

The death of the dealership is greatly exaggerated



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As I always say, the trend is your friend. So understanding that trend and moving with it is key. I don't have a crystal ball, but allow me to ask a few questions that I would strongly suggest you bring up in your next team meeting so as to allow your people the opportunity to come to some clarity about their future:

1. How many years ago was online buying of vehicles made available in North America? The answer is about 20 years ago.
2. Is the final purchase completion of their vehicle on line increasing along with the amount of research they are doing? The answer is 'No'.
3. Do the same percentage of long distance out-of-town car buyers buy a vehicle without coming into the dealership as compared to your local customers? Surprisingly, the answer is 'No' as well.
4. What percentage of your new and used retail deliveries is within a 90-minute drive of your dealership? It is 95 per cent.
5. What percentage of this local business, which is almost all your business, might start with 'clicks' but

finish in your 'bricks', that is your physical dealership? In other words, they want to come in and look at the car, the numbers, have someone buy their trade and/or look at us as a dealership before they completely finalize the vehicle purchase? The answer is 99 per cent!

If the trend is your friend, know that the research of the purchase of the vehicle online is crucial and rising. However, the actual final vehicle purchase online has not increased at all in the 20 years when online vehicle buyer debuted, except for long distance used vehicle sales. The Internet has given us access to the used car customer on almost a national scale – and if someone is looking for a needle in a haystack, and you happen to have that needle in your haystack – you can win those sales.

But virtually all other local inquiries need to be turned into real leads and appointments by highly competent and well-trained dealership staff that can make the customer experience exceptional through great attitudes and outstanding process.

So the chicken and egg question about will online buying availability eliminate the dealership seems to lead to the conclusion that this will only happen through the forced elimination of dealerships. For many reasons, customers of all ages want to walk into the dealership to finalize the sale of their trade, discuss the purchase of the replacement and review the numbers and it's future servicing needs.

Regardless of all the doomsday predictions for over two decades, the trend seems clear – dealerships aren't going anywhere any time soon. **CAW**

