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Preparing Your Dealership for Digital Retailing



Who We Are



Rudi Thun

COO

Roadster



Michelle Denogean

CMO

Roadster

We've Learned By Living It



4

YEARS

3+ years of learning and adjusting based on dealer partner feedback.



35+

FIELD REPS

We're in dealerships every day & we see it all – the good, the bad & the ugly.



1,200+

DEALERS

It takes more than our technology to be successful. With 1,200+ dealers we've certainly learned a ton...

Flight Plan

- ① What type of digital retailing are you ready for?
- ② The Importance of Omnichannel
- ③ Current Inefficiencies
- ④ The Power of Having a Champion
- ⑤ Implementation Best Practices
- ⑥ Q&A

What Type of Digital Retailing Are **You**
Ready for?

Digital Retailing Flavors



Super Lead Generation

Payments and Product info selected online,
pushed into CRM.



Deal Sharing

Payments and Product info pushed digitally to
customers
& finalized online.



Omni-Channel

Digital Commerce.
All deals presented & finalized digitally whether
online, instore, or on mobile.

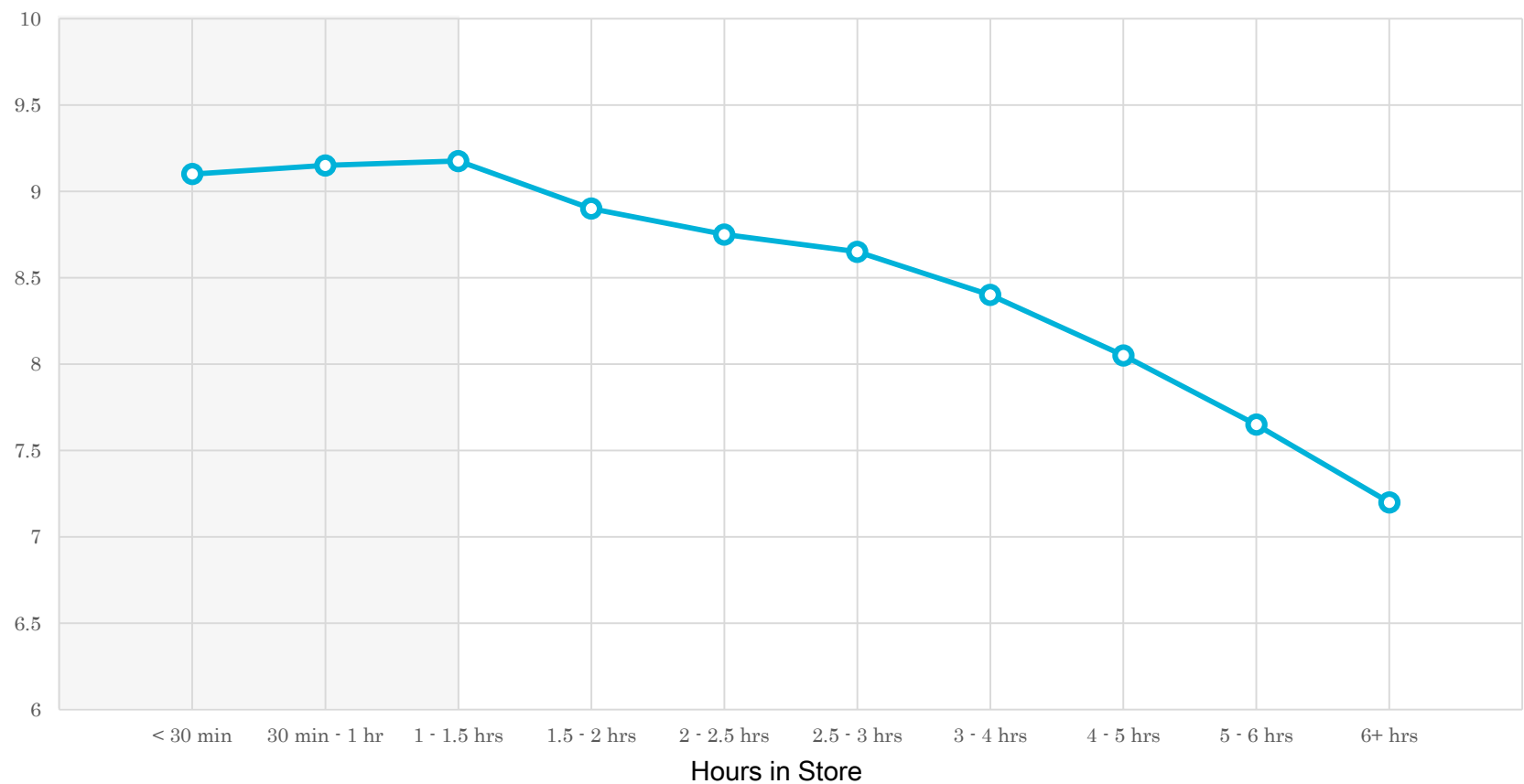
Implementation Levels














The Importance of Omnichannel

Time: The Most Valuable Currency

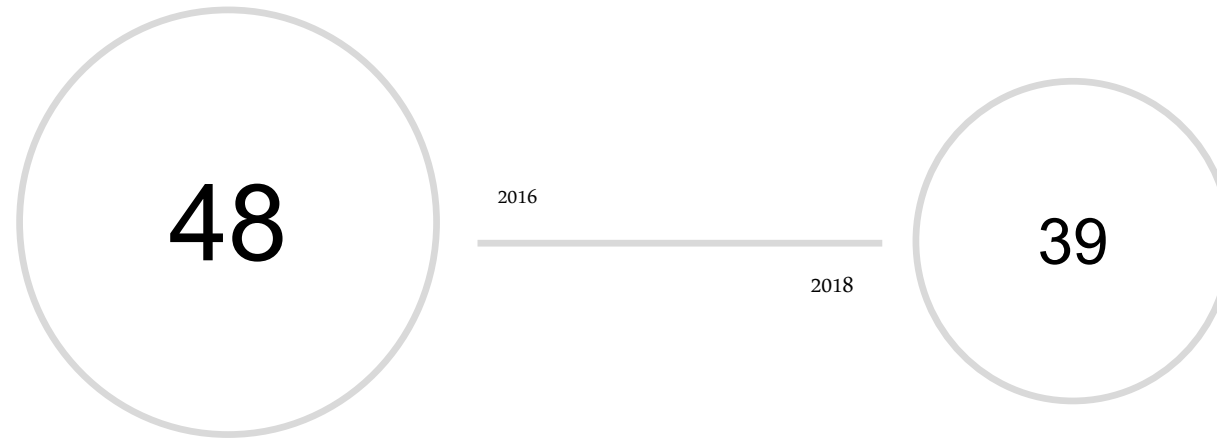
BUYER SATISFACTION VS. TIME SPENT AT DEALERSHIP



All the while, consumer expectations are shifting as well:

Fast Delivery	Consistency from Online to In-store	Big Ticket Purchases Initiated Online
Groceries Home Products Food	Local Store Delivery & Try Before You Buy	From Matchsticks to Mortgages
   	   	  

Dealership NPS is Declining

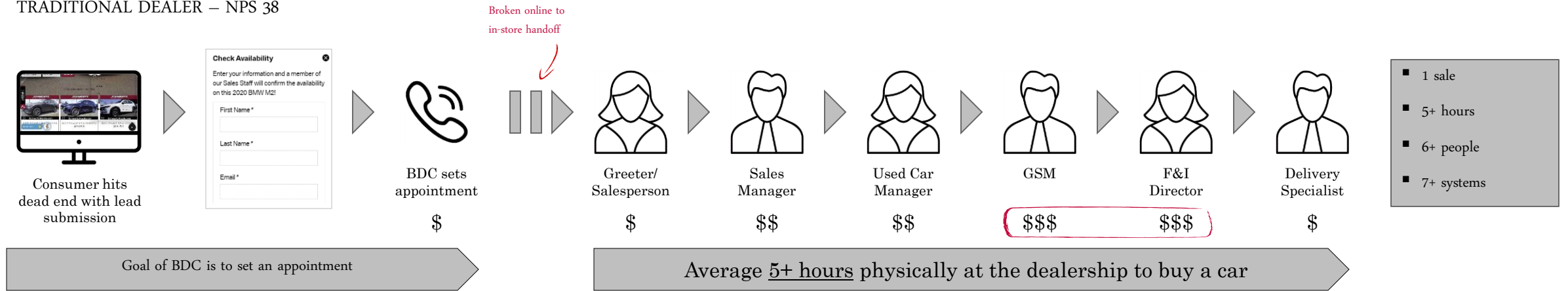


Net Promoter Score = % Promoters - % Detractors

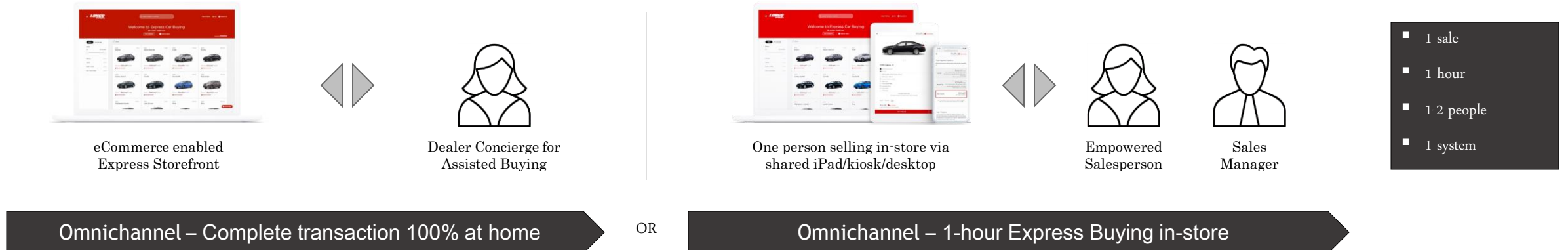
The Market is Ripe for Change

Customers are fed up with the legacy model – Omnichannel Commerce provides a better, faster, and more efficient process

TRADITIONAL DEALER – NPS 38



Omnichannel DEALER – NPS 85



Transforming the Car Buying Process

Dealers see results across retail KPIs, while customers love buying with Roadster

ENGAGEMENT



- A modern, easy-to-use customer experience that consumers have come to expect
- A richer shopping experience that empowers customers and guides to a sale
- A consistent experience between online and in-store
- Merchandises Service & Protection plans, traditionally sold post-sale

Time on site >2× with Express Store

EFFICIENCY



- Backend reporting and visibility moves the sales process from analog to digital
- Sell cars—literally—while salespeople sleep
- Workflow reduces the number of people who touch a deal reducing time and cost
- Modern software handles the complexity, allowing dealers to hire outside of auto, expanding the talent pool, and increasing employee retention

Best salespeople: 30+ cars/month

CUSTOMER SATISFACTION



- Allows customers to shop on their own time, not when dealer schedules an appointment
- Provides order-ahead capability that customers expect
- Time-savings and transparency demonstrably increases CSI scores
- Happier customers have a viral effect

+85 NPS vs. +39 industry average

Measuring Success (KPIs)

- ① Improve CSI
- ② Less time to sell
- ③ Agent engagement
- ④ Reduced operating cost
- ⑤ Employee retention
- ⑥ Volume of cars sold
- ⑦ Higher PVR

Current Inefficiencies Within The Dealership

Discussion

Traditional Tools and Processes are Holding us Back



Associate	Number
Adriana Corlat	336
Andy Sandoz	199
Curtis Jones	313
Dana Anderson	346
David Kay	325
Gary Chan	49
Marlo Bryne	337
Mike Brice	59
Muhammad Mofarid	284
Rick Spinks	184
Tom Liscia	326
Tony Zaveri	365
Wally Matis	338
Zenia Espinal	123

Associate	Number
Alana Taylor	349
Denise Fabala	344
Marisol Gayton	345

Code	Form
3762	Odometer Read
3762B	Odometer Trade 1
3762C	Odometer Trade 2
ATPI	Proof of Insurance
BO	Buyer's Order
BOC	Buyer's Order Lease
WILONE	We-Own
TDUE	Title Due-Trade
30855	POA Sold Unit
30857	POA Trade-In
3651	Wind L&T App
LR17	Lexus Lease
3035A	Lexus Lease Waiver
LR32	1 Pay Lease Waiver
	Lease Balloon Addendum

SALES	5899
SALES MANAGERS	5897
SALES ADVISORS	0385
PARTS	0388
REP	1380
	5898

Where the Time Goes



SALES PROCESS

The factors affecting the length of the vehicle sales process can be broken down into three primary categories: People, Process, and Technology.



TRADE VALUATION

Trade-in pricing negotiations caused re-work and process step repetition. Negotiation took an average of 16 minutes and a maximum of 39 minutes.



F&I

Educating the customer and allowing them to reach a decision during the aftermarket pitch took an avg of 28 minutes, making it the longest step in the F&I process.

It's About Time

During the Sale, Agents Leave Consumers Every 20 Minutes.*



What are agents doing
when they're away from
the customer?



1 Time Left Alone



Consumers left alone three or
more times reported a drop in
satisfaction of 30%.



4-5 Times Left Alone



Keeping Sales Agents With Customers is Good for Business



Time is Money \$\$



Hours Wasted
Per Transaction

Per Year

*based on 135 cars per month,
paying \$19 per hour per NADA
2018 Dealership Workforce
Study

Roadster Time Study, December 2018







Who is your Digital Retailing champion?
Is it you?

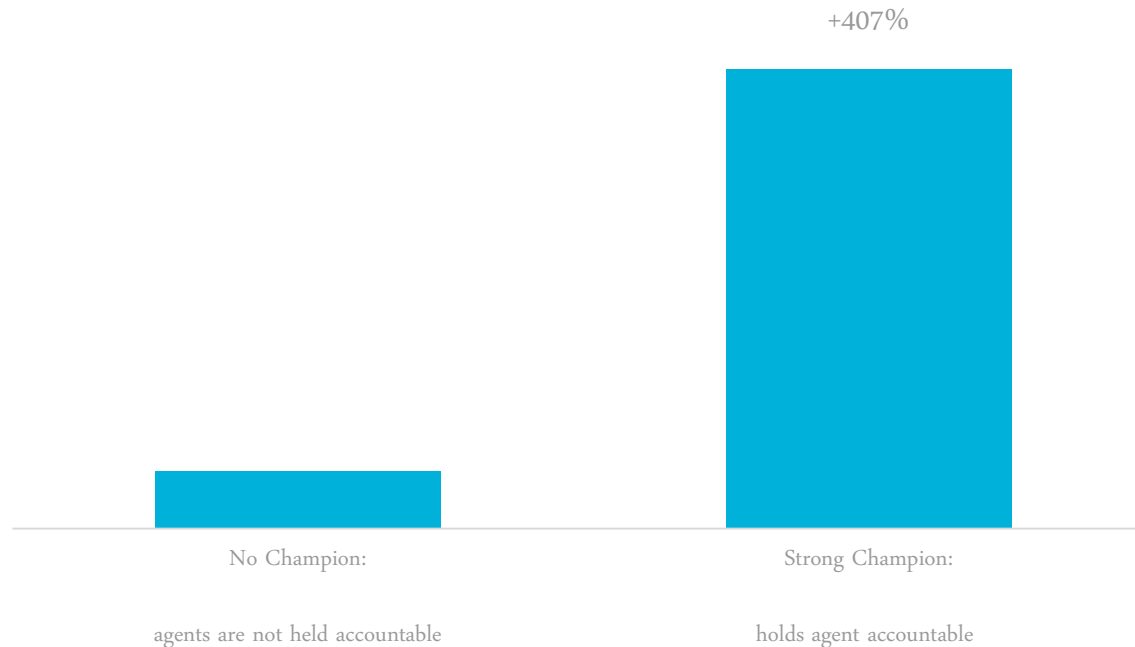
5 Reasons You Need a Champion

- 1 Establish objectives & KPIs
- 2 Ensure complete team buy-in & utilization (starts at the top)
- 3 Oversee digital retailing deployment
- 4 Create scalable & repeatable process
- 5 Train & monitor your team, make adjustments for success

Remember: you don't know what you don't know...

Stores with Champions See 4X Performance

IMPACT OF HAVING A STRONG DIGITAL RETAILING CHAMPION ON PROCESS



STORES WITH STRONG CHAMPIONS REQUIRE PROCESS ADHERENCE:

- Showroom Agent utilization
- BDC/Internet utilization
- Strong follow up
- Use technology for in-store presentations
- Share details with be backs



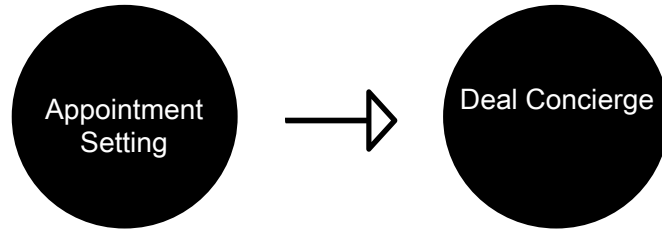
PERFORMANCE IS GREATER WHEN THERE IS A CHAMPION AT THE MANAGER LEVEL

Source: 250 US Dealerships combining survey data with actual Digital Retailing Measurements, 90 days ending March 20th 2019

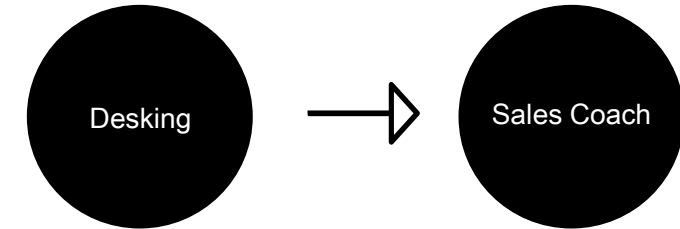
Re-Imagining Roles

Empower Your Team To Do More

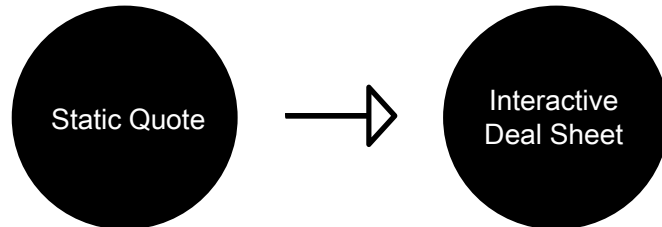
BUSINESS DEVELOPMENT CENTER



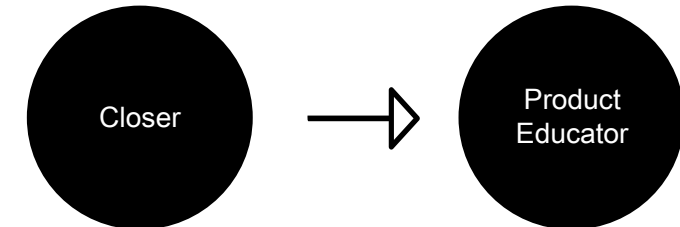
THE SALES MANAGER



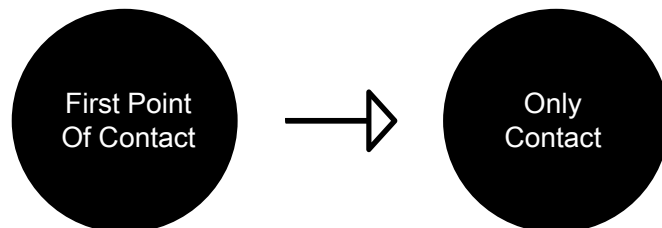
THE INTERNET TEAM



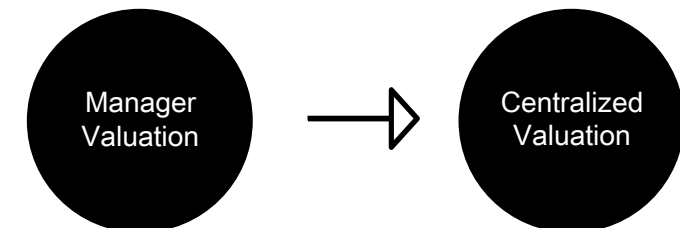
F&I MANAGER



THE SHOWROOM TEAM



TRADE PROCESS



Aligning Compensation To Objectives

Focusing on efficiency & customer experience?



Bonus on CSI

Want to attract
millennials?



Move to salary
based approach

Looking to have your sales agents introduce
F&I?



Add a Spiff

Implementation

Best Practices

Best Practices: Online

- ① Limit the # of CTAs on the SRP/VDP
- ② Be transparent and consistent with your pricing online & in-store
- ③ Incorporate your ability to start online into your marketing message
- ④ Send links proactively to 3rd party leads

Best Performing CTAs

Unlock Price

Alternative CTAs:

- Unlock Savings
- See Our Best Price*
- See Up-front Price
- Instant Pricing
- Get Instant Price

See Payment Options

Alternative CTAs:

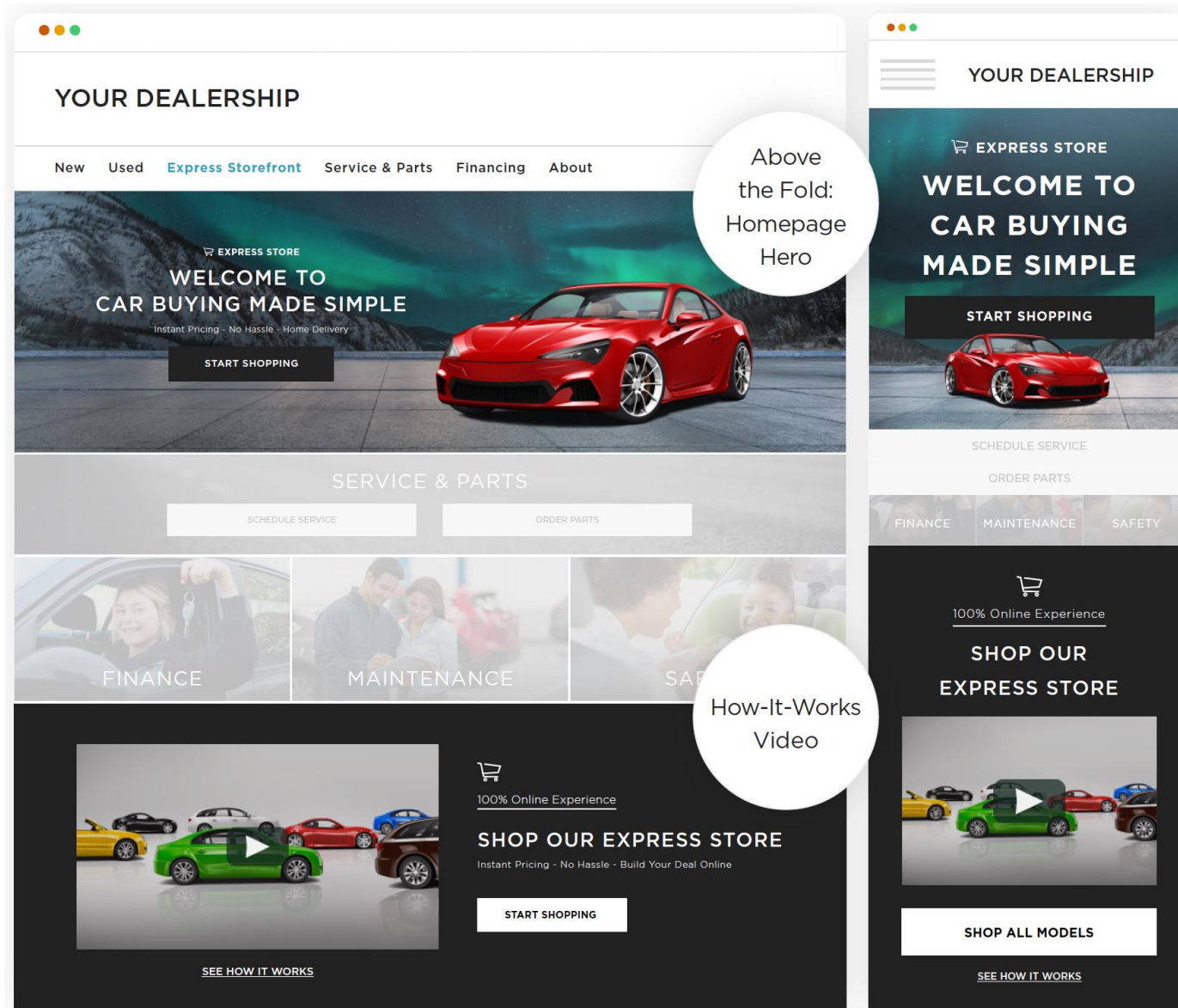
- Build Your Deal
- Personalize Your Payment
- Customize Payment
- Calculate Payment
- Purchase Options
- Finance & Lease Rates

Request Information

Alternative CTAs:

- Ask a Question
- Schedule Test Drive
- Value Trade-In (VDP only)
- Vehicle Details (SRP only)

Promotion is Key







Summary

- Set objectives & KPIs before launching a Digital Retailing Solution
- Map out your ideal sales process based on objectives. There are many different implementation types, make sure you pick a vendor that can deliver on your goals.
- Identify a champion to lead the effort, it is the #1 predictor of success
- Ensure you have buy-in across your entire team through new roles and responsibilities
- Figure out your go to market plan – what makes you different and how will you promote that across every customer experience?
- Evaluate roles, skills and compensation structure – do you have the right people for the job?

Demo (if time)

Q&A

Thank you.

ROADSTER TEAM

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Appendix

Northeast Dealer Group Used Car Marketplace

LEVEL

1

Online Car Shopping



Pre-owned Vehicles and Online Only

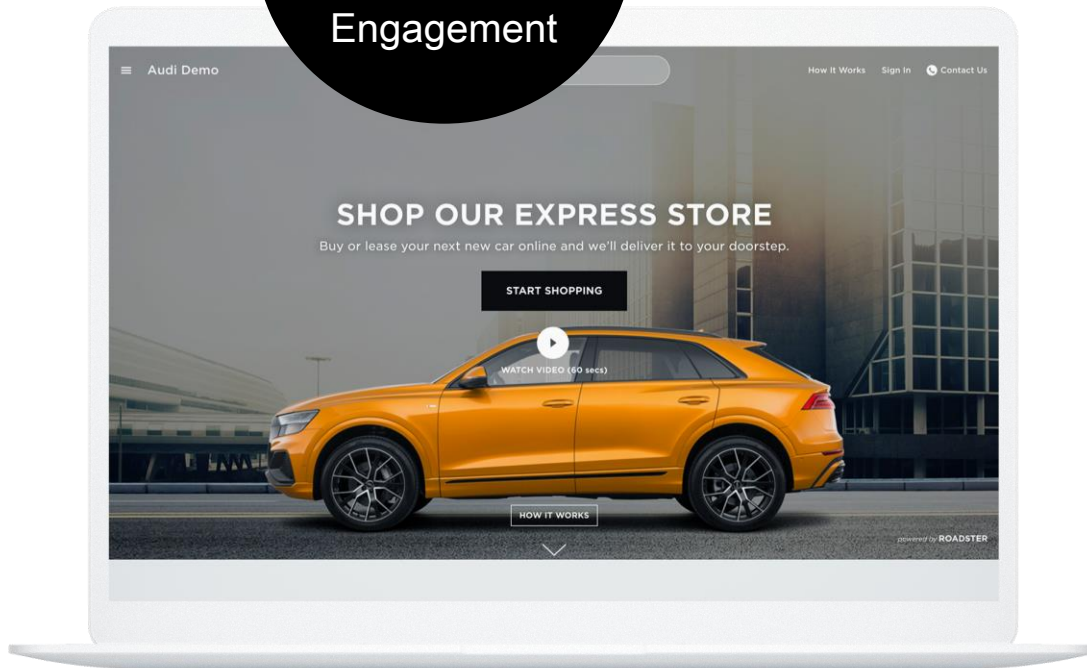


Aggregated inventory from 10+ stores



Gross on digital retailing sales are
\$2,900 vs \$1900 traditional sales

Northeast Audi Dealer



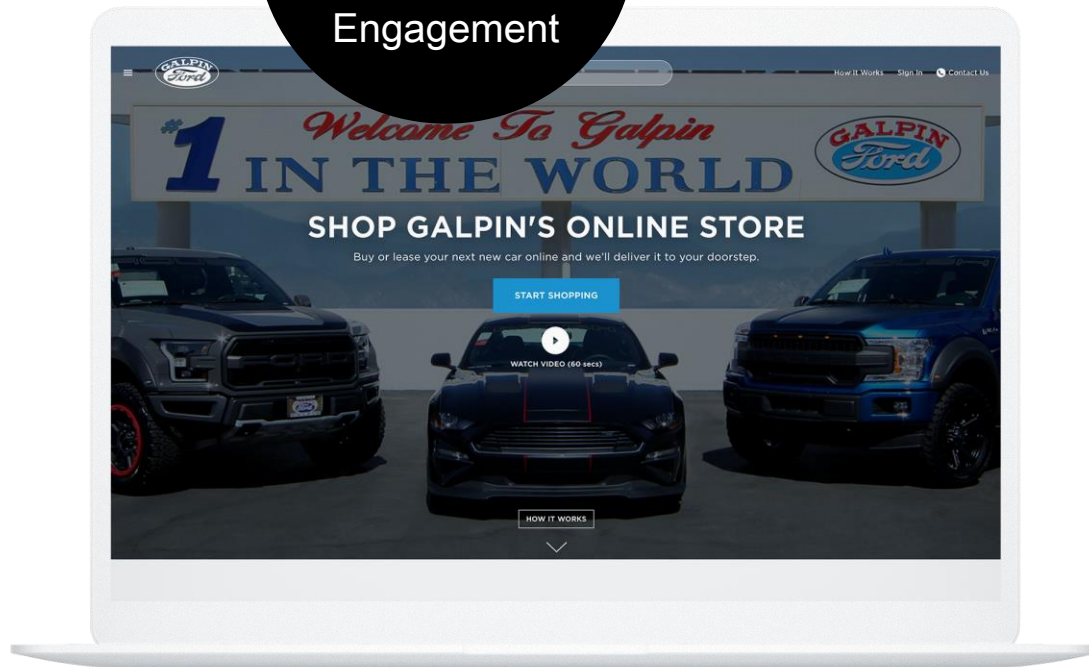
- New point for group, opened in May 2019
- One team, no separate BDC or Internet group
- Use Express Store to follow up with all 3rd party leads who haven't responded
- Level 2 with the goal of level 4
- Results:
 - Bounce rate decreased
 - Time on site increased
 - Lead volume up 310% Y/Y
 - 33% Y/Y increase in sales

Galpin Ford

LEVEL

2

Lead
Engagement



#1 Ford store in the U.S. for 29 years



Moving to a centralized BDC across group



Use Express Store to follow up with all 3rd party leads who haven't responded



Level 2 with the goal of launching a group marketplace and used car marketplace in Q1



Results:

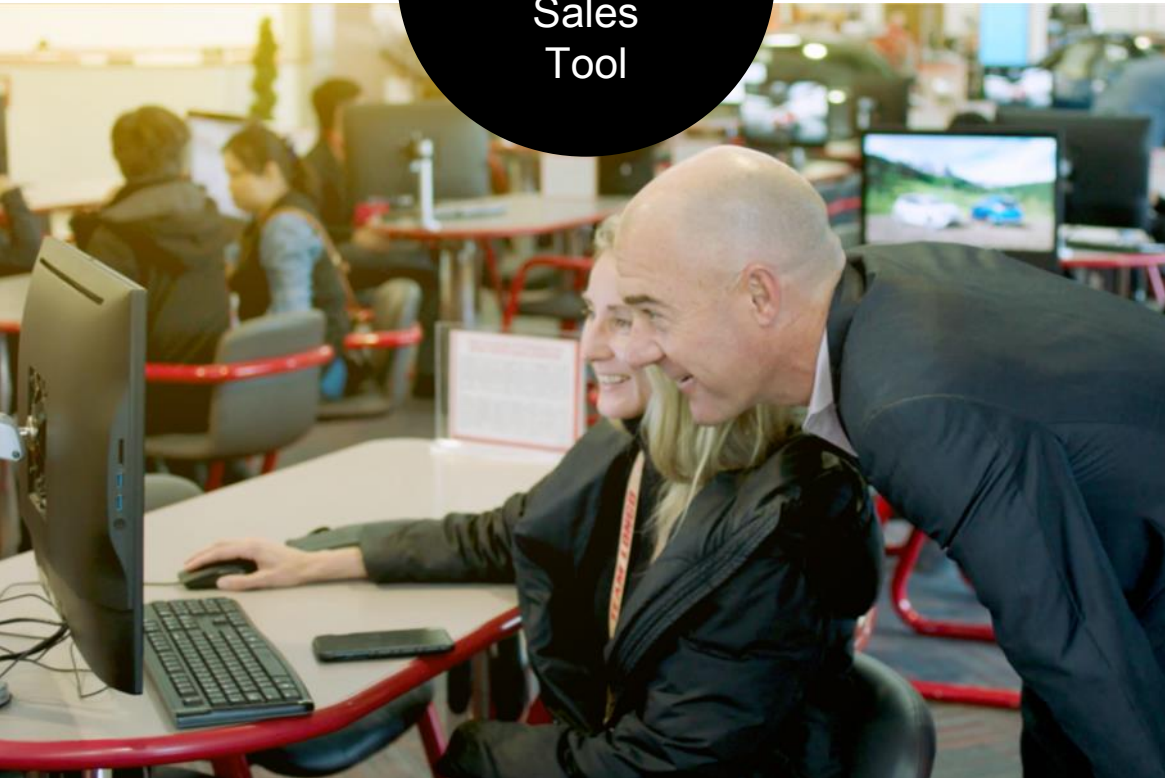
- Internet close rate up from 11% to 13%
- 16% lead conversion vs. 2% industry avg
- 8+ minutes on site; < 30% bounce

Longo Toyota

LEVEL

3

Sales
Tool



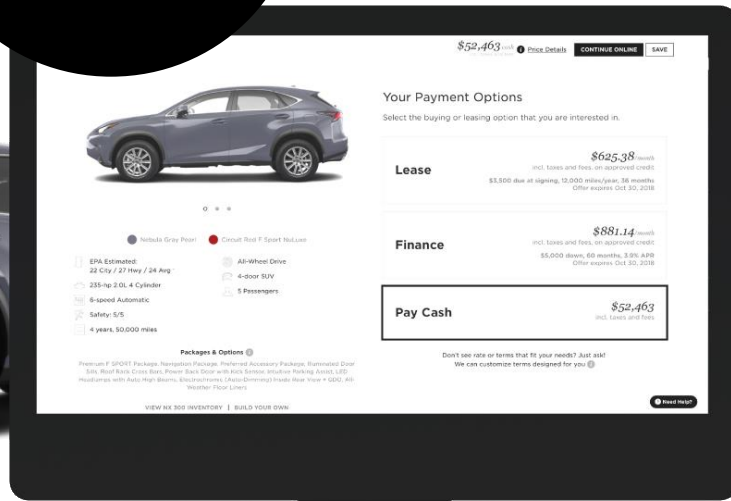
- #1 Toyota Store in the world
- Heavy focus on sales process efficiency
- Uses Express Store with every customer to pencil first deal
- Lot's of after hour activity, Internet team calls online orders "gifts"
- Results:
 - 300% more online engagement
 - 15% of online visitors build deals
 - 2x closing rate

Lexus of Lehigh Valley

LEVEL

3

Sales
Tool



First store to be Lexus Plus certified



One price, one-person sales process



Had tried other DR tools, realized he needed to connect online with in-store



Uses Express Store on iPads and 55" screens
For needs assessment and presentations



Results:

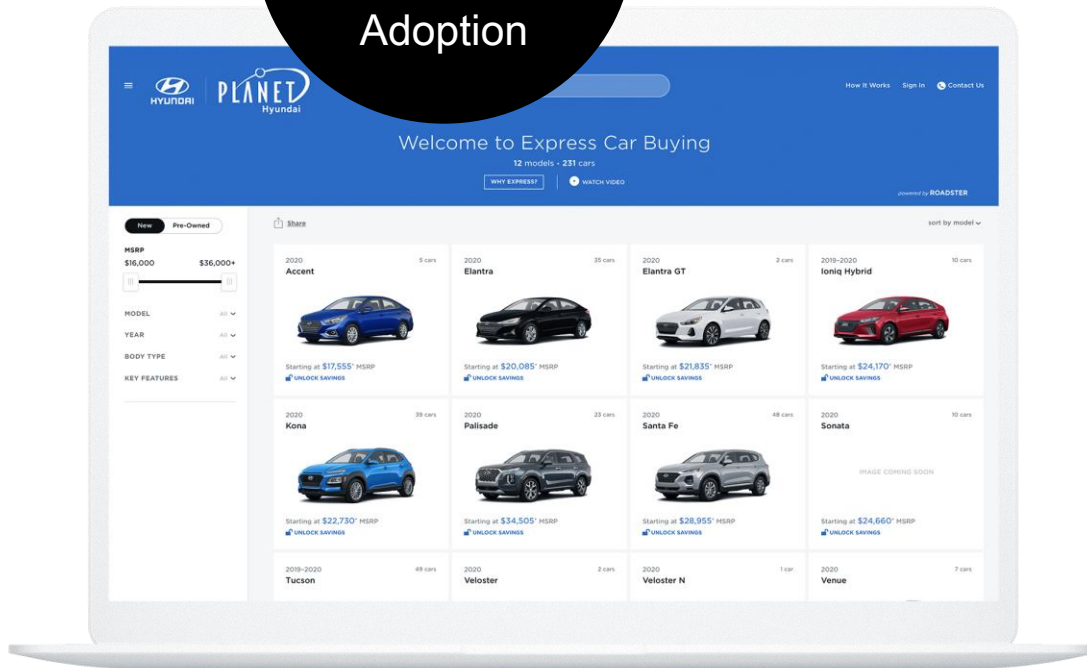
- 85% of calls reference website
- 3x close rate of traditional dealers
- 52% increase in sales

Planet Hyundai

LEVEL

4

Full Sales Floor
Adoption



One price, one-person sales process



Wanted a tool to give more autonomy to staff



Salespeople use Roadster on iPads with every customer, empowered to adjust numbers as needed



Sales managers are coaching on the showroom vs desking deals



Results:

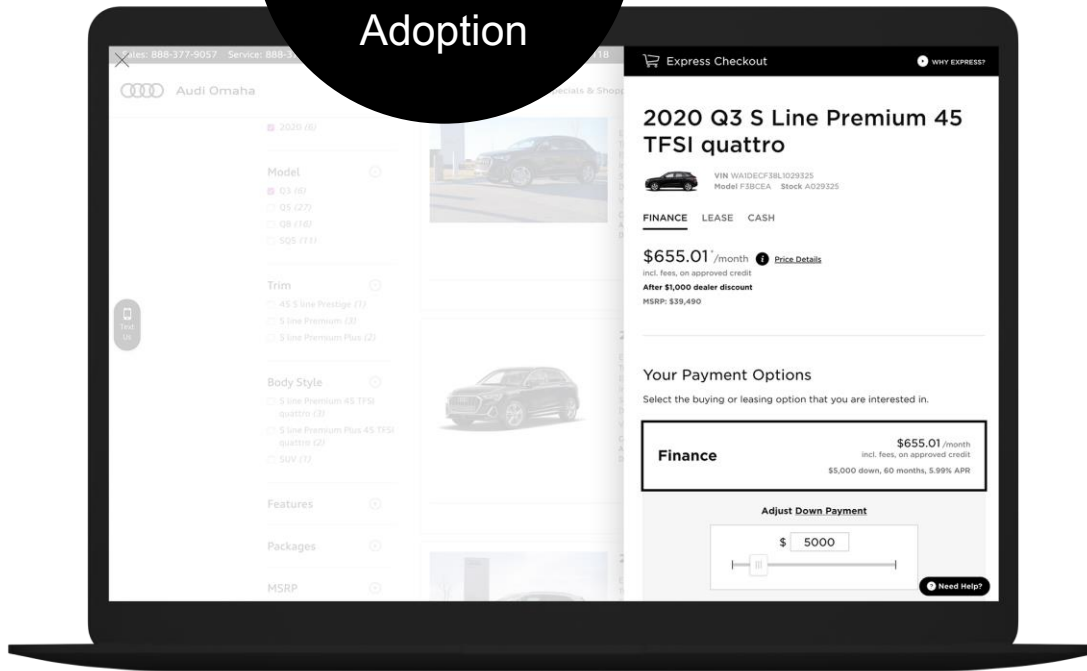
- Reduced write ups/transaction time
- Selling more in less time
- So efficient, causing backup in F&I
- NPS score +85

Audi Omaha

LEVEL

4

Full Sales Floor
Adoption



First beta partner as part of the Audi Partner program. 2018 Magna Elite award winner.



Wanted to be on the front line of change. Hates the back and forth behind the scenes.



Salespeople check-in customers in Roadster, walk them through inventory, let them play with numbers & plant the F&I seed.



Took a while to get veteran team on board, but results convinced them to embrace it



Results:

- Increased customer satisfaction
- Backend gross up by \$173 and front end up by \$984 YoY

Sun Auto



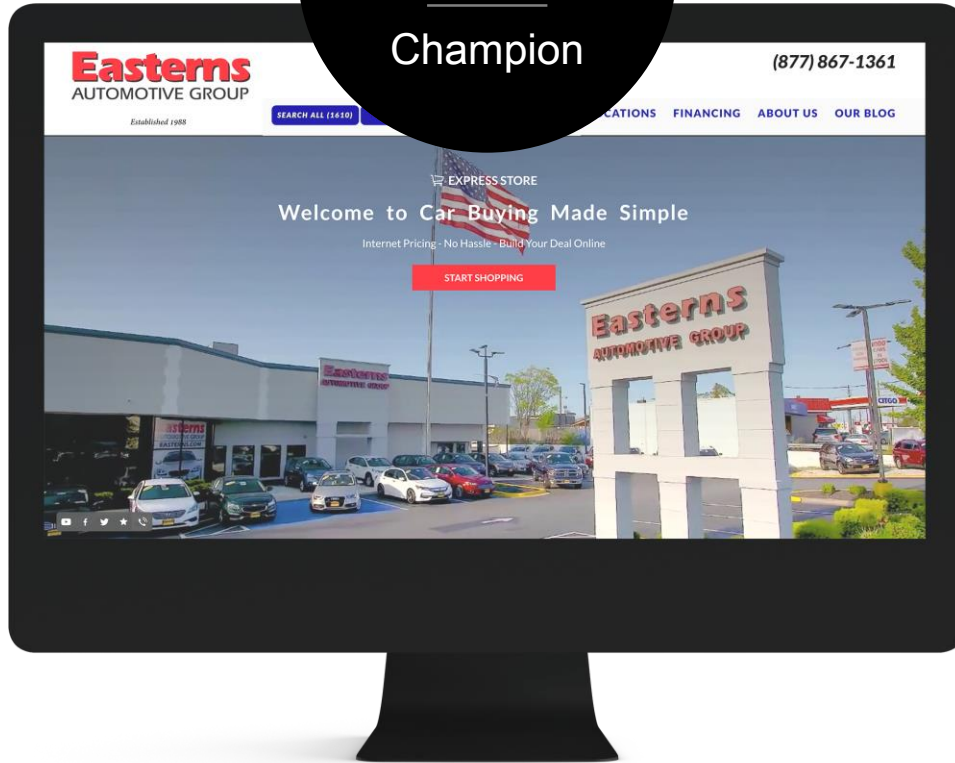
- AKA the Used Car King, dealerships in Syracuse, NY looks like a modern new car franchise
- December 2018 went 1-price, one person removed the entire F&I office, and hired “customer service advisors” on salary vs commission.
- Salespeople use Express Store with every customer in the showroom, either on tablets or 60” touch television screens throughout.
- Results:
 - Better reviews
 - \$400k+ in cost savings
 - Maintained F&I

Easterns Automotive Group

LEVEL

5

Champion



- One of the top 50 independents in the U.S.
- Wanted to expand beyond subprime customer base
- Centralized BDC, encourages customers to do most, if not all, of the process online, including F&I – treats store like delivery center
- Heavily uses the backend tool to see what customers did online & takes action
- Results:
 - +60% increase in sales; best salespeople 30+cars/month
 - Reduced transaction time by 60 minutes
 - F&I Penetration up to 68% from 30%
 - +83 NPS score vs. +39 industry average