



PRESS RELEASE

TOP 3 DEALERSHIP PROFIT OPPORTUNITIES IN A CHANGING MARKET

May 1st, 2018 - On April 10th, Kathryn Schifferle, CEO of Work Truck Solutions, led a panel of industry experts at the Digital Dealer Conference & Expo 24 to prepare dealers for major cultural and technological shifts. Panelists included Ron Frey, EVP and Chief Strategy Officer at CDK Global; Famous Rhodes, EVP and CMO of Bluegreen Vacations; and David Thawley, CEO of Derive Systems, each an experienced leader in the automotive industry.

Their presentation focused on major threats to current dealerships business models, such as autonomous vehicles, subscription vehicle programs, and ride-sharing apps, while offering solutions to help dealerships adapt and increase profit in the coming market shift.

Ron Frey offered a pragmatic approach in preparing for change, “having one foot planted in the here-and-now” while also thinking about where the industry is going and learning how to invest in that future.

He continues, “while these trends will continue to challenge existing dealers, we don't believe that this is going to be disruption or a radical revolution to the existing automotive retail model. At least not in the near term... There are still 16 million consumers that are going to buy new cars from our dealers this year, there's 40 million consumers that are going to buy used cars, and there's 260 million consumers that are going to service their vehicles...

Dealers will continue to matter but I also don't want to be naïve. We also need to rethink how consumers will be consuming mobility and those shifts of profit opportunities that we need to take advantage of.”

Take-away strategies include:

Focusing on providing more and better services

The speakers outlined how millennials are creating a higher demand for white-glove services in many industries, and how that could become an important factor in attracting younger buyers. Pick-up and delivery of vehicles being serviced, service tracking, and more personal communication with the dealer around both sales and service are strategies the panelists suggested.

Personalizing the consumer and commercial experience

Telematics tracks vehicle data and offers information on drivers' propensity to brake or accelerate, when their vehicle needs service such as tire rotation or brake pad replacement, and provides other insights into habits and vehicle safety.

"This has become the norm and the expectation when looking at fleets like Comcast, Verizon, [and] AT&T." said Famous Rhodes. "This type of information can make you a better dealer when getting that business in your local markets... using telematics, I think what you're going to see as well in the future is branding opportunities for how [you can] better service your customer."

Enter the commercial business opportunity

In 2017, 2.7 million commercial vehicles were sold, representing \$133 billion; 80% of those vehicle sales provide opportunity for dealerships. The benefits of selling work trucks include: better margins, more loyal customers, adjacent sales in retail, regional growth opportunity, plus an expanded and profitable service business.

Kathryn expanded, "What's exciting about the commercial business is that it's uniquely local and regional so it's something that really helps build out a dealership's brand in their market. Plus, no matter how many autonomous cars there are driving around—if I need a plumber he's going to have to come with the vehicle... vocational service businesses offer a market opportunity that is uniquely future-proofed."

If you want to receive a white paper on how dealerships can build or expand their commercial business, email your request to: info@worktrucksolutions.com

About the Speakers

Short biographies for [Ron Frey](#), [Famous Rhodes](#), [David Thawley](#), and [Kathryn Schifferle](#) can be found on the [session details page](#), courtesy of Digital Dealer.