



Lessons Learned From COVID-19

How to Better Position Your Dealership to Deal with the Next Disrupting Event





Nothing Will Be the Same

“The consumer’s behavior has undoubtedly been changed in a lasting way.”

Jim Lyski • CMO, CarMax
Nation's largest used-car dealer network

<https://www.businessinsider.com/how-car-dealers-are-responding-to-the-coronavirus-pandemic-2020-4>



Agenda

How Did We Get Here?

LESSON #1:

Transparent Communication and Authenticity Are Priority to Your Employees

LESSON #2:

You Need to Work at the Speed of the Customer

LESSON #3:

Understanding the Value of Technology, Data and Digital Retailing

LESSON #4

The Commercial Truck Industry Is Essential In Our Digital Age



How Did We Get Here?

How Did We Get Here?

March 2020

Pandemic forced us all to quickly learn a new normal



Fall 2020

Earlier manufacturing shutdowns lead to shortages throughout industries



Spring 2020

States begin to reopen, but many economists predict the economic crisis could take years to recover



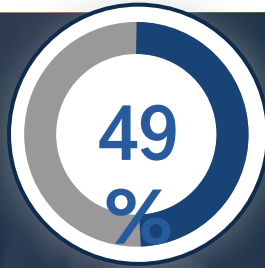
Today

Continued uncertainty as we continue to navigate this new normal

The Consumer Adapted in Real-Time



Instacart sees a **218% increase in downloads** since March ¹



U.S. online sales increased 49% in April over the prior year ²

2 out of 3 Shoppers

Are more likely to buy a vehicle 100% online ³



Consumer spending habits are **not expected to change**

Source: 1. [Statistica, 2020](#), 2. [Techcrunch, 2020](#), 3. [AutoTrader, 2020](#)

Business Adapted at a Moment's Notice



75%

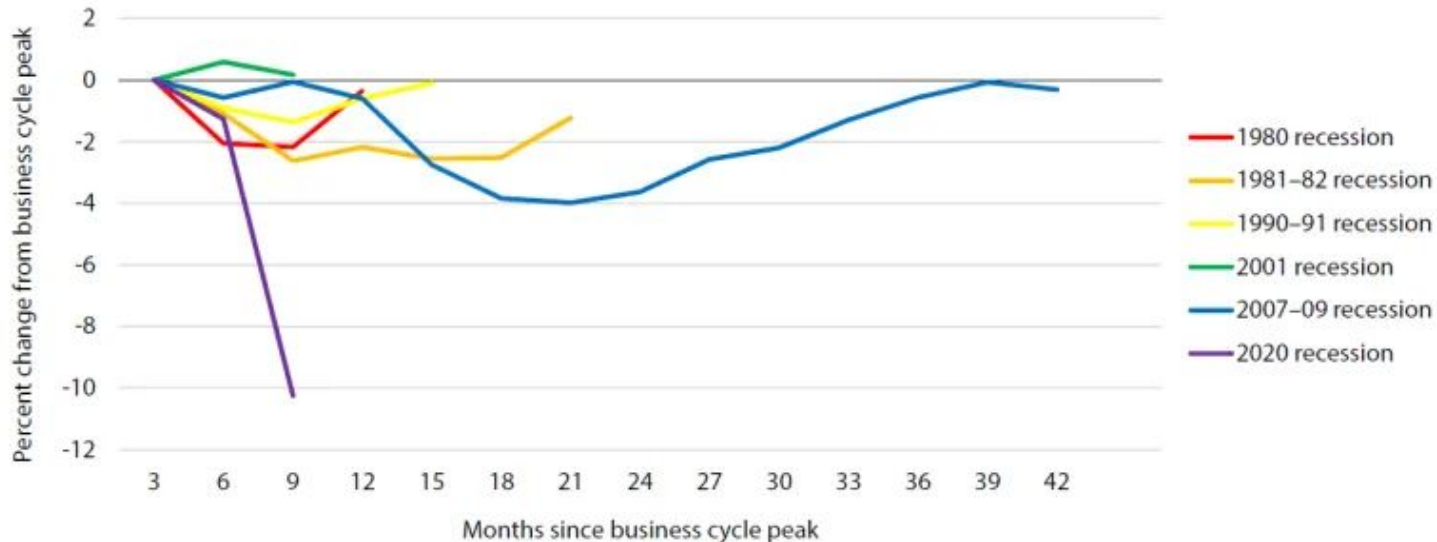
Of executives regard digital transformation as becoming more urgent in light of COVID-19 ¹

Source: 1. Wandera, 2020

Unlike Anything We Have Ever Seen

FIGURE C.

Percent Change in GDP Relative to Business Cycle Peak, by Business Cycle



Source: U.S. Bureau of Economic Analysis (BEA) 1980-2020; NBER n.d.; authors' calculations.

Note: The figure shows the quarterly percent change in real Gross Domestic Product (GDP) from the peak of a business cycle until GDP returns to the level of the previous business cycle peak. GDP is in billions of chained 2012 dollars.

THE HAMILTON
PROJECT
BROOKINGS

Experiencing a Decade in Days



Never experienced this level of disruption, in a time with internet speeds this advanced



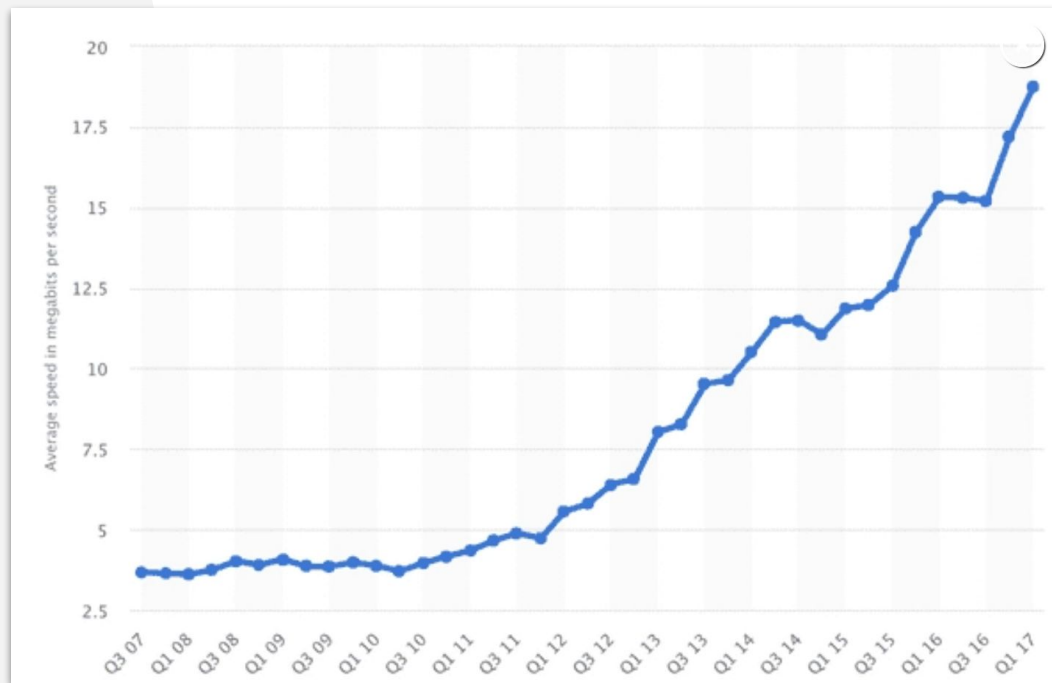
During 2008, bandwidth was at 3 megabits per second ¹



In 2017, 20 megabits per second ¹



Online delivery advanced 10 years in 8 weeks ²



Increase in Bandwidth

Source: 1. [statista](#), 2. [McKinsey 2020](#)

└ We Can't Predict the Future...But We Can Better Prepare for It



A Devastating
Weather Event



Global
Tensions



Something
Worse?



A white van is shown from a low-angle, rear-quarter perspective, driving on a paved road. The road curves to the left, and in the distance, a silver car is visible on the same road. The background features a steep, rocky hillside under a clear sky. A dark blue semi-transparent banner is overlaid on the top half of the image, containing white text. Two green L-shaped corner brackets are positioned on the banner: one at the top-left and one at the bottom-right.

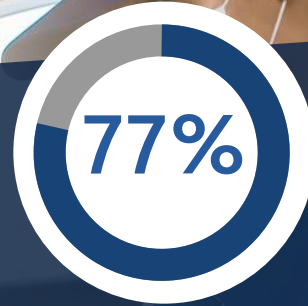
Lesson #1:

Transparent Communication and
Authenticity Are Priority to your
Employees

Employees Value Transparency



Indicate that their organization has responded to the crisis appropriately



Indicate that they have the necessary information to plan and adjust



Indicate that leadership has acted proactively to protect their health and safety

Keep Open Lines of Communication

Transparent
communication
is a top priority

Authenticity
is key

Listen to
your
employees

Always be
available



Build on the Trust you Established



**Make It
Credible**



**Make It
Feasible**



**Make It
Sustainable**



**Make It
Authentic**

Create a Plan

- ✓ Gather feedback and suggestions
- ✓ Prioritize realistic items
- ✓ Enact real change
- ✓ Keep up with changes





81%

of employees **would rather join a company that values “open communication”** than one that offers other perks

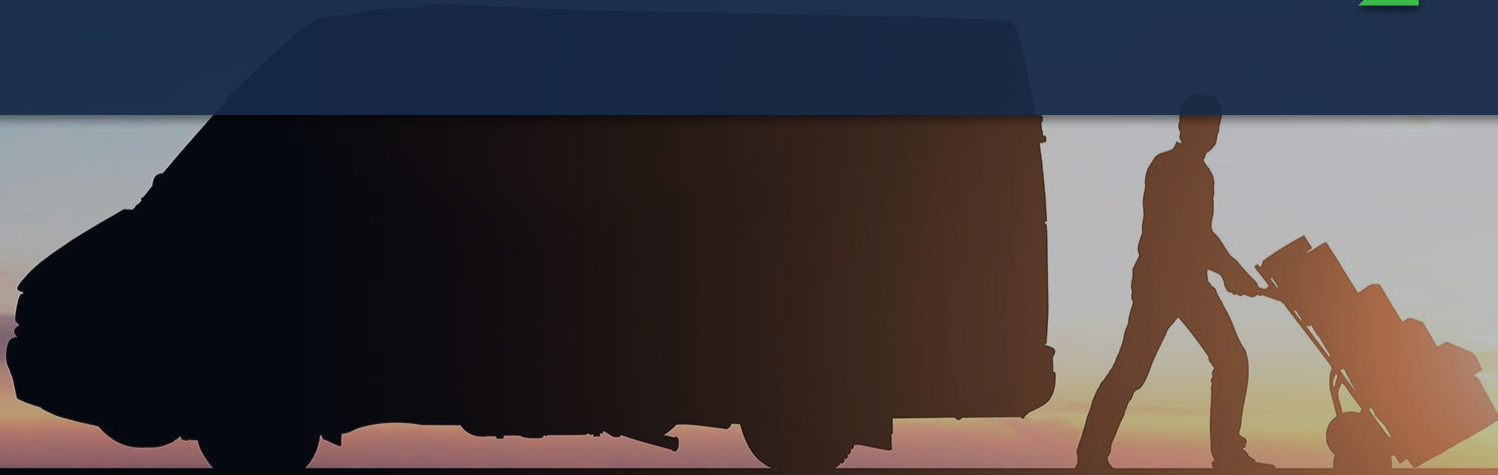
Wrap Up


Employee Relations:

- ✓ Establish Trust
- ✓ Build on Transparency
- ✓ Create a Plan

Lesson #2:

You Need to Work at the Speed of the Customer





82% of big-item buyers were
conducting research online
before making a purchase

Source: [Forbes](#)

COVID-19 Has Only Accelerated This Trend



Visitor traffic across all of Trader Interactive's marketplaces has **increased 56.2% year over year**

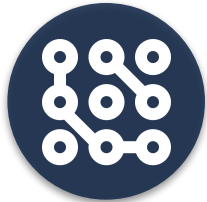


Record breaking **conversion rate of 3.62%** on Trader Interactive marketplaces



The longer we are in a new normal, **the more people will be accustomed** and this will be our post COVID world

Work at the Speed of the Customer



Do not put new technologies on the back burner



The time taken to implement **helps in** the long run



Constantly be looking at trends



Digital Retailing is the **future**



Consumers Have New Preferences

70%

of survey respondents **don't yet feel comfortable** resuming their “normal” out-of-home activities ¹



Preference for **trusted brands**

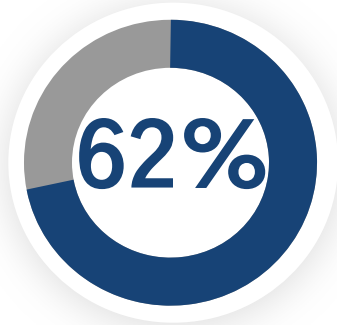


Less brand loyalty due to supply chain disruptions



EXPECTING to have the ability to browse and purchase online

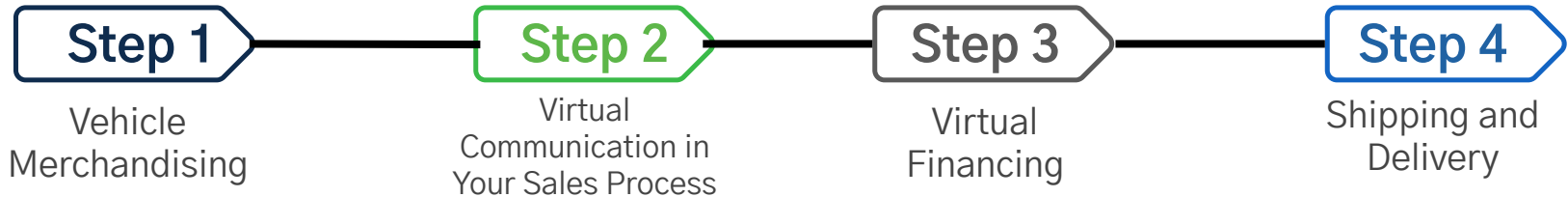
Start Preparing to Sell Virtually Today



Of consumers state they are **more likely** to complete steps of the vehicle purchase process online due to COVID-19 ¹

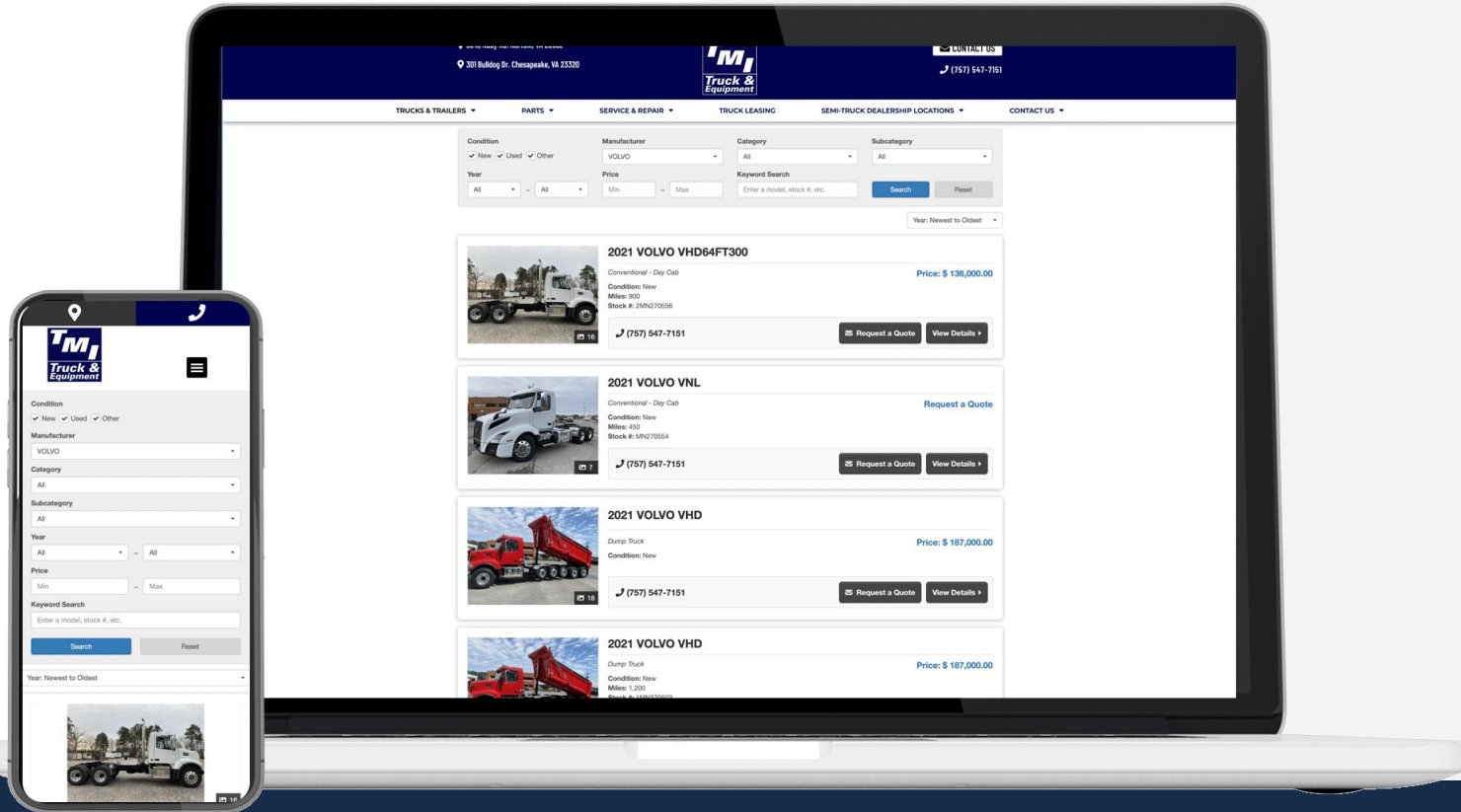


Increase in likelihood to finalize the vehicle deal **online** vs pre-Covid ¹

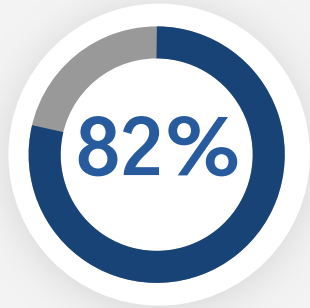


Source: 1. Cox Automotive, 2020

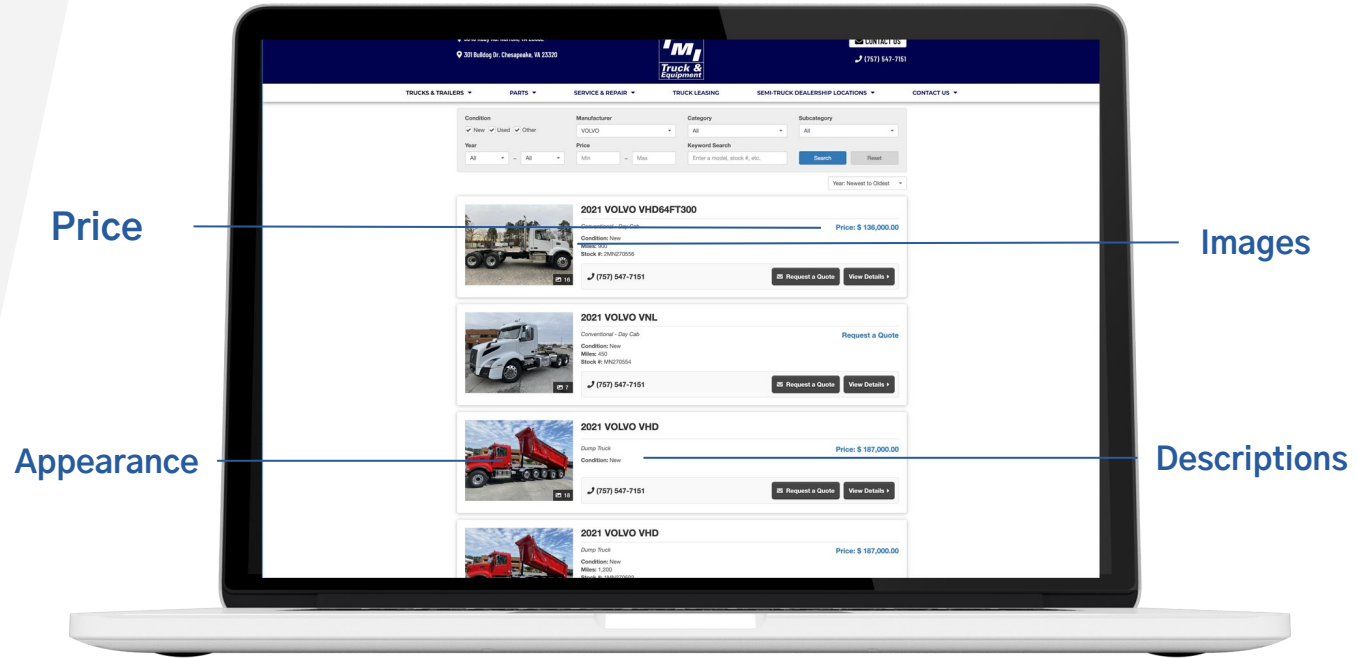
Have a Well Rounded Digital Presence



Create Informative Digital Merchandising

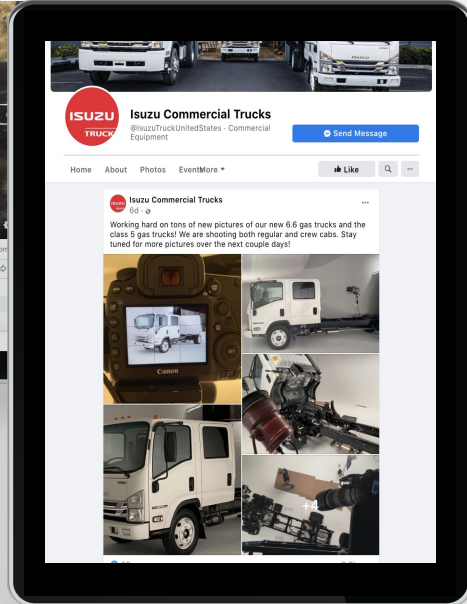
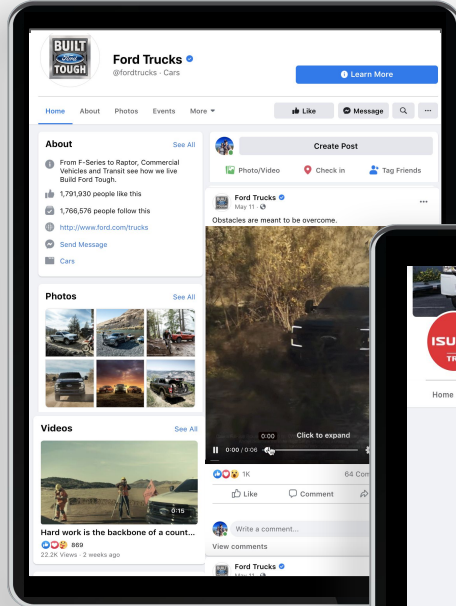


of consumers
say that
listings are
an important
part of their
research



Source: CTT Hotjar, 2020

The Power of Videos



of online activity is spent watching videos – even more so during COVID-19¹



Provide
element of
sound



Keep buyers
engaged
longer



Easy To
capture visuals
with an Iphone

Source: 1. [Wordstream, 2020](#)



**Engage
Virtually**



**Multiple
Channels**



**Mix of
Solutions**



**Effective
Technology**

With Expanded Communication Channels,
Reach Consumers Where They Are

Text Messaging



89%

of consumers would like to **use text messaging** to communicate with businesses ¹



Engage Quickly



Connect Anywhere



Frequent Conversations

Source: 1. [Skinio, 2018](#)

Live Chat



40%

Live Chat leads to a **40% increase** in conversion rates ¹



Convert



Support



Answer

Video Chat



3300+

Request a Video Chats sent to dealers in April/May of 2020



Create Rapport With Buyers

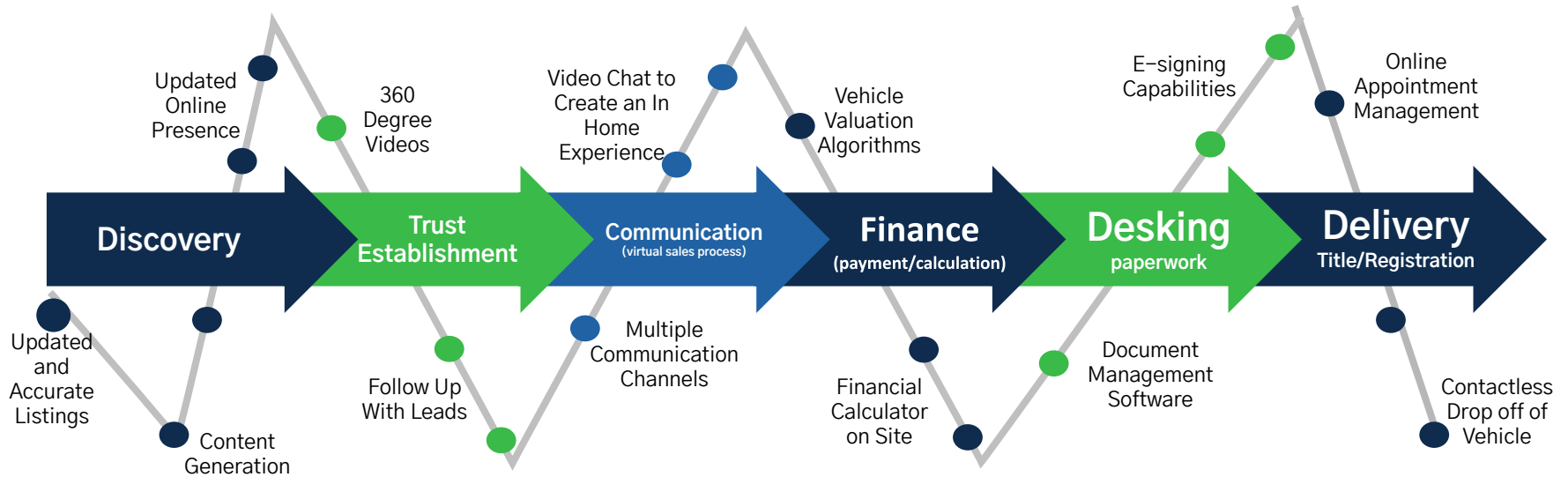


Virtual Vehicle Walkarounds



Higher Conversion Rates

Digital Retailing Enables A Remote Staff





COVID-19 pulled
e-commerce
penetration forward
**3 – 5 years
in 90 days** ¹

Wrap Up

Keeping Up With The Customer:

- ✔ Set Up Digital Channels
- ✔ Ensure Every Vehicle Is Well Merchandised Online
- ✔ Open Communication Channels

Source: Automotive Ventures, 2020



Lesson #3:

Understanding the Value of
Technology, Data and Digital Retailing



Companies who adopt data-driven marketing are **6x more likely to be profitable** year-over-year¹

Source: Statista

More Digital Touchpoints

 Visited Dealership	 Watched video on Youtube	 Filled out Form	 Viewed Photos	 Requested Quote Online
 Asked Family, Friends, and Coworkers	 Used Model Comparison Tool	 Visited OEM Website	 Built and priced on OEMs site	 Searched Tier 2 Dealer Inventory
 Test Drove a Vehicle	 Clicked Display Ad	 Searched on Google	 Visited Dealer Website	 Visited Brands Social Page
 Saw a TV ad	 Used loan calculator on third party site	 Read Consumer Reviews	 Influenced by Online Ad	 Read Professional Review
 Browsed Newspaper Ads	 Visited a Classified Marketplace	 Located Dealer from Mobile	 Watched Video Ad	 Searched on Mobile

Source: [9clouds](#)

Change in Consumer Will Last Beyond The Pandemic

“Everyone’s understanding is that even after we go through this pandemic, people will continue some of that changed buying behavior … not at that high level, but the expectation is, levels for last-mile deliveries will remain higher than pre-crisis.”

Bart De Muynck ▪ Research VP, Gartner

Consumers and Shopping For Vehicles

Dislike These Aspects of In Person Shopping



Test Drive With
Chatty Sales
Person



Complicated
Negotiations



Long Purchase
Process (4 - 6
hours)



High pressure pitches
for add on features



No Return
Policy

Virtual Dealers Offer These Benefits



Transparent
Pricing



Test Drives At
Your House



Fixed Pricing



Contract Signing in
Relaxed Setting



Return
Policy

What Happens When The Entire Buying Process is Digital

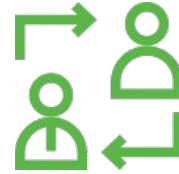
Discovery



Trust
Establishment



Communication
(Virtual Sales Process)



Finance
(payment/calculation)



Desking
(paperwork)



Delivery
(Title/Registration)



Don't Wait For Tomorrow, Start Today



Wrap Up

The Value of Technology:

- More Digital Touchpoints Than Ever
- Buying a Unit Online Eliminates Negatives of In Person Buying Experience
- Implement Digital Retailing Now



An aerial photograph of a multi-lane highway. Two semi-trucks are driving in the same direction. The truck on the left is white with a white trailer, and the truck on the right is blue with a white trailer. The highway is flanked by green grass and trees. The sky is blue with some clouds. A dark blue semi-transparent banner is overlaid on the top half of the image, containing white text. There are green L-shaped corner markers on the banner.

Lesson #4:

The Commercial Truck Industry is
Essential In Our Digital Age

The Work Truck Industry Has Remained Essential



Truckers and other transportation become **the heroes of quarantine** keeping the economy afloat



Truck demand was up **18%**
in March 2020



25% increase in UV traffic
to Commercial Truck Trader
in May 2020



High Demand For Work Trucks




Online shopping leads to **increased needs for last mile vehicles**



This demand is **continued to remain higher than pre-COVID levels**



Demand pick up vehicles has **outpaced the current supply levels**



“I don’t forecast the dealership going away, but the consumer is going to demand that they be able to customize the experience, not be pressed into a dealership’s model. If you can’t do that, you aren’t going to be viable”

Bart De Muyndck • Research VP, Gartner

Let us know your feedback!

Contact Us:
marketing@traderinteractive.com



**Commercial
Truck Trader®**