

A photograph of a young man and woman smiling and looking into the interior of a car. The woman is leaning on the car door, and the man is leaning on the steering wheel. The car's interior is black with leather-like upholstery. The background is blurred, suggesting an outdoor setting like a dealership.

Perfecting the Car Buying Experience

How dealerships can drive revenue by developing an efficient and customer-centric sales process

Lo/Jack®



Introduction

Auto manufacturers continue to advance their vehicles with gadgets, music streaming, cameras, assisted driving and even the ability to **order food** from a car. While the connected car evolves, so has the customer. The average customer looking to purchase a car spends less time in an actual dealership (even less now with recent COVID-19 state mandated shelter-in-place ordinances), and more time researching car makes, models and feature sets. According to a study by **True Car**, April car sales in the U.S. are expected to be about 50% lower than April of 2019. While pre-COVID-19 **AutoTrader data would indicate** new car buyers still walk into a dealership to purchase the actual vehicle, a lot has changed. All of this brings about a new reality: the dealer and sales team have limited time to engage and build a trusted relationship with customers.

Additionally, **72 percent** of car buyers will use their own mechanic and not utilize the services provided by the dealership where they purchased the vehicle. Needless to say, once a customer finds their dream car, they often drive away never to be seen again. This is a problem considering services and parts departments make up **over 49 percent** of a dealership's revenue.

So what can be done?

Get to Know Your Customer Before They Arrive

Today's car buyer has already researched the car they hope to buy and will spend their time at less dealerships, according to the [2019 Cox Car Buyer Journey](#). Even more so now, with health safety precautions and physical distancing requirements, the National Auto Dealers Association is saying 80-90% of dealerships will have e-commerce capabilities and sales are happening by phone or online. While less people are walking in with a game plan complete with all their preferences and other research, they are engaging online or by phone with all the information they need to choose a vehicle. While there will be a few who can be persuaded to add extra features, most buyers have made up their mind. Understanding buying behavior creates a new dynamic for dealerships. Train your team to make your customer feel welcome and be receptive to their preferences. It's also worth re-examining your dealership's website and ensuring that key vehicle information is easily accessible to online car shoppers. According to AutoTrader, [1 in 6](#) car buyers do not buy from the first dealership simply because of a poor sales experience.

It's critical to know your customer and make sure your online experience is adapted to meet their needs.



Develop Efficient In-Dealership Process

Walking into a dealership is a stressful experience because it is an expensive life decision for many buyers, and many people dislike the time it takes to buy a car. Additionally, in today's COVID-19 world, if someone is buying a car, it is more likely to be out of need versus want. Unfamiliar car jargon and a lack of transparency only heighten the level of stress for customers.

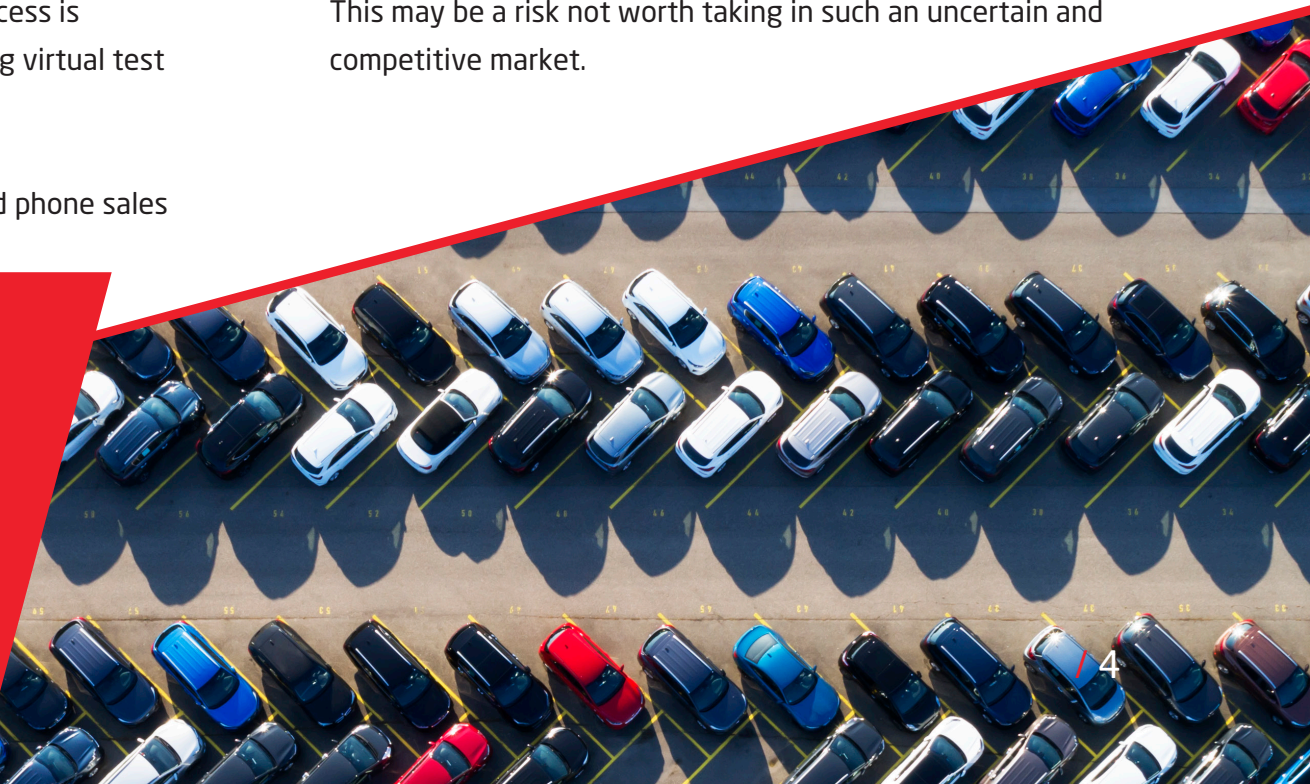
When it comes to transparency, customers care about the vehicle history and cost.

Even during the pandemic, this still remains true. Companies such as AutoTrader are providing additional **services** to customers, knowing more of the car buying process is happening online and efficiency is key, providing virtual test drives, vehicle home delivery and maintenance.

With the increase of home deliveries, online and phone sales

happening throughout the U.S., customers would like to see much greater efficiency with their engagement with a dealership, including the time it takes to locate a test-drive vehicle, find out if the vehicle is in stock, and if the car is ready to drive off the lot as soon as the paperwork is done. More dealerships have embraced smart telematics solutions to monitor the location and health (i.e. is the battery dead) of vehicles on their vast lots. Especially for dealerships with a large vehicle inventory or multiple lots, these solutions can be a necessity. A simple hiccup like not being able to locate a test drive vehicle—or finding that car only to discover its battery is dead—can jeopardize CSI scores or even sales. This may be a risk not worth taking in such an uncertain and competitive market.

Forty-seven percent of car buyers said they'd like to know the total cost of the vehicle versus only the monthly cost.



Aftermarket Telematics Solutions Can Open Up Opportunities

Part of understanding the modern car buyer is sensing their comfort level with technology and any expectations of benefits it will bring in making their life easier. This is one way to continue the relationship past the sale to increase customer loyalty and thus revenue for dealerships.

Dealerships that view connected car services as a way to build trust and loyalty with customers can drive recurring revenue for their business.

This is a win-win for dealers and customers because these services provide convenience and peace of mind to customers, with features from maintenance alerts and roadside assistance, to speed alerts and arrival notification for parents with teenage drivers. At the same time, dealers can benefit by leveraging these services as a post-sale customer touchpoint to capture service and maintenance revenue.

These new types of telematics services go beyond the traditional but highly valuable offerings like Stolen Vehicle Recovery (SVR) services, which also provide security and inventory protection. All of the services create an ongoing two-way relationship between the car buyer and the dealership, which can last beyond the sale.





Deliver on Customer Expectations

The automotive industry has evolved quickly and so has customer buying behavior and technology, but some things don't change. Customers always want good service and transparent relationships with vendors. Car buyers want the latest technology to tell them it's time for maintenance before a major problem happens, or if their teenager has arrived at their destination safely. And if they do visit a dealership, they also want to know the customer service they're seeking is available right then and there.

Today, knowing the customer ahead of their arrival at the dealership, maximizing the efficiency of on-site visits, and offering services that meet their post-sale needs will create a trusting and engaging environment tailored to the modern car buyer.



About LoJack and CalAmp

LoJack is a brand of CalAmp (Nasdaq: CAMP) and a leader in stolen vehicle recovery and innovative automotive services. CalAmp is a global technology solutions pioneer transforming the mobile connected economy. We help reinvent business and improve lives around the globe with technology solutions that streamline complex mobile IoT deployments and bring intelligence to the edge. Our software and subscription-based services, scalable cloud platform and intelligent devices collect and assess business-critical data from mobile assets and their contents. We call this *The New How*, facilitating efficient decision making, optimizing mobile asset utilization, and improving road safety. Headquartered in Irvine, California, CalAmp has been publicly traded since 1983 and has 20 million products installed and over 1.3 million software and services subscribers worldwide. **LoJack®**, **Tracker™**, and **Here Comes The Bus®** are CalAmp brands.

Learn more about LoJack's newest dealer offerings, available nationwide:

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