit from a mobile loyalty experience that keeps users interacting with their brand every day. This increased exposure raises the probability of the customer returning for service earlier than usual. In addition, if customers return to service their car at the same dealership where they initially purchased it, they are 86% more likely to buy another car from that same dealership. This highlights the importance of mobile apps and their ability to build loyalty and encourage customer retention.

Dealerships can also boost customer engagement and drive loyalty through apps by offering mobile-exclusive promotions. Keep your most engaged customers coming back with exclusive deals that are only accessible through the dealer's app. Make it easy for customers to share their excitement for your brand with their social networks.

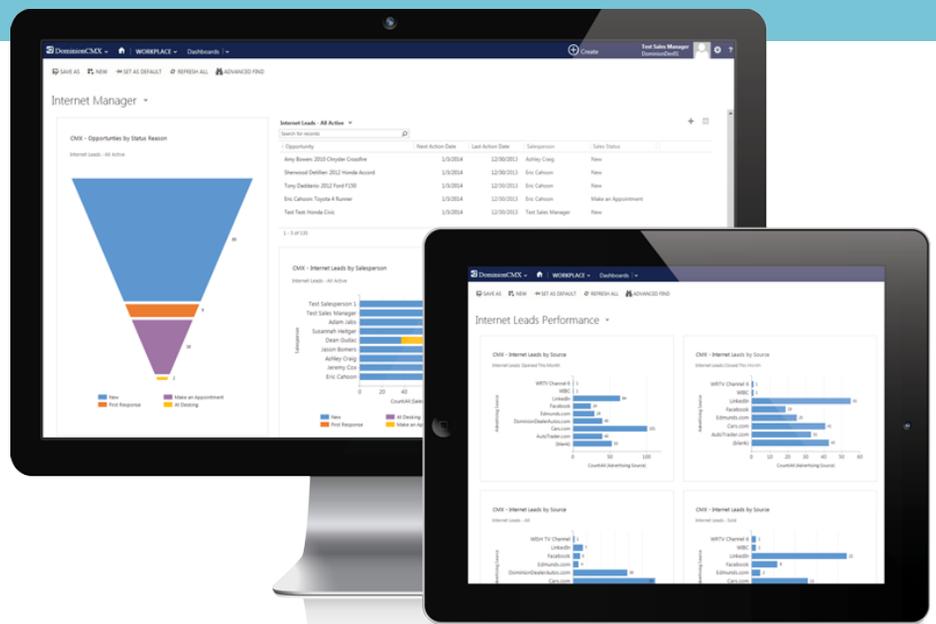
A photograph of a man and a woman in a car dealership. The woman, with blonde hair in a ponytail, is holding a large white document. The man, wearing a suit and tie, is looking at the document with her. They are standing in front of several cars, including a white sedan and a red car. The image has a light blue tint.

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CRM. Mobile apps can also help streamline and make CRM processes much more effective for car dealerships. CRM software for auto retailers is evolving rapidly, and it's not slowing down anytime soon. Today, dealerships turn to mobile to provide them with CRM functionality that we never thought possible a decade ago. With CRM at the tip of your fingers, controlling lead and customer data, maintaining a website, analyzing web traffic and interacting with the customers directly through chat functionalities 24 hours-a-day becomes seamless.

All dealership employees can benefit from using CRM functionalities. Business development managers can manage leads with a few taps. CRM can support sales teams, providing them with more time to focus on selling and connecting with customers by providing them with all the customer information they need simply by accessing their smartphone or tablet. Instant access to information saves time and will reflect in a stronger bottom line and increased revenues as teams engage with your customer database in real-time. Mobile will also help management make better, well-informed decisions by having data and reports readily accessible.

A one-size-fits-all standardized software approach no longer work; the strategy must be tailored to real customer profiles and their local geographies.



Conclusion. The benefits of mobile apps for car dealership managers and their customers are numerous. Because the technology is so accessible and affordable, retailers can now develop their own mobile products when they see opportunities to improve customer interactions and increase revenue. A one-size-fits-all standardized software approach no longer works; the strategy must be tailored to real customer profiles and their local geographies without isolating existing customers who are slower to adopt new technologies.

Auto retailers need to balance these elements: a customizable approach, continuous monitoring of customer behavior and organization-wide agreement on an updated business model. These challenges will mean continuous evolution in the way dealerships will operate in the future, but the journey to adaptation is the new way to do business. While the major trends occurring in the industry translate into substantial changes for the auto dealership business, research clearly points to a new day for car dealerships, should they be able to harness the powers of mobile efficiently





stablekernel

Founded by Joe Conway, author of the best-selling iOS Programming: The Big Nerd Ranch Guide, stablekernel is an Atlanta-based mobile app company offering end-to-end development services to craft smartly-designed software that connects brands directly with their users – across tablets, smartphones, desktops, wearables and the Internet of Things. Our team of developers takes clients from strategy through design, development and deployment, ensuring timely delivery of the highest quality apps

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