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Focused on execution

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"Tomorrow, dealers might have to master car-sharing, autonomous fleet sales, and other innovations. The future vision for today, however, is the direct-to-consumer sale. The seven key moments in a customer's sales journey are the foundations of that new strategy. Once those moments are defined, companies need to think about the processes, environment, and people involved in each one, so each element adds value that customers appreciate instead of turning them away."

Automotive customer service becomes a relationship-based consumer experience

By **Bolger, Dinsdale, and Green**

To download the complete article, visit www.deloitte.com/us/auto/dealerservices

Driven by excellence Focused on execution

Automotive original equipment manufacturers (OEMs) and their dealer networks today find themselves at a crossroad. Pressure is increasing from a number of stakeholders to enhance dealer performance and profitability. At the same time, forces like ride-sharing and shifting consumer expectations have the potential to significantly disrupt and transform the dealership experience. Managing against these growing expectations is hard. Proactively planning strategies that are able to create a competitive advantage is even more difficult.

That's where Deloitte¹ can help. Our Automotive Dealer Services group leverages our years of experience worldwide to help OEMs and their dealers explore opportunities to enhance performance and address both shareholder and customer demands. Whether you are looking for insights into performance metrics, enhancing brand and customer experience, interested in dealer coaching and training, or working to enhance profitability beyond the transaction, our specialists bring a wealth of knowledge and industry experience to help OEMs and dealers enhance automotive retailing.

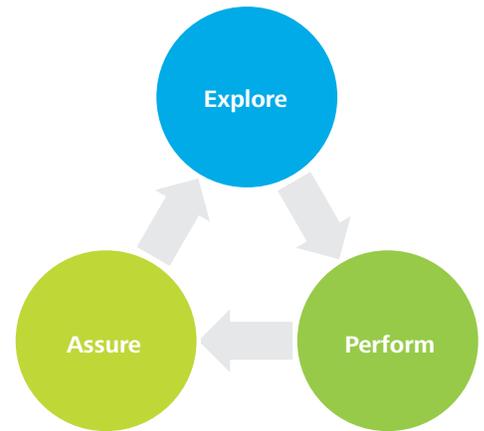
We look forward to understanding your challenges and discussing how we can help deliver value to your organization.

Dan Bolger

Principal and Dealer Services Group leader
Deloitte & Touche LLP
dbolger@deloitte.com

Explore, perform, assure

Our suite of solutions are designed as an integrated set of offerings that help OEMs and their dealer networks explore multiple areas of the enterprise, understand and enhance performance, and assure compliance with shareholder, regulatory, and even customer demands.



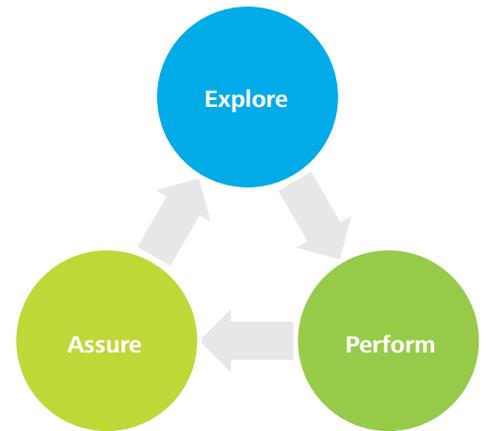
Throughout the following pages, **we will highlight how our focus on explore, perform and assure** addresses some of the dynamic and ongoing trends impacting automotive retailing and how these services can deliver value against these critical performance drivers.

Impactful insights + better execution = a higher performing dealer

The speed of change in automotive retailing is accelerating

Automotive businesses across the globe are witnessing an unprecedented velocity in the evolution of customer preferences and a significant shift in buying behavior. At the same time, regulatory pressure and shareholder demand for profitability are increasing. As a result, **automakers and dealers must stand ready to re-invent themselves, embrace new technologies, and collaborate more closely than ever before.**

Those companies that are ready to navigate rapidly changing automotive retailing trends will likely be better positioned to take a competitive advantage...and win.

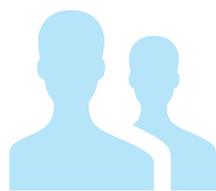


Shifting consumer preferences

How consumers get from one place to another is changing. The rise of car-sharing and other mobility models may slow sales, and those interested in buying expect a customized experience. The retail experience must evolve beyond the transaction to a point where dealers serve as advocates for vehicle ownership and deliver unique experiences that keep consumers coming back.

Gen Y consumers lag other generations by 17% in personal vehicles as the preferred mode of transportation

Preferred mode of transport is the personal car

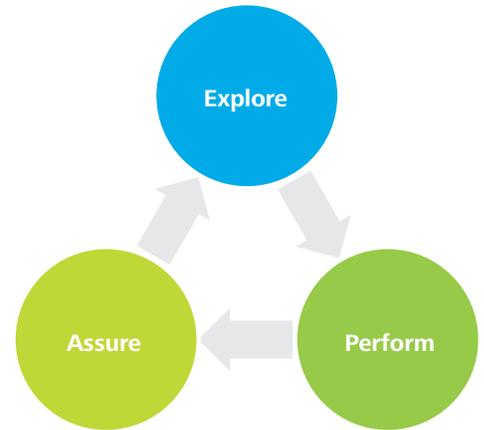


Automotive dealers are not only advocates for the brands they sell, they are increasingly advocates for vehicle ownership among young consumers.

Source: Global Automotive Consumer Study, Deloitte Touche Tohmatsu Limited
To learn more, visit www.deloitte.com/us/geny

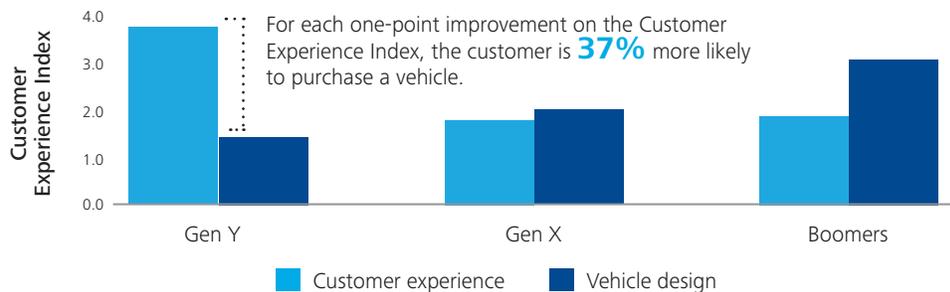
Evolving customer expectations

Consumer expectations of the retail experience are evolving as a result of the creative solutions and unique consumer experiences employed by other industries. In comparison, retailing in the **automotive retail industry has fallen behind**. Our Global Automotive Consumer Study reveals that less than half of U.S. consumers have a positive attitude towards automotive dealers, and more than half would prefer purchasing a vehicle without negotiating with a salesperson. Advances in digital technology and better use of those technologies across the retail industry also provided customers a world-class retail experience that is far different from that of automotive, resulting in a desire for a more personalized, digitally superior car-buying experience.



The customer experience is a **3x** stronger driver than vehicle design when influencing the final purchase decision among Gen Y consumers.

Drivers of vehicle purchase



Source: Global Automotive Consumer Study, Deloitte Touche Tohmatsu Limited

Increasing shareholder demands

Shareholder demand for better margins, improved profitability, and sustained performance is on the rise. To deliver expected shareholder value, automakers and their dealers are looking for ways to better enable collaboration, innovation, strategic decision making, as well as sense customer and market behavior. If done right, automotive retailing stakeholders may be better positioned to deliver and exceed shareholder expectations.

Moving up the customer segmentation and analytics maturity curve

Customer data integration can be daunting because of the number of places it is stored, the level of detail that is available, and the complexity of the variables that surround customer data to make it usable. From customer relationship management systems and call centers, to dealer management systems, to warranty and quality systems, to sales and marketing databases; the desire to understand the customer and create a single integrated view is key to the management of customer acquisition, retention, and lifetime profitability.

Are you ready to
unlock these
opportunities?

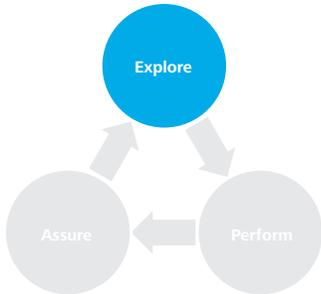


Our dealer services team can help

Explore



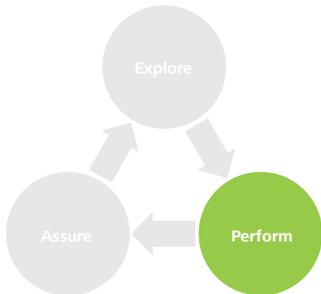
Dealer profitability and benchmarking	<ul style="list-style-type: none"> An analytical, web-based dealership benchmarking and reporting system developed specifically for the automotive industry and is designed to help improve dealer sales/profitability and performance
Dealer innovation workshops	<ul style="list-style-type: none"> Collaborate, share ideas, and leading practices Explore the future possibilities of automotive retail
Market entry and feasibility	<ul style="list-style-type: none"> Identify expansion opportunities Target acquisitions and opportunities for consolidation
Strategic risk services	<ul style="list-style-type: none"> Understand competitive position, reputation, and brand Respond to risks and seize opportunities
Predictive analytics	<ul style="list-style-type: none"> Run scenarios related to key performance indicators (KPIs) Improve planning and performance



Perform



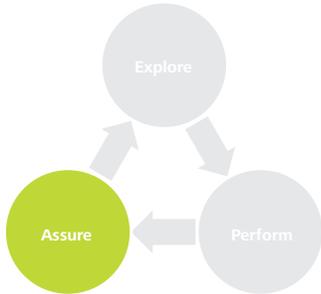
Tailored coaching and training	<ul style="list-style-type: none"> Our demonstrated methodology for dealer coaching enhances dealership engagement and performance
Future of retail	<ul style="list-style-type: none"> A designed, cutting-edge strategy and operating model (focused on people, process, and technology) that helps secure the value chain and deliver continued success by providing car buyers with a world-class, omni-channel retail experience across multiple touch points throughout the customer journey.
Mystery shopping	<ul style="list-style-type: none"> Anonymous examinations ('shops') conducted via custom surveys/checklists Widely-used measurement methodology – based on observation and surface-level interactions Capitol reporting build-out, program design and development, analysis, and strategic recommendations
Customer experience	<ul style="list-style-type: none"> A designed approach to help enhance dealership engagement with customers Assistance with optimizing the customer buying experience
CRM strategy	<ul style="list-style-type: none"> A strategy/process of guiding principles Help improve customer retention programs
Cyber risk	<ul style="list-style-type: none"> Technology support and security to OEMs and dealer groups Help managing cyber and privacy risks
M&A due diligence	<ul style="list-style-type: none"> Due diligence on potential dealer acquisitions Smoother execution of M&A deals
Dealer management system (DMS)	<ul style="list-style-type: none"> Deployment of standardized DMS and its connected processes across dealerships Assistance with optimizing the distribution and sales process



Assure



Deloitte Dealership Platform (DDP)	<ul style="list-style-type: none"> Our solution integrates dealership testing, automated report generation, and dynamic Tableau dashboarding to assist in completing timely dealership reviews
Brand and performance measurement	<ul style="list-style-type: none"> Define and articulate brand and customer experience standards based on shared vision of OEMs & dealers Evaluate delivery against brand specifications, including sales/service experience, branding, marketing, physical/environmental standards & more
Warranty	<ul style="list-style-type: none"> Analytics and detailed procedures Accuracy and legitimacy of reported warranty claims by dealerships
Internal auditing	<ul style="list-style-type: none"> Process efficiency, fraud detection, quality, internal control, and regulatory compliance Improve performance and operating efficiency of dealers
Forensic and investigations	<ul style="list-style-type: none"> Specialized forensic skills and investigative toolsets provide insights to dealers to help resolve difficult problems and strengthen compliance and risk mitigation





Contacts

We have experienced industry and technical specialists who can meet with you and take you through a demo of a few of the tools and solutions we offer. If you are interested in learning more about Deloitte's Automotive Dealership Services, please reach out to the below contacts:

Dan Bolger

Principal and Dealer Services Group leader
Deloitte & Touche LLP
dbolger@deloitte.com

Mike Lomasney

Senior Manager
Automotive Dealer Services Group
Deloitte & Touche LLP
mlomasney@Deloitte.com

Rami Hasani

Senior Manager
Automotive Dealer Services Group
Deloitte & Touche LLP
rhasani@deloitte.com

Brian Arkenau

Senior Manager
Automotive Dealer Services Group
Deloitte & Touche LLP
barkenau@deloitte.com

www.deloitte.com/us/automotive

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