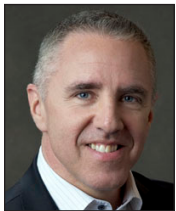


Reprint from DEFENDER, October 2016.



The Dealership of Tomorrow Technology Is Reshaping the World, and Dealers Must Adapt

By Jason Bennick, CEO & Co-Founder, *Dealer Market Exchange*

From ride-sharing and online shopping to booking travel and mobile banking, the last ten years have seen technology change business more than the previous one hundred years. Dealerships slow to embrace technology are not only losing business but also are less likely to even stay relevant. How does a dealer understand and adapt to macro shifts in the marketplace and emerge with longevity and profitability? Why do dealerships need to keep up anyway?

We live in a world where the average person can get through an entire day with using only a smart phone. Communication tools, mobile payments, digital retail, productivity apps, and even entertainment have gone mobile. Cloud-based technology ensures 24/7 access to vital business data. By using sophisticated algorithms and artificial intelligence, the technology in our pockets is getting smarter—requiring less action through the purchase funnel. In many cases, technology anticipates our needs and requires only a click or voice command to take action.

With such tremendous computing power in our hands, it is no wonder a rapidly shrinking number of car buyers enjoy walking into a dealership to hear a sales pitch and spend hours on paperwork. Purchasing a car is a huge decision for consumers, and, as an industry, we should be making every possible effort to reduce consumer time, effort, and energy in the car buying experience, and bring—dare I say—joy, to the process.

Change is already forcing itself across the auto industry. Dealerships are fighting to recapture customer attention being taken by online retail startups such as Beepi, Carvana, and Shift, among others. Consumers are showing they are fed up with the traditional sales experience because technology has spoiled users with seamless digital experiences in all other aspects of their lives.

What then can dealerships do to provide seamless customer service? What tools and technologies can they leverage to improve the customer experience?

Leverage the Cloud. Joining the cloud means migrating all dealer data management services into a remotely accessed shared secure environment, and not relying on physical site server equipment. Shared data services from the cloud solves equipment costs, personnel overhead, and power outages, as well as provides 24/7 access to data on multiple platforms, including web and mobile. It also opens dealers to hundreds of third party vendor services to bid for business by not being held hostage to a single source provider, which in turn controls pricing, data access, and quality of customer engagement.

And that is just the beginning of the power of the cloud.

Crowdsource. Breaking away from the routine takes some work, but it is how we change habits and usher in improved conditions. It is upon this premise Uber rose to a \$60 billion valuation in less than five years. That same successful methodology is available to every dealership to help them vastly improve their economic positions. Dealers have to break away from single-source local vendors for recon, parts, and other services, and tap into aggregated wholesale, retail, and trade value sources to lower costs and improve quality of delivery. Innovation is driving improvement. Pricing, suppliers, and vitally needed dealer services backed by peer-contributed data provide dealers a solid choice for change. Using aggregated and crowdsourced data and services solutions fosters a competitive marketplace that lowers prices to dealerships and collectively drives market demand in improving transactional volume for users.

Go Mobile. In less than ten years, the primary car buying consumer will be today's millennials. According to recent industry surveys, over 40% of millennials have stated they would buy a car online and would use multiple devices to shop for one.¹ Dealerships must make every possible effort to migrate their marketing, engagement,

and retention services to a fully integrated mobile and web platform, just to keep up with vehicle owners and future buyer's shopping habits. This means the back-end of a dealership business preceding digital retail needs to also include digital wholesale. And all of this must be done with an entire process that is accessible, functional, and operational in a fully mobile experience. Dealers that can manage inventory on a mobile device just as easily as they can engage their customers have a far better chance of faring in today's cutthroat car business when it comes to getting the customers the exact vehicles they want in a timely manner.

The dealership of tomorrow is truly a cloud-based, crowdsourced, and mobile platform. Nearly 65,000 franchise and independent dealers can leverage dozens of new and advanced mobile and cloud-based tools to bridge retail and wholesale into the full inventory management process, building a complete digital ecosystem. Providing fresh, seamless, and smart service is how the dealership of yesterday becomes the consumer experience of tomorrow, placing dealers squarely in the driver's seat on this train of change and not getting left behind at the station. ■

As the CEO and Co-Founder of Dealer Market Exchange, Jason is responsible for leading a team of automotive experts and technologists in reinventing the automotive industry. Prior to DMX, Jason served as a startup advisor as CEO and Founder at Stonetrust Consulting. He also served as COO for AutoLoop, an automotive SaaS. Before immersion in the automotive space, Jason spent over 25 years as a producer/distributor of film and digital content. Jason is passionate about startups, technology, and sharing his vision for the automotive industry. When he is not riding his Ducati, Jason can be found scuba diving, absorbing a book, or penning his next article. Questions? Reach out. Find Jason on twitter at: @jasonbennick.

¹ Sources: AutoScout 24 (2015); Autotrader, "Car Buyer of the Future Study" (2015); Capgemini, "Cars Online" (2014); Microsoft/Wakefield Research, "Automotive Industry Survey - Millennials' Technology Preferences".