

CDK GLOBAL®

Time Is Ticking on Customer Satisfaction

A DEALER'S GUIDE TO REDUCING
UNNECESSARY WAIT TIME

03 MIXED MESSAGING

05 WHY TIME IS CRITICAL

06 BENEFITS OF AN EFFICIENT
SALES PROCESS

08 A SALES EXPERIENCE THAT'S
BETTER FOR EVERYONE

10 THE CULTURE OF
MODERN RETAIL

11 HOW TO CREATE A
MODERN SALES PROCESS

15 FINAL THOUGHT

Mixed Messaging

Auto dealerships have made great strides over the past few years toward eliminating unnecessary wait time during the vehicle purchase process. However, consumers still believe there's room for improvement.

Most dealerships cite improving the customer experience as a top priority, yet the reality of today's car buyer isn't meeting that ideal.

Dealerships need to address this disparity in perception if they want to improve customer satisfaction.

DEALERS

BUYERS

50%

34%

Believe the car buying process takes 1 to 2 hours.

21%

of buyers spent over 3 hours at a dealership.

CDK Global 2023 Friction Point Study



THE BOTTOM LINE

The longer it takes for shoppers to get through the sales process, the more dissatisfied they become.



Why Time Is Critical



→ NPS 101

Wait time kills customer satisfaction. Whether it's waiting on a salesperson or waiting to get into the F&I office, it all negatively affects the customer experience, Customer Satisfaction Index (CSI) and a dealership's Net Promoter Score (NPS). The bottom line: The longer it takes for shoppers to get through the sales process, the more dissatisfied they become.

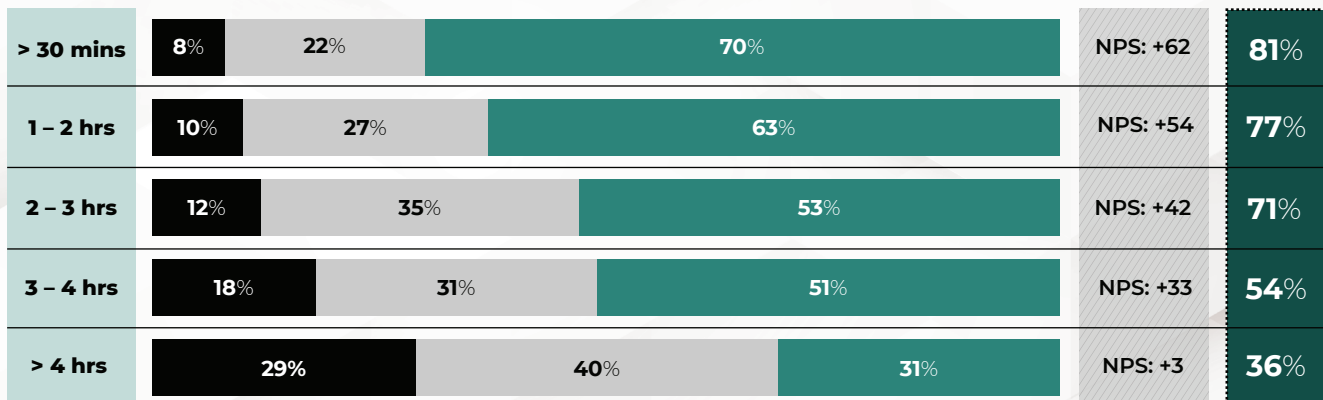
Surveys have shown the sweet spot to aim for is an in-store time of two hours or less. Any more than that and satisfaction takes a big hit. As a dealer, do you want to deliver terrific experiences or let others control the narrative? If you don't provide an efficient buying process, car shoppers will shop elsewhere.

Net Promoter Score is a customer experience metric that measures loyalty and is predictive of business growth. It's calculated by asking an initial survey question on a 0-10 rating scale. Then, accumulated ratings are graded as one number between -100 and 100.

Word of mouth and what people say about your dealership online is everything in the auto retail business. In the best-case scenario, a low NPS means customers won't recommend your dealership to friends and family. In the worst-case scenario, disgruntled customers will go so far as to dissuade others from buying from you and speak poorly about you online.

SHOPPER RECOMMENDATION AND SATISFACTION BASED ON TOTAL TIME SPENT AT THE DEALERSHIP

■ Detractors ■ Passives ■ Promoters ■ % Extremely Satisfied



Average NPS: 46

Benefits of an Efficient Sales Process

An efficient sales process is a win-win for both consumers and dealerships. Eliminating unnecessary wait time can accomplish four things.

01.

INCREASED SALES



Improving sales efficiency helps dealerships earn more business in two ways. **It allows employees to close more deals in less time, and it creates the convenient process that today's consumers demand.**

When dealerships delight customers with an easy sales process, their perception of the deal rises significantly. Satisfied customers are more likely to return for service, come back for future purchases and refer their friends and family.

02.

INCREASED SATISFACTION AND NPS



Customer satisfaction and NPS scores remain high when the sales process takes two hours or less. This is a great indicator that customers will return to the dealership, tout its appeal to friends and family and leave positive online reviews.

A drawn-out process tanks satisfaction and NPS scores. In fact, just crossing the two-hour mark drops NPS scores by 12 points. It drops another nine points when the process takes three hours. **Customer satisfaction scores also fall off a ledge, dropping from 71% to 54% after three hours.**

CDK Global 2023 Friction Point Study

Benefits of an Efficient Sales Process

03.

FASTER F&I PROCESS



The F&I process is commonly cited as troublesome among customers. Introducing customers to F&I products early in the sales process — both online and in-store — helps set better expectations and mitigates the feeling that a dealership is adding costs to the deal at the very end of the process.

When customers can educate themselves at home through product videos and pricing tools, it also allows them to move faster through the process when they're in the F&I office. **This is especially important, as 61% of consumers report spending 30+ minutes alone waiting for the F&I Manager to finish the sale.**

04.

HIGHER EMPLOYEE SATISFACTION AND RETENTION



Employee retention is critical at a time when it's difficult to hire. Retention, in turn, is directly tied to satisfaction. Happier employees tend to stick around. However, one of the biggest problems at any business is burnout. This is especially true when employees are asked to do more in less time to make up for fewer staff members.

There are fewer dealership salespeople now than ever before, but technology is helping them to work more efficiently. Dealerships can continue selling the same number of cars — or more — with less staff. **This efficiency is also helping dealership employees achieve better work-life balance and avoid burnout.**

A Sales Experience That's Easier for Everyone

1/3



Nearly 1/3 of consumers want a fast, easy and convenient buying process, but **wait time continues to be the top pain point.**

CDK Global Automotive Retail Friction Point Report

Dealerships looking to improve their customer experience should now see how reducing time spent completing a purchase is critical. However, the answer isn't to simply adopt a digital retail platform.

Consumer demand for digital shopping tools isn't primarily driven by the desire to buy a car on a website — most shoppers want to visit the showroom to see and test-drive the vehicle. **The demand is driven by the desire for a faster and more convenient experience throughout the entire process, and not just online.**

What's required is a modernization of both in-store processes and technology. If a dealership doesn't offer an easier path to purchase, it'll continue to lose business and market share to competitors and online retailers that do.



THE BOTTOM LINE

Dealers who start deals
digitally shave one hour off
each transaction.

Roadster & NADA Dealer Impact Study, May 2021



The Culture of Modern Retail

Consumers expect all transactions to be easy and convenient, including vehicle purchases — that's modern retail.

Modern retail uses integrated computer systems and software, along with modern sales processes and employee training, to help customers do more at home from their devices and spend less time at the dealership.

Deals move rapidly and employees are more productive because data flows seamlessly throughout the entire workflow, from online to in-store to contracting.

Modern retail lets the customer lead. They choose a buying path from online to the showroom and back again. And when they're in-store, integrated workflows speed up the vehicle delivery.

→ ALL THIS LEADS TO GREATER CUSTOMER SATISFACTION, MORE REPEAT BUSINESS AND MORE PROFITS.



How To Create a Modern Sales Process



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When there's transparency of information and ease of making a car deal ... closing ratio goes up, CSI goes up and of course that transfers into the back end of the deal.

Luke Smith
General Manager | Audi Rocklin



ADOPT DIGITAL RETAIL IN THE SHOWROOM

Up to 84% of dealers report using a digital retail tool in some capacity, but only 30% of dealers use these tools in the store. That's a huge missed opportunity. When Sales staff use the same tool in-store that shoppers use at home, they have instant access to the customer's record. When the customer gets to the showroom, the salesperson can sit with them and work the deal on the same screen the customer used at home. Built-in deal guardrails can ensure profitability goals are met. This way, the staff can avoid wasting customers' time and deliver a terrific experience.

Dealers who use digital retail as a true retail tool, and not just for lead capture, are more profitable. When we look at dealers who use their tools all the way through to the showroom as part of the presentation and desking process, unit sales per salesperson surge from 10.8 to 16 (as per NADA data). And it's more than just digital retail; it elevates all the points throughout the selling process to make the experience faster and easier.

Adding digital retail to the showroom isn't giving in to exclusively selling cars online. Instead, a robust solution allows dealers to monitor and control the process from the first lead entered on the website to the last signature captured electronically. No longer is there just offline or online selling; every sale can be a hybrid experience that seamlessly connects the online and in-store processes.

How To Create a Modern Sales Process



REIMAGINE THE SALES DESK

The biggest problem for shoppers in our 2023 Friction Points Study was waiting for the salesperson during the negotiation process. The back and forth between the Sales agent and the desk tanks the customer experience. It also leaves customers sitting alone in the store, free to ponder the purchase and use their phones to find a better deal.

A reimagined desk empowers salespeople to work the first pencil with the customer by using a digital retail tool. The salesperson pulls up the saved deal, reviews it with the customer, has it electronically approved by the desk, and finalizes the details — without leaving the customer's side — in a fraction of the time the process normally takes.



INCLUDE F&I PRODUCTS ONLINE AND IN THE STORE

Including educational F&I materials in the digital process is good for customers and profits.

- Q&A to narrow down customer needs
- Product videos to explain value and coverage
- Pricing tools to show how monthly payment may be impacted
- List of recommended products for vehicles



Waiting on the F&I Manager has long been a point of frustration for customers. And the longer customers wait, the less likely they are to purchase protection and appearance products. **Include F&I products online and in store to help move customers through the process faster when they're in the F&I office.**

Educating customers about products online is thought by some to erode profits, but the opposite is true. Presenting menu options early can help capture more F&I dollars by giving customers the transparency they want. The key is to present the value of products to protect their vehicle investment and not just a product description.

Whatever information a customer can find digitally, they should also be able to see in the showroom. Have informational product videos available and digital versions of website content.

How To Create a Modern Sales Process



EMPOWER THE BDC

A Business Development Center (BDC) can do much more than set appointments with the right tools and processes. **A digital retail tool gives the BDC full visibility into the steps of the sales process customers are completing online.** This information allows them to help customers through the steps, answer questions, introduce F&I products and even start deals.

Instead of waiting for a salesperson to return a call or respond to an online lead, customers get immediate help. They move more swiftly through the process so the in-store visit can be as fast as handing over the keys.

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There is a lot of power in seeing everything that the customer did online.

Joel Bassam
President | Easterns Automotive Group





THE BOTTOM LINE

Modern retail is
the new normal.



Final Thought

Consumers are waking up to the fact that buying a car shouldn't be exhausting. They expect a faster, easier and more convenient purchase experience. It might be tempting to think you can continue selling as you've done for decades. But as far as consumers are concerned, modern retail is the new normal. **Dealers will need to adapt to evolving buyer expectations if they want to stay profitable in an increasingly competitive market.**

→ ABOUT CDK GLOBAL

CDK Global is a leading provider of retail technology and software as a service (SaaS) solutions that help dealers and auto manufacturers run their businesses more efficiently, drive improved profitability and create frictionless purchasing and ownership experiences for consumers. Today, CDK serves nearly 15,000 retail locations in North America.

Discover how we can help you succeed at cdkglobal.com.

The logo for CDK Global, featuring the text "CDK GLOBAL" in a bold, white, sans-serif font. A registered trademark symbol (®) is located at the end of the word "GLOBAL". The background of the entire page is a dark, swirling pattern of light gray lines that create a sense of motion and depth.

Learn more at cdkglobal.com