



# STOP BATTLING WITH YOUR CUSTOMERS

## Bridging The Digital Disconnect

Why is it that the consumer expects to “do battle” at the lot and will spend hours fighting over every penny during negotiation? Here at MAX, we have seen this time and time again and attribute it to a fundamental disconnect between the buying and selling processes. Dealers need to understand the four key steps in today’s car-buyer shopping journey and evolve their sales process to give consumers what they want at each step.



This is where our extensive knowledge of today’s digital consumer and auto-retail data trends can help dealers stop battling and start selling at higher margins. Let’s go through the buying life cycle and see what today’s digital consumer is now doing.

**1. GATHER** In the gather stage, consumers want as much relevant, easily digestible information as possible. They want to know about things like year, make/model, color, mileage and price, and are looking to a variety of sources to get this information. On average, consumers spend 10+ hours doing online research in this stage.<sup>1</sup> Consumers are interested in knowing what their friends think, what’s on OEM websites, what’s on dealers’

websites and check industry cornerstones, like Kelly Bluebook and Edmunds.

**2. QUOTE** As much as possible, consumers want transparent price information on any prospect car. To their advantage, they can do this all digitally through a myriad of reliable sources. Consumers no longer visit 5 different dealerships close to where they live to shop around the market for the cheapest price; instead they consult websites and hone in on a car digitally.<sup>2</sup> They look to validate the prices they see online once they are in the lot. If dealers don’t have transparent pricing or consistent pricing, they will lose the sale.

**3. DECIDE** Despite the digital preferences of today’s consumer, don’t be fooled when it

comes to the decision-making process. This is the most critical part of the process and this is the quickest way for you to positively impact your bottom line, so let’s be clear.

How it’s happening - Studies have shown that the decision to buy a particular car is still happening at the lot. 80% of consumers still see the test drive as a critical step in the decision-making process, and do this in their buying process.<sup>3</sup>

Why it’s happening - If consumer’s needs are met on the lot, if they validate the information they found online and trust is built, our proprietary research sings loud and clear – customers will negotiate less and are considerably more likely to buy from you. With the establishment of trust, margins will be protected and customers won’t fight for every penny. Our data shows that the majority of consumers, 79%, buy on value and quality at a fair price, while only 21% of consumers buy primarily on price.

**4. PURCHASE** The ultimate financial transaction typically happens on the lot with the dealer’s F&I department. Consumers want a quick and expedient process, and most importantly want to feel like they are getting value and quality at a fair price. Consumers won’t change, it’s the dealers that will have to adapt.

Ultimately, consumers are tired of salespeople and are weary of the old-fashion car-buying process. According to Gallup, 92% of consumers polled said they do not trust car salespeople. We know that doesn’t feel good, but let’s not hold back. Customers duke it out with your sales rep because they don’t feel like cars are priced fairly and they can’t trust the integrity of the deal.

Now that we have examined the digital consumer’s buying journey and common dealer pitfalls, this is where we encourage you to rethink your sales process and where there might be gaps. Do you establish trust in the process? Is it transparent? Do you engage consumers in a way that improves overall customer satisfaction?

### What if you don’t know how?

Don’t worry, it’s not just you. Check out [maxdigital.com/takethechallenge](http://maxdigital.com/takethechallenge) to see how you stack up.

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<sup>1</sup> Deloitte – Driving through the consumer’s mind: Steps in the buying process (December 2014)

<sup>2-3</sup> McKinsey & Company – Innovating Automotive Retail