CDK GLOBAL ®

Where Intelligent Reporting Stands at the Dealership
Survey 2022

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Where Intelligent Reporting Stands at the Dealership

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Overview

For automotive leaders looking to increase productivity and profitability, insight is everything. Whether you're a national dealer group or a dealership with three to five rooftops, access to accurate information is essential to make more profitable business decisions, mitigate losses and identify revenue-generating opportunities.

This requires the ability to tap into near real-time quality data, deep analytics and drill-down reporting of performance levels. But while the average dealership processes thousands of pieces of data through their systems daily — with each transaction containing valuable information on how to drive productivity — the automotive retail industry needs to improve analytical data collection and performance reporting before dealers can utilize this information to their greatest advantage.

Asking Dealers How Reporting Should Be

To help identify what dealers need from a reporting solution, CDK Global went straight to the source. We conducted a national market research study and the results provide invaluable insight into how dealers perceive existing reporting technology, "must haves" and "highly satisfiable features."

Through them, we have been able to determine the detailed performance-level information dealers find most useful for building a competitive strategy — and what they would find most desirable in a newly designed reporting tool.

About This Survey

CDK Global Research surveyed 138 executives and department heads of automotive dealerships in North America, with 62% of the respondents having more than 20 years of experience.

The survey was conducted in November 2022 with a mix of roles, regions, departments and sales volumes. 75% of respondents currently use CDK in-application reporting tools.

The goal of the survey was to understand dealer sentiment about current reporting solutions; specifically, to identify features and functionality of utmost importance when building a new enterprise reporting solution tailored to the needs of automotive dealerships.

Defining Performance Reports

A performance report is a snapshot capturing a business's current status as it progresses toward its projected program goals. These reports are vital for providing management with information on operational efficiencies and sales profits, and for guiding decisions that lead to continuous improvement.

Depending on the breadth of technology a dealership may use, their performance report may:

- Show a high-level overview of status on departmental productivity or

- Drill down into details, such as a specific transaction and its effects on each relevant key performance indicator (KPI)

What They Do for You

In either case, using performance reports to monitor and control your operational performance is not only an essential part of growing a successful dealership, it also enhances your team's communication. This ensures all areas of your business can move forward with a unified competitive strategy. Additionally:

Reports infused with advanced analytics can provide dealers with next-generational visibility into how their dealership is performing against a set of predefined benchmarks. This lets you address areas that need improvement before they become bigger issues, and identify opportunities to expand revenue potential.

Reporting tools leveraging artificial intelligence and machine learning help identify trends, behaviors, and patterns in the dataset to predict or forecast outcomes. With this knowledge, you can form strategies to enhance sales, marketing and service outcomes. AI helps generate personalized recommendations to build profits, while ML will automate your tasks and simplify processes so you can learn more about your business, competitors, and consumers — helping you win and keep your customers' trust.

Key Findings From Our Survey

Overall, dealer respondents were generally satisfied with their current reporting solution for meeting their basic needs. **However, 63% of respondents would be willing to try a new, modern solution.** Ideally, one with advanced functionality leading to far deeper insights into their operational performance.

Dealer reporting tools need to be built for cutting-edge insights. The right combination of near real-time data, advanced analytics and configurable reporting will arm dealers with the transparency needed to revolutionize their businesses strategy and generate greater revenue in a competitive environment.

Must-Have Features in a Reporting System

Near real-time updates
Data export in Excel or PDF
Drill-down reporting

Dissatisfied With Current Reporting Solutions

21%

of dealers not using CDK software are dissatisfied with their current reporting system

Willingness To Try a New Solution

6 out of **10**

dealers across segments are willing to try a new reporting solution

## Configurable Reporting Tools Driver Higher Investment

74%

74% of survey respondents said a personalized and configurable user experience throughout their reporting tool would result in high satisfaction and high investment

Overall Dealer Experience With Current Reporting Tool

We found that only 33% of the respondents are somewhat satisfied with their current reporting tool's ability to exceed their basic needs and gather actionable insights.

Out of the total respondents, 38% among CDK users have used a reporting product for more than 10 years, and 37% consider themselves early majority.
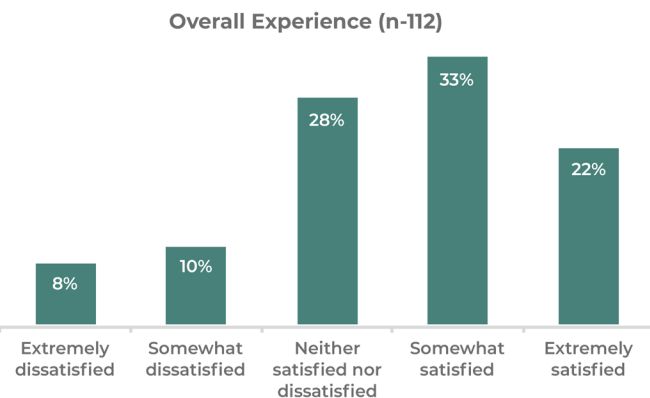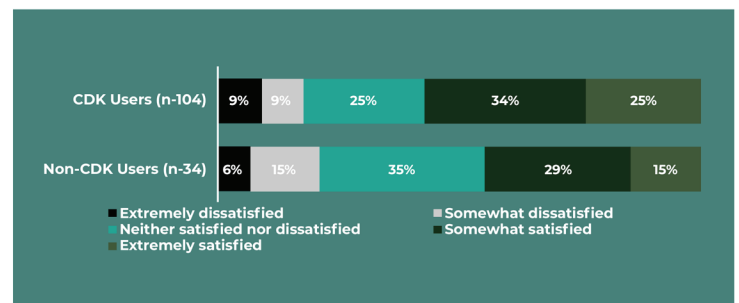
Breakdown by CDK and Non-CDK users
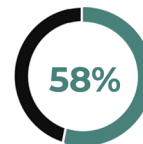
58% Dealer respondents using CDK reporting systems are satisfied

21% Dealer respondents not using CDK reporting systems are dissatisfied

Overall Experience (n-112)

Extremely dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Extremely satisfied
8%	10%	28%	33%	22%

CDK Users (n-104)	9%	9%	25%	34%	25%
Non-CDK Users (n-34)	6%	15%	35%	29%	15%

■ Extremely dissatisfied ■ Somewhat dissatisfied
■ Neither satisfied nor dissatisfied ■ Somewhat satisfied
■ Extremely satisfied

General Responses by the Numbers

We asked dealers to rank their current reporting solution by Net Promoter Score and share their rationale.

Key Findings:

70%

70% of dealerships with 1-5 rooftops responded as dissatisfied with current reporting solutions

3 years

High dissatisfaction among new users who have been using the product for less than three years; the proportion of promoters increases with the number of years of product experience

Two Thirds

Two thirds of respondents would not promote their reporting tool. This includes one third that could be characterized as **active detractors**.

Their responses confirmed that just having access to data isn't enough, and that the industry's data analytic capabilities aren't keeping pace with dealer needs. The gulf of data will only continue to grow — and along with it, an increasing number of missed opportunities and frustrating experiences. Clearly, technological innovation is critical.

"Creating reports is not easy. Custom reports are expensive. Some premade reports are good, but making customization easier would be great."

> PASSIVE, ENTERPRISE

"Very poorly designed, antiquated and not user-friendly. Very limited in reports that could be built."

> DETRACTOR, CONTROLLER, 1-2 ROOFTOPS

Top Three Must-Have and Deal-Breaking Features

We asked dealers how they would feel if specific features were **not** included in their reporting system. They responded that they would not consider moving to a new reporting tool **if it lacked any of the following:**

✓ **NEAR REAL-TIME UPDATES**

✓ **OPTION TO EXPORT THEIR DATA IN AN EXCEL OR PDF FORM**

✓ **DRILL-DOWN AND CLICKABLE REPORTING**

NUANCES DEPENDING ON THE SEGMENT:

NEAR REAL-TIME UPDATES

Near real-time updates are relatively more important for 11+ rooftops, non-auto dealerships, and customers with a tenure of 10+ years
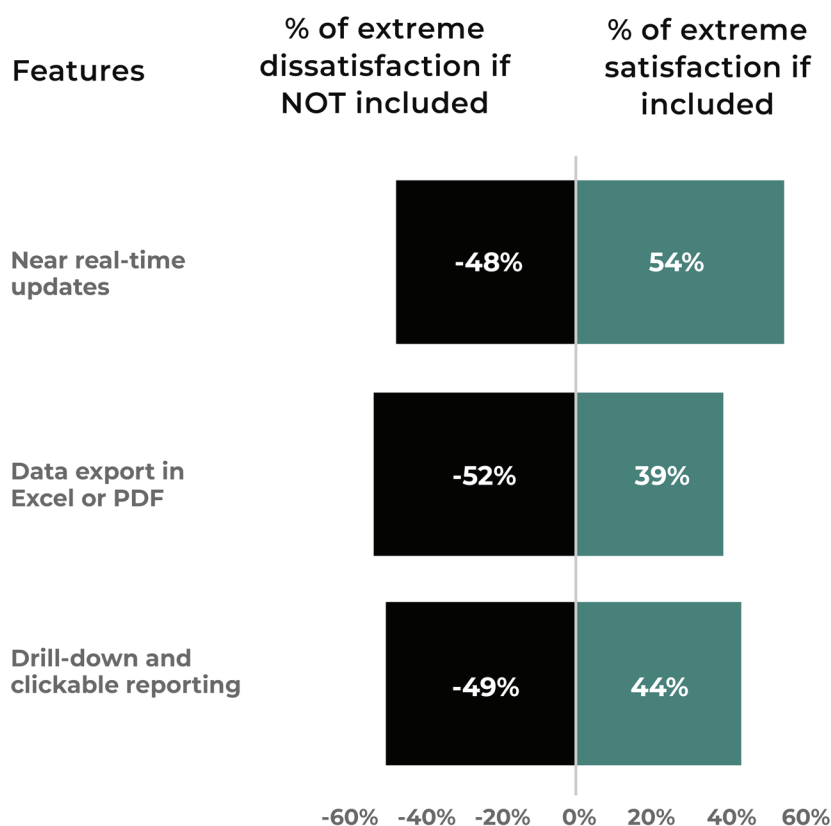
DATA EXPORT

Data export in Excel or PDF form is relatively more important for dealers with 1 to 5 or 11+ rooftops, and for non-auto dealerships and customers with a tenure of 10+ years

DRILL-DOWN REPORTING

Drill-down reporting is more important for 11+ rooftops, non-auto dealerships and customers with a tenure of 10+ years

Top Three Must-Have Features in a Reporting Solution

Features	% of extreme dissatisfaction if NOT included	% of extreme satisfaction if included
Near real-time updates	-48%	54%
Data export in Excel or PDF	-52%	39%
Drill-down and clickable reporting	-49%	44%

-60% -40% -20% 0% 20% 40% 60%

Top Five Features Leading To Higher Dealer Satisfaction

We presented dealers with 23 features to consider when building their ideal reporting tool. Then they ranked them. Heading the list of features that would bring them the **greatest satisfaction was a personalized and configurable user experience** when building reports or organizing your dashboard view.

The respondents also indicated that simply including these features wasn't enough to earn high satisfaction; they must also be simple to use and tested for exceptional quality.Otherwise, if these features were found to overcomplicate the solution, lower satisfaction would be the result. We'll examine each feature on the pages that follow.

Here are all five in descending order:

- ✓ **PERSONALIZED AND CONFIGURABLE USER EXPERIENCE**
- ✓ **COMPARATIVE ANALYSIS**
- ✓ **WHAT-IF SCENARIO ANALYSIS**
- ✓ **REPORTS INFUSED WITH ARTIFICIAL INTELLIGENCE TO AID DECISION-MAKING**
- ✓ **"ASK ME" FUNCTIONS AND TRAINING WEBINARS**

Feature Preference by Dealer Size

22% **Dealers with 1-5 rooftops** say comparative analysis and benchmarking is the second most desirable feature

25% **Dealers with 6-10 rooftops** say multiapplication reporting is the second most desirable feature

50% **Enterprise Dealers** say deep analytics for KPI forecasting and trend analysis is the third most desirable feature

Higher Dealer Satisfaction:
Feature One

Personalized and Configurable User Experience

Dealers are struggling with automotive reporting tools that won't let them configure their reports for personalized insights, or configure their dashboard for a personalized view. While some of these tools may provide preconfigured reports across each department, they're rigid and lack the ability to reset the view, metrics, benchmarks or build unique KPIs. Not only is this time-consuming, but it leads to a frustrating user experience and a lack of desired insights.

"My business is unique. I need the freedom to customize reports to my needs."

What This Feature Does

With a personalized and configurable user experience, you can build your fully customized reports, and then configure them into a view and hierarchy of your preference. Just like your iPhone home screen, your homepage view can be your creation with the same drag-and-drop capabilities.

This Provides You With:

✓ Simplified user experience with the ability to configure your dashboard with relevant reports based on user role

✓ Greater insight into performance health with the freedom to build personalized reports

✓ Quick navigation to the most important information on a day-to-day basis

✓ Configured dashboard view based on user roles eliminates timely navigation

✓ The ability to personalize to preference builds confidence in user expertise

The Perfect Tool Would:

✓ Have drag-and-drop capabilities so you're able to constantly reconstruct your Dashboard view with the personalized reports, comparisons, forecasts, benchmarks and summaries most important to your job

✓ Allow dealers to build personalized reports with KPIs unique to their business processes through a simple interface that's easy to interpret

✓ Provide hundreds of preconfigured reports and dashboard views based on user role, but support the flexibility to reconstruct if needed

Higher Dealer Satisfaction:
Feature Two

Comparative Analysis

Dealers are frustrated by the lack of reporting tool capabilities for comparing their performance rates to industry standards.

> *"Knowing I've set competitive goals for my dealership based on industry standards helps us build strategy."*

What This Feature Does

Comparative analysis helps you uncover key information about how your dealership is performing compared to leading industry rates or other locations within your same dealership group. It could also help increase your operational efficiencies and identify areas with untapped potential.

This Provides You With:

- ✓ More realistic and aligned revenue targets
- ✓ Better competitive strategies
- ✓ Enhanced communication across enterprise corporations
- ✓ Action-based insights on how you're competing in the industry

The Perfect Tool Would:

- ✓ Analyze your performance metrics in comparison to industry-leading rates to identify action-based insights on advantages or disadvantages across all departmental workstreams
- ✓ Analyze performance metrics across every location in a dealer group for management to view productivity in an executive view

Empowers These Roles:

- ✓ **DEALER PRINCIPAL**
- ✓ **CHIEF FINANCE OFFICERS**
- ✓ **CHIEF OPERATIONS OFFICERS**
- ✓ **CHIEF REVENUE OFFICERS**

Higher Dealer Satisfaction:
Feature Three

What-If Scenario Analysis (WISA)

Dealers are lacking easy-to-use tools to help accurately foresee circumstances that could impact their business.

"Trusting my gut just isn't reliable enough."

What This Feature Does

The process of evaluating scenarios to predict their effect, positive or negative, on a business's objectives is the essence of WISA.

Organizations that are proactive about uncertainty and build contingency plans create consistent and profitable success.

This Provides You With:

✓ Higher margins by anticipating problems in order to proactively adapt to changes and effectively make well-informed decisions

✓ Profitable recommendations based on personalized insights and smart analytics

The Perfect Tool Would:

✓ Analyze how changes to a workflow in the Service lane may impact overall timeliness, transparency, and completion rates for ROs in a week, month or quarter

✓ Forecast financial budgets to help plan for and allocate resources across a dealership

✓ Anticipate supply and demand on any given date for inventory managers to maintain a healthy just-in-time inventory management system

Empowers These Roles:

✓ **CONTROLLERS**

✓ **DEALER PRINCIPAL**

✓ **SERVICE MANAGER**

✓ **FINANCE DIRECTOR**

✓ **PARTS INVENTORY MANAGER**

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Higher Dealer Satisfaction:
Feature Four

Reports Infused With AI/ML Modeling

According to external research and the recent CDK survey, users are dissatisfied with the lack of AI/ML capabilities in existing reporting tools used today.

> *"How can I use data science to identify the root cause of problems — then develop action plans so I can sell and service more vehicles, and expedite workflows based on these added insights?"*

What This Feature Does

Companies operate better with intelligent software tools that derive actionable insights from their data. With the right combination of advanced analytics and artificial intelligence, data can become your most competitive advantage. Reporting tools that use data science provide dealers with game-changing insights from their data.

This Provides You With:

- ✓ Operational transparency
- ✓ Opportunities for revenue growth
- ✓ Cost reduction while efficiently focusing on core business functions
- ✓ Data-driven recommendations and predictions that once required hundreds of hours of analysis
- ✓ Accelerated employee onboarding and productivity while enabling them to provide a better customer experience

The Perfect Tool Would:

- ✓ Utilize AI/ML to quickly identify action-based insights through WISA, make accurate predictions and forecasts, and even deploy AI chat boxes to provide helpful navigation throughout the tool

How Data Science Strengthens a Reporting Tool

Data is fiercely fueling the automotive industry. In this era of constantly evolving technology, dealers have no shortage of customer, vehicle, and industry data to sift through. But they need effective tools to navigate it.

That's where data science comes in. Reporting tools infused with the right combination of specialized programming, advanced analytics, and artificial intelligence (AI) helps you intelligently navigate key insights. Those lead to informed and decisive actions that give dealers the advantage they need to thrive in an accelerating industry.

The Power of Big Data and AI Helps Dealers:

- Sell and service more vehicles

- Proactively identify service failures and recommendations

- Improve productivity and profitability

- Increase CSI / NPS through personalized customer experiences

- Produce data-driven recommendations and predictions throughout operational models in the dealership

- Accelerate employee onboarding

Data Is the Future, and It Can Be Harnessed to Power Growth in Your Operations

68%

68% of dealers using AI report having already felt a positive impact

Higher Dealer Satisfaction:
Feature Five

"Ask Me" Functions and Training Webinars

Dealers expressed concerns about purchasing a new tool due to the time it will take to install the product, train all users and confidently be "up and running." In their experience, too many products have been accompanied by the frustration of poor communications and support when issues needed to be resolved.

> *"Any tool I purchase would have to be intuitive to use, easy to navigate, and be supported by training webinars. And to handle questions afterward, give me an AI chat box, a customer success manager, or simply a direct contact I can rely on."*

What This Feature Does

In light of the time investment that comes with learning any new technology, "Ask Me" functions and training webinars are not nice-to-haves. They're must-haves.

The Perfect Tool Would:

- Have an embedded bot to walk users through how to navigate the tool and interpret report insights

- Provide an "Ask Me" function or chat box through which users could type generic questions and be connected directly to online support

- Include a training period throughout installation, so users can attend in-depth walkthroughs of the tool and learn how to properly leverage all features and functionality for the greatest ROI

High Value Placed on Advanced Reporting Features

In addition to the five features we just covered that are necessary for higher satisfaction, dealers recognize the value of a variety of advanced reporting features. These include:

62%

62% desire multiapplication reporting across the software their dealership uses on a day-to-day basis (not limited to their Dealership Management System)
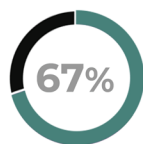
61%

61% responded to having an interest in forecasting and trend analysis to project outcomes and proactively adapt to changes

On a scale of 1-100% how important are the following features to you?

76%	67%	62%	61%	59%	56%
Near Real-Time Updates	Personalized/ Configurable Reporting	Multiapplication Reporting	Forecasting and Trend Analysis	AI/ML Modeling	Personalized/ Configurable Home Page
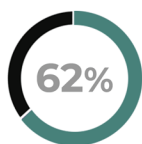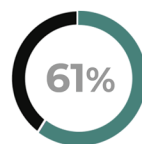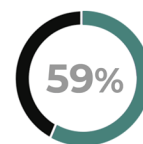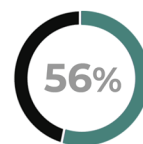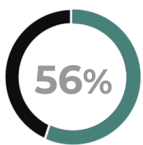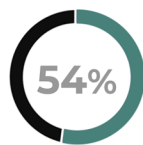
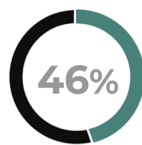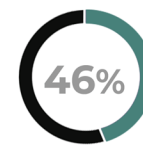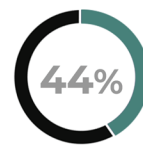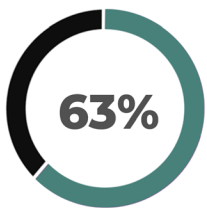| 56%	54%	52%	46%	46%	44%
Comparative Analysis	Enterprise Capabilities	In-Application Messaging	Ask Me Function and Training Webinars	Alerts and Notifications	Self-Installation

With the Right Features, Dealers Show Interest

63% **Dealer Respondents would consider trying a new reporting solution**

The majority of dealers responded they would be willing to try a new reporting solution that included all the critical "must-have" features selected and those "highly satisfiable" features worth making a deeper investment.

There Are a Few Nuances:

While executives and innovators show a high interest of 68% and 75% willingness to try a new solution, the relatively less inclined include dealerships with 6 to 10 rooftops showing 46% interest, and the late majority segment with 43% interest.

Those with the greatest optimism? **Dealerships with 11+ rooftops show a 78% willingness** to try a new solution.

Top Factors Influencing Dealer Buying Decisions

1 Cost vs benefit in comparison to competitive offerings

2 Ease of use of the new product

3 Value add from the new product

4 Hands-on training or trial period before final decision

Tipping the Balance to Purchase

Survey respondents pointed out these areas of consideration before making the transition to a new reporting solution:

- Optimal price as it relates to ROI is the leading concern when conducting cost-versus-benefit comparisons of available reporting tools on the market; this may even take precedence over whether a product has a completely desirable feature set

- Difficulty of installation, ease of use, and a strong support model when training employees on how to use the tool (see Higher Dealer Satisfaction: Feature Five)

- Understanding the tangible value of the advanced feature set — will these new tools truly lead to greater insight, enhanced communication and a more successful business strategy?

These concerns are not unique to the introduction of modern reporting technology and are consistent with what dealers have expressed in previous surveys when asked about the introduction of new, innovative technologies.

Using the Voice of Our Customers To Build New Solutions

At CDK Global, we believe that collaborating directly with our clients leads to success for everyone. What we learned from this survey prompted us to develop a more efficient, intuitive reporting tool.

We focused on:

✓ Delivering the features dealers told us were most important

✓ Including the functionality they found lacking in current reporting tools

✓ Addressing the areas of concern holding them back from transitioning

LEARN ABOUT
CDK Intelligence Suite

The CDK Intelligence Suite provides next-generation reporting tools and solutions based on hard research into the way dealers like you operate.

This web-based reporting tool offers enhanced visibility into your dealership's operations and revenue performance. So dealer groups can access and build configurable reports through seamless, near real-time integration into CDK systems.

DESIGNED FROM THE GROUND UP SO YOU CAN:

1. Personalize your homepage view for a workflow-specific user experience, with preconfigured or drag-and-drop capabilities

2. Save time and labor with hundreds of preconfigured reports or gain personalized insight with the freedom to modify these reports to view KPIs that are most important

3. Evaluate performance and build a competitive strategy with Dealer Like Me and industry-based comparative benchmarks

4. Set goals for hundreds of available KPIs, and track your progress with drill-down reporting views for root-cause analysis

5. Create a territory overview with enterprise reporting for all size dealer groups

6. Get in front of sales with accurate, near real-time report updates

7. Boost efficiency with multiapplication reporting from one interface across all CDK systems — CDK Drive, CDK Service, CDK Elead CRM and more to come

8. Identify patterns and predict outcomes with AI and deep analytics

9. Enhance communication with in-application notetaking and messaging components through common enterprise services

10. Work intuitively on the go — web-based reporting is available in a tablet view

Next Steps

Evaluate the insight you gain from your current reporting tool. Is it really working for you or just working?

ASK YOURSELF THESE QUESTIONS:

| Are your basic needs met? | Are you highly satisfied with the actionable insights leading to improved productivity and profitability? | How has your business grown since you signed up? |

It's time to take the lead with a better understanding of your Sales, Service, and F&I potential. Get a clearer path to boost revenue with correlation analysis, operational performance estimates, and productivity benchmarks. And outperform the competition.

We've done the research, so the CDK Intelligence Suite can make your data work for you.

About CDK Global

CDK Global is a pioneer in automotive retail providing end-to-end, omnichannel retail commerce solutions to our partners in the automotive, heavy truck, recreation, and heavy equipment industries.

We are a leading provider of integrated data and open, agnostic technology to nearly 15,000 retail locations in North America. By connecting people with technology, CDK Global solutions integrate all parts of the dealership and customer relationship.

For more than 40 years, CDK Global has been empowering dealers and OEMs with the tools and technology they need to build deeper relationships with customers.

To learn more about how CDK Global is building advanced reporting tools to help our customers, visit us at CDKGlobal.com.

Resources:

CDK Market Research and Insights Reporting Survey

CDK Market Research and Insights AI Survey

PM Study Circle - Performance Reports

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Learn more at **CDKGlobal.com**