



the three biggest data challenges in automotive retail

and how to overcome
them with insights and an
omnichannel approach

COX AUTOMOTIVE

Data Gets Things Done

Today's dealers know there is power in data. In fact, **four out of five dealers agree data can help them** forecast trends, generate and capture demand, become more efficient and generate bigger profits.

Dealerships that use data tend to look at customer/lead data (such as credit history or behavioral data), vehicle valuation data (including market demand) and dealership operational data (usually employee performance or inventory). Most of that data comes from vendors and partners, but dealers also collect data themselves or receive it from OEMs.

SOURCES OF DATA BY TYPE

	Vendor / Partner	In-house	OEM
Customer / Lead Data	81%	25%	15%
Vehicle Valuation Data	80%	22%	13%
Dealership Operational Data	65%	39%	22%

To better understand how dealerships use and value data, Cox Automotive conducted a study of 393 franchise dealers and 191 employees in dealership management, sales and service roles.

In this eBook, we'll dive into that study's key findings, starting with the general dissatisfaction dealers have with their data and insights. After that, we'll walk through the three top challenges facing dealers who want to leverage data insights — **real-time lag**, **conflicting data** and **low data quality** — and give you strategies to overcome each of them.

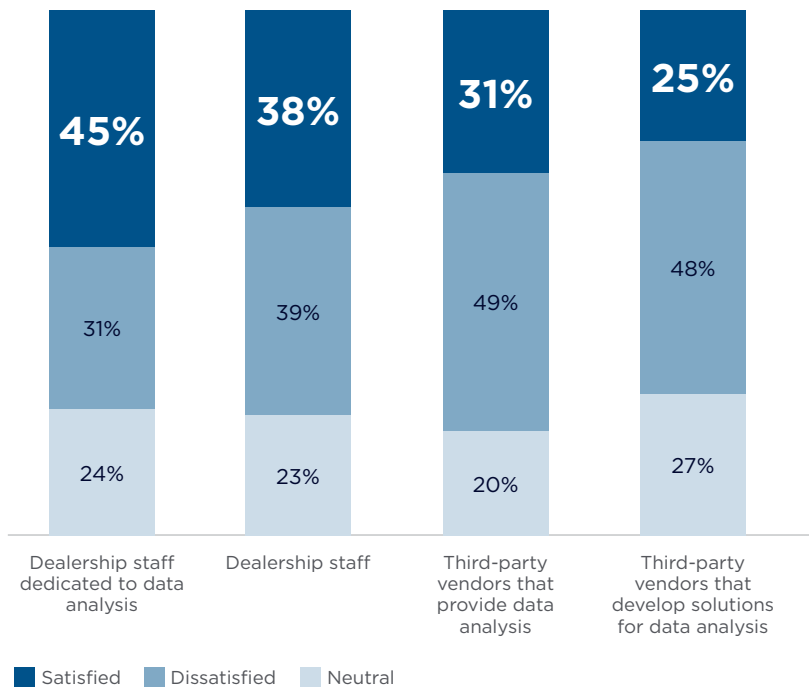
Dealerships Have a Data Opportunity

While 83% of dealerships have access to data insights from a dashboard or reporting tool, **less than one-third are satisfied with the insights they get from vendors.**

Their satisfaction improves somewhat when looking at in-house operations, but only 36% of dealerships surveyed have employees who are dedicated to data analysis.

Limited satisfaction with insights

Satisfaction with insights received from...



only **35%** of dealers are confident in their in-house insights

only **26%** of dealers are confident in third-party insights

When dealers aren't confident in their data or insights, they are less likely to use that information. They may miss opportunities to improve staff efficiency and the overall customer experience.

However, dealers who understand why they are dissatisfied with the quality of their data can take the steps to address those issues and gain a valuable edge in a crowded, competitive market.

Lag Means Less Impactful Insights

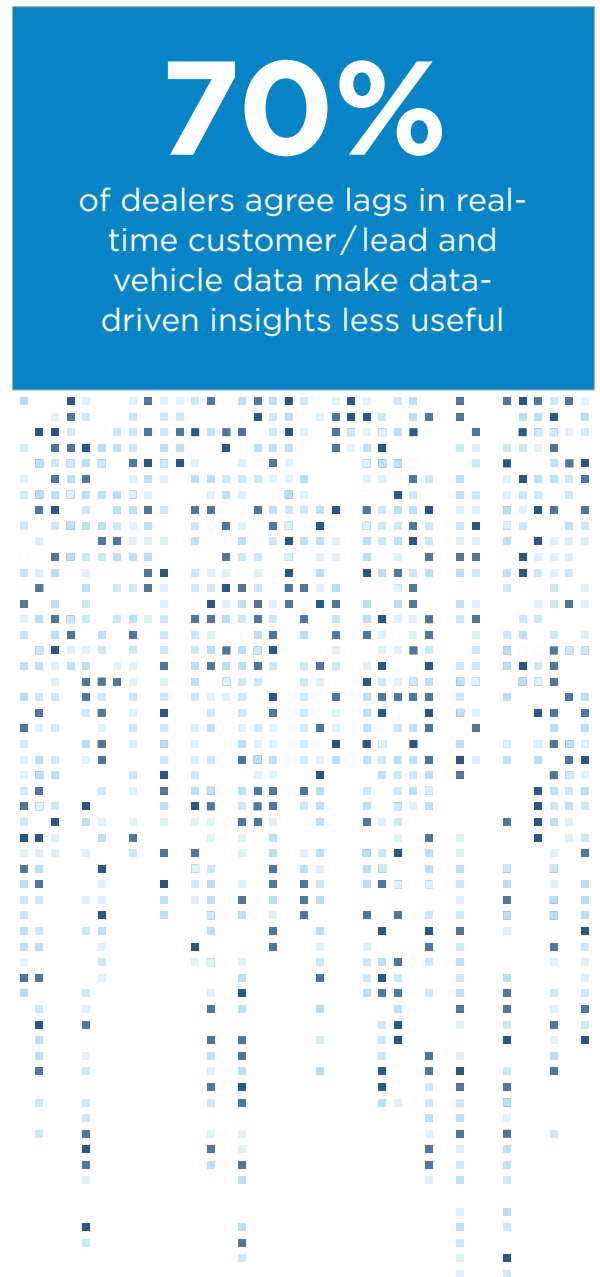
While more than four out of five dealers receive their customer/lead data from vendors and partners, that data may be stale by the time it reaches the sales team. And a lag in real-time data makes insights less useful, since they're more likely to be outdated by the time your team has them.

A customer who may have been looking at sedans last week might be searching for SUVs this week, for example. When there is a lag in data, a salesperson may find themselves following up on the wrong car, missing opportunities or creating a negative customer experience.

THE SOLUTION:

An Omnichannel Consumer Experience

Consumers want an omnichannel car-buying experience, one that follows them seamlessly as they shop online and in-store. Implement tools that update in real time and keep every department — marketing, sales, fixed ops and the back office — in sync with shoppers at every step. And when the need to start over or work backward is eliminated, staff are more efficient with customers' time, improving their experience from shopping through final sale.



“If you’re pushing and pulling data (across platforms and sources), you run the risk of the data not being up to date.”

— General Manager, Franchise Dealership, Kansas City Area

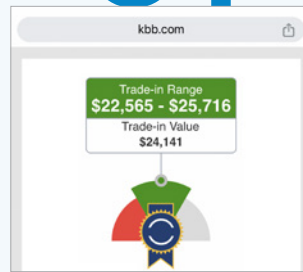
An Omnichannel Experience at Work

CONSUMER ACTION:

The consumer browses vehicles on local dealer websites, targeted with personalized content based on their online activity and vehicle interests.

They estimate their trade-in value and buying power online using a third-party site.

01



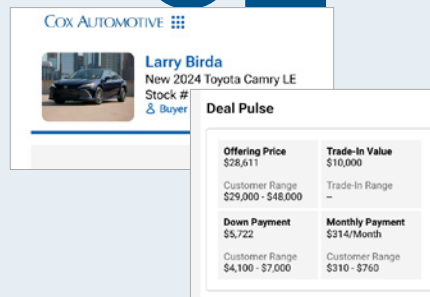
DEALER BENEFIT:

Consumer browsing data is captured and stored. It is tied to that specific shopper upon self-identification later in their journey.

When the consumer finds a vehicle that fits their needs, they go to the dealer's website and begin building a deal for the specific vehicle they researched on third-party sites.

They adjust deal details as they go, starting and stopping the process as it works for them.

02



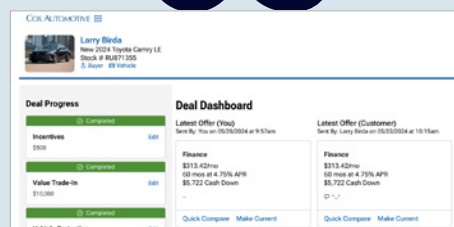
Data on all the deal terms the consumer explored is captured and stored, not just the final terms they decide on.

The dealer is armed with powerful negotiating intel, including down payment and monthly payment ranges.

After communicating with a salesperson about the deal, the consumer visits the dealership in person. They pick up right where they left off, making adjustments based on updated needs without starting over.

The consumer gets the deal they want on a vehicle that meets their needs, leaving them satisfied with an experience that was connected at every step.

03



The salesperson knows exactly what the consumer is looking for as soon as they step into the showroom, and they have the detailed information they need to make adjustments and finalize the deal quickly.

With this intelligence, the dealer is able to close a profitable deal and leave the consumer satisfied, all while saving time for the consumer and the salesperson.

Data Inconsistency Erodes Confidence

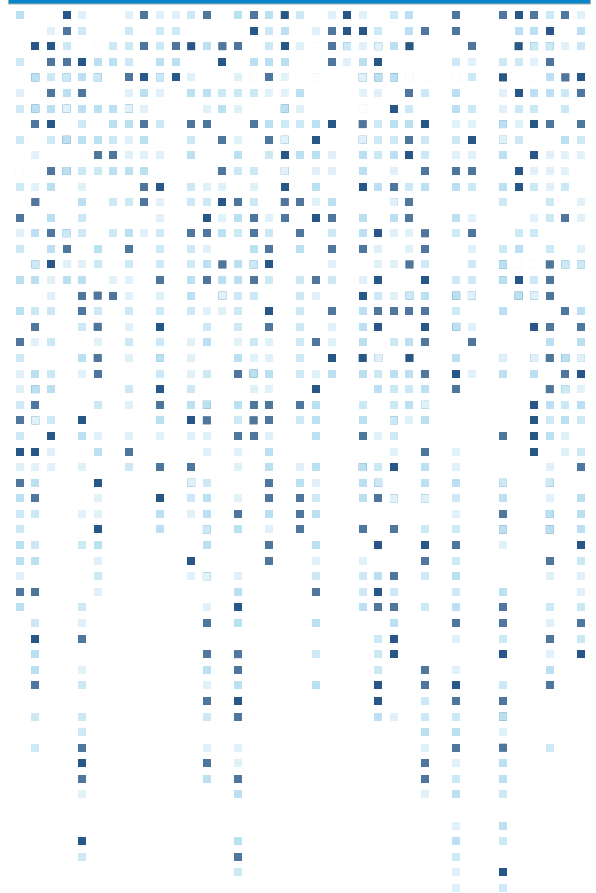
With the abundance of data available to dealers today, often coming from many different sources, data is bound to conflict at times. There are many reasons for this: systems and tools for different departments not working together, combinations of dealerships and third-party data that don't match up, human error in data entry, etc.

When dealership staff are presented with conflicting data, many don't feel equipped to determine which piece of information is correct. Additionally, inconsistent data in one place often undermines staff confidence in all the dealership's data, which negatively affects customer experience and employee satisfaction.

THE SOLUTION:

Intelligent Automation

To build confidence in your data, don't make your staff decide which pieces are correct. Let AI-powered automation determine what data should drive action, reducing guesswork and human error, and empowering your staff to confidently focus on customer relationships.



“There are often times where we spend more effort sorting through which data is ‘correct’ vs. data that is ‘estimated.’”

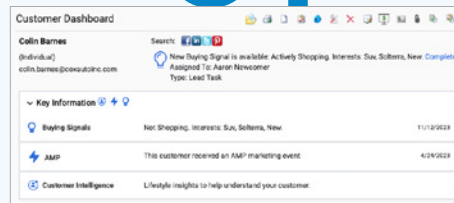
— General Manager, Franchise Dealership, Kansas City Area

Intelligent Automation at Work

CONSUMER ACTION:

A known consumer visits a dealership's website and begins browsing sedans.

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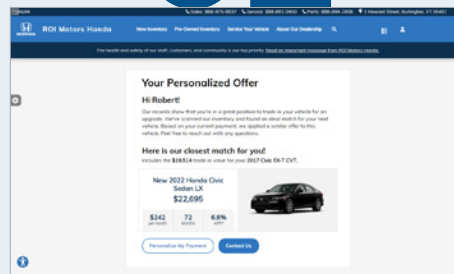


DEALER BENEFIT:

An automated alert is sent to the sales team within the CRM, informing them that the consumer is actively shopping for sedans. That alert also remains on their CRM customer record.

The consumer continues browsing over the next week, visiting the dealership's website and third-party websites.

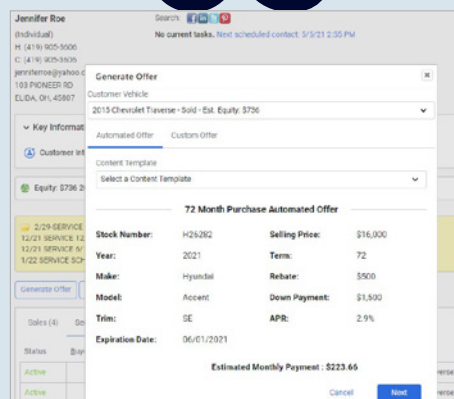
02



Without any salesperson decision-making or intervention, the dealership's automated marketing platform generates and sends a branded one-to-one offer to the customer, personalized based on the consumer's recent, unique online shopping activity.

The consumer receives a follow-up text, and they visit the dealership the next day for a test drive.

03



All the consumer's browsing and communication history is automatically stored in the CRM customer record, enabling the salesperson to instantly begin discussing the automated offer details, even without advance notice that the consumer was coming in.

Data Quality Raises Concerns

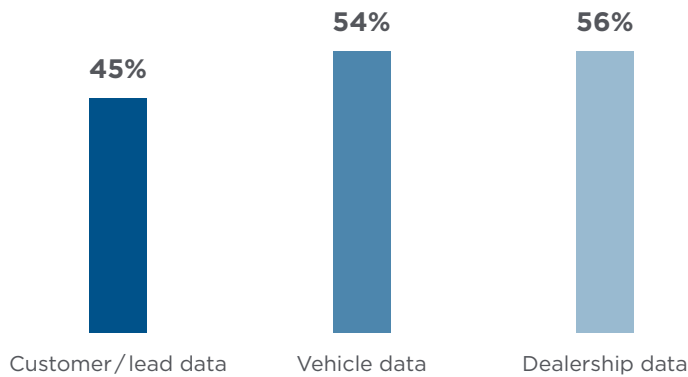
THE CHALLENGE:

When a dealership is gathering information in real time and has systems in place to digest that data into insights for your whole dealership, one issue remains: Dealers lack confidence in data coming from their vendors.

Ultimately, dealers want leads for the shoppers most likely to close a deal — and dealership staff can't realistically follow up on every lead.

69%
of dealership managers are likely to stop using a vendor if they could not provide access to customer/lead data

Confidence in Third-Party Data Sources



THE SOLUTION:

Predictive Insights You Can Trust

Cox Automotive reaches 7 out of 10 in-market shoppers to provide insights that go beyond information submitted via lead forms. These insights — like the consumer's true down payment range and their likelihood to buy — tell dealers exactly what each shopper wants and what they could pay, giving dealers control of every deal.

“It’s really handy to have an idea of the customer’s head space beforehand. I want to know as much information about a customer as I can, so I’m able to put my best foot forward.”

— General Manager, Franchise Dealership, Kansas City Area

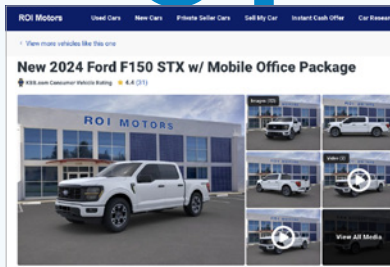
Predictive Insights at Work

Dealers can boost the sales experience further with automated, personalized messaging guided by these powerful insights. AI-led automation puts repetitive tasks on cruise control, enabling staff to do more in less time and maximize the profitability of every deal.

CONSUMER ACTION:

A known consumer browses vehicles on a third-party site, ending their browsing session before submitting a lead or contacting a dealer.

01



DEALER BENEFIT:

The consumer's browsing activity is automatically added to the marketing database of the local dealer they last purchased from, adding the consumer to a personalized marketing campaign based on their interests.

The consumer clicks on a display ad promoting one of the vehicles they browsed on the third-party site a few days earlier, landing them back on the third-party site's vehicle details page.

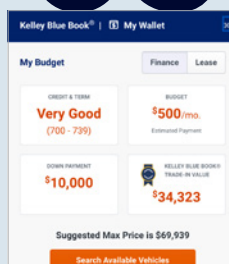
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The consumer's record in their local dealer's database is updated with information about the ad they engaged with and the vehicle they showed interest in.

While on the third-party site, the consumer begins generating monthly payment estimates and submits a credit application before finally submitting their desired deal to a local dealership.

03



The enhanced lead submitted to the dealership is current, high quality and more likely to close than other lead types, helping the sales team prioritize their efforts.

Why Data Is Worth Doing Right

Using data intelligently can help any dealership improve its results in key areas, and the more you use data, the more useful it gets. In fact, dealerships with high data usage see a higher impact in 5 of the top 10 data use cases.

Data Use Cases Where High-Value/High-Usage Dealership Managers Outscore on Impact

■ Total Management ■ High Value/High Usage

Use customer/lead data to provide a consistent, guided deal-making experience online and/or in-store for both the shopper and the salesperson.

71%

79%

Use customer data (sales and service history, preferences, etc.) to build a lifetime value profile to better serve loyal customers over time.

63%

79%

Use the dealership's internal sales and service data to benchmark key performance metrics to understand how the dealership is performing.

76%

90%

Use customer/lead data to generate individualized sales and service offers that create a personalized shopping/buying and service experience.

67%

78%

Pass and receive standardized and accurate customer/lead data (such as offers or incentives) between the dealership and the OEM(s).

68%

82%

“[With data and insights,] we can communicate with customers more efficiently because we know what they're looking for. The less time a customer has to spend talking about a deal, the more money the dealer typically makes.”

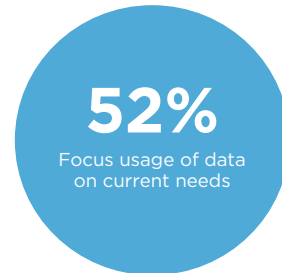
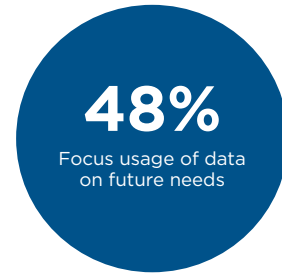
— General Manager, Franchise Dealership, Kansas City Area

The Value of Expertise

Dealers are seeing the positive results of data usage, but our study still found that only 52% of dealers are focused on using data for their current needs — and even fewer are focused on using data for future needs.

It takes expertise to find more value in data. The right data partner has a comprehensive understanding of dealership challenges and opportunities, knowledge that only comes from years of dealer experience. This expertise translates to step-by-step guidance that can help a dealership unlock and maximize capabilities across sales, marketing, back office and fixed ops.

Dealerships should look for a performance manager who can add value to their business by guiding them as they optimize processes and usage. A performance manager can identify key insights to help sales teams be more efficient and more effective while also fine-tuning tasks and processes to align with the dealership's goals and sales philosophy.



A performance manager can help your dealership leverage data to:

1 Understand customers' driving needs and buying cycles

2 Track which customers are approaching their end of lease

3 Extend special financing offers to customers you want to win

“Our Performance Manager is the key to our success. He digs deep into the data and really ensures we’re getting the most out of our tools.”

— Chief Operating Officer, Franchise Dealership,
Central Wisconsin Area

Start Getting Smart About Your Data

With high-quality, accurate data delivered in real time, dealers can unlock powerful insights that improve customer satisfaction, employee satisfaction and profits.

Cox Automotive is the only true omnichannel partner in the automotive retail industry, enabling every path to purchase and delivering consistent experiences for consumers and staff.

That omnichannel capability is enabled and enhanced by the category's most powerful consumer insights, aggregated by predictive artificial intelligence and elevated with efficiency-driving automation and the industry's leading expertise.



COX AUTOMOTIVE

Autotrader 



Kelley Blue Book



Dealer.com



Dealertrack



vAuto



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xtime