

Lo/Jack[®]

Driving Sales Up While Driving Wait Time Down

The Benefits of Lot
Management for Dealers



Optimizing dealership sales and operations is a challenge that many dealers handle well, but the process of getting consumers into the dealership and out the door is taking too long. Most consumers are not satisfied with their shopping experience, and that can drag down overall customer satisfaction scores, affecting all kinds of business metrics at a dealership. A full 58% of buyers aren't satisfied with how long the buying process took overall¹. All dealers need to be focused on how to nurture leads as they come through the business development center, and how to convert them to a sale when they get those shoppers in the dealership. Part of that in-dealership excellence means fast servicing with no hiccups or long delays.



58% Of buyers aren't satisfied with how long the buying process took overall.

60% Of dealer personnel believe that they have jeopardized a sale because they can't find a vehicle on the lot.

Dealership Challenges

Driving sales while minimizing operational headaches can be a challenge for any dealership, and the bigger the dealership, the more these challenges can become serious problems. The internet has changed the sales process, smoothing out demand and allowing consumers to take proactive steps like setting up pre-arranged test drives with specific vehicles. However, the average car buyer still makes two in-person dealership visits², which puts responsibility on the dealership to be prepared to handle walk-in opportunities. That opportunity may come at peak times, leaving the dealership ill-prepared to close that prospect.

On top of that, during a busy sales weekend, it's not unheard of to see the well-organized lot sink into disarray as the weekend progresses. As test drives get parked in any open space after completion, those sales opportunities at the end of the weekend start to suffer, as it takes longer and longer to find those targeted vehicles that may be lost on the lot. In a recent survey, over 60% of dealer personnel who have more than one lot believe that they have jeopardized a sale in the last three months because they can't find a vehicle on the lot³.

When some vehicles are found, dead batteries can be a problem which can also put that sale in jeopardy. In fact, over 50% of dealer personnel believe that they have jeopardized a sale in the last 3 months due to a dead battery⁴. While porters and lot attendants can alleviate the issue, how much time and money is

¹ 2019 Cox Automotive Car Buyer Journey study.
² Ibid

³ Internal LoJack survey of dealership personnel - April 2017
⁴ Ibid



being wasted as they check all of the vehicles that have good batteries? What if they could maintain only the batteries that were low? What if a sales person could close more sales because they don't stumble upon a test drive car that has a dead battery?

Solution

Dealers with more than 100 vehicles on the lot or any dealer with multiple lots needs to be considering a telematics-based inventory management system to help them manage their lot. Not only can these systems help speed up the test drive cycle, by pinpointing the vehicle on the lot, but they can help operations keep batteries charged, avoiding the embarrassing and potentially sales-killing mistake of trying to test drive a car with a dead battery. There are a few things to keep in mind when shopping for an effective inventory management system:



Easy to Use for Sales - Your sales team needs a system that is easy to use, and gives them the flexibility to operate quickly to meet the demands of today's fast-paced digital consumer.



DMS Services Integration Capable - With DMS integration, it's easy to search by stock number or VIN when searching for vehicles. When integrated, inventory management systems can also return accurate mileage for the bill of sale process.



Easy to Use for Operations - Operations is responsible for keeping vehicles ready to test drive and deliver to customers - meaning the batteries need to be charged. With a web portal, operations can check which vehicles need charging today and which ones don't, saving time and money.



Off-Lot Virtual Boundary Alerts - An inventory management system should help monitor inventory after hours, sending alerts when a vehicle leaves the lot after hours. Make sure it's configurable, so that dealer demo or loaner vehicles that are legitimately off the lot don't set off the alerts.



Use a Vendor you can trust - Not all equipment and systems are high quality, so make sure the hardware is made by a reputable manufacturer, and that your provider is a stable business partner. You don't want them to go out of business and stop paying the cellular fees - your system will no longer work.



Sells Through to the Consumer - Inventory management systems that sell-through to the consumer and convert to a connected car solution turn this investment into a profit center. Make sure the product is reputable, and the brand is attractive enough to the consumers that you can sell through in high numbers to add on PVR.

Conclusion

The dealership industry is changing and will continue to change as technology gets better and consumers expect more from the buying experience. With a telematics-based inventory management system that can help manage their lot, dealers can take positive steps to shortening their customer wait time, while helping them avoid deal-killing missteps along the way. Choosing a reputable, reliable technology provider is a must to help streamline operations, improve customer service and ultimately improve the bottom line.

LoJack® LotSmart™ is an advanced inventory management system available for auto dealers across the United States. For more information, see lojack.com/lotsmart

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