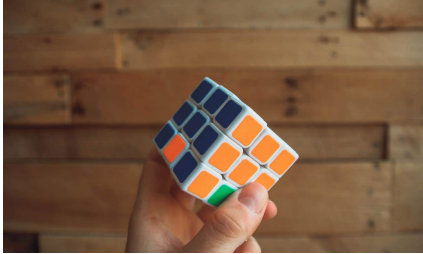


FIXES AND SOLUTIONS – 2020



The Reinvention of Auto Dealership Business Model 2020: Total Transportation Management Center System, Strategy, & Service

The current automotive dealer business model is in great peril and must change dramatically in the near future. Several alternative vehicle acquisition models have emerged and the current Coronavirus pandemic is causing a complete reexamination of the current “automotive dealer” business model.

What is the situation that prompts one to make such an such an assertion about the future of automotive dealerships?

Let’s look around and see if we can spot and list some of the changes that have or have not occurred in the last year in the automotive retailing business:

1. Car shoppers are being forced to buy cars online because of Coronavirus.
2. Consumers still do not want to go a dealership and do so only to get a car.
3. Startups offering many of the services & support that car dealers do or could.
4. Consumers are generally more knowledgeable about the car than dealer sales people.
5. Many Millennials do not really want to own or hassle with a car
6. Getting customers to return to the dealership for service is bigger problem than ever.
7. Many dealers are seeking to sell cars the same way they did five years ago
8. Mobile phones are changing the whole car shopping & sales experience
9. The focus or objective of the dealership team has been to sell the car, period.
10. Still little trust, transparency, or desire to engage with the dealership.
11. Consumers want more from the dealership experience than they seem to be getting
12. The dealership culture is too engrained, established, and isolated to change.

What and When Should Dealer Begin the migration to new business model?

Immediately begin implementing a new business model that transforms the existing dealership structure, services, business model, and strategy into a “Total Transportation Center”

What does this mean and what would this new business model look like?

- **The dealership would no longer be called a “dealership”.**
- **The dealer model would transition to being a “Retailer of Client Automotive Management Services in a Total Transportation Center”**
- **There would no longer be any “deals” and designation as a dealer.**
- **Customers would be referred to as and treated like “clients”**
- **A sustained, trusting, and reliant relationship would be gradually built between the client and the Transportation Center management team.**

The complete & comprehensive services to be offered by the new Total Transportation Center would be a complete menu listing of every possible service & products relating to the car’s management during its period of usage, ownership, or funding.

- 1. Vehicle Selection & Purchasing of a car or truck or the “buying” will be handled by an automotive consultant not sales person at the Total Transportation Center.**
- 2. Vehicle Service & Support – Managed, scheduled, & delivered at the Center or in the client’s driveway or office parking space**
- 3. Financing & Funding – Counsel, Selection, & best method of funding a loan, lease, or long term rental in place of an F& I Department, as such.**
- 4. Insurance Underwriting and Accident Management – The Center would assist, review, and advice the client on the selectin of an automotive underwriter and then administer, manage, and handle all claims, repairs. Loaner car, and special services.**
- 5. Temporary Transportation Services including short term rentals, loaners, and individual requirements to meet family and personal transportation needs.**
- 6. Vehicle Cycling Management and Replacement Process – The center would again counsel, arrange, and manage the cycling of the “old” vehicle to the “new”.**
- 7. Car Sharing Programs-**
- 8. Roadside and emergency support including the arrangement & delivery.**
- 9. Community & Tribal Social Media Network Connectivity with other owners**
- 10. Special Programs, events, & opportunities involving the vehicle brand**

So what will be some of the objections from all over the place?

- 1. The OEM or the franchise agreement – Total Transportation Center model will allow the same branding, product display and presentation except the location of the TTC building or store front would say for example “AutoNation Total Transportation Center”**
- 2. Dealer to make less money—Actually, at a minimum the same level of sales, profits, and growth will occur and probably more.**
- 3. TTC Involves more work, change of culture: Yes, probably, but new and exciting services, ideas, and resources for the dealership would be immediately available. More opportunity & career growth for the dealer team.**

In reality, what actually would be the pluses and solutions from TTC model?

- More profit and revenue for the “dealer” by offering more & complete services**
- Provides means & platform to create real client relationships**
- More new business to target audience that hates the old “dealer” system**
- Creates many new and more jobs for the professionals in the TTC**
- Opportunity to changes image and way “dealerships’ have been viewed for years**
- Services, products, and SAAS systems form new startups to be included.**

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