

Small Changes Make Big Differences: 10 Cost-Free Ways for Independents to Increase Profits (Part 1)

By
Danny Delich
Executive Vice President
Peak Performance Team

(Part 1 of this article appeared in the Management Matters section of the June/July 2019 issue of the Alabama Independent Auto Dealer Association Magazine)

Independent and BHPH dealerships rarely have the budget for fancy advertising campaigns, costly building renovations, or giant sales events; and they can't rely on help from the big brands like the franchise dealers do. As a result, independents can feel as though they've hit a wall regarding their ability to make more money. But, as I'll explain in this 2-part article, there are 10 small, cost-free changes that independents can implement to make big differences in their profit margins and overall morale.

Tips for change

Even the smallest changes seldom come easy, but with an open mind and a little effort, the following tips can make the difference between success and failure. In this issue we'll discuss "soft changes," or things you can do outside of your interactions with the customer. In the next issue, we'll touch on some things you can do to increase profits during your presentation.

1. Make a good first impression

This might seem like a no-brainer but bear with me. The first thing the customer does when they come onto the lot is to notice the condition your facilities. They examine the building, the lot, the vehicles and the people...and they make a judgement. If the place is in shambles, they'll assume you're unprofessional and they won't trust you to sell them a car. They may simply leave. In some cases, they aren't even aware they're doing this. That's why maintaining a clean, tidy store full of clean, tidy personnel is critical to building the trust of your customer and making the sale. Remember that your place doesn't need to be state-of-the-art, but you

need to present it with pride. Pay close attention to your rest rooms, coffee machine and any customer waiting areas. In addition, make sure there is no deal information laying around. Not only is this a major compliance no-no that could lead to a big fine, but it can also turn your customer off.

2. Join your state IADA and participate

Independent dealers lack the clout, alone, to take advantage of special pricing on programs and products that they offer to their customers because they can't match the franchise dealerships in sales volume. By combining forces with other independent dealers in your state—by joining your association—your collective selling-power can lower the price of the products and services that you provide already. This can save you hundreds, or even thousands, on things like your DMS, supplies, F&I products and insurances, and even open the door to things you haven't been able to offer to your customers before. Your state association provides this opportunity for you—they've already done all the research...and you'll cash in. Plus, as an added bonus, your state IADA logo and your membership can be displayed with pride. Many consumers see it as a seal of excellence (as they should) and won't buy a vehicle without it.

3. Spend 15 minutes per day on self-improvement

Stop rolling your eyes! It might seem like a "duh" statement...and nobody wants to sit down and read training material. But it doesn't have to be heavy-lifting. A few minutes of perusing professional articles or looking up information on products or services or techniques that actually interest you can do a lot to further your abilities to effectively present information to the customer and to CLOSE DEALS.

4. Post 3 units per day on social media sites

Any salesman worth their salt knows the importance of advertising—and the expense associated with it. But advertising today isn't like it was when I sold cars; television or radio commercials and newspaper ads—do they even have those anymore? Most auto shoppers today begin their task with an Internet search, and, as is the trend, they're as likely to check your facebook page as they are your official Website. Featuring daily posted vehicles on your social media pages offers the obvious advantage of exposing your stock to the market. But it also conveys a sense of prosperity, popularity, selection, and trustworthiness. Customers will see this activity as a sign that your store is buzzing and that it's around to stay.

And remember to ask a satisfied customer to follow and share your page. A great way to do this is to take a picture of them at delivery and post it on your page. At that point you should ask them to like it, follow it and share it with their friends.

5. Post a daily “walk-around” video on social media

A walk-around video is like a photo-posting on steroids, and is more of a direct interaction with the prospective customer because you’re actually circling the vehicle and talking to the viewer as you demonstrate. A video is flexible in that it can be used to highlight the features on a hot seller...or it can be used to help you peddle a vehicle that’s been languishing on your lot. Depending on the vehicle and the situation, these videos can be serious, or they can be humorous. It’s all about selling by connecting with the customer and giving them the information they need. And make sure to invite them to visit! As a bonus, did you know video is one of the top—if not *the* top—item used in search-ranking for your website?

Stay tuned...

I hope these 5 cost-free “soft changes” will help in my endless mission to increase your profits! Please give them a test drive as you stay tuned for the next issue, when I’ll present the 5 “concrete changes” which will help you increase your profits as you present to your customer.

###

Danny Delich is the Executive Vice President at Peak Performance Team. He brings more than 30 years’ experience in the automotive industry, including ownership and operation of independent and BHBH dealerships.