

Used cars, new processes

Duane Marino

SALES COLUMNIST



The used-car shopper and buyer has changed. Unfortunately, many dealership sales processes and inventories have not adapted.

When I was a lot boy at the local Chrysler store, I spent my Saturdays scrambling to keep the lot in respectable condition. That wasn't easy since every Saturday there was mayhem with more customers than sales people, especially on the used car lot.

Saturdays were the day when shoppers would show up and check out what we had. We were the sole source of information.

Every sales person could expect at least a half-dozen "ups." Saturday sales would make up about 80 per cent of our volume.

Those days are long gone, though walk-in traffic keeps dropping even though sales are healthy.

Of course, today used-car traffic is driven mostly by the Internet. That's why we no longer have predictable boom and bust days of the week like we used to. Now, buyers use the Internet to save time and locate what they are interested in.

Once they show up, these destination shoppers have placed us on their short list of choices. As a result, our traffic may be less than it was, but our closing ratios are – or should be – much higher than they were. With all the choice the customer has online, the hardest part of the sale is over when they actually walk on your lot!

Are your sales people ready to handle this transaction-ready walk-in? Here are some ideas aimed at helping your team

have more success with today's used car buyer

- Surf your virtual inventory – and your competitors' – as a customer would a couple times a day, correcting anything out of place.

- Walk your lot daily. Start every car every day. Drive a few daily and rotate key-point inventory once or twice a week.

- Learn the full story on the car – its history, condition, reconditioning done and needed, mileage, price, payments, warranty, etc. Drive it.

- Regularly Google and YouTube your used-car inventory for price comparisons as well as search "pros and cons of 2010 Camry" for example. Why? Because that's what your customer does. There's no need to get blind-sided with simple questions.

- Always ask "Did you see the car online or just driving by?" and "Have you driven anything anywhere yet?" This will help you quickly understand where they are in the shopping process.

- After selecting and then locating a car, most Internet-driven, used-car buyers are concerned with what's wrong with the car. As such, at some point early in the presentation improve your credibility with "This car is fantastic, priced to sell for \$17,900. Every pre-owned car is unique. Here are a couple of personality traits of this one."

By getting those blemishes out of the way, you gain credibility, profitability and minimize their negative effects when closing.

- It's worth noting that many independent used-car lots without service departments do not fully recondition their cars mechanically until the day of delivery and either do not allow demonstration drives before the customer buys the car or use elements of the reconditioning process as negotiation tools.

As such, they may also tailor their

processes and advertising to the credit-challenged, and will often bring a laid-back discussion and execution of credit approval parameters into the sales process before the demonstration drive.

In addition, unless a used car customer has secured their own financing, all of them are very curious and distracted about what the rates and terms might be for them, so securing credit control early in the sale is something that is becoming very normal in the used-car sales process. When this is done, you will drastically increase your closing ratios.

With marginal credit buyers, be careful not to tell the buyer they have full approval, as you will likely lose control over the opportunity you have just created for yourself.

- And lastly, but most importantly, if your inventory is demonstration-drive ready, you must go with the customer on the demonstration drive of all pre-owned cars.

The slightest thing can spook a used-car buyer when they are on the drive alone. With the sales person present to reassure the buyer that any issues will be taken care of, almost any objection to the car itself is easily removed.

Closing ratios are near zero on unaccompanied demonstration drives on used cars.

If a sales person doesn't go for the drive with each and every customer on the used car lot, warn them "It's three strikes and you're out!"

Traffic is more expensive, more precious and more ready to buy than ever before. That one mistake will cost you more sales than anything else.

Duane Marino is the principal of NAASSA and MarinoTV. He can be reached at info@duanemarino.com or visit www.duanemarino.com or 1-888-735-6275.

Auction Export launches Golive web tool

Auction Export has introduced GOLIVE, a web tool giving buyers the chance to place live auction bids on vehicles located at Insurance Auto Auctions (IAA) in real time, directly from the Auction Export website.

The new tool allows Auction Export's international end user clients to place their own bids during the live auction and will further enhance the existing co-marketing relationship between Auction Export and IAA.

"GOLIVE will enable tens of thousands of active Auction Export buyers around the world to bid personally on the IAA vehicles they want with the convenience that comes from the easy-to-use web tools," Rustam Biisenabyev, Auction Export CEO explained.

"It will also provide IAA with the ability to present their inventory to an even broader network of buyers to capture the very best returns on their salvage and clear-title vehicles."

Auction Export was established in 2007 and specializes in helping individuals around the world purchase and export cars found in the U.S. and Canada.

Hunter Engineering creates fourth regional market

Anticipating continued growth Canada, Hunter Canada created its fourth region.

Starting in May, the newly created Central Canada Region will be comprised of Saskatchewan, Manitoba, Nunavut and parts of Ontario.

Hunter also said it promoted Robert Ross to regional manager of the new region.

Ross will report to Darcy Tallon, director of Canadian operations.

Regional boundaries for Canada's three other regions have been modified as follows:

Region 700 – John Peron will manage field assets in Southeastern Ontario and some territories in Quebec.

Region 800 – Jacques Gagne will continue to manage the Maritimes, Atlantic Canada and parts of Quebec not managed by John Peron.

Region 900 – Greg Amyotte will manage Alberta and British Columbia along with the Yukon and Northwest Territories.

ADESA Canada launches next.ADESA.ca for OPENLANE customers

With the integration of the company's U.S. website now complete, ADESA said it is undergoing a similar process in Canada with ADESA.ca and OPENLANE.ca and the launch of next.ADESA.ca.

The new website, next.ADESA.ca, was built on the technology of OPENLANE, which ADESA acquired in late 2011. This new site will replace the post-login pages of OPENLANE.ca.

After dealers log in to OPENLANE.ca, they will now find a new user experience when buying and sell cars on this new platform.

"This is the next step as we continue to move the ADESA Canada marketplace to OPENLANE technology," said Stephane St-Hilaire, president of ADESA Canada.

"The ADESA and OPENLANE teams have been working closely together as we develop additional remarketing opportunities for our customers. I would like to thank them for their hard work and dedication to deliver this enhanced online platform."

Logged-in dealers will be greeted by a personalized homepage featuring saved vehicle searches for quick reference to desired

vehicle inventory. They will also now have access to ADESA run lists of inventory offered at auction, which is searchable by make, model, year, price, location, seller and more.

Another new feature for OPENLANE customers on next.ADESA.ca is the new ADESA Market Guide. This guide combines both in-lane and online vehicle pricing to help customers evaluate auction sale results and determine market averages.

ADESA.ca will continue to run side-by-side with next.ADESA.ca. During this transition, there will be a single sign-on so users can navigate seamlessly between the two platforms. ADESA LiveBlock, which simulcasts vehicle auctions from all ADESA locations, and ADESA DealerBlock, which offers bid-now sales events or buy-now pricing 24/7, will continue to be temporarily located on ADESA.ca.

The auction company said additional features and functionality would continue to be added to next.ADESA.ca during the coming months until all features and inventory are merged to a single site.

A complete transition is expected to happen by late 2013.