

Motor dealers face choices in changing times

A group of motoring industry thought leaders presented some interesting insight and advice to dealer principals and key operational staff from dealerships all over South Africa at the National Automobile Dealers' Association Dealer Performance Conference (NADA DPP) recently.



Chris de Kock, CEO of WesBank

Themed “Automotive Retailing 2020: Dealership performance for the next decade”, the 2019 NADA DPP Conference was intended to equip dealers with the tools and knowledge they need to deal with the ‘shifting ground’ in which they operate.

Mark Dommissie, chairman of NADA, opened proceedings with an intriguing contemplation drawing inspiration from Alice in Wonderland and the popular science-fiction movie The Matrix.

“What will you choose? The red pill or the blue pill?” Dommissie questioned. “We have a choice. We can choose to take the red pill, which has an uncertain future but is exciting and challenging. Or we can choose the blue pill, return to our dealerships and continue working in a world of sameness without want or fear of what the future holds.”

Despite the challenging economic climate, the current retail motoring space faces, Dommissie encouraged dealers to “choose the red pill and continue on an adventurous journey.”

“Adaptation is the key to survival and I urge you to interrogate your offering, immerse yourself in the age of disruption and consider what your unique offering is to customers. Work on what will encourage an existing or prospective customer to choose your dealership above others. Explore the new environment you find yourselves in and draw a map for a new or different digital way of operating.”

Car-buying behaviour

David Graff, an American market strategist and former automotive managing director at Microsoft Corporation, presented some valuable insight into how car-buying behaviour is changing and how dealers can adapt to keep up.

Almost 50% of buyers begin their journeys online. Millennials spend up to 16 hours researching vehicles online, 75% identify a car before stepping foot in a dealership and 45% of their biggest frustration is relying on salespeople.



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“We need to extend the online journey. Sell technology with technology, go where the customers go. Shopping malls are excellent opportunities to take your showroom to the customer,” said Graff.

“Leverage technology in the service lane. Consider online vehicle scheduling and electronic multi-point vehicle inspection. Sell accessories with a digital view and mine the data available to you.”

But the message from Graff that resonated most loudly with the audience, was that dealers are the backbones of many communities and are not going away.

“Dealers create employment, uplift communities in need, provide youth employment, train people to become entrepreneurs, and contribute to paying taxes which have a direct impact on the fiscus. The future is bright. Embrace it as there is tremendous opportunity for those who do,” he concluded.

Renowned entrepreneur, digital guru and corporate advisor, Michael Cowen, co-founder of What’s the Future (WTF), posed the question “How do we make tomorrow better? We need to write a new playbook, embrace disruption but importantly, create an environment of trust within our operations.”

According to Cowen, the biggest unseen disruptor in today’s environment is that of trust. Media is no longer trusted; fake news is a daily occurrence. Large corporate institutions are being questioned and we are faced with digital dictators in the form of Facebook on a daily basis.

“We are moving into a peer to peer trust economy and our businesses need to build for trust in the digital age. Understand and focus on your customer’s why, continually test and reduce your customer experience friction - both digital and non-digital. And importantly build trust, or go bust,” he concluded.

Meet the Millennials, a team of young Dimension Data graduates who personify the millennial market, took the audience on a car buying experience from a millennial point of view, providing frank and thought-provoking insight into their buying behaviour and expectations.

Chris de Kock, CEO of WesBank and renowned automotive industry authority, also spoke at the event. He advocated the importance of dealers within the industry and his message was loud and clear: Dealers are here to stay and WesBank is perfectly poised to work with them.

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