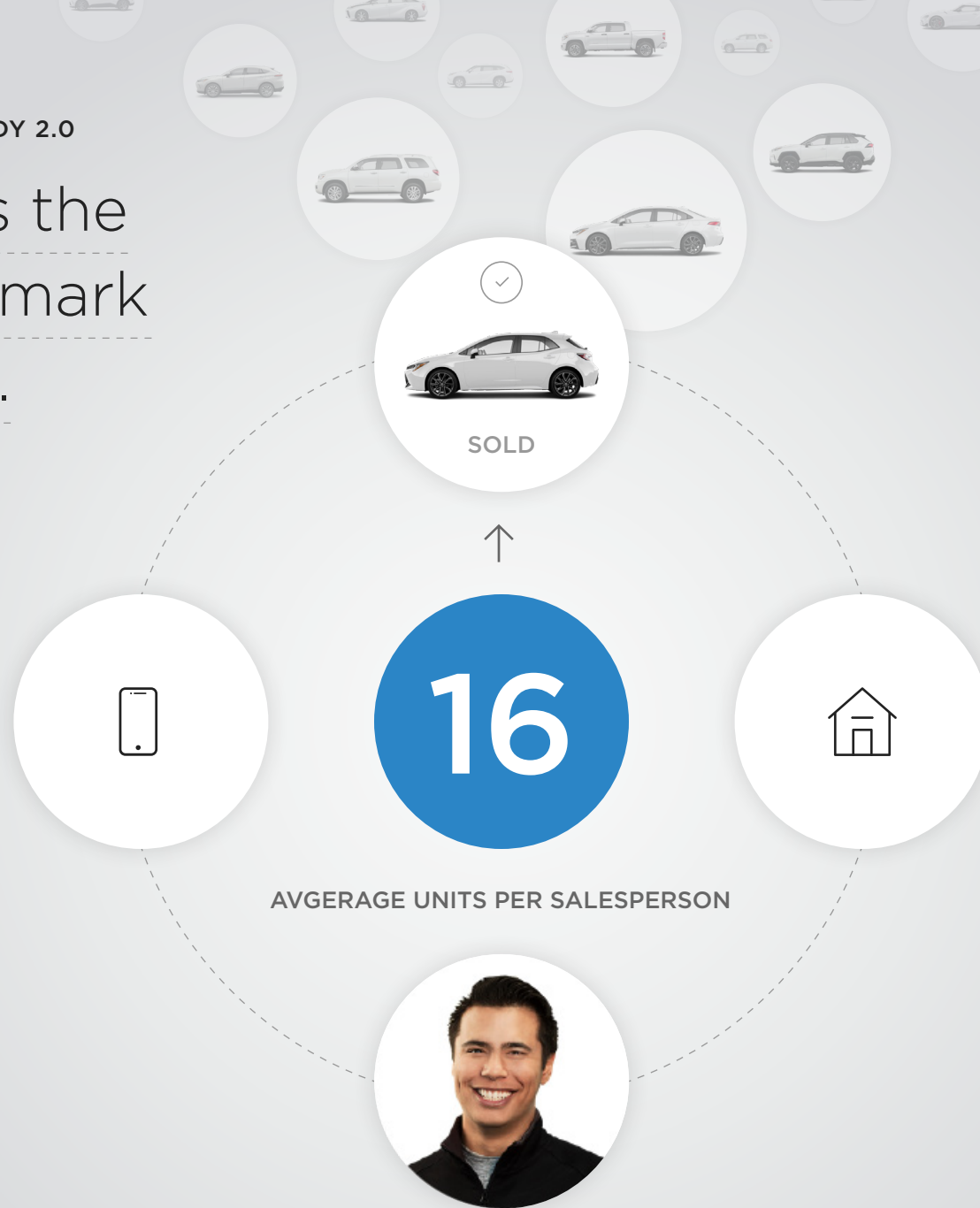


Efficiency is the
New Benchmark
for Success.



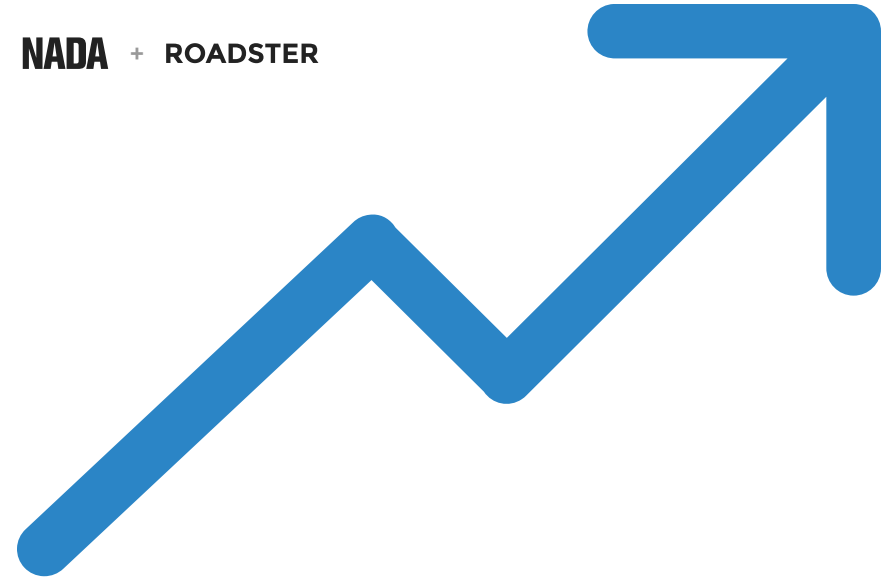
Last spring ...

after some dealerships were forced to shutter their showrooms and many shifted to 100% online selling, Roadster and NADA conducted [Part 1 of a Dealer Impact Study](#), analyzing COVID-19's effects. The surprising results: though sales were down significantly, online engagement and sales efficiency were up, with dealerships able to sell more cars per person with a reduced staff.

Three months later, with dealerships fully reopened, we followed up with **Part 2 of our Dealer Impact Study** to see what sales-process adaptations have stuck, what has changed, and what the impact has been on both the dealer and consumer side.

Units per salesperson continue to climb. Part 2 of our study dug deeper to better understand the reasons behind this phenomenon. Spoiler alert: One of them is that consumers are completing more of the purchase process online.

After surveying 1,000 consumers, our study revealed that, even with showrooms open, a historically large percentage of them are engaging in many car-buying activities online. As a result, they're experiencing a faster purchase process, in many cases under one hour.



The Takeaway

COVID-19 has created unprecedented efficiencies for both auto dealers and consumers that have become the new benchmark for success.

Sales Agent Efficiency Continues to Climb.

When COVID-19 hit last spring and state mandates forced some showrooms to close, many dealerships furloughed or laid off staff. The employees that remained were forced to shift to 100% remote selling, not knowing what the outcome would be.

To everyone's surprise, dealerships didn't just survive under these new conditions; they thrived. For the past 35 years, average units per salesperson have hovered around 9-10. But by working multiple deals online simultaneously, rather than sequentially, the average units per salesperson increased to 13.¹

A few months later, with showrooms back open, we wondered if dealerships would revert back to their old ways. But in spite of this, remote selling is here to stay and sales efficiency keeps climbing.

Agents report selling an average of **16** units per person, an increase of three units per person in just three months.² This increase is driven by a combination of reduced staffing levels and increased sales. Nearly half (**44%**) of dealerships are still operating with a reduced staff. And while the average staffing level is **92%**, the average dealership is at **104%** of pre-COVID sales volume.

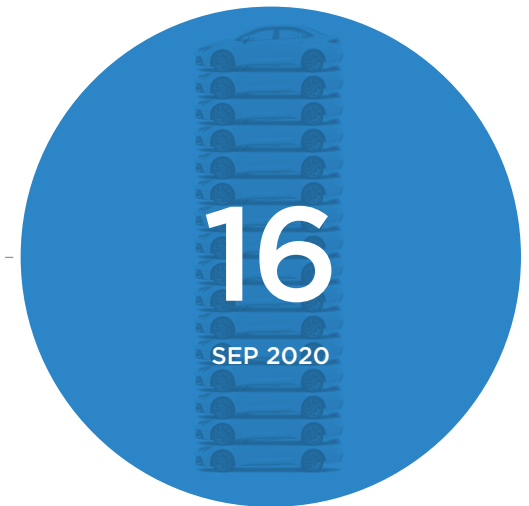
“*Our group is now selling more per person than they ever thought possible. We are on our way to becoming ‘30-car Theos’ instead of ‘8-car Allens.’*”

—Frank Bystricky | EXECUTIVE MANAGER, INFINITI OF AKRON

87% of dealers surveyed say “Remote Selling is Here to Stay.”



average units per salesperson



R FINDINGS

What's more is that nearly twice as many dealers are experiencing this phenomenon now vs. in May. **Forty-six percent** of Omnichannel dealers say that they can sell more per person now vs. 24% last spring.

This demonstrates that with the right tools and processes in place, dealerships are able to sell much more with less. Roadster's best performing dealerships are selling 20-40 units per person, per month by working with multiple customers digitally prior to an in-store visit.

DELEARSHIP METRICS	2019	THE NEW MODEL
# of Units Sold Monthly (New and Used)	160*	160
# of Salespeople	16	10
Average Salesperson Compensation Per Units Sold	\$584.45*	\$368.94



46% of Omnichannel dealers say that they can sell more per person now vs. 24% last spring.



HOME DELIVERY



IN-STORE PICKUP

“ You don't need to grow to go to where you need to go.”

—Jarred Black | GM, LARRY H. MILLER TOYOTA BOULDER

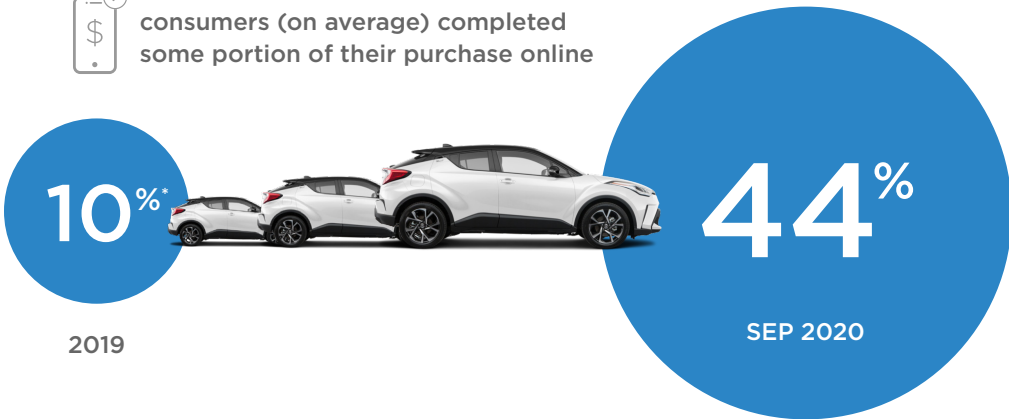
In light of this, right-sizing your staff for demand has never been more important. So, as demand continues to increase, consider the fact that you don't need to hire more people. For example, if your store sells 160 units per month, you would only need 10 sales agents (instead of 16) to accommodate the demand. Based on data from the 2019 NADA Dealership Workforce study, this level of efficiency has the potential to reduce the compensation per unit sold from \$584.45 to \$368.94.


R FINDINGS

The Customer Experience is Becoming More Efficient, Too.



consumers (on average) completed some portion of their purchase online



61% 

vehicle selection

35% 

financing/leasing

34% 

credit app

34% 

price negotiations

23% 

f&i selection



63%

said their car purchase was faster than their previous purchase

Part 2 of our study shows that as agents sell more efficiently, customers are able to buy more efficiently, too. And it's not a coincidence.

As showrooms reopened, dealership staff continued to encourage customers to complete more and more of their purchase online, prior to visiting the showroom. As a result, **44%** of consumers (on average) completed some portion of their purchase online. This is a striking increase from the 10% reported by Cox Automotive in 2019.

Vehicle Selection was the most common car-buying activity performed online (**61%** of consumers), followed by Financing/Leasing (**35%**), Credit Application Submission (**34%**), Price Negotiations (**34%**) and F&I Selection (**23%**). All of these online consumer behaviors were significantly higher than in 2019.¹

The least common car-buying activity performed online was Trade-In Submission. However **22%** of consumers still did this in 2020, compared to only 10% in 2019.¹

With consumers completing so much of the car-buying process online, transactions overall are becoming more efficient. A whopping **63%** of consumers reported that their most recent car purchase was faster than their previous one. And **38%** reported that their purchase took less than one hour.

Based on a key learning from a [Time Study](#) we conducted in 2018, this bodes very well for customer satisfaction scores. It revealed that the more time customers spend at the dealership, the less satisfied they become with the buying experience, with a huge drop off occurring after the first 90 minutes². Therefore, it can be inferred that the more streamlined the process becomes, the more satisfied customers will be.

Design Your Dealership for Efficiency.

WHAT OMNICHANNEL DEALERS SAY ABOUT DIGITAL RETAILING

MAY

SEPTEMBER

It allowed my team to complete transactions in a contactless way

52%

63%

It made my sales process more efficient (saved time)

61%

70%

It allowed my team to sell more cars per person

24%

46%

BUY THIS CAR



Now is the time to invest in the right resources to maximize efficiency.

Of the dealers we surveyed, **88%** said they used digital retailing tools. However, only **34%** of them used an Omnichannel solution that seamlessly connects the online and in-store buying and selling experiences.

Without an Omnichannel solution, sales agents must ask consumers to repeat purchase steps that they've already completed online in order to finalize the transaction in store. Not only does this diminish your dealership's efficiency, but it also adds time to the transaction, which, as we just mentioned, is the No. 1 driver of customer dissatisfaction. With the "new normal" including remote selling, contactless test drives, reduced staffing and after-hours availability, having an Omnichannel solution that supports these strategies is more essential than ever.







Sixty-three percent of respondents that utilized Omnichannel solutions reported that they're able to transact in a contactless way (compared to 52% in May), while **70%** said that it made their sales process more efficient (an uptick from 61% in May).



R CONCLUSION

But it's not just about the technology. While the right tool can give you an advantage over other dealerships, it's only as powerful as your team's ability to utilize it effectively. That's where hiring the right talent comes in.

We asked survey respondents which skills they value most among employees. From May to September, Technology Savvy (**75%**) and Process-Oriented (**74%**) moved up from the No. 3 and No. 4 spots to the No. 1 and No. 2 spots, respectively.

MOST VALUED SKILLS	MAY 2020	SEP 2020
 Customer Service	75%	70%
 Goes the Extra Mile	71%	72%
 Technology Savvy	63%	75%
 Process-oriented	63%	74%
 Multitasking	46%	38%
 Sales/Negotiation	29%	40%



“

We can now recruit a different type of person for this job — one from outside automotive, with a heavy customer-service background.”

—Todd Caputo | CEO, SUN AUTO GROUP

Dealerships are hiring specifically for those skills and they're now able to attract higher caliber talent. With more units per person being sold by fewer employees, the ability to earn higher average compensation is attractive to potential employees, while the lower cost to sell each unit is attractive to dealer principals.

In this way, dealers and consumers both benefit from the efficiencies that the right technology and skills can provide. With Omnichannel sales processes and buying behaviors here to stay, there's never been a better time to double-down on your dealership's efficiency.



About this study

Roadster, a leading provider of Omnichannel Commerce solutions whose mission is to evolve the car-buying and -selling experience for everyone involved, commissioned a two-part study to determine COVID-19's impact on dealerships' profitability and efficiency, as well as consumers' buying behaviors.

PART 1

Part 1 of the survey was conducted May 6-10, 2020 and included 236 dealers across the Roadster client base, NADA Academy Students, recent NADA Academy Alumni and NADA 20 group members.

PART 2

Part 2 of the survey was conducted September 8-25, 2020 and included 320 dealers across the Roadster client base, NADA Academy Students, recent NADA Academy Alumni and NADA 20 group members; as well as 1,000 consumers who purchased a vehicle between April and August, 2020.

ROADSTER

Founded in Palo Alto in 2013, Roadster provides consumer-driven commerce solutions for today's modern dealership. With Roadster's proprietary technology platform, dealerships can provide customers with seamless car buying online and in store. Roadster's comprehensive solution accounts for inventory merchandising, financing and leasing, incentives, trade-ins, service plans and accessories. This enables dealerships to provide customers with near penny-perfect deals in a beautifully designed interface that customers love. Roadster has been proven to dramatically increase dealerships' customer satisfaction scores, while significantly reducing their sales costs.

For more information, please visit Roadster.com. For press inquiries, please contact Rachel Rogers at Rachel@Roadster.com.

NADA

Founded in 1917, the National Automobile Dealers Association represents the interests of new car and truck dealers to the public, the media, congress and vehicle manufacturers. NADA's two main goals are:

1. To promote and enhance the franchise system and effectively communicate dealer views and concerns to all branches of the federal government, to manufacturers and to the public.
2. To strengthen the financial position of members as retailers through professional programs and services that improve the business skills of management personnel and the technical capabilities of non-management employees.