



The New Car Buying Experience: 60 Minutes or Less

Due to technology advances and the vast amount of vehicle information now available on the Internet, today's buyers step onto the showroom floor further down the sales funnel and closer to a purchase decision than ever before.

The ease of shopping online leads vehicle shoppers to expect a shorter sales process in the store. When that expectation is not met, satisfaction drops significantly. An AutoTrader.com study illustrated this point when it found that customer satisfaction is highest within the first 60 minutes at the dealership, and declines from that point on.

Fast transactions and turn-around times are a hallmark of many retailers. Amazon Prime is rolling out two-hour delivery to many of its markets. Apple offers free two-day shipping for any in-stock item, and free next-day shipping on any in-stock iPhone. Why do they do it? Because buyers love the convenience, and the Internet has conditioned all of us to expect to get what we want, when we want it.

Unfortunately, most dealerships have not kept pace with this new purchase environment. In fact, the same AutoTrader study found that the F&I process alone took nearly 61 minutes—including the sales process and trade-in valuation—and it's easy to see that few buyers get out within that 60-minute goal. Dealerships stuck in this old, inefficient transaction model risk lost sales, low CSI, and minimal customer retention. The purchase process shouldn't be arduous. Every step of the deal should be structured to give shoppers what they want: a faster and easier transaction.



A featured article in *Digital Dealer* put it well:

All of the components of the retail transaction should be available in a streamlined process that includes pre-screening, accurate trade-in valuations, desking abilities that enable customers to find their best payment, menu-based finance offerings, and digital contracting.



Your Step-by-Step Transaction Audit

To reduce transaction times and improve the overall experience, your dealership must first identify current obstacles at each step of the purchase process. Commit to a step-by-step audit of the following crucial areas to better align your dealership's processes with the buyer expectation to be in and out in 60 minutes.

1. Pre-screening

Many dealerships continue to follow the traditional process of pre-screening and securing financing on site, but moving more of this step online can save significant time. It's inefficient and time consuming for your F&I team to act as the "middlemen" between the customer and the financial institution. Instead, take advantage of third-party online prequalification tools that allow your customers to enter the dealership with financing in place.

2. Accurate Trade-in Valuations

According to the AutoTrader study, the average time to complete the appraisal process was 43 minutes. The most time-consuming tasks were negotiations (an average of 16 minutes with a maximum of 39 minutes), and gathering customer and vehicle information (which took the longest average amount of time at 18 minutes). There are several steps your dealership can take to cut these average times. First, push the administrative tasks upstream with a tool that allows customers to enter vehicle information online. Second, make appraisals market-transparent by appraising the vehicle with the buyer and then leveraging third-party tools to show true market value and cut down on negotiation time. Finally, encourage sales managers to hand over the reins to the salesperson, who can streamline the process as a single point of contact.

3. Desking Abilities

Pricing negotiations can extend a customer's time at your dealership and leave a bad taste in the mouth if things get adversarial. The AutoTrader study found that negotiation took an average of 21 minutes, making it potentially the most time-consuming variable in the entire purchase process. Integrated desking tools that give your F&I team the ability to quickly structure all deals and present side-by-side comparisons show customers that you are working with them to present all options and allow your F&I team to move faster.

4. Menu-based Finance Offerings

Traditionally, the aftermarket pitch comes at the end of the financing process when buyers are growing impatient and ready to be out the door. Long explanations and messy paper menus make it even less likely that customers will choose multiple options. Increase the speed of the process and acceptance rate by introducing aftermarket options earlier; for example, while the customer is looking at inventory or waiting to enter the F&I office. Many dealerships are using interactive tablet presentations that integrate with the DMS to make menu selling more engaging while reducing double data entry and errors.

5. Digital Contracting

Filling out multiple paper forms increases F&I time by as much as 44 minutes, according to the AutoTrader study. An eContracting solution integrated with your DMS will automatically populate the contract with customer and vehicle information to reduce data entry time, while mobile review and signing capability eliminates the need for paper forms.

The common theme that unites all these areas is integrated technology. Multiple systems that do not interface with each other are a major factor in slowing down in-store time. An integrated end-to-end DMS, one that specifically allows you to work with the third-party providers of your choice to bring all of your processes together, can provide the streamlined customer experience you need to get a leg up on the competition.



Leveraging DMS Technology to Hit the 60-Minute Mark

The DMS market is crowded with solutions that fall into two general categories we call flexible and fixed. Flexible solutions are generally scalable, include open architecture for complete third-party integration, and feature logical workflow sequences to speed efficiency. Fixed solutions often severely restrict third-party access in the name of security, offer clunky navigation that impedes speed, and aren't all-inclusive of every dealership department.

We think it's fair to state that flexible DMS solutions are much better at advancing with technology due to open architecture that expands functionality as your dealership needs it. In addition, the ability to work with third-party providers of your choice lets you do business in the way that works best for you. It also allows you to leverage new innovations and take advantage of specialized functions that may speed transaction times. Finally, there is no compelling evidence that flexible systems are inherently less secure. In fact, the exact opposite is true. Providers that restrict access in the name of security are preying on the fear of a data breach and the promise of extracting high access fees (which most likely will be passed on to your dealership), not on documented facts. Ultimately, these restrictive policies may act as a roadblock in today's new buying environment.



Whether flexible or fixed, your DMS may be limiting your potential. How do you know? Ask yourself these questions:

- Does my DMS allow me to handle every facet of my business and every step of the sales cycle? Complete integration speeds the customer process and delivers timely insights to help you run a more profitable business.
- Does my DMS offer drill-down access to critical customer, deal, inventory, and business information? You shouldn't have to open 15 screens simply to access deal information or go in and out of applications to get performance metrics.
- Does my DMS allow me to work with the best third-party providers for my business? You own your data, and you should decide who can access it. Strict control over third-party providers cuts into your efficiency and keeps you from benefiting from new and/or lower-cost solutions.
- Does my DMS provider work with me to find innovative ways to speed up processes?
- Does my DMS offer integrated deskings abilities?

If you answered "no" to any of these questions, it's time to take a closer look at whether your DMS is slowing down your sales process and hurting your profitability.

Conclusion



The retail automotive market is evolving at a rapid pace. With more customer behavior driven by technology, it's the dealerships that embrace technological advances that will provide the streamlined, 60-minute in-store experience today's buyers demand. When transactions are faster and easier, your dealership will win more sales, boost CSI, and increase retention. Autosoft is ready for this new wave of retail automotive selling with a flexible and fully integrated DMS. We can help your dealership get there too.



Autosoft develops and supports a complete dealer management system (DMS) that has been named the Highest Rated DMS from DrivingSales for three years in a row. With affordable month-to-month contracts, Autosoft's DMS improves processes and reduces operating costs in over 2,000 franchised automotive dealerships. Easy to use, affordable, and innovative software helps dealers focus on their customers' needs.