

## 8 Revenue-Building Responses to Slumping Car Sales

If you're familiar with the recent reports from NADA, you likely know there's concern that automotive sales may be plateauing and the industry may even be entering a period of decline. While most long-standing dealerships have survived similar experiences in the past, changes in buying habits, OEM strategies, service alternatives, and more are creating unique challenges. Based on current trends, here are 8 suggestions to help curb slumping car sales.



### 1. Prepare Your Team

The first step is to proactively prepare your team for change. When sales slump, it puts more pressure on closing the opportunities that do present themselves, and the customer experience becomes more critical. Longer vehicle ownership means more service and maintenance opportunities. Share your vision for weathering the downturn with your team. By department, discuss how to reduce waste, eliminate unnecessary steps and practices, do more with less, improve productivity, and maximize lead conversion and closing ratios. Make sure everyone understands that every potential buyer and customer is gold and to treat them as such.



### 2. Sharpen Your Online Focus

Your dealership must master digital and mobile channels. Improve the online experience by enabling shoppers to buy your inventory online (or at least complete as many steps of the buying process as possible without ever stepping into the store). Make it easy for customers to schedule service online. Then, make their in-store experience like their online one, using showroom digital devices, kiosks, and survey tools.



### 3. Adopt Aggressive Pricing

Utilize market pricing for both new and used inventory right from the beginning with the goal of retailing within 30 days for maximum margin. Measure the success of your pricing strategy against inventory aging. When it comes time to negotiate, remember, consumers have tremendous access to price information today. They respond negatively to a first offer that is above their expectations. They aren't looking for lengthy negotiations. In fact, if you hit the mark right off the bat, you are in a much better position to sell add-ons.

---



### 4. Refine Trades and Acquisitions

Appraisers and buyers need to be particularly on top of their game so profits aren't squeezed further. Be sure they have easy access to the data they need to recognize average reconditioning costs for the make, model, and mileage of the vehicles they're buying. Give them mobile tools to collaborate with decision-makers, wherever they may be, so everyone is working off the same information.

---



### 5. Brand Your Service Marketing

Dealer-branded service marketing links customers to your dealership. For example, prepaid maintenance can increase service volume and lift long-term customer retention. Use "lost" and "declined service" capture tools in the DMS to market to these opportunities to re-engage your relationship. Resist discounting—coupon customers are typically one-off customers and don't build the retention needed for sustainable operations.

---



### 6. Streamline Parts

According to NADA, your First-Time Fill Rate should be 90 percent and your Same-Day Fill Rate 95 percent. Conflicts between DMS inventory data and what's actually in stock seem to trouble many parts departments. The issue is commonly due to stocking a wrong mix of parts, which can occur for several reasons, including:

- Incorrect or outdated DMS parts inventory phase-in parameters
- Incorrect high- and low-days' supply
- Unidentified or misidentified lost sales
- Unsold emergency purchases placed in stock
- Unsold special order parts placed in stock
- Improper stocking processes





## 7. Strengthen the Sales-Service Crossover

Hold both sales and service accountable for ensuring a smooth sales-to-service customer turnover to capture a higher first-service-appointment rate. Review the steps and talking points for turnover so your team not only knows how it is to be done, but does it consistently. Prepare your service team to initiate sales-in-service as well. By comparing the customer service appointment and customer profile data from the DMS, they will be ready to target those customers who are in a positive equity position or nearing end of contract or lease term. Make an offer on the vehicle and put the customer behind the wheel of a new one before they leave the appointment.



## 8. Improve Service Scheduling and Upsell

Use a service scheduling tool in the DMS to make certain that workloads are distributed fairly and technicians are busy in their bays, increasing productivity and billable hours. Also, focus on upsell opportunities. Complete a complimentary multi-point inspection for every vehicle that comes in, perform a vehicle walk around with the customer every time, and train advisors to make recommendations confidently. Look for any blemishes, malfunctioning lights, tire wear, etc., and point them out. Give customers the opportunity to say “Yes, please!” to any additional opportunities for service.



Autosoft is the perfect combination of affordability and functionality, and has been named the highest rated DMS from DrivingSales for two years in a row. Designed to improve dealership processes and reduce operating costs, Autosoft’s dealer management system allows you to focus on your customers. With more than 30,000 users in 2,000 car dealerships, Autosoft is breaking the mold with innovative, user-friendly technology and business-friendly terms and conditions.