

Case Study: ACURA CARLAND

Unleashing the Digital Storefront:

How Acura Carland leveraged digital retailing on their website to achieve a 35% closing ratio.





For decades, Acura Carland has been a local fixture in the Duluth, Georgia community. The sales and service of new, used and certified pre-owned vehicles were always – and are today – grounded in one objective: *Take care of customers with knowledge and dedication to their needs.* It's not a catchphrase: dealerships like Acura Carland become a central part of the community, a place people trust and where they expect and treasure the relationships created between people. It doesn't happen overnight, but over years of life and business, of sponsored baseball teams, barbeques, and special occasions.

35%

Website lead-to-store close ratio

64%

Higher gross profits on new vehicle sales

2x

BDC lead-to-contact ratio

As a result of this connection, the dealership was perpetually at or near the top in sales for the region. Trouble was coming, however, and it began as the industry was climbing out of the recession: Acura Carland just didn't seem to bounce back all the way. People weren't filling the showroom. Leads were down, and worse: they were losing sales to the competition.

Their closing ratio from leads via their website was hovering around 15 percent. Buyers were out there, but for the first time in years they weren't choosing Acura Carland. It wasn't because people had turned away from the dealership, but rather, buyers had shifted their expectations and the very way they chose to purchase.

The challenge: Shift to the reality of new customer demands.

Instead of going to a dealership and talking to a vehicle expert at the dealership, today shoppers seek out their own information online and then take the initial steps toward purchase on websites before ever stepping foot into a showroom. As a result, dealerships that successfully connect online tools to the in-store experience are winning.

Acura Carland wasn't one of them – the dealership did not even have a BDC department – and that was a big problem. To solve it, ownership set into motion a series of changes: They recruited and brought in new leaders, including General Manager, Mauricio Hernandez and BDC Manager Natasha Marques and charged them with turning things around. Both noticed straight away that the dealership's website lead volume was low and their phone follow-up was underwhelming – so they went to work creating the dealership's first BDC. Together they share a vision of a technology-enabled, process-driven BDC that maximizes every available online opportunity.

The team went to work tackling the implementation of fundamental BDC processes, to establish tracking mechanisms that better gauge results. The process they established is simple and effective: Fresh leads come in overnight, and the first thing the BDC does is respond and confirm appointments for the day. Those leads are distributed to the sales consultants by the BDC team members, but are handed over only after an appointment has been scheduled. The customer is vetted in case he or she was a previous customer of another sales consultant, and, if the customer has scheduled an appointment and the BDC is unable to get the customer into the store, they will hand the lead over to the sales team so they can continue to work the lead further. The process puts an emphasis on speed, efficiency, team collaboration and communication.

As appointment volume began to return, Hernandez asked for more lead volume and higher quality leads. Since both were comfortable with technology, and knew that their progressive customer base wanted more transparency and efficiency in the process of buying a car, they brought in Dealertrack Digital Retailing tools. With a new focus on their digital storefront, sales began accelerating even faster. It turned out that one of the reasons for their slower growth was because they had not completely shifted to the reality of new customer demands.

The solution: Create an integrated online to in-store experience.

Today, thanks to the efforts of Hernandez, Marques and the BDC team, Acura Carland is the number-2 new volume Acura Dealer and the number-2 CPO dealer in the Southeast. Their new and used car sales average around 200 to 220 per month. As far as Hernandez is concerned, a part of that success has been Dealertrack Digital Retailing tools like FinanceDriver®, TradeDriver® and PaymentDriver®.

The team was able to configure the solutions to conform to their new optimized BDC process, while controlling all the pricing, financing, and trade-in value deal parameters to fit the needs of their local market, and the fluctuating supply and demand situation of particular vehicles. The best thing about the new process and tools was not only that sales were up, but that his team and his customers all seemed to love the new processes. "A well-designed tool that fits our workflow is essential," said Hernandez. "That's what Dealertrack's Digital Retailing tools have delivered since we started using them. It's a key part of the process that helps the people who take care of those leads do a better job. It helps customers stay engaged, makes them feel good, and it helps my team achieve great things," he said.

"That's the benefit of a well-designed tool, and Dealertrack Digital Retailing tools are great tools." Hernandez is not just focused on sales. His true objective is to creating a winning environment for his team at Acura Carland. "Success is all about the people," said Hernandez. "It's about creating respect and a family environment. Everyone is happy here in part because we put the right tools in place, the kind that help them."

“...dealerships that successfully connect online tools to the in-store experience are winning.”

The result: A 35% website lead-to-close ratio.

Of course, it's easy to be happy when you're selling lots of cars, and that's just what Acura Carland is doing. Hernandez, Marques and a team of three BDC employees leverage Dealertrack Digital Retailing to generate website leads that deliver a 35-percent website lead-to-store close ratio.

That is not a misprint.

It is so effective for them that the team will close a third-party basic lead by sending a link to Dealertrack's FinanceDriver® credit application and TradeDriver® trade-in offer tool. According to Marques, it helps to get critical deal information and helps shoppers streamline the shopping process. With the complete integration of Dealertrack Digital Retailing into their sales process, leads that originate from Dealertrack Digital Retailing result in an average house gross of up to \$560 per new car.

The team also takes full advantage of the detailed lead information captured from Dealertrack's Digital Retailing tools. The BDC prioritizes customers who calculate a vehicle-specific monthly payment, a trade-in offer or apply for financing, for example. Marques says that the BDC will call them, throughout the day, because they have shown they are more serious: they have done the work online and have submitted their information. Overall, she believes that customers who submit trade-in or monthly payment information probably double the closing percentage in terms of contact with the BDC. "Someone who has calculated a monthly payment with our digital retail tools,



Acura Carland, located in Duluth, Georgia

they're further along in the process," said Marques. "They've put a little more thought into the process — this is a hot prospect, we know that they are already visualizing the purchase of the vehicle."

The power of transparency

It's an organized process that delivers clear-cut results. It's also evidence of the power of being transparent, yet still controlling all the information the consumer has

access to with Dealertrack Digital Retailing. "Because the customer gets more information, they're more ready to close now than ever before," said Hernandez. "They already know what they want. Not giving the customers that information results in the customer going to another dealership." More steps accomplished on the Acura Carland website, by the customer, means that the sales team can act immediately, with information gained through Dealertrack Digital Retailing. That makes the showroom experience much more efficient. According to Hernandez, for example, customers who have already submitted a finance application only take about 25 minutes to go from sitting down and talking to making a purchase commitment.

The digital retail transformation.

Dealertrack's Digital Retailing tools have made a significant difference to the success story going on at Acura Carland. In addition to a website lead-to-store close ratio of 35 percent, the dealership now enjoys a faster transaction time and an average house gross of up to \$560 per new car. They also beat conversion rates from traditional Internet leads by 337 percent, and have doubled the BDC lead-to-contact ratio. On the used side of the business, back-end gross generated from a Dealertrack Digital Retailing lead is over \$200 more per car compared to a non-Digital Retailing sale.

But there's even more here than impressive results. Build a team of motivated and skilled professionals, then hand them the right type of digital tools. Today, it takes technology and people; it takes the efficiency and convenience of a tablet with the desire of a person to listen carefully to what the customer is saying. In essence, the results at Acura Carland show that the car-buying experience is still a people business. Today, the people with the right digital tools are the ones who make the sale and create deeper, more satisfying and lasting relationships.



*General Manager, Mauricio Hernandez and
BDC Manager Natasha Marques*

“Today, success requires the efficiency and convenience of technology with the desire to build a personal relationship.”