

Digital Retailing Port City Nissan Case Study



Dealertrack Digital Retailing

A streamlined website to in-store sales process pays off in more sales and a better customer experience

General Sales Manager Kevin Shevelin realized Dealertrack Digital Retailing could help Port City Nissan gain a local competitive advantage by meeting customer demand for an easier, faster, and more transparent sales process. Now, leads, sales, and gross are up, and CSI and online customer reviews prove customers love the tools. Here's more of their story:

Getting Started

Today, driving finance-ready and trade-in-ready shoppers from a dealership's website to the showroom is critical to move the process along and save everyone time in the showroom. "I decided Digital Retailing was a great direction for the dealership because it is so efficient and it's a great way to improve the customer experience," says Shevelin. The dealership implemented the core Digital Retailing functionality, allowing their website shoppers to calculate dealer-controlled loan and lease monthly payments, get a fair trade-in offer, and get pre-qualified for financing before ever stepping foot on the showroom floor.



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“The perception of moving these critical steps online is that we’re giving up gross, but Digital Retailing has increased our profitability.”

Kevin Shevelin
General Sales Manager
Port City Nissan

Port City Nissan boosts new vehicle gross 69% using Dealertrack’s Digital Retailing

Port City Nissan, a family-owned dealership in Portsmouth, NH, has used the Dealertrack DMS and compliance solutions for years. So when General Sales Manager Kevin Shevelin learned about Dealertrack’s Digital Retailing, and how it could help the dealership attract and convert more online shoppers, he was ready to give it a try. After all, the tools would seamlessly integrate with his other Dealertrack solutions and his Dealer.com website, and facilitate a faster, easier, and more transparent sales process. Today, that is exactly what auto shoppers demand. One month after implementing the tools, the dealership doubled its used car sales.

Additional results include:

- **Closing more Internet leads** – The store hit a new industry benchmark with a 49 percent Internet lead-to-sale close rate on finance leads.
- **Boosting new vehicle gross** – Front-end profits on new vehicles sold using Dealertrack Digital Retailing are 69 percent higher than non-Digital Retailing sales; this equates to approximately \$700 more per copy.
- **Increasing new vehicle finance sales** – Overall finance penetration on Digital Retailing deals is 23 percent higher than non-Digital Retailing deals; this equates to approximately \$200 more per copy.
- **Winning more trades** – 90 percent of the dealership’s Internet trade-in leads either converted to a sale, or led to the purchase of a customer’s car.
- **Shifting new to used ratio** – Sales shifted from 30% used and 70% new, to a more profitable 50/50 ratio that also holds down inventory turn.
- **More quality leads** – The month Digital Retailing went live, website leads increased 71 percent over the previous month.

The complete Port City Nissan story continues on the next page.

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While legacy best practices say that deal transparency compresses gross, Port City Nissan takes a different stance. Explains Internet Manager Danielle Pouliot, “There’s just too much information available online, and we want to be on the forefront and have the right information so customers know we’re not trying to hide anything.” With front-end new vehicles up \$700 in the front and \$200 in the back, this line of thinking is paying off. The tool promotes a better customer experience, since a shopper knows exactly what to expect in regards to monthly payment options. And since the dealership instantly gains insight into credit qualifications, it’s easier to manage shopper expectations and get customers into vehicles they can afford.

A Smooth Back-end Process

Dealertrack Digital Retailing tools easily integrate with Port City Nissan’s Dealer.com website and Dealertrack compliance solutions. This has made for a smoother back-end process. For example, when a finance lead is submitted from Port City Nissan’s website, it automatically appears within a compliance folder and triggers the creation of Red Flags and Adverse Action notices. The dealership also ties the Digital Retailing tools into marketing campaigns, and often includes links to the tools in customer emails, to simplify the overall sales process.

Moving more of the major shopping steps online also allows the dealership to minimize downtime, which makes for a happier sales team. As Shevelin says, “Whether waiting for a paper credit app to be completed or waiting for an appraisal to be done, no one wants to sit and stare at the wall. Digital Retailing is better for the customers, and for our team.”

A Better Customer Experience

Port City Nissan customers are greeted by a website that is very convenient and easy to use. A well-oiled process for handling leads means a customer never falls through the cracks. The dealership responds to every lead within eight minutes, a best practice that has contributed to the high conversion rate of their Digital Retailing leads.

Trade-in leads are immediately routed to the Used Car Manager, who calls the customers to verify the vehicle condition report, and get them through the door as quickly as possible. TradeDriver® trade-in offers are dealer- and vehicle-specific, so the dealer has full control over the presented offer. In addition, the

offer is not finalized until the dealer inspects the vehicle. And because shoppers complete a short but very detailed survey, the actual final value aligns with the dealership’s trade-in criteria, which leads to a high conversion rate. As Shevelin says, “I love that 90 percent of the trade leads we get convert to sales, or a purchase on the customer’s car. On my end that’s a sale too because we have the opportunity to sell a car to someone else.” FinanceDriver® and PaymentDriver® leads are sent to the Finance Manager, who immediately gets on the phone with the customer to confirm the submitted information, and then begins working with financial institutions to get funding.

Because the sales process started online the overall transaction time is fast, click-to-sale conversions are higher, and customers can drive away in a new car in under an hour. “What’s great about Dealertrack is that all the solutions align so you have a smoother process with few interruptions,” says Shevelin. “Dealertrack has allowed us to minimize lost conversions so we have a great ROI, and speed up the sales process so we have happy customers.”

“Within a month, we doubled used car sales, our new to used ratio went one-to-one, and our customers were in and out of the showroom in under an hour. It’s good for everyone.”

Kevin Shevelin

General Sales Manager, Port City Nissan

Seeing Results

Dealers want more leads. More leads equal additional opportunities. The question many dealers ask when they are considering adding a new type of functionality to their website is this: Will Digital Retailing drive more website shoppers to contact my dealership prior to their first physical showroom visit?

For Port City Nissan, the answer is yes. When comparing the amount of leads generated from the Port City Nissan Dealer.com website, pre-Digital Retailing and post-install of Retailing, Port City Nissan saw a 23 percent lead lift over the same time the prior year.

In fact, Digital Retailing was such a hit the first month it went live, the website saw a 71 percent lead lift over the previous month. "I think it's interesting the whole dichotomy of the situation with leads. Most people say I want more and more leads, give me leads, give me leads. The funny thing is, I would much rather have a quality lead so the dollar amount that I'm paying for that lead, whether that be high or low, I know that my conversion rate is greater. Our leads have gone up since we have used these Digital Retailing tools, but more importantly, if my leads have gone up, my conversion rate has gone up, and I'm up another \$900-a-car after the fact. Why wouldn't you do it?" asked Shevelin.

More Sales

"In June we started with Digital Retailing tools, and by the end of July I had doubled my used car sales, and more importantly, my new to used ratio improved to one-to-one," says Shevelin. "It's been a great process, a profitable process, but more importantly, it's been fun to watch the dealership grow and watch the salespeople grow. It's all about making it easier. If it's easier for the sales people to sell cars, the managers to sell cars, and easier for the finance manager to sell product, the customer is smiling, the employees are smiling, and it just makes for a better work environment for everybody." Port City Nissan converts Digital Retailing Finance leads at 49 percent.

Higher Grosses

With Dealertrack's Digital Retailing, Port City Nissan is realizing more leads, more sales, and higher gross. This new transparent sales process is also improving the customer experience. "With these tools, there are no surprises when a customer gets here," says Shevelin. "We've been transparent and given them a realistic price online, so there's no arguing or beating down the dollars of the deal. There are no smoke and mirrors." Shevelin credits the transparent process with improving gross profit. "The perception of moving all these critical steps online is that we're giving up gross by having too much information online and it will make us lose profit. With Digital Retailing tools, our front-end gross has gone up almost \$700 per new car and \$200 a copy on finance - that's almost \$1,000 a car. No one is complaining about that."

Now, Port City Nissan is on the leading edge of technology and enjoying higher CSI scores. The numbers prove that moving more of the major shopping steps online improves profitability, but it also minimizes employee downtime and improves customer satisfaction. As Shevelin says, "It's easy to buy a car here now, and our customers love it. Our referral and retention business is priceless."



Learn more about Digital Retailing

888.705.7926

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Dealertrack Technologies is a leading provider of integrated web-enabled tools, services and technologies designed to transform business for automotive retailers and lenders. Dealertrack's market-leading suite of integrated offerings includes Dealer Management Systems (DMS), Inventory, Sales and F&I, Digital Marketing, CRM, Registration and Titling, Fixed Operations, Independent Dealer and Lender product families. In addition to operating the largest online credit application network in the United States, connecting thousands of dealers and lenders, Dealertrack drives growth and efficiency during the origination, contracting and vehicle title administration servicing lifecycle for North American captives, regional banks, national banks, credit unions and other financial organizations.

1111 Marcus Avenue, Suite M04, Lake Success, NY 11042

dealertrack.com